# Our people Key to business success

ABB has systematic approaches in place to recruit, engage and develop people who can help us to meet our business needs and customer requirements. Our aim – the key to our business success – is to have the right people in the right places at the right time.

With 150,000 employees worldwide and several thousand on the move at any one time, we need to be sure that we have the appropriate processes to support our employees' performance, behaviors and development, and give the company a competitive advantage in different countries and cultures.

Our approach is to ensure we plan and resource appropriately to meet divisional, global and local business needs; to improve skills and competence in key operational areas; to focus on attracting and retaining dedicated and skilled employees; and to integrate newly acquired companies successfully into the ABB fold. We are also working hard to broaden diversity, recognizing this contributes to our business success.

### **Multicultural benefits**

ABB is a truly international company with a strong multicultural environment. We are headquartered in Switzerland and have strong historical ties there and in Sweden, but this is a company not tied to a particular country or national identity. Having a multicultural workforce improves our ability to respond to customer demands in different parts of the world, and strengthens the spirit of collaboration and innovation across the Group.

Of the 750 people based at corporate headquarters in Zurich, there are people from 54 countries. It's a diversity – and strength – that is mirrored in many of the 100-plus countries where ABB has business operations.

In 2013, we received online recruitment applications from 318,000 people in 69 countries – a sure sign of our global reach and ability to attract people who want the opportunity to develop and contribute to business success through their core skills.

#### Systematic training and development

The level of support, career development and opportunities that our employees enjoy is among the best in the business world. We strive to make sure that they receive the right support to realize their full potential, relying on a mix of structured talent management and learning offerings. Our programs include:

- A Talent Management process which has been improved and embedded in all regions. Around 89,000 formal personal performance and development assessments were conducted in 76 countries in 2013. The process focuses on identifying those people with potential, building on their strengths, and supporting development activities.
- Leadership development programs for different levels of management. A total of 95 senior managers attended two courses of the Senior Leadership Development Program held in partnership with the IMD business school – one of the most highly rated globally - in the Swiss city of Lausanne. The Middle Manager and First Line Manager global programs covered a further 380 middle managers and nearly 1,500 first line managers in 2013.
- The three-day Leadership Challenge program, offered to all employees and delivered in 14 languages focuses on taking personal leadership, irrespective of the position or role in the company. Another 5,800 employees completed the course in 2013, bringing the overall total to about 60,000 since it started in 2004.

#### **Diversity and inclusiveness**

A diverse and talented workforce, recruited globally, provides a broader range of qualities and skills that support innovation and help us to meet some of our biggest challenges. Our diversity program, based on a number of local and corporatelevel initiatives, is currently focused mainly on gender.

- As part of our efforts to support women at ABB and encourage more women to become engineers, we have partnered with <u>The Women's Forum</u> since 2012. It brings together leaders from business and government all over the world to share new perspectives on key commercial, political and social questions. ABB's participation raises our profile among female leaders and enables us to contribute to and learn from best practices in other leading businesses.
- We launched the <u>women's mentoring program</u> in the United States in 2013 to support female employees in becoming more effective leaders by accelerating their learning and development.
- In Sweden, ABB seeks to encourage and <u>attract female</u> engineers from universities as part of attempts to create a more diverse workforce. Several have taken internships or been hired.
- In India, there are a number of ongoing programs to strengthen the presence of women in executive, functional and factory roles. These include workshops for line managers to strengthen understanding of the business value of diversity and inclusiveness, as well as efforts to increase the number of women in the interview pipeline, and to raise the number of women on the shop floor.

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We also work on other issues of diversity and inclusiveness. In Australia, for example, ABB joined a three-year Reconciliation Action Plan in 2013 to create social, employment and business opportunities for indigenous Australians.

In the <u>United Arab Emirates</u>, where young Emiratis traditionally join the public sector, we have been encouraging them to join ABB by publicizing our training and the flexible, long-term career opportunities available. We have been able to engage more young Emiratis – people who are well positioned to support the business.

In other countries, diversity efforts also involve integrating people with disabilities into the workforce. A team has been set up at ABB in Italy to improve the employment opportunities for people with disabilities. The emphasis in South Africa is different: all employees receive training to promote greater understanding of disabilities and ways of integrating disabled people into the workforce.

#### Mobility supports business success

Employee mobility creates value for ABB, our customers and our people. We encourage interested employees with the right level of experience and knowledge to transfer to projects or locations where they can both contribute to business development and gain further experience.

Nearly 960 people were on long-term international assignments in 2013 – a slight increase on 2012. The most common assignment duration is between one and two years. We are also starting to see more employees from emerging economies move on assignments to ABB locations in mature markets, as well as the more customary moves in the other direction. India, Brazil and China are now among the top ten exporting countries for talent within ABB.

#### Attracting young people

Attracting talented young people and developing them for future leadership roles is key to delivering business value.

ABB already has a good reputation in several parts of Europe where engineering students again voted ABB an employer of choice in 2013. Our strong reputation as a technology innovator and a responsible company is attractive but competition for top talent is fierce.

In employer branding research we found that ABB is not as well known among electrical engineering students in some countries as we would like. Internal initiatives have been started, backed by key performance indicators, to achieve the state of recognition that we would like in the coming years. We have also redesigned the ABB careers portal based on the results of the research, with a better focus on differentiation factors that ABB offers and expects from employees.

One of the ways in which we attract talented graduates is through our two-year global trainee scheme which involves different assignments around the world and across multiple disciplines. A total of 24 global trainees – one third of them women – joined ABB in 2013. They come from 16 countries and have taken on a variety of roles in areas such as information services, finance, human resources and sustainability.

**318,000** online applications to join ABB in 2013

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Another way in which ABB seeks to attract the best prospects is through partnering with CEMS, a strategic alliance of leading business schools and multinational companies whose goal is to set a global standard of excellence for pre-experience Master's holders in management. ABB has been a partner for the past three years. About 60 CEMS alumni work at ABB.

Once graduates join the company, they benefit from the ABB Life program which is designed to develop and prepare talented young people for future leadership roles. A total of 380 young employees and new recruits went through the global program in 2013.

Other Human Resources-led programs are also available to help in personal development. These include the Global Mentoring scheme which was launched in 2008. A total of 166 mentors and mentees participated in the program in 2013. Mentees benefit from advice and guidance; mentors also learn and appreciate the opportunity to pass on their knowledge and experience.

English is the common language in ABB and, as part of other efforts to improve language skills, ABB offers a Standard English training course free of charge to employees and their family members. About 39,000 people have so far activated a license to strengthen their skills.

All these programs are designed to foster business excellence and success, and strengthen the development and loyalty of employees. As we pursue further business opportunities, we know our employees are our greatest asset.