

## Session C1: R&D AND HR STANDARDS *Effective management of human resources*

Theme: Promoting structural change    Wednesday 9 November 2011 09:45 - 11:15

### **Ursula Schwartzenbart, Director of Global Diversity Office and Performance & Potential Management, Daimler AG** **- Enabling innovativeness of teams**

Short introduction DAIMLER - 260.000 employees worldwide

Let me give you some ideas of the business side of Gender Diversity and I am sure you will see that industry has to move and especially the technical industry is struggling to recruit and retain female talent.

Here is a little story about the current changes in the workforce market we are facing as employers: A colleague from another company shared this story: They were having an interview with a young talented female engineer who was interested in having a career in the company and they told her about their initiatives concerning Diversity – meaning Gender and Global Mind-set. Bright as she asked to take a look at their organization charts – they explained in length and depth where she would be placed and what her tasks would be. Then she looked at them and said, she was no longer interested – because she could not find one single woman or an international sounding name in the chart! – What a smart woman!

This is what we as an Industry are facing. The lack of talent is becoming an obstacle for the future success of European Companies or it can be an advantage for those who are quick and smart enough to find solutions. We definitely have to raise the question how we can reach the whole pool of candidates. So in a way science and industry are more than ever compete around the same candidates.

Here are some facts for Daimler:

Since 2006 we are having Aspirational Guidelines -> quotas for the advancement of women, since then we have increased the amount of female executives from 5.5 % over 10 % by the end of this year! -> which means almost 1 % p. a.

This means around every 3rd placement we make has to be a woman.

In 2007 the board decided to hire 35 % female engineers into our trainee program per year. This is especially in Europe a big challenge – German numbers tell us, that only 5 to 8 % of women are studying engineering, electronics, IT or automotive and it is not really looking better in other countries. Therefore we are running special events to get more women interested into the automotive industry. It is a hard task, because women today have more choices than ever, especially if they are engineers – eg. environment, health. But it is not sufficient to take care of the women. We see a lot of young men also having alternative approaches to their careers. They often ask us for opportunities to have parental leave, for sabbaticals or for a different approach for long working hours, the so called ‘presence’ culture. Of course we provide flex work and all other instruments but still they are struggling with the classical career pattern. All these requests cannot be answered only by the adaption to the current company’s culture.

We understand that the requests are very serious and our answers have to provide the flexibility for both gender, women and men, to make us attractive for the growing rare resources. This is the chance process we are facing.

In our annual performance and potential review we integrate not only the target achievement but also leadership criteria such as: “Values Diversity and strives for cultural change”. This criterion can be a modifier for the bonus payment – which is a strong motivator. And – the evaluation of our managers is not only made by the supervisor but by the whole management team which reflects from the different perspectives what they have seen how the person acts and leads. The HR-Business Partner plays a strong guiding role in this discussion and at the end we have a clear

understanding of performance and potential of the respective candidate. We care about at least having a small representation of women at the table to ensure that Diversity is not perceived as something disturbing but as a resource. All HR people have had special gender training.

In this sessions we also include career planning for candidates and every executive knows that he or she has to have at least one female candidate on his/her short list for placements. This is not new for you – but in automotive industry sometimes very hard to apply.

For our managers it does mean they have to be truly sensitive in finding alternative candidates. They need to question their network and to strive for competencies they feel not so familiar with. Therefore the hierarchical system has to be questioned and they have to become more the architects of a vital network and challenge their people to top performance which includes caring about the individual career plans not, only the company requirements. No longer are people willing to set the priority mainly into their professional lives. They want to have what we call a work-life integration meaning that there are times when they set their priorities into their professional lives or into their private lives and – companies have to deal with the situation. Since the introduction of the parental leave for fresh-baked-partners at Daimler over 50 % of them have decided to take at least 2 months off. In 2005 no one in industry would have thought that would ever happen!

And all this actions taken and changes towards a more inclusive culture in the company can only be implemented by example. It is no longer a question of having sufficient or even good instruments on board, it is the question of getting things implemented. We need strong role models and managers who reflect their own style. Iwan Seidenberg put it in the phrase “If you have more alike people in the room, you get more stupid and wrong answers.” Our results in a small research are much better. The innovation rate increased significantly and absenteeism decreased. Teams with more women are making less mistakes in production and development. I read recently in the Harvard Business Review, that women are making teams more intelligent.

As mentioned yesterday from Professor Rees, I strongly believe the only difference between the male and female brain is the way we use it. This difference can no longer be perceived as an obstacle but as a resource for creativity and innovation. The success of companies will strongly depend on their ability to include different life styles, different qualifications and cultural approach including first of all gender. Therefore we keep on training our executives in Gender and Diversity issues. Companies need the pressure to change, it is not only about understanding that there is a bias, but it is to increase speed. Europe has to stay competitive in the global community. “Diversity management is a business must”, as Dr. Dieter Zetsche, the CEO of Daimler, phrased it.

To summarize:

- Industry is facing a tremendous shortage of talent and we have to stay competitive even if resources shrink.
- This shortage is perceived as the female gender gap which is not fully the truth. It is also the men who want a different lifestyle -> we need mixed teams to be successful!
- Implementation of instruments/tools is not sufficient.
- Cultural change is the key to creativity and innovation.
- Change is not occurring naturally but has to be enforced through top management.
- Managers have to become coaches and architects of change.