



# Human Capital Strategy to Face a Competitive Market Due to ASEAN Economic

**Ogi Prastomiyono – Ketua Bidang Organisasi, Keanggotaan dan Advokasi**

Ikatan Bankir Indonesia

Disampaikan dalam Diskusi Panel Ikatan Bankir Indonesia

13 Juni 2014

# Agenda

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Indonesia's  
Economics and  
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2

Indonesian  
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Human Capital  
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Recent Trends

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Indonesia's



**potential**

# Indonesia today is *the 16th Largest Economy in the World*



**16<sup>th</sup>** Largest Economy in the world

**55** million skilled workers in the Indonesian economy

**45** million member of the consuming class

**\$0.5** trillion market opportunity in consumer service, agriculture, and fisheries, resources, and education

**53%** of population in cities producing 74% of GDP



2012		GDP*
1	USA	16,800
2	China	9,181
3	Japan	4,902
4	Germany	3,636
5	France	2,737
6	UK	2,536
7	Brazil	2,243
8	Russia	2,118
9	Italy	2,072
10	India	1,893
11	Canada	1,825
12	Australia	1,505
13	Spain	1,359
14	Mexico	1,259
15	South Korea	1,222
<b>16</b>	<b>Indonesia</b>	<b>870</b>
17	Turkey	827
18	Netherlands	800
19	Saudi Arabia	745
20	Switzerland	651

**\*) In Billion USD**

Source: International Monetary Fund, 2013

# ...and in 2030, Indonesia is projected as *the 7th Largest Economy in the World*



**7th**

Largest Economy in the world

**113**

million skilled workers in the Indonesian economy

**135**

million members of the consuming class

**\$1.8**

trillion market opportunity in consumer service, agriculture, and fisheries, resources, and education

**71%**

of population in cities producing 86% of GDP



1. China



2. USA



3. India



4. Japan



5. Brazil



6. Russia



**7. Indonesia**



Indonesia is the only southeast asian countries in G20, which are a prominent league consisting 20 world's biggest countries



G20 focuses to bring together systemically important industrialized and developing economies to discuss key issues in the global economy



## #1 Streamlining business process is the #1 HR delivery issue globally

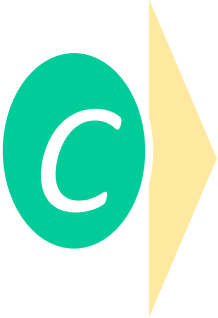


# 47%

Organisations that have reengineered HR processes in the past 18 months



Efficiency and Quality are the biggest reasons HR leaders cite for making changes to org structure



36% of companies provide access to HR applications via mobile platforms

4 out of 5 companies report satisfaction with their mobile HR experience



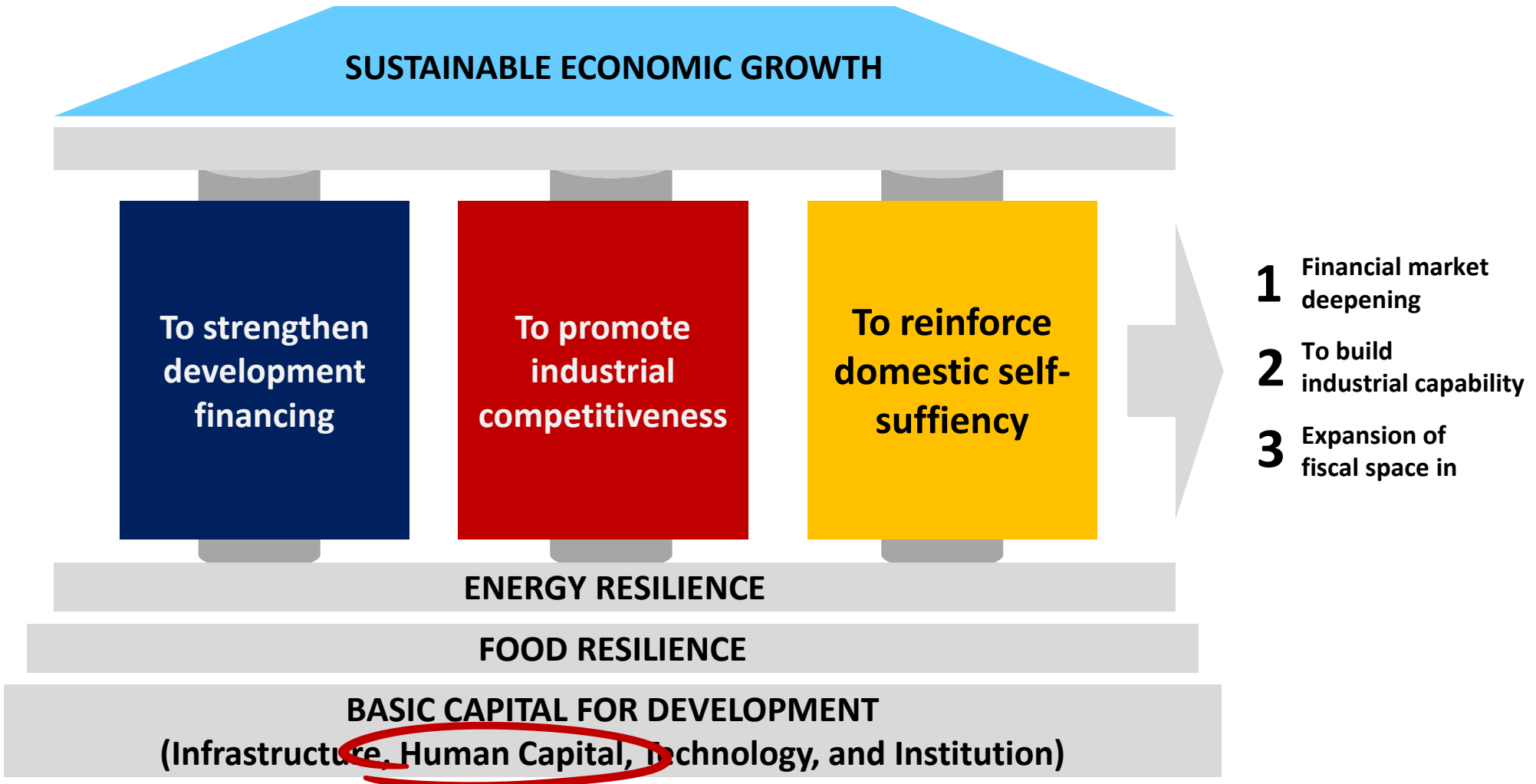
1 in 3

Organisations that will make a change to their HR structure in 2013 or 2014

Source: Towers Watson 2013 HR Service Delivery Survey.



# Human Capital is one amongst three basic capital for a sustainable economic growth



Source: Bank Indonesia.

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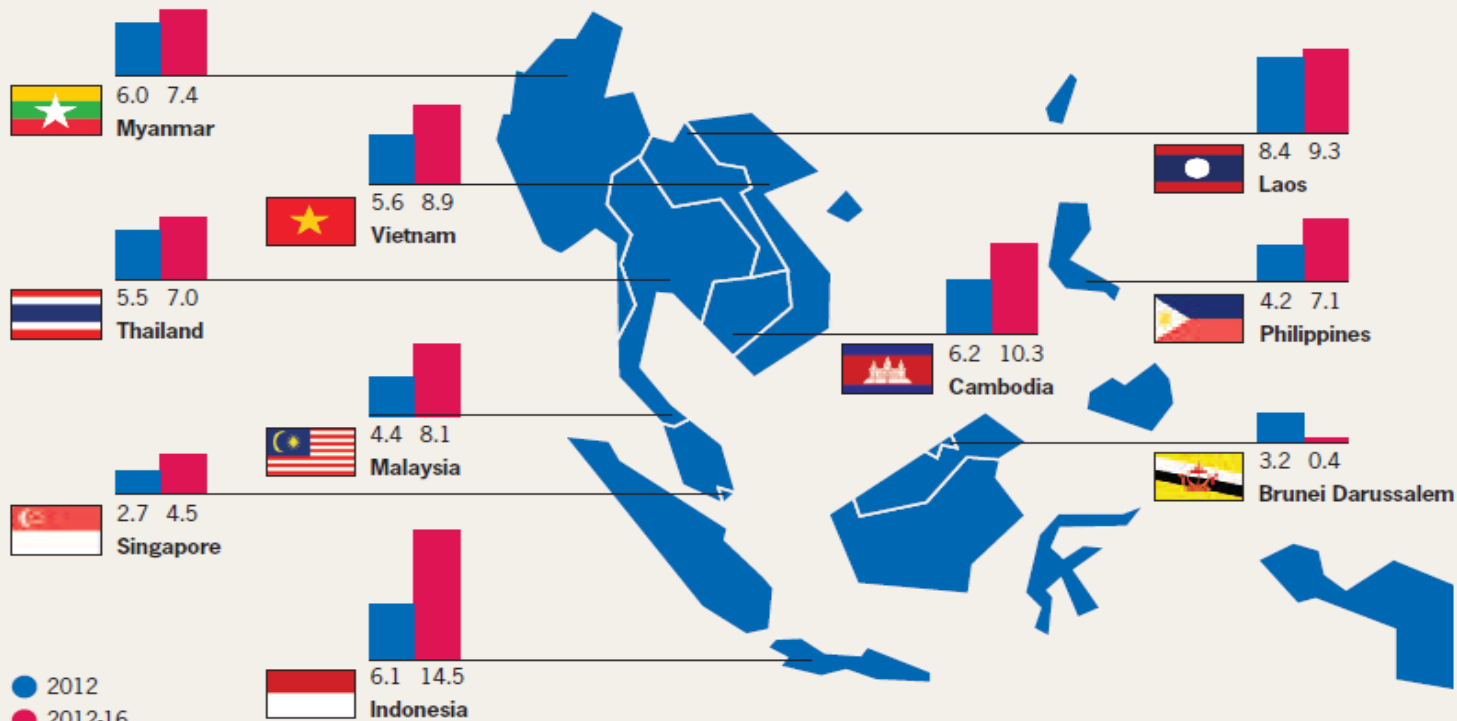
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# We are facing a competitive market due to *ASEAN Economic Community*

**FIGURE 1: GROWTH RATES IN THE ASEAN REGION**  
GDP GROWTH (%)

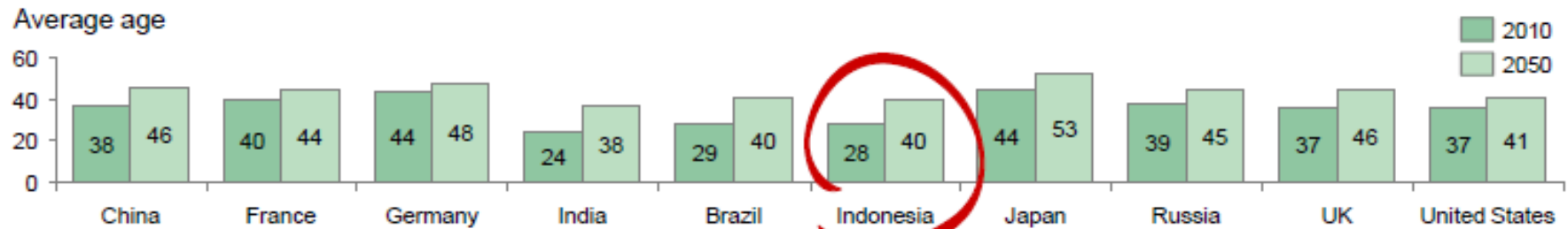
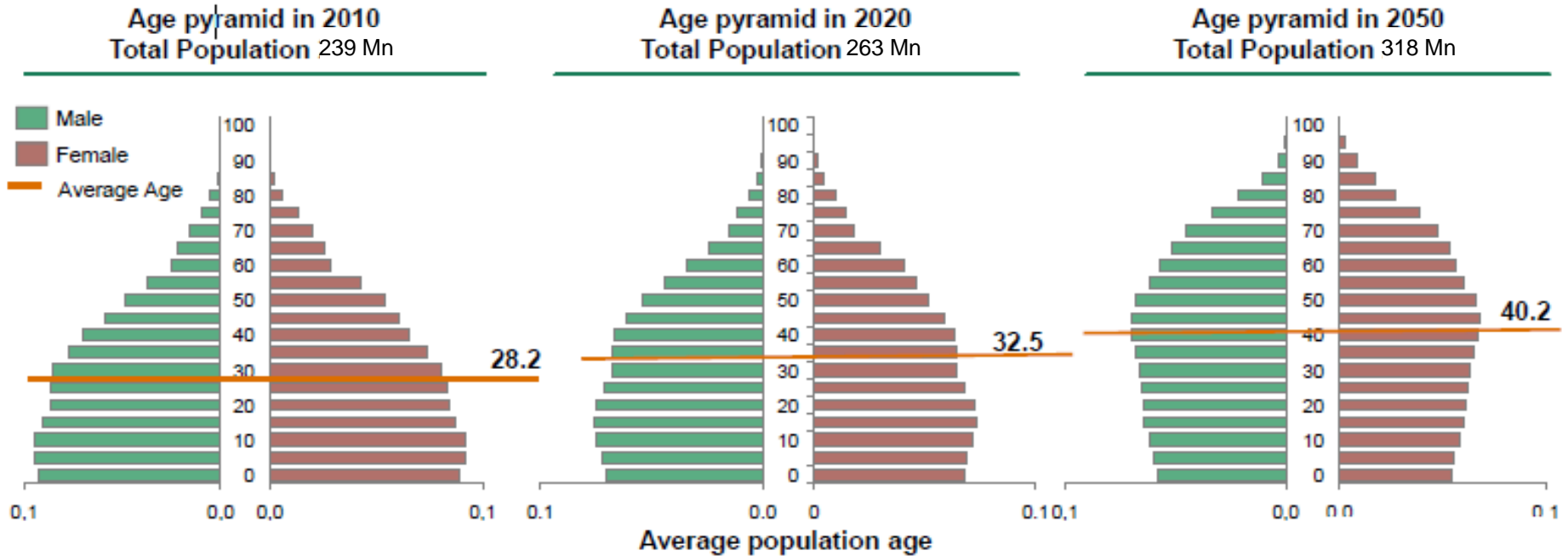


SOURCE: IMF 2012

Regional Single Market and Production Based:  
Free flow of Goods,  
Service, Investment,  
and Skilled Labour,

# Indonesia's Large Population on Productive Age

Today Indonesia's population average age is 28, while later in 2050 is 40



Note: Life expectancy is expressed at birth, population projections based on a current demography of 2010. Source: US Census International Programs, CIA Fact Book, BCG Analysis

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**However,** the quality of it's Human Capital still need to be improved

• **Indonesia 58<sup>th</sup> in pool of 60 countries in the Global Talent Index**



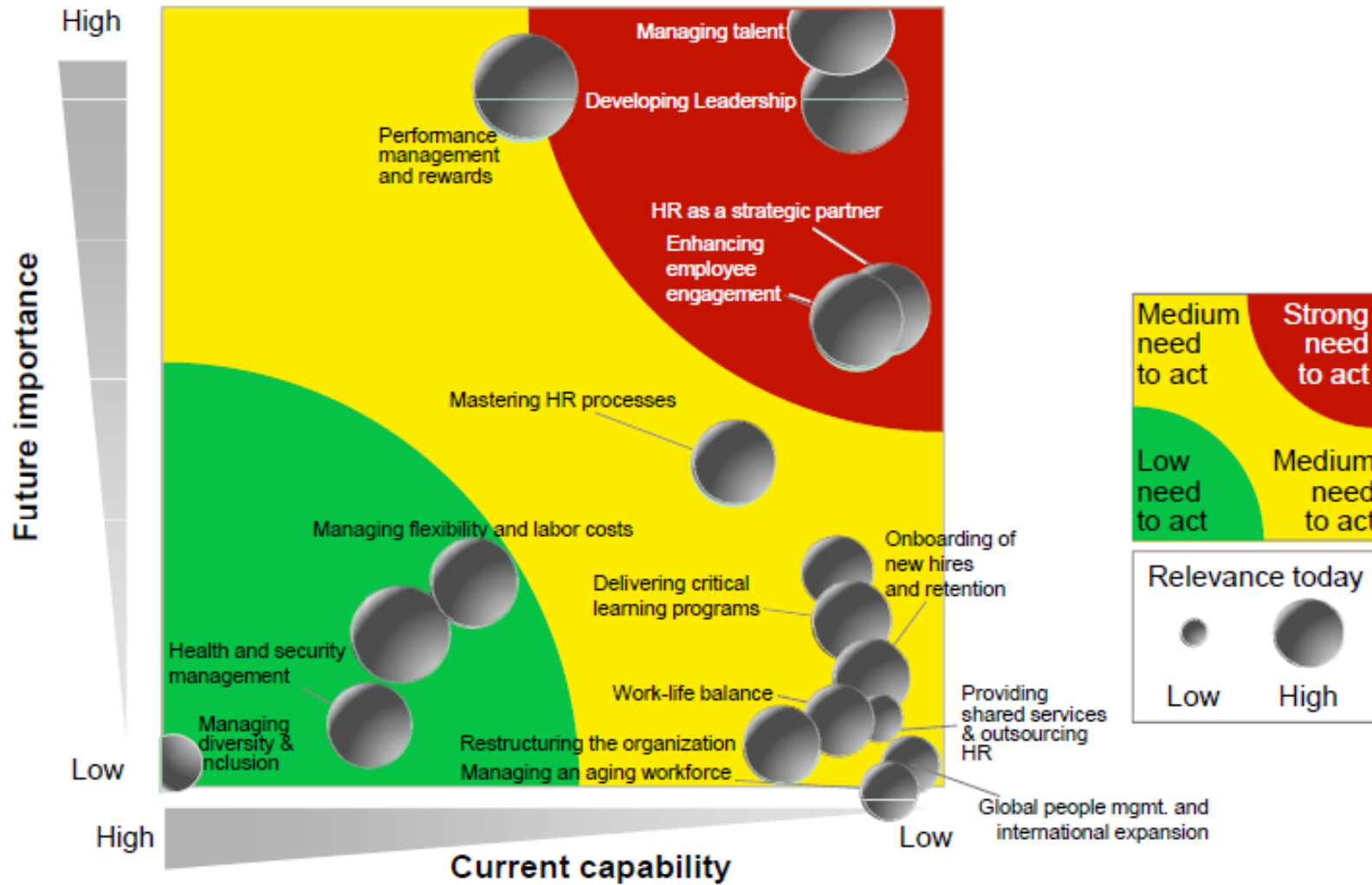
Source: Global Talent Index 2011 Heidrick & Struggles

• **Indonesia ranking by key elements**

- ✓ Demographics (Growth) **12<sup>th</sup>**
- ✓ Quality of Compulsory Education **40<sup>th</sup>**
- ✓ Quality of education in universities and business schools **54<sup>th</sup>**
- ✓ Quality of the labor force **55<sup>th</sup>**
- ✓ Capacity of attract and retain talent from other countries **53<sup>rd</sup>**

# Indonesia's Top Issues on Human Capital

Managing Talent, Performance Management and Developing Leadership are three most important issues in the future but currently lack in capability

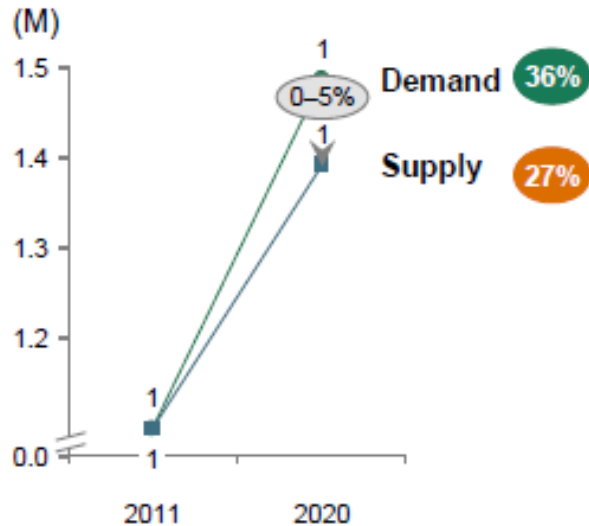


Source: 2012 WFPMA/BCG proprietary web survey & analysis, n=34  
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# The Gap between Demand and Supply in Talent Management

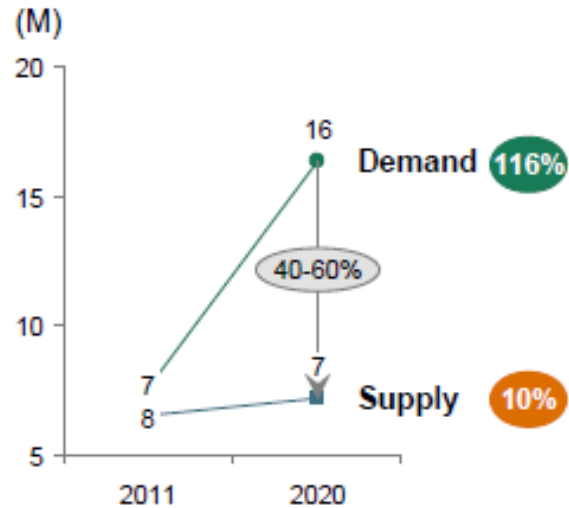
It's already projected that Talent Demand will be higher than Talent Supply in 2020

## Senior management



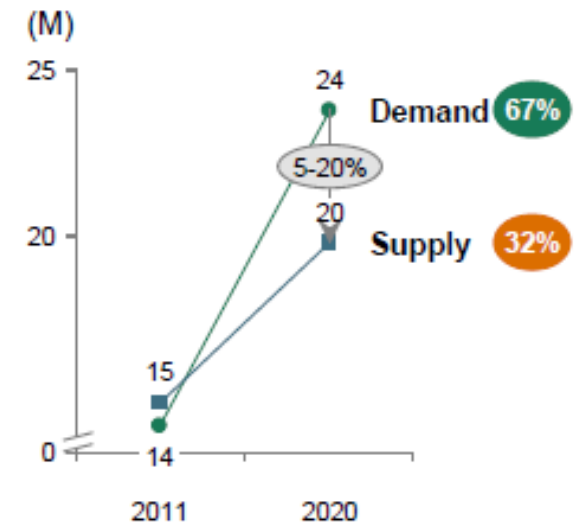
Challenge is to improve quality

## Middle management



Steep increase in demand, lack of qualified supply

## Entry level

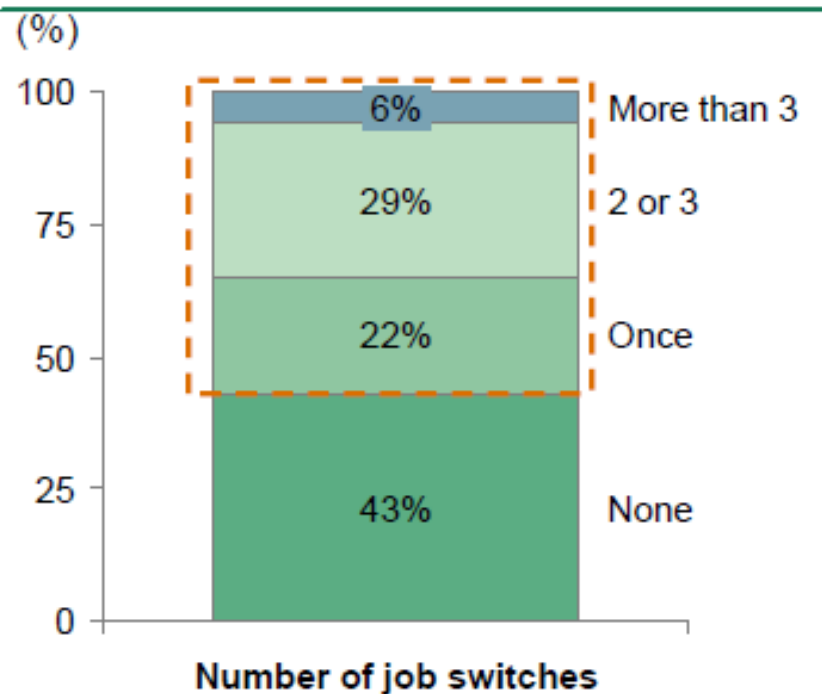


Challenge is availability of qualified supply

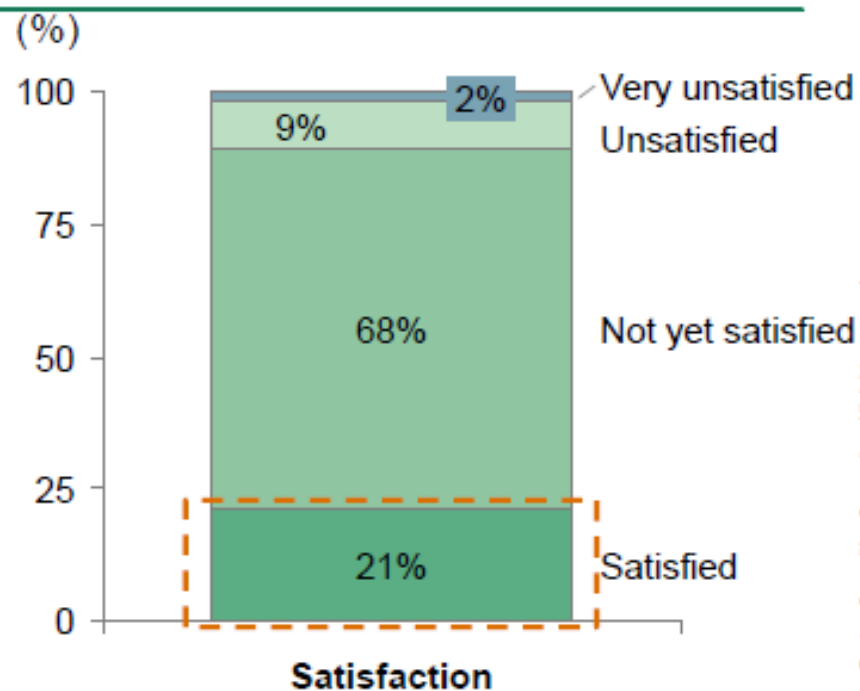
**Biggest challenge at middle management, which is supposed to be pool for future leaders**

# Indonesia Companies experience high attrition due to low employee satisfaction

**57% of recent graduates have switched jobs at least once in their first three years**



**... and only 21% satisfied in current position**

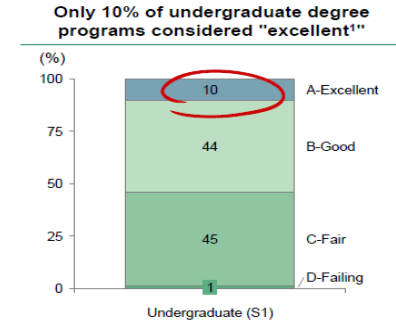
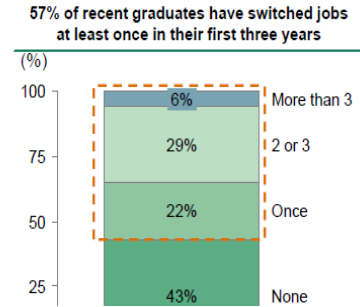
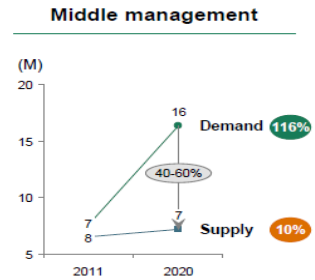
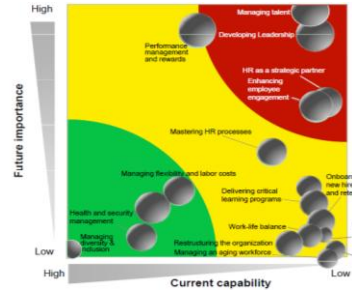


1. 95% of them graduated 3 years ago or less  
 Source: WB/UNESCO survey 524 new graduates from Indonesian universities, BCG Expert Interviews  
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# Then, how to tackle these issues?

## Talent has to be developed with the best in-class Human Capital Strategies



Lack of Human Capital Quality

Lack in Skill of Future's Needs in Human Capital Management

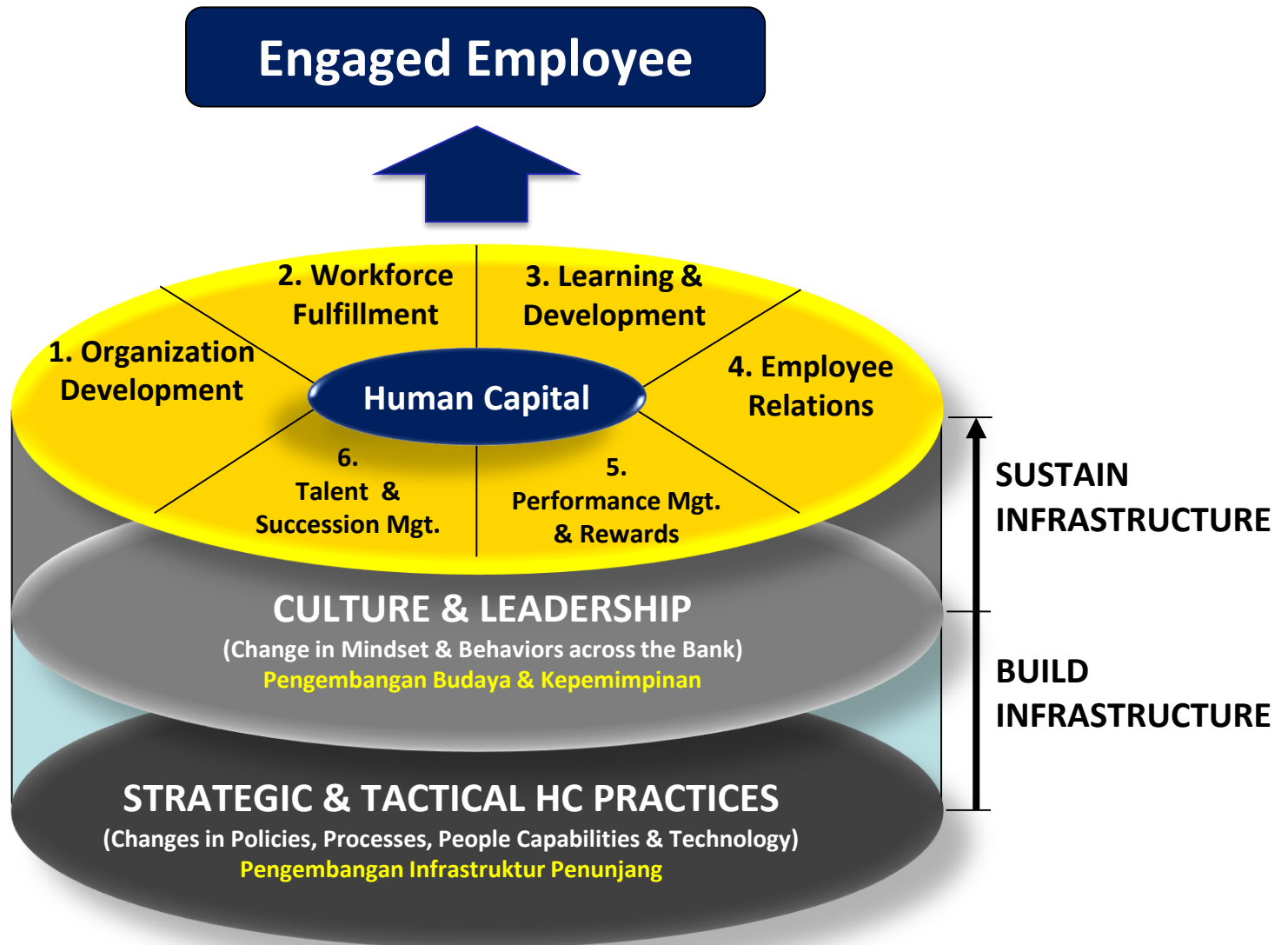
Higher Demand than Supply

Engagement Issues for Fresh Entries

Limited Sources for "in-demand" Talents

Strong strategy is needed to have **the best** in class of **Human Capital**

Make **Talent** not **War** – Strategy : Develop the Talent



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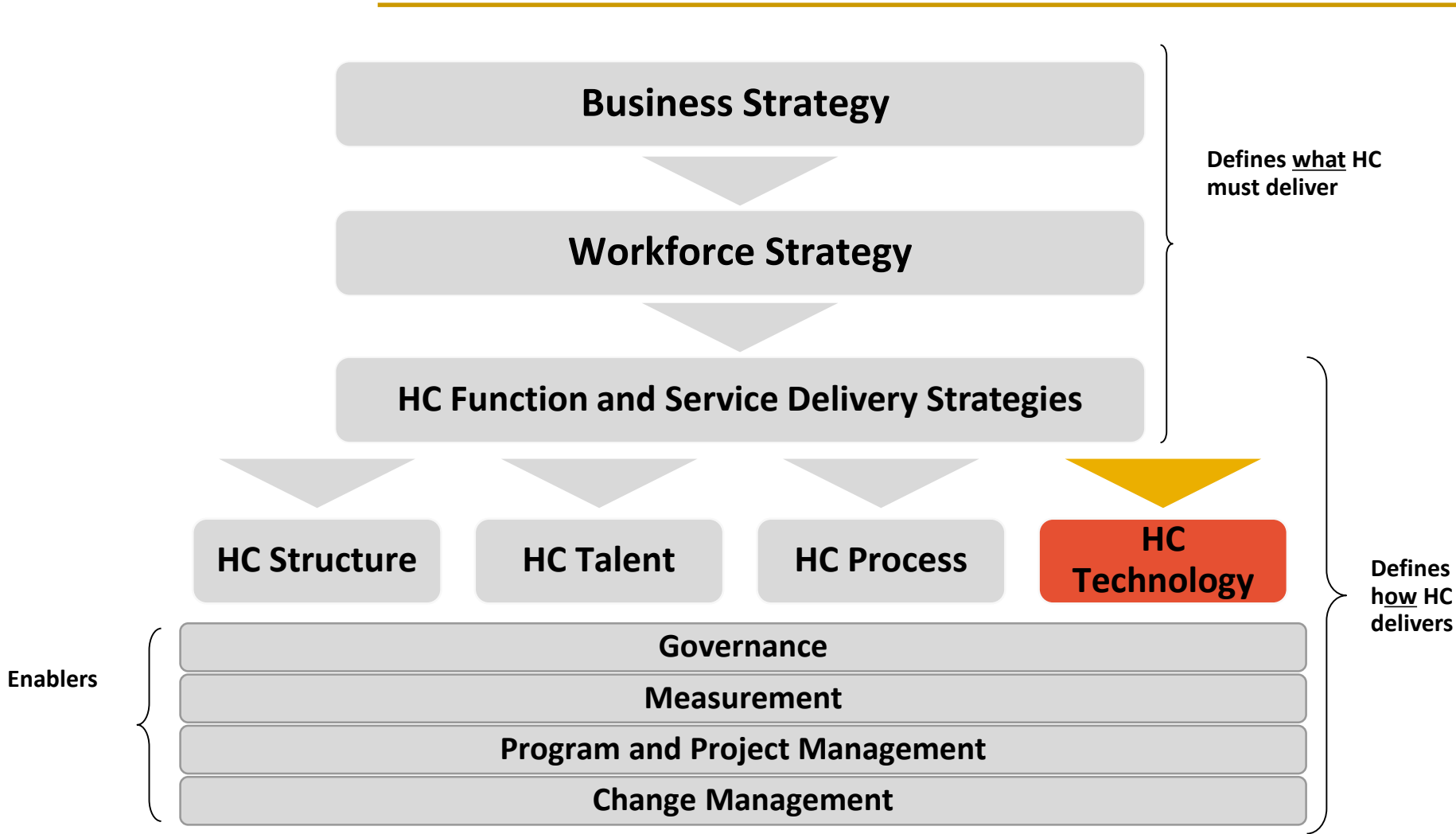
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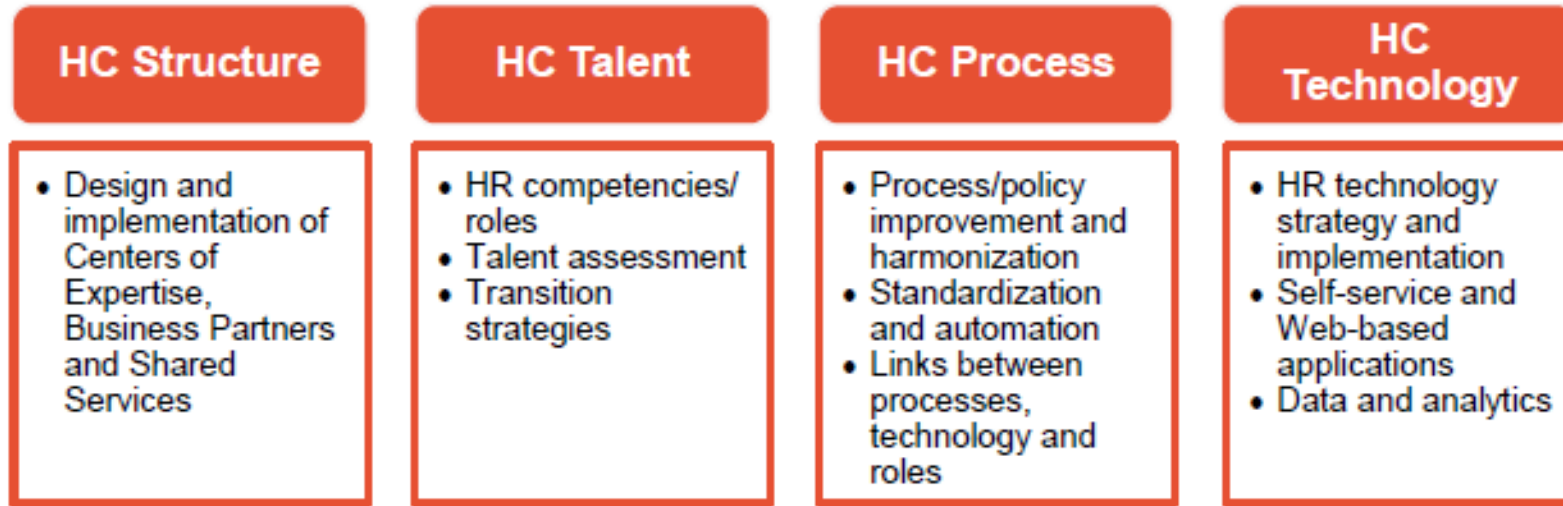
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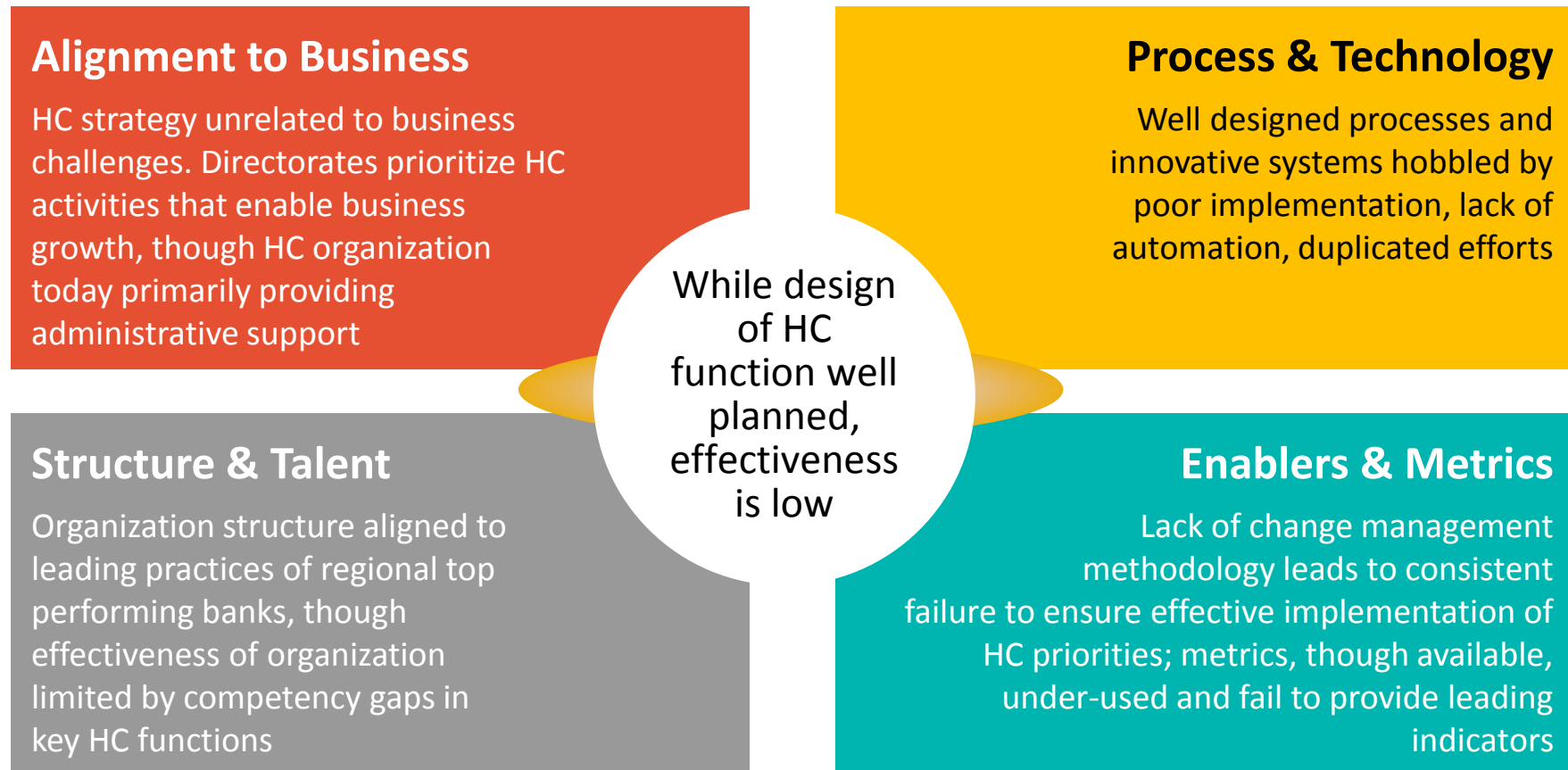
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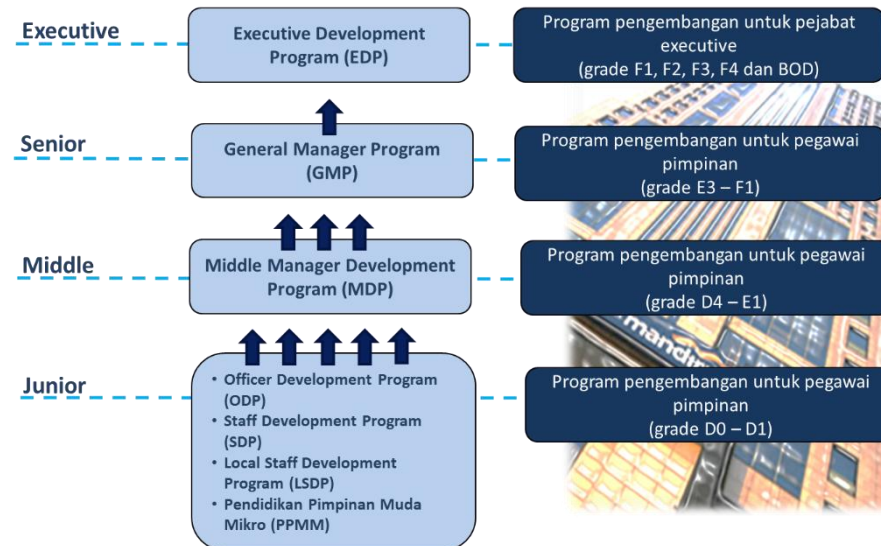


## HC Function Assessment





## Leadership Development Program



## Three key areas in Developing Talent

Compared with low-performing companies, high-performing companies ...

1

... build stronger people leaders



more likely to have a leadership model that describes expected contributions and behaviors  
 more often have a leadership model that drives promotion decisions  
 as often make leaders' compensation and careers dependent on their people development efforts

2

... do more to attract, develop, and retain talented people



as often try to attract internationals to diversify talent  
 more likely to have programs for high- and emerging potentials  
 as often better than competitors in offering change of work location as # 1 reason for relocation is personal development

3

... treat and track performance with transparency



as often have clear norms that drive performance  
 as often apply consistent standards in performance management

Note: High performer = top 10% of companies by profit margin and revenue growth; low performer = bottom 10% of companies by profit margin and revenue growth  
 Source: 2012 BCG/WFPMA proprietary web survey and analysis

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## Stronger People Manager

### Why People Manager?

Your people are your most valuable asset — your company's success depends on their contribution. Therefore, it's essential that you become a **people manager** as well as a **business manager**

### What People Manager Do?

People Managers must Lead Engagement

# 70%

of employees don't leave their jobs, they leave their managers!

### What People Manager Do?



## What is Coaching?

**Partnering** with clients in a thought provoking and creative process that inspires them to maximize their personal and professional potential

*(International Coach Federation – ICF)*

Coaching is a tool to develop people, by asking provoking question, Turning the coachee focus inside out

## Coaching Paradigm

**Old Paradigm:** Coaching for under performer to improve their performance

**New Paradigm:** Coaching for Everybody to move forward

## Differences

### Counseling

.. a management process that helps employees define and work through past **PERSONAL PROBLEMS** or organizational changes.

**PAST**

### Mentoring

.. a personal developmental relationship in which a **MORE EXPERIENCED** or **MORE KNOWLEDGABLE** person helps to guide a less experienced or less knowledgeable person

**NOW**

### Coaching

.. partnering with client in thought provoking and creative process that inspires them to **MAXIMIZE THEIR PERSONAL** and professional potential

**FUTURE**



# Knowledge Management

## What is Knowledge Management

**Knowledge management (KM)** is the process of capturing, developing, sharing, and effectively using organisational knowledge.

It refers to a multi-disciplined approach to achieving organisational objectives by making the best use of knowledge

## Why It's important?

Three key reasons why actively managing knowledge is important to a company's success are:

- 1.) Facilitates decision-making capabilities,
- 2.) Builds learning organizations by making learning routine, and,
- 3.) Stimulates cultural change and innovation.

## How to do Knowledge Management



# Knowledge Management in Bank Mandiri

Pengelolaan pengetahuan menjadi bagian tidak terpisahkan dari perjalanan transformasi Bank Mandiri yang dapat dilihat dari 6 perspektif :

**Learning Organization**

6



**Innovation**

5



**Customer Knowledge**

4



**Leadership & Culture**

1

**Knowledge Sharing & Collaboration**

2

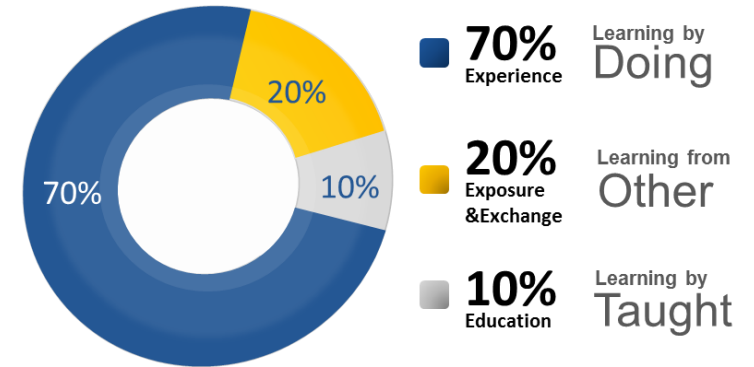
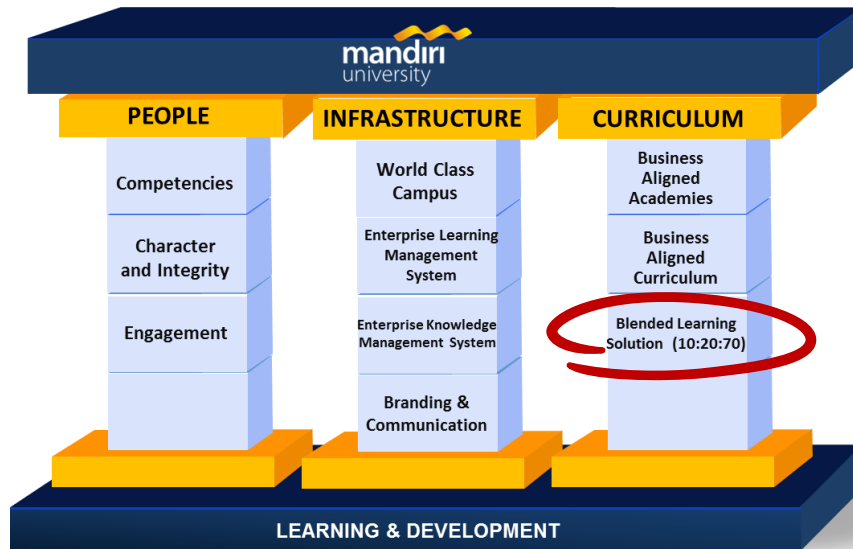


**Intellectual Capital Management**

3

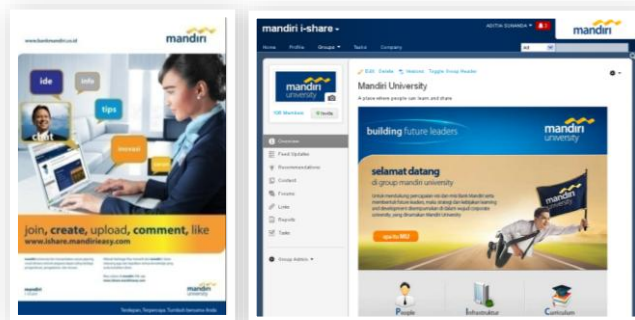


# Knowledge Management Practice in Bank Mandiri Mandiri University – Tiga Fokus Utama



Konsep Blended Learning Solution

Mandiri  
i-Share &  
i-Learn



## 1. Mandiri I-Share

Social network for employee of Bank Mandiri specifically used for knowledge sharing (social learning)



## 2. Mandiri I-Learn

Multi-channel learning system that integrates cloud-based and can be accessed from anywhere and anytime

# Talent Management and Succession Planning

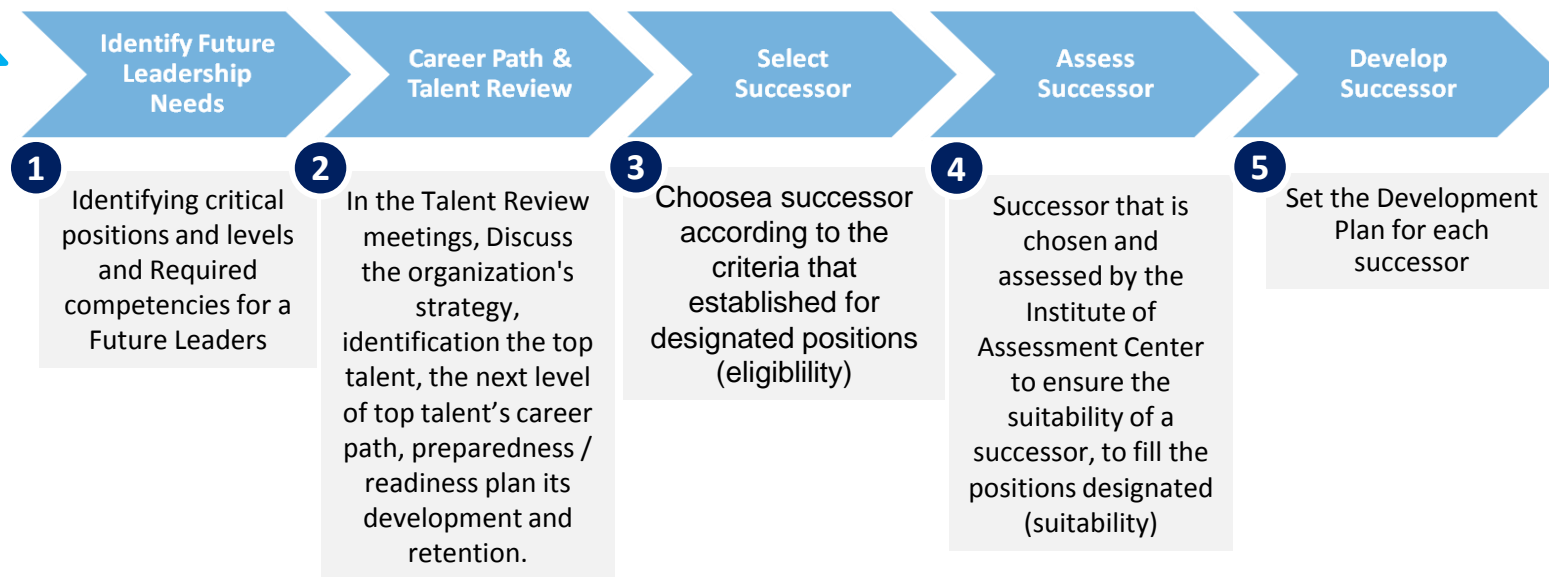
What is Talent Management

Talent management is the science of using **Strategic human Resources planning** to improve **Business value** and to make it possible for companies and organisations to reach their goals.

Why It's important?

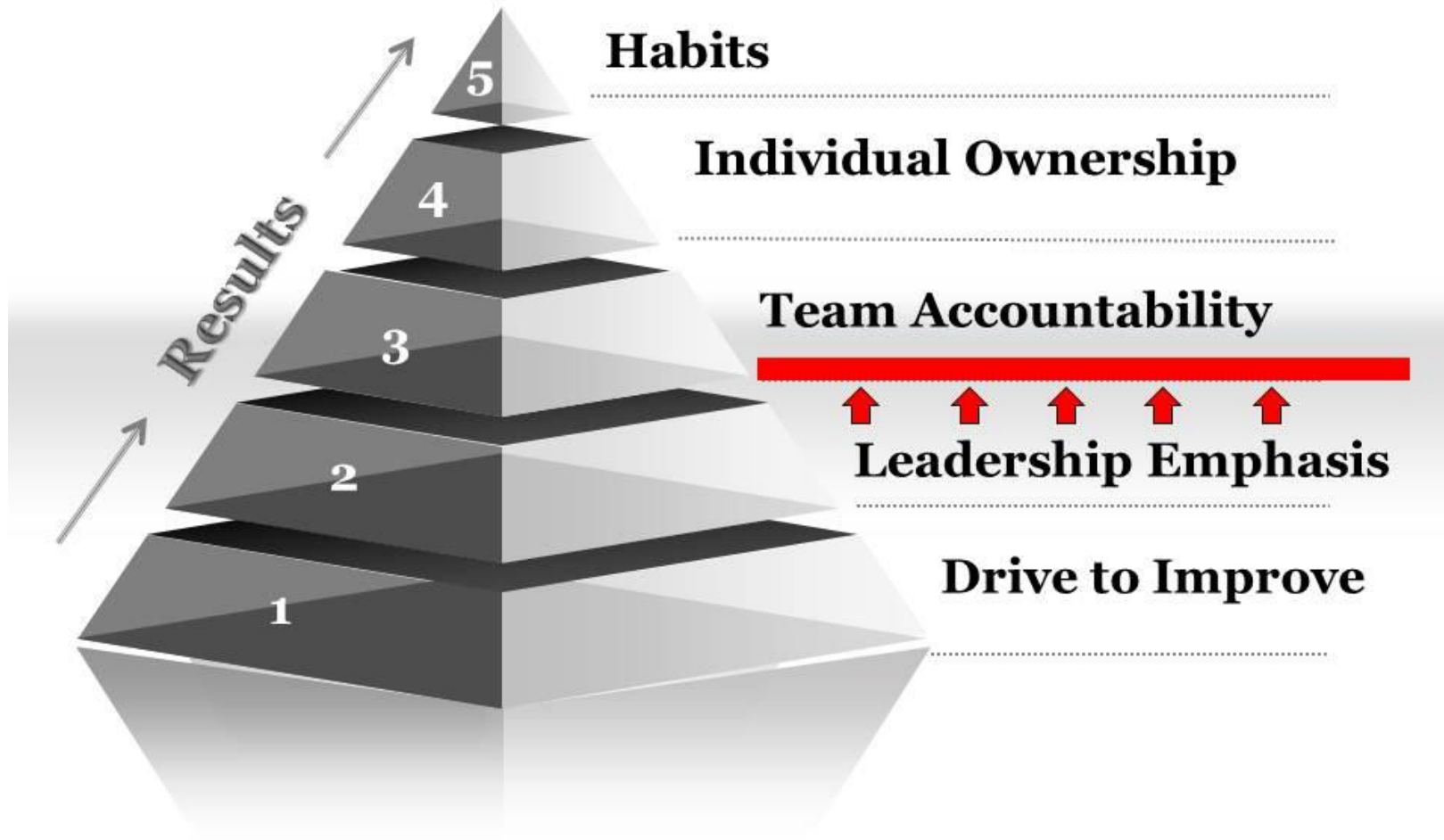
- 1.) Talent Management is gaining increased attention,
- 2.) Talent management (TM) brings together a number of important human resources (HR) and management initiatives,

How to Develop Talent Management?



# Performance Improvement

## The 5 Stages of Performance Improvement



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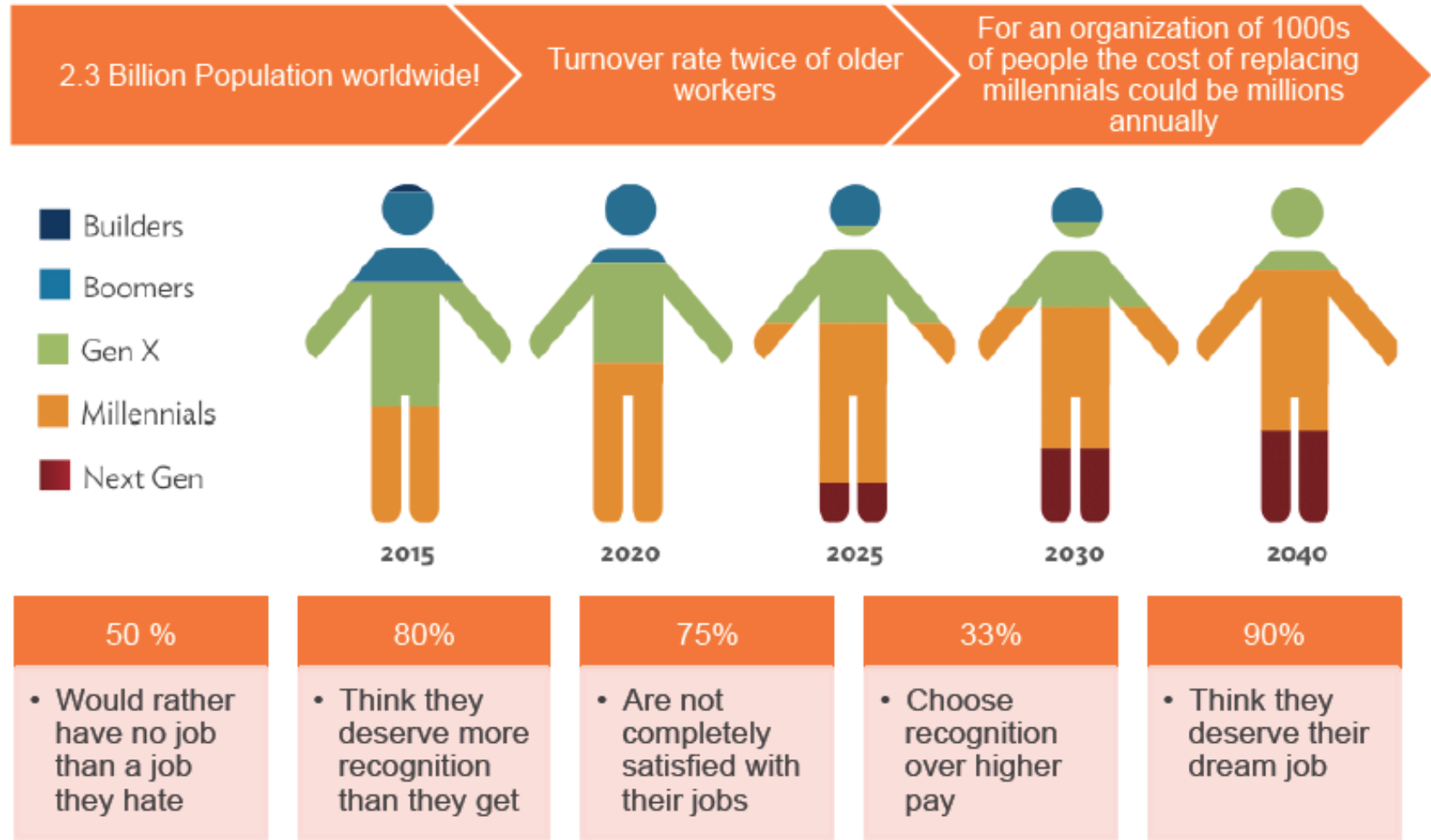
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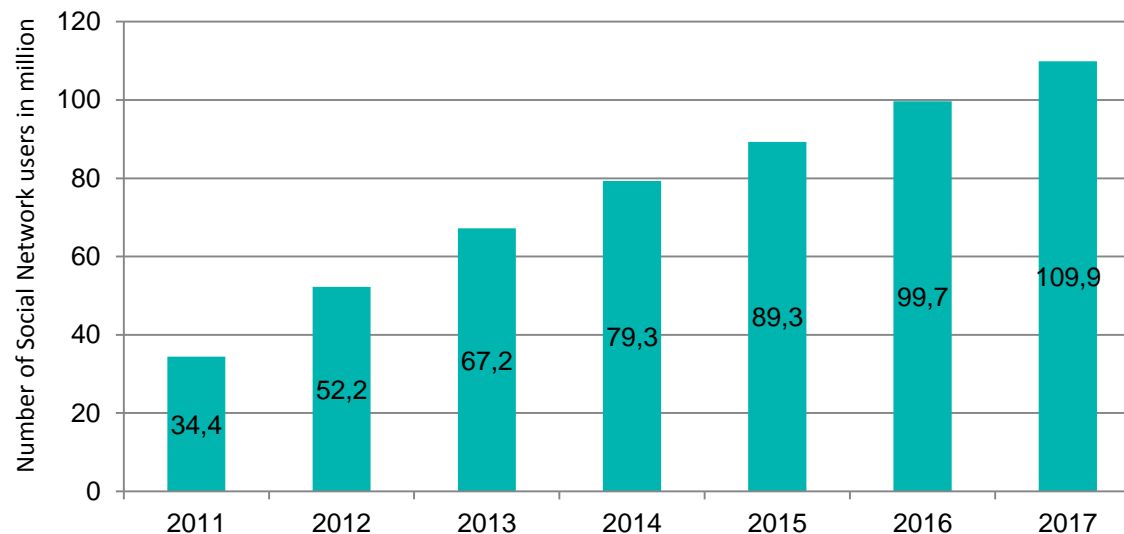


# Who are your Talent? After Baby Boomer, Gen X and Millenials, There's Next Gen!

## Who are the Next Gen?



## Number of Social Network Users in Indonesia



The number of social network users in Indonesia is poised to increase exponentially over the next few years. As mobile phone penetration is expected to hit 100% by 2015, that will bring about a vast number of new opportunities for social media in Indonesia.

The proliferation of social media networks has enabled recruiters and job seekers to tap on this powerful new tool for employment opportunities.

**38%**

Of Indonesians secured a job through social media in 2013

**70%**

Of Indonesians would rather search for jobs on social media versus traditional methods

**2.0**

Million LinkedIn users as of January 2013, the third largest in Asia

**64%**

Agree that social media is a good platform to share job referrals

**51%**

Use social media when making employment decisions

**3<sup>rd</sup>**

Fastest growing country currently on LinkedIn

**ALL**

Gen Y, Gen X and Baby Boomers are as likely to secure new job through social media

Thank *you.*