

Development of Employee Competency

The Policy

Human capital training and development are conducted with reference to the training and development framework covering all aspects and methods of Human Capital development with the same opportunity for all employees of Bank Mandiri. Training and Development include the introduction of organization, vision and mission, company work culture, technical competence required, and leadership skills. The training and development framework is established based on business needs and aligned with the Human Capital strategy.

Competence Development Based On Level Position

The manifestation of Bank Mandiri's commitment to provide equal opportunities for its employees in terms of competency development is displayed in the following table:

Competency Development Table Based on Position Level Year 2017

No.	Level of Position	Type of Training	Training Program	Training Objective	Number of Participants
1.	Board of Directors	Public	Leadership	To increase insight and competence in marketing, risk management, and so on.	12
		TOTAL			12
2.	SEVP/EVP/SVP	Inhouse	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	12
			Credit	To increase employee insight and competency in the Company's credit field.	51
			Operations	To increase employee insight and competency in the Company's operational activities	65
			Management	To improve employee's insight and competency related to the Company's management activities.	23
			General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	74
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	15
		Public	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	1
			Operations	To increase employee insight and competency in the Company's operational activities	3
			Management	To improve employee's insight and competency related to the Company's management activities.	2
			General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	5
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	2
		TOTAL			253

No.	Level of Position	Type of Training	Training Program	Training Objective	Number of Participants	
3.	VP - AVP	Inhouse	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	172	
			Credit	To increase employee insight and competency in the Company's credit field.	807	
			Operations	To increase employee insight and competency in the Company's operational activities	1,859	
			Management	To improve employee's insight and competency related to the Company's management activities.	1,234	
			General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	1,836	
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	429	
		Public	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	21	
			Credit	To increase employee insight and competency in the Company's operational activities	7	
			Operations	To increase employee insight and competency in the Perseroan operational activities	28	
			Management	To improve employee's insight and competency related to the Company's management activities.	24	
			General	To improve the insight and competence of employees in the field of Finance and accounting.	20	
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	26	
		TOTAL				6,463
4.	SRM - AM	Inhouse	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	291	
			Credit	To increase employee insight and competency in the Company's operational activities	3,028	
			Operations	To increase employee insight and competency in the Perseroan operational activities	5,999	
			Management	To improve employee's insight and competency related to the Company's management activities.	3,451	
			General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	5,511	
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	2,184	
		Public	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	32	
			Operations	To increase employee insight and competency in the Perseroan operational activities	37	
			Management	To improve employee's insight and competency related to the Company's management activities.	13	
			General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	45	
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	57	
		TOTAL				20,648

No.	Level of Position	Type of Training	Training Program	Training Objective	Number of Participants	
5.	Clerical	Public	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	167	
			Credit	To increase employee insight and competency in the Company's operational activities	1,287	
			Operations	To increase employee insight and competency in the Perseroan operational activities	5,202	
			Management	To improve employee's insight and competency related to the Company's management activities.	642	
			General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	5,270	
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	2,130	
		Public	Information Technology	To improve the insight and competence of employees in the field of Information Technology.	22	
			Operations	To increase employee insight and competency in the Perseroan operational activities	32	
			Management	To improve employee's insight and competency related to the Company's management activities.	5	
			General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	35	
			Finance and Accounting	To improve the insight and competence of employees in the field of Finance and accounting.	33	
		TOTAL				14,827
		Other	Inhouse	Credit	To increase employee insight and competency in the Company's operational activities.	1
				Operations	To increase employee insight and competency in the Perseroan operational activities.	1
				General	To improve employee insight and competence in terms of marketing, risk management, and so forth.	4
			TOTAL			
GRAND TOTAL					42,207	

Table Number of Training Days

Total Employee	Number of Training Days	Training Days/ Employees	Total Trainees	Total Employees Attending the Training
38.307	237.860	6,22	245.769	35.170



Table of Program for Leadership Development

Program for Leadership Development	2017		2016	
	Number of batches	Number of participants	Number of batches	Number of participants
Program of Officer Development Program	12	281	20	529
Program of Staff Development Program	25	710	30	1,280
Program of Master degree (S2) in Banking	1	18	1	5
Program of Middle Management Development Program	2	60	2	60
Program of Great Development Program	-	-	1	27
Program of Training SESPIBANK	2	6	1	3
Program of Training Executive	1	12	-	-

Based on the table above, there is a decrease in the number of participants as well as the number of batches in some leadership development programs that have been implemented by the Company throughout 2017. The decline occurred in the ODP program, SDP and GDP. The decrease was due to the fact that the number of employees screened through the program has been sufficient to meet the needs of the Company. While other leadership programs such as Bank S2 Program, SESPIBANK Training Program and Training Executive Program, the number is significantly increased due to the organization's needs as stated in the corplan in 2017.

Evaluation of Competency Development Implementation

The development of the competence of Bank Mandiri employees is one of management strategies, where it becomes the target of management in the form of coverage development of Bank Mandiri employees. Competence development is aimed at employees at all levels, both business and supporting units. Furthermore, it is cascaded to each work unit to become a Key Performance Indicator (KPI) in the form of talent development and attendance rate training.

In addition to classroom training and experiential learning, Bank Mandiri also provides self-learning facilities for employees through three online portals namely Mandiri i-learn, Mandiri i-share, and Mandiri i-know. Mandiri i-learn contains information about e-learning training that can be accessed from all over Indonesia, training registration, and assessment tools. Mandiri i-share is a medium of social learning as a means of information sharing among employees of Bank Mandiri. Mandiri i-know includes a system of knowledge management to manage knowledge and collaboration tools for Bank Mandiri employees.

Bank Mandiri evaluates the training program that has been implemented to provide input for the module development and subsequent staff development plan. This evaluation is divided into 4 levels of evaluation, namely:

- Level 1 (L1) is an evaluation to assess participants' reactions to training. This includes material conformity, the ability of teachers to deliver materials and the availability of training facilities.
- Level 2 (L2) is an evaluation to assess participants' level of understanding during training. This evaluation can be a theory or practice exam related to training materials.
- Level 3 (L3) is an evaluation to assess the implementation of the training materials and the change of trainee behavior before and after the training. This evaluation is conducted at most 3 months after the training. The assessment is carried out by a multirater method, i.e. requesting assessment/opinion from the employees, supervisors, co-workers, and subordinates of the employee.
- Level 4 (L4) is an evaluation to assess the impact of training that employees have received pertaining to improvement of their performance. This evaluation is made 3 months following the training.

- Evaluasi L1 : 5,37 dari standar min 4,8 (skala 1-6). Hal ini menunjukkan bahwa para peserta menilai penyelenggaraan training telah dilaksanakan dengan baik.
- Evaluasi L2 : 80,82 dari standar min 75 (skala 1-100). Hal ini menunjukkan bahwa peserta telah memiliki pemahaman yang cukup terhadap materi training yang diikuti.
- Evaluasi L3 : 5,52 dari standar min 4,8 (skala 1-6). Hal ini menunjukkan bahwa perilaku para peserta mengalami perubahan positif dengan sangat baik setelah mengikuti training.
- Evaluasi L4 : 24,31% dari standar min 15% (skala 1% - 100%). Hal ini menunjukkan bahwa terdapat dampak training terhadap peningkatan kinerja pegawai.

The results of the evaluation will then be reviewed by Bank Mandiri to make improvements to the implementation of training both in terms of material renewal, delivery methods of training, quality of teachers, and training facilities. The results of training evaluation and employee development at Bank Mandiri are classified as follows:

- Evaluation L1 : 5.37 from minimum standard of 4.8 (in the scale of 1-6). This indicates that the participants consider the training well-executed.
- Evaluation L2 : 80.82 from minimum standard of 75 (in the scale of 1-100). This indicates that the participants already have a sufficient understanding of the training materials received.
- Evaluation L3 : 5.52 from the minimum standard of 4.8 (in the scale of 1-6). This shows that the participants experience positive behavior changes very well after training.
- Evaluation L4 : 24.31% of the minimum standard of 15% (in the scale of 1% - 100%). This shows that there is an impact of training toward the improvement of employee performance.

Competence Development Costs

(in million rupiah)

Throughout 2017, the Company has realized the competence development costs for employees recorded to have displayed growth compared to 2016, this was in line with the Company's commitment to constantly increase the value added for the employees, one of which was by the competence possessed. The amount of the total competence development costs of employees can be viewed in the following table.

Table of Competence Development Costs in 2016-2017

(in million rupiah)

Competence Development Costs		Growth	
2017	2016	in currency	in percent
554,232	530,831	13,401	2.52%

Table of Competency Development Costs by Program Type

Program	2017	2016	2015	2014
Executive Development Program	5,014	5,540	29,714	13,473
Management Development Program	120,216	186,541	83,625	101,337
Retaining Competency Development Program	27,430	44,582	37,097	40,181
Change and Culture Development Program	14,840	13,379	17,000	17,000
Organization Capability Development Program	78,150	30,433	39,000	29,500
Leadership Capability Development Program	21,810	2,166	18,750	36,999
Pre-Retirement Program	1,479	12,571	23,000	11,000
Employee Engagement Activities	38,007	16,133	16,350	15,000
Mandatory Skill Development Program	247,286	219,486	227,647	90,395
TOTAL	554,232	530,831	492,100	354,885