

Our people

Investing in the future

(includes GRI indicator LA11)

ABB adopted an updated diversity and inclusion statement in 2010, strengthening our commitment to develop and retain people from all walks of life in a global company.

We recognize that a diverse and talented workforce, recruited globally, provides the quality and skills that create competitive advantage. Such diversity promotes both innovation and business success if allowed to flourish in an atmosphere of inclusiveness.

The [company's statement](#) – approved by the Group Executive Committee – was drawn up after widespread consultations, including 57 focus groups in 14 countries in all regions of the world.

Efforts are under way to increase diversity within the company. In some areas the evidence is palpable – there are, for example, people of 46 nationalities among the 650-strong workforce at the company's headquarters in Zurich. This is a sign of improvement; work in other areas continues.

Embedding diversity and inclusion is leading to changes in internal processes to better track and promote diversity. Regional diversity councils are also being formed to act as competence centers and address regional diversity challenges. The first such council will be in North America, and lessons learned will be transferred to other regions.

We continued to invest in 2010 in our ability to attract and develop the best people. There has, for example, been a major investment in talent processes – such as our global recruitment policy, our global Web-based recruitment tool for both internal and external talent, and our talent identification process – to better support the company's business requirements and provide the best opportunities for employees. The Talent Management process has now been embedded in all regions. It focuses on identifying those people with potential, building on their strengths, and supporting development activities so they have greater opportunities to advance within the company.

To support employees in their chosen careers there is also a series of Human Resources-led competence assessments and functional development programs in place. Assessment centers have been introduced for those wishing to become first line managers. The Talent Development Assessment helps employees identified as having strong potential to move into first line manager positions and takes them through a series of exercises to identify their current strengths and development needs.

A program of functional competence management has also continued to assess and develop skills in areas such as finance, project management, information systems and sales.

Programs are complemented by initiatives such as Global Mentoring which was launched in 2008 and focuses on current leaders helping to develop leaders for the future. About 130 mentors and 180 mentees have attended the program so far; in 2010, 102 mentoring pairs attended eight introductory workshops worldwide. Feedback confirms that mentoring supports the learning of both mentors and mentees.

ABB is regarded as an employer of choice among engineering students in a number of countries, including Switzerland and Sweden, and this is reflected in the continued popularity of ABB's two-year global trainee scheme which involves three or four six-month assignments in a wide range of countries and across multiple disciplines.

The number of global trainees doubled to 26 in 2010 compared to 2009 with an equal number of 13 men and women, and they came from twice as many countries – 20 in 2010 compared to 10 in 2009. They were selected for programs in finance, human resources, sustainability, marketing and sales, and sustainable energy futures.

A new Group recruitment policy, adopted in early 2010, focuses on ensuring that employees can move more freely within ABB and pursue vacant positions. All positions, except a small number in senior management, are now posted in a global online recruitment tool which supports greater transparency and encourages equal opportunity. The online recruitment tool also allows employees to track opportunities against their personal profile and post their Curriculum Vitae so it is available to the recruitment teams in every country. Managers are not allowed to block an employee's opportunity to advance.

As part of measures to increase global mobility, ABB increased the number of international assignments initiated in 2010 by 30 percent offering these both as development opportunities but also to meet the business needs within growing markets.

Despite the changing economic climate, ABB has continued to invest in leadership development programs. For the fourth consecutive year, there were three programs in the Senior Leadership Development Program in partnership with IMD business school in Switzerland. The Middle Manager Program is now running in all regions of the world, while the Manager Development Program for first line managers covered a further 745 managers in 2010.

ABB seeks to strengthen leadership at every level, and all employees are offered the opportunity to attend the three-day Leadership Challenge program which focuses on taking personal leadership, irrespective of the position or role in the company. About 42,400 employees have completed the course since it started in 2004.

One of the key focus areas for 2010 was [occupational health and safety leadership](#). A new program was launched to involve country managers and local business unit and division managers to highlight safety leadership as a management priority.

We believe in the need to invest in our employees. Strengthening diversity and inclusion, and increasing the opportunities for employee development, is part of our investment in the future success of the company.

Social Performance: Other GRI indicators

Employment

LA1 Full-time workforce by region

2.8 Scale of the reporting organization

Full-time employees by region	2010	2009	2008
Europe	58,800	60,600	62,100
The Americas	17,700	17,100	20,000
Asia	30,900	29,900	29,100
Middle East and Africa	9,100	8,500	8,200
Total	116,500	116,100	119,400

LA1 Part-time workforce by region

The following numbers of part-time employees are included in the total figures LA1.

For 2010, these figures are also shown as percentages of the total workforce in the countries covered by our social reporting system (95 percent of employees).

Part-time employees by region	2010	2009	2008
Europe	3,133 5%	2,984	3,392
The Americas	143 1%	92	73
Asia	183 1%	268	138
Middle East and Africa	4 <1%	112	124
Total	3,463 3%	3,456	3,827

LA2 Rate of employee turnover by region

Rate of turnover of all employees, including part-time:

For 2010, the figures show the turnover number, as well as the percentage of the total workforce in the countries covered by our social reporting system (95 percent of employees).

Turnover by region (all employees)	2010	2009	2008
Europe	6,351 11%	10%	10%
The Americas	2,567 16%	23%	19%
Asia	4,346 14%	11%	11%
Middle East and Africa	463 8%	5%	11%
Total turnover for whole Group	13,727 12%	12%	11%

Turnover of all female employees, including part-time:

For 2010, these figures are also shown as a percentage of the total workforce in the countries covered by our social reporting system (95 percent of employees).

Turnover by region (female employees)	2010	2009	2008
Europe	1,407 2%	1,439	1,307
The Americas	631 4%	635	450
Asia	1,060 4%	520	532
Middle East and Africa	51 <1%	19	128
Total turnover for whole Group	3,149 3%	2,613	2,417

LA3 Benefits provided to employees

As a multinational organization with operations in around 100 countries, ABB has difficulty in providing meaningful information for this indicator. ABB provides competitive salaries and benefits to employees, taking legal requirements into account and benchmarking against other companies. In view of the different legal requirements from country to country, and the adverse cost-benefit ratio in producing this information, ABB has decided not to report against this GRI indicator.

Labor/management relations

LA4 Employees covered by collective bargaining agreements

Approximately 64 percent of the company's employees are subject to collective bargaining agreements in various countries. Collective bargaining agreements are subject to various regulatory requirements and are re-negotiated on a regular basis in the normal course of business.

LA5 Minimum notice periods regarding significant operational changes

ABB is not in a position to provide Group-wide aggregated information, as the figures vary from country to country depending on local regulations. For the 27 countries of the Euro-

pean Union, ABB is represented on the EU's European Works Council where such matters are discussed.

LA10 Training/LA13 Women in management positions

ABB has decided to report on the top 10 countries by employee numbers in this section, representing about 65 percent of Group employees. All countries reported figures for 2010 and the full list appears on the ABB Web site.

For the first time we have defined women in top management positions as women in Hay Grades 1–10, whereas previously top management was defined as country management plus the two levels below them. We can now compare figures from country to country on the same basis.

Women were appointed to a number of senior management positions in different parts of the world in 2010. These include the regional legal counsel for the India, Middle East and Africa (IMA) region, the heads of Communications in South America and IMA, the global and local group product managers for Power Products division, two senior finance positions in Northern Europe, and key Human Resources posts in China, Canada and Norway.

LA12 Employees receiving performance reviews

ABB has a Group-wide policy to review at least annually the performance of every employee, providing opportunities to discuss work achievements, set future objectives and provide feedback and coaching.

In 2010, ABB developed further its new online tool, covering 75,000 employees in 75 countries. The new system is part of Human Resources Group Tools that run on a common SAP platform and provides a new way of identifying talent within the organization, as well as managing performance and development. The roll-out of the new system was completed in January 2011.

LA13 Other indicators of diversity

As at December 31, 2010, ABB's Board of Directors had eight members, all men, of six nationalities, whereas the Group Executive Committee had 10 members, including one woman, of seven nationalities.

Diversity and equal opportunity

LA14 Ratio of basic salary of men to women

In ABB, salaries are decided according to the nature of duties performed.

Other performance indicators

Economic Performance Indicators

EC3 Benefit plan obligations

EC4 Government financial assistance

EC5 Wage level ratios

EC7 Local hiring procedures

As a multinational organization with operations at approximately 360 sites in more than 100 countries, ABB has difficulty in selecting appropriate countries and providing meaningful information for these indicators. In view of the adverse cost-benefit ratio in producing this information, ABB has decided not to report against these GRI economic performance indicators for the time being.

	Average training hours per employee*			Percentage of women in management**		
	2010	2009	2008	2010	2009	2008
China	40	24	20	25%	–	–
Germany	16	15	16	4%	–	–
Sweden	10	10	17	22%	–	–
India	4	3	28	2%	–	–
United States	25	25	25	15%	–	–
Switzerland	20	20	17	7%	–	–
Finland	13	24	24	17%	–	–
Italy	17	10	10	7%	–	–
Brazil	26	28	31	7%	–	–
Czech Republic	10	13	22	19%	–	–

* The total training hours in some countries do not reflect the increased use of e-learning, which is not included in the figures.

** New definition for 2010, therefore 2008/2009 data not comparable.