

Staff Recruitment

In 2019, the staff recruitment division of the Bank launched several projects to attract personnel, form the database of potential candidates, and develop the HR brand of MKB. The referral program «Colleagues May Be Chosen» is aimed at filling in vacancies with the candidates recommended by the Bank's employees. This program has a favorable impact on the involvement of employees in the team-building process.

In 2019, the Bank hired

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students of higher educational institutions.

In 2019, more divisions of the Bank took part in the young specialists attraction program «MKB Universe» than in 2018, and in 2020 the number of divisions participating in the program is also planned to grow. The practical training under MKB Universe allows the students to spend the years of their studies with the maximum benefit and to acquire that very precious work experience. This program is the strategy for entering adult life. Trainees take a shot at banking and acquire practical knowledge for the successful start of their career. MKB Universe engaged Moscow's largest higher educational institutions: **Moscow State Institute of International Relations (MGIMO), Moscow State University, Bauman Moscow State Technical University (MGTU), Moscow Institute of Physics and Technology, and others.** There were lectures and masterclasses organized for the graduate students of the above higher educational institutions by MKB top managers and experts. As a result of selection, in 2019, only 14 finalists out of more than 300 students and graduates became interns in different divisions of MKB.

Development and Training of Employees

A significant role in the system of human resource development of the Bank is assigned to the continuous development and improvement of knowledge and skills of its employees, which is based on strategic goals and business tasks of divisions.

In 2019, the Bank's employees completed training in the following areas:

- Professional training aimed at studying products, services, internal processes, work methods, and technologies
- Professional training governed by the Russian laws
- Training in communication, management competence, and business skills

Increasing the level of employee knowledge and skills development was organized by the external and internal resources.

The Bank has implemented and runs on a permanent basis a basic training for new employees of the business lines that will further start working with bank customers. This training is based on the career models and includes the key aspects of work of the employees in the relevant positions. Training is held personally or remotely (distance courses, webinars). Basic training in 2019 was held for the employees of Retail business, Underwriting Department, Collections Department. In 2019, about 2,300 participants completed different basic training programs.

Active use of remote training channels and active use of WebTutor opportunities has become an important composite part of the training. In 2019, distance courses were completed more than 4,200 times, which was 20% more than in 2018.

Key employee development programs implemented in MKB in 2019

Training programs	Program description	Result
Training program for Retail business employees	A set of in-person training, webinars, and distance courses on products and sales for employees of additional offices	<ul style="list-style-type: none"> • 1,801 participants of in-person programs • 3,724 participants of distance courses • Duration of programs: from 2 hours to 23 days
Training program for Underwriting Department employees	A set of basic and module-based training for new and existing employees. The program includes in-person training and individual work with a tutor as well as regular knowledge checkups to support the level of knowledge of employees.	<ul style="list-style-type: none"> • 456 participants • Duration of courses: from 2 hours to 14 business days
Training program for Collections Department employees	A set of basic and module-based training for new and existing employees. The program includes in-person training and individual work with a trainer and tutors as well as regular knowledge checkups to support the level of knowledge of employees	<ul style="list-style-type: none"> • 68 participants • Duration of courses: from 3 hours to 4 business days

The succession pool is a site for internal training of promising employees for further career development. Succession candidates shall complete a module-based competence development program. In 2019, all succession candidates successfully completed the final defense, and most of them got a promotion to managerial positions.

In 2019, the business skills learning system was based on a competence approach according to the implemented model of general banking competence for employees and leader competence for Bank managers.

The following training programs were implemented:

- «MKB Success Academy» consisting of 11 training programs in different subject areas
- «Leadership Academy» consisting of 4 programs for training and development of leader competences
- Customized training of employees of business units in sales and negotiation skills and interaction with customers

All aforesaid programs allow the employees of different Bank divisions to increase their professional level, work on the development of corporate and management competence, and share their experience with work fellows in the Bank. 2,475 participants took part in the programs in total. Program participants highly appreciated the level of organization and process of activities (9.63 on a scale of one to ten).

Key development programs for managers and employees

Training programs	Program description
The «Effective Feedback» program (Leadership Academy)	The program is aimed at studying feedback delivery methods and using them to increase interaction efficiency and performance efficiency of employees.
The «Situation Leadership» program (Leadership Academy)	The program is aimed at building knowledge and skills of managers in the application of the situation leadership methods in the effective management of a team of employees.
The «Basics of Effective Management» program (Leadership Academy)	The program allows elaboration of the «Management Cycle» structure and the key functions of a manager.
The «Team Building and Development» program (Leadership Academy)	The program is aimed at forming knowledge and skills of managers in the field of team building and development in their divisions to increase their performance efficiency.
Program for the development of management competences for managers of IT division	Development of staff recruitment skills for managers of IT division
Leadership Academy open programs	A series of short-term training aimed at increasing professional skills and management competence of managers, a site for sharing experience with coworkers. Subject areas of training: time management, management of different types of employees, basics of personal efficiency, effective communications in a team, negotiations, holding meetings, etc.
Open programs of MKB Success Academy	Training in such subject areas as business communications, personal efficiency, time management, elocution, etc.



Training of senior management

The «Succession» program was implemented to prepare for the positions of Members of the Management Board and to transfer knowledge, experience, and skills to the employees who may hold key positions in the future, to involve the management of the Bank in development of promising managers.

Period: June 2019–June 2020.

The program comprised the following stages:

- Selection of participants (The Personnel Committee prepared and approved the list of succession candidates (persons))
- Evaluation procedures
- Holding Module 1 of the development and training program

Annual performance assessment (Performance Management)

The performance management system is used in the Bank to ensure the uniform approaches toward the development of employees, assessment of their performance and corporate competence, structuring of relations between managers and their subordinates, remuneration and retention of employees in the Bank.

In 2019, the Bank launched the Performance Management (PM) system. Within the frames of PM:

- the Annual Assessment Regulation was developed and approved;
- all system stages were automated;
- all system participants were informed of and trained in PM.

A full Performance Management cycle for employees was developed and implemented. Coverage: about **1,500 employees**.



Within the frames of this cycle:

1. Goal setting
 - 1.1 Formation of the development strategy and goals of the Bank for a year; decomposition and task setting based on the SMART principle to the level of divisions/employees
 - 1.2 Creation of development plans/creation of personal development plans (PDP) based on goals set
2. Interim assessment
 - 2.1 Determining performance efficiency of employees based on half-year results
 - 2.2 Analysis of PDP implementation, delivery of feedback, and adjustment of goals
3. Assessment follow-up
 - 3.1 Summary of employee's work results for a year, collection of feedback, inter alia, on the achieved level of competences under development, rating
 - 3.2 Confirming the rating at the committee meeting with the superior managers, taking managerial decisions, including payment of variable remuneration

Execution of the PDP is one of the key actions in PM.

A personal development plan is a list of actions aimed at increasing performance efficiency of an employee, developing corporate and professional competences.

PDP is formed on the basis of competence assessment and with due regard to the demands of an employee and the company; it is an element of nonfinancial motivation and increases loyalty and quality of work performed. The plan may not only contain an increase in the level of knowledge, but it also may set the task to perform some special projects.

PDP functions:

- An employee development tool
- An element of nonfinancial motivation
- To increase loyalty and quality of work performed

Activities planned by the employees under PDP form the basis for planning and implementing training in terms of:

- Subject areas of training
- Development and updating of programs
- Extension of the list of programs
- Attraction and development of expert reviews in the Bank

Plans for the development of the training system in the Bank for 2020:

- Implementation of the training and development program for the managerial staff of the Bank
- Extending the subject areas of programs for employees and managers of departments, divisions, and groups to improve knowledge and business skills
- Implementing the buddy system for the front-office employees of Retail business
- Extending modern distance-learning tools (development and implementation of interactive distance courses, electronic simulators to develop software operation skills, etc.)

Process automation in terms of training and development

Automation of HR processes and service digitalization is the main area to be improved for the purpose of enhanced business efficiency of the HR management function. Process automation will speed up the time of taking personnel decisions and will increase the availability of HR services for employees.

WebTutor platform is the key element of the system. In 2019, we automated the processes of personnel onboarding, training, and assessment. As of the end of 2019, the employees had access to the following functions:

- Personnel onboarding
- 360 competence assessment for all employees and managers, a full Performance Management cycle
- Training: selection of training programs, filing an application for training, long-term planning, selection of training formats

In 2020, it is planned to extend programs and training formats, to automate the organization of external learning, and to carry out integration with the personnel selection module.

Alpina Digital (E-library)

Starting from 2019, all MKB employees received a unique opportunity to have access to the electronic library Alpina Digital at any convenient time and from any device.

Books are grouped by MKB competences. There are more than 2,000 business books in text and audio formats in the e-library: management, marketing, leadership, and personal efficiency summaries. Among the authors there are Stephen R. Covey, Gleb Arkhangelsky, Ichak Adizes, Irina Khakamada, Daniel Pink, Nikita Nepryakhin, Richard Branson, Svetlana Ivanova, and others. Besides, it is possible to see video lectures on the topics, study documents on IT technologies, and view electronic courses.

Corporate Events

Corporate social responsibility is an important part of corporate culture; we share its principles and pay much attention to charitable activities. In 2019, volunteering was developing actively as part of the CSR concept. In 2019, the Bank's employees organized masterclasses and the New Year fest for children of the orphan boarding school, helped the dog's shelter, participated in a number of charitable activities together with Arifmetika Dobra foundation to help orphaned children from Moscow, Moscow Region, and other regions of Russia receive worthwhile education and social adaptation.

The Bank continues to develop corporate sports. Indoor soccer and hockey teams participate in different tournaments, including charitable ones. Participation of the Bank's employees in running events becomes more popular, particularly including charitable runs together with Arifmetika Dobra foundation. In 2019, the Bank held the Donor Day for the first time for the purpose of voluntary blood donation, which had a big resonance.