

# HUMAN RESOURCE MANAGEMENT

## Integration of the Human Capital Information System to strengthen people analytics

HCIS (Human Capital Information System) is an integrated application to support the implementation of the Bank Human Capital system management alignment. With the development of global human capital and talent competition, HCIS is required to function as a people analytic or talent analytic that can help management make decisions about employees.

## Learning & Development system which focuses on the Integrated Talent Management Development of System

The learning & development process is directed to focus on developing employee competencies that refer to the integrated talent management system.

## HUMAN CAPITAL MANAGEMENT

### Recruiting Best Talent

During 2018, the Company recruited 1,400 new employees (fresh graduates & professional hire)s. BTN also ran a status transfer program where 324 front liners (CS tellers) and 168 TAD lines (initially outsourced) were permanently hired.

The Bank policies regarding recruitment process are regulated in a Director Circular Letter Number. 43/DIR/CMO/2011. The Company implement two recruitment approaches as follow:

1. Internal Recruitment, this recruitment approach utilizes the Company existing employees to fill a vacant position in a particular unit, based on organizational needs and Workload Calculation Analysis. There are two stream of employee recruitment through this internal mechanism:
  - Promotion
  - Rotation
2. External Recruitment, this approach utilizes conventional and headhunt recruitment approach in order to recruit best candidates in the market to fill vacant position in certain units within the Bank. This recruitment mechanism is carried out by:
  - 2.1. Direct Hire mechanism, consisting of:
    - Fresh Graduate recruitment
    - Experienced (Prohire) recruitment
  - 2.2. Outsourcing

In order to meet the needs of employees, the Bank has develop its Man Power Plan document based on the Bank organizational needs. Implementation of this document is the Bank conduct recruitment through several event as follow: job fairs, campus hiring, seminars and public lectures to support recruitment employees at universities in Indonesia, including ITB, UI, UGM, UNDIP, UB, and UNAIR. This process is also supported by online/digital recruitment tools, namely the BTN Bank recruitment website. [GRI 103-2]

Throughout 2018, the Company has recruited 1,400 new employees (fresh graduate & professional hire). With recruitment rate reaches 12.85%. BTN also implemented 517 employee status transfer programs from frontliner lines (CS tellers) and 168 from TAD lines (outsourcing).

The Company gender equality principle implementation could be seen from the amount of the Company female employee which reaches up to 686 women (49%) and 714 men (51%).

The Company sets a minimum age requirement of 18 years for prospective employees recruitment. This commitment is also a prerequisite for establishing cooperation with universities. The Company provides equal opportunities to all people to obtain career opportunities regardless of differences in gender, ethnicity, race, religion or any form of discrimination.

This commitment is a form of the Company's compliance to Law Number. 13 year 2003 regarding Manpower Article 68. Therefore, during 2018 there were no incident relating to violation of underage employees policy or cases related to discrimination that occurred within the Company and or suppliers of goods and services.

### Employees' Training and Competence Development Program

In order to improve the employee competency and skills the Company provides periodical training program, both internally and externally. The Training and Education opportunities is provided to the employees based on individual development plans and according to the needs of the Company. The employees training and education management is



regulated in the Company Board of Directors' Decree No.04/KD/SIPD/2017 dated May 29, 2017, on the amendment to the Board of Directors' Decree No.3/KD/DIR/ SIPD/2017 on the Head Office Organizational Structure in Article 8 point 5h on the Organizational Structure of Learning. [GRI 103-2]

In 2018 based on number of training batches organized and number of number of participant target the Company Learning Center had achieved its 92% performance target. The Learning Center organized three specific training themes for employees, namely:

1. School of Leadership.  
Providing leadership training that aimed to shape and strengthen leadership soft skill at the Company's Leader level. This program consists of ODP (Officer Development Program), MDP (Management Development Program), SDP (Supervisor Development Program), overseas and domestic graduate Scholarship Program, SESPIBANK (School of Staff and Bank Leaders) Board of Commissioners and Directors, EDP (Executive Development Program) overseas for Division Heads, and other leadership programs.
2. School of Operation Banking.  
Providing training that aims to provide expertise or competency to the supporting aspect of the Company. This training consists of the Faculty of Audit, Faculty of Compliance, Faculty of Corporate Affairs, Faculty of Human Capital, Faculty of Information Technology, Faculty of Legal, Faculty of Management System, Faculty of Risk, Faculty of Risk, Finance & Accounting, Operational Banking, and Others.
3. School of Business Banking.  
Providing training that aims to provide expertise or competency that focuses on business and management development consisting of the fields of Collection & Asset Management, Commercial Funding, Retail Funding & Service, Commercial Lending, Consumer Lending, Digital Banking, Sharia Financing, Service Quality, Sharia Funding, Sharia Others, Treasury, Wealth Management, and Others. [GRI 404-2]

### **Employee competency development is also implemented by facilitating employees**

to continue their education to a higher level. It aims to fulfil and improve employee competencies, developing skilled, resilient, and responsive workforce according to the needs and development of the Bank. Employee education is regulated in the Directors' Circular Number: 43/DIR/CMO/2011 concerning Human Capital Development. During 2018, the Company has provided Scholarship Program facilities to 23 employees for domestic S2 education and 10 employees for overseas S2 education.

In 2018 the Company learning process was developed by applying virtual classroom and improvement of its Knowledge Management System (KMS) to encourage e-learning experienced opportunities. Both are important platforms to facilitate access to learning for all employees, especially those in remote areas. The company is also preparing a tool to develop BTN Corporate University in the future.

### **Corporate Culture Development**

BTN does not only develop employees banking skills and competencies but also strives to build a corporate culture in the context of implementing digital transformation. The implementation of cultural development in 2018 themed 'Going Digital through People Empowerment to Win the Competition' with the following activities:

- Kick of Training and Socialization regarding cultural programs in 2018 to CL and CA, namely SIIPS thank you card, SIIPS Idea, SIIPS Story, Follow-up session, and Risk Champion. For Change Leaders there are currently 140 employees and change agents totaling 1,228 employees.
- Making digital monitoring tools for corporate culture, namely DigiSIIPS.
- Implementation of the 2018 Innovation Award in order to foster an attitude of creation and innovation for all Bank BTN employees to perfect or improve a business process at BTN Bank.
- Implementation of the 2018 Culture Assessment Index in order to find out how far all Bitniz employees understand the implementation of the Corporate Culture Program.