



Lloyds Banking Group Career Development Framework for the Legal Community

Lloyds Banking Group (“LBG”) is one of the largest retail and commercial banks in the United Kingdom, visible in many communities across the country. LBG’s vision is to help Britain prosper, to be the best bank for our customers and a great place to work for our (approximately 90,000) colleagues. Supporting LBG’s vision, the Legal department (“LBG Legal”) comprises 370 lawyers, led by Andrew Whittaker, Group General Counsel and Kate Cheetham, Deputy Group General Counsel and co-chair of Breakthrough, the Group’s women’s network.

Overview

Integral to LBG’s vision, is a Board led and sponsored three year Diversity & Inclusion (D&I) Strategy (2014-17) driven by the necessity for the Group to reflect the communities in which it operates, as a key part of its commitment to be the best bank for customers and to help Britain prosper. LBG Legal has developed a Career Development Framework (CDF) to help achieve the goals of our strategy.

Launched in 2013, the CDF provides:

- A career development toolkit, with a package of measures designed to address some of the issues which traditionally prevent sufficiently diverse representation in legal departments, particularly at more senior level: opportunities to build confidence, visibility and experience, mentors, role models and sponsors, access to secondments and vertical and lateral moves.
- A cultural shift, by placing the career development of our lawyers at the heart of regular line manager/employee conversations and performance management discussions.

The CDF has already resulted in higher engagement scores within LBG Legal and improving levels of diverse representation at senior levels in LBG Legal.

Business Case

The business case for D&I is clear: our customer base is as diverse as the UK population. Currently:

- 51% of LBG current accounts are held by women.
- 10% of retail bank products are held by ethnic minorities.
- An estimated 2 million LBG customers are LGBT. An estimated 5-7% of the UK population are LGBT.
- An estimated 3 million customers are disabled.
- Customers care about how well their Bank reflects D&I. 80% of disabled customers say they have switched accounts due to accessibility issues and 60% of LGBT customers say they are more likely to buy a product from a company they see as LGBT friendly.

The UK population is constantly changing. By 2050:

- 20% of the UK will be from an ethnic minority group.
- The population is aging, living and working longer and as a result, there are growing numbers of people with disabilities, 75% of whom will acquire their disability as adults.

All of these groups of people are LBG customers, and work in the Group as colleagues.

Business Case – cont'd

The strength of the business case of the CDF lies in the fact that it helps promote not only LBG's five strategic goals, to enable it to be a recognised leader internally and externally on D&I, but also the specific goals of LBG Legal.

LBG's strategic goals are:

- (i) Deep and lasting customer relationships built on an understanding of the needs of our customer base, with accessible products, services and branding;
- (ii) A workforce which more closely mirrors the diversity of its customer base and the external labour market;
- (iii) An employer of choice for diverse talent, with an inclusive workforce where colleagues can succeed on merit;
- (iv) LBG leaders and colleagues will understand and value difference and demonstrably promote inclusion; and
- (v) Community investment will reflect the diversity of its customer base.

LBG's ability to leverage D&I is an important enabler to help build a positive and high performance culture for all colleagues, so that we can recruit the best talent and get the best from all of our people. A clear focus has been placed on aligning our people processes to D&I best practice. In addition to improving our recruitment processes to ensure we can access and develop talent from the widest pool possible, we place a strong emphasis on the continued development of our colleagues, to ensure that both LBG Legal as a function, and the individual members of the team, are able to 'be the best we can be'.

Innovation

In 2013 we launched a new CDF for the Legal Community to support colleagues in actively managing their careers within a much broader, more transparent and more targeted approach. We believe that the multi-layered and multi-dimensional framework we have embedded is more innovative and holistic than that used by our peers and external firms, and has already begun to show results in the short time it has been in use.

The CDF fosters a culture of supportive, ongoing 121 career development discussions with line managers and allows tailored measures to be put in place which support individual aspirations, give scope to broaden experience, build confidence and give individuals more profile.

Our innovative framework includes:

- The development of a suite of detailed on-line tools and written materials, focused on career management.
- Ensuring that all colleagues create individual career biographies and individual development plans, providing colleagues with the opportunity to explore their aspirations and gain feedback on their potential for future roles.
- Embedding a programme of regular, tailored development conversations between colleagues and line managers, supported by the above. These discussions give our colleagues a voice and make them feel valued when seeking support to address their development needs.
- Provision of specific opportunities for individuals to increase their profile and experience by:
 - o leading Group-wide projects;
 - o taking part in cross-team secondments and job-shadowing activities;
 - o mentoring by more senior executives;
 - o opportunities for lateral and vertical moves, to broaden experience and skill sets;
 - o tailored practical support for parental leavers to keep them in touch with LBG Legal and assist their return;
 - o attending external leadership courses and;
 - o increasing their profile and skills through participation in Legal Community and D&I initiatives.
- Bespoke workshops and training events including 'Listening to Leaders' sessions, each structured to facilitate career development within a specialist function.

Innovation – cont'd

The CDF has had a positive impact on colleagues' levels of engagement and has already elicited positive feedback:

"Being part of a legal community where a diverse and inclusive culture is actively supported and promoted and tangible investment is made in people's development, particularly supporting the advancement of women's careers, is a key factor in making me feel good about working for LBG."

{Head of HR Legal}

In addition, the CDF has provided a far greater insight into the breadth and depth of talent across LBG Legal, allowing the leadership team to gain a much better understanding of the diversity of our colleagues. This has been important to ensure we are offering targeted development support for our talented colleagues and also considering each colleague as an individual, particularly in succession planning.

It is important to us that all our colleagues feel they have a worthwhile and satisfying career in a positive, inclusive and healthy environment, where they feel proud of what they do. Such an environment motivates colleagues to become high performers and this is essential to meeting the needs of our customers and contributing to the success of the Group.

As a community, we are aware there are different and diverse people across our business. Through the CDF, we have placed a stronger emphasis on ensuring colleagues can be themselves at work and progress on the basis of merit. We consider that the measures we have put in place are already helping to address some of the traditional key blockers to career advancement for those in diverse groups, and are supporting an inclusive culture where colleagues feel valued and supported.

Outputs

Engagement Scores

The success of our CDF is already being demonstrated by the results of our Colleague Engagement Survey, which was conducted in October. Comparing our 2013 results with 2012, there were improved scores in all of the following questions:

- Are you provided with the opportunity for learning and development (up to 81%).
- Do you have "a real opportunity to improve your skills" (up to 74%).
- Do you receive the training you need to do the job effectively (up to 79%).
- Does your manager do a good job of managing people with diverse needs and backgrounds (in terms of age, gender, race, disability, sexual orientation or religion) (up to 79%).

Gender diversity aims

Our three main gender diversity aims are:

1. Retain: female population
2. Recruit: diverse shortlists
3. Develop: across all levels within LBG Legal

LBG Legal has been doing well against those aims by maintaining/improving our gender diversity right the way up the team (overall it was 50% in 2013 and is now 53% female including 43% of GCs).

More broadly, we have also increased the number of roles filled internally with 62% of the people appointed to permanent roles in 2014 being internal candidates; of these 57% were women. In future we expect to continue to increase the number of internal promotions, and diversity of candidates, supported by the personal development colleagues are able to achieve through our new CDF.