

Our people

Key to our transformation

ABB launched the second stage of our Next Level strategy in 2015 to accelerate the transformation of the company and enable us to better address the needs of our customers. How we reshape the company and ensure our employees have the appropriate leadership, skills and responsibility will help to determine the success of the strategy.

Key measures announced in 2015 included a divisional re-alignment and the reduction of five divisions to four, taking effect at the start of 2016, in order to deliver additional customer value from our unique power and automation offering. Organic growth remains the key focus of ABB's efforts to accelerate sustainable value creation.

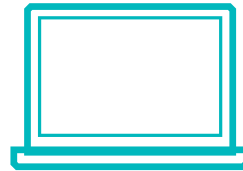
One of the key elements of the transformation is our White Collar Productivity (WCP) program, one of the seven 1,000 day programs supporting the Next Level strategy. The WCP program aims to simplify our organization and make it more agile, to increase our customer focus, and to improve the efficiency of our business and support functions. We have designed a blueprint and a roadmap that will help us drive transformational initiatives across white collar processes, leverage our global scale and streamline processes.

Among other measures, we will be equipping our sales force with better training and tools; we plan to consolidate more of our research and development (R&D) resources into fewer, at-scale centers, using our global R&D network to improve the innovation process, and we plan to better utilize our supply chain expertise by pooling resources across the organization. We will also consolidate our more than 60 shared services centers, many of which are country based, into two global and four regional centers, and we intend to move our businesses closer to the markets.

WCP will result in increased customer focus, standardized processes that will improve the way we work internally and clearer roles and responsibilities for our employees. As a result of this planned transformation, we will also achieve cost savings of \$1billion run rate by the end of 2017, enabling us to better support our growth ambitions.

Based on the strategy and our company values, we finalized a new competency model to better define our expectations of all our employees. This behavioral model is being embedded in all key Human Resources processes, from recruitment to performance management and training.

In parallel, a Group-wide capability and workforce planning process was established, and a pilot was run successfully in one division, setting the stage for its adoption throughout ABB in 2016.



2015: just under
500,000
online applications
to work at ABB

The bonus scorecard, rolled out in 2015, was re-designed, balancing company and individual/team objectives. Individual scorecards were submitted to 70,000 employees. An updated performance and development appraisal process was also set up in 2015 to link performance to compensation more effectively. In parallel, greater emphasis has been placed on bottom-up people review sessions, and an improved succession planning process.

As can be seen in the [sustainability objectives dashboard](#), implementation of the many changes is a priority for 2016.

Diversity and inclusion

As a truly global company operating in over 100 countries on all continents, we see the value of having a highly diverse workforce, and are committed to improving our performance on diversity and inclusion. One of the Group-wide programs being launched in 2016 is a diversity and inclusion framework which is focused on recruiting and promoting more women, and strengthening female representation at every level of the organization.


The framework is based on a three-part strategy – to further strengthen our talent attraction and talent management processes to ensure diversity, to improve work-life balance and implement career life-cycle support systems, and to build internal, as well as external awareness. Central to this are plans to hire and nurture female talent, improve diversity in project management, and review existing support policies and benefits, as well as greater options for flexible working arrangements. The framework also aims to strengthen awareness of diversity and inclusion issues among senior managers and employees.

Complementing this framework, ABB continues to support and sponsor the Women's Forum which we see as an opportunity to contribute to and learn from best practices in other leading business. A total of 650 companies from 92 countries were represented at such meetings in 2015. Among the meetings in 2015 was one in France attended by 10 ABB women, from eight countries, including a member of the Group Executive Committee.

Our headquarters reflects the value we place on a diverse culture. At the end of 2015, 743 people (including 289 women) from 50 different countries worked at headquarters. The same multi-cultural environment is true for many of our operations around the world. It is also reflected in our Board of Directors and our executive management. At year-end 2015, there were eight members of the Board - all from different countries. The Executive Committee comprised 11 people from eight countries.

Diversity can take many forms: They range from individual achievement such as the success of an accomplished female engineer to work on the [Solar Impulse record-breaking solar-powered flight in 2015](#) through to country-wide initiatives such as several programs in India to reinforce development opportunities for women.

ABB in South Africa won an [award](#) from a regional industry organization for the transformation of the company, in particular for increasing the number and roles of women in senior positions, and for the company's efforts to develop women engineers through the newly established ABB Education Trust.

In Australia, ABB is involved in a number of schemes to support the education and development of Aboriginal people. 

Attraction

ABB remains a highly attractive opportunity for people seeking to develop and promote top-notch power and automation technologies in a multi-cultural environment around the world. In 2015, ABB was voted employer of choice in surveys in several European countries, including Finland, Italy, Switzerland and Sweden, and received recognition as a highly rated employer in countries such as Canada, Germany, Poland and Saudi Arabia.

As a further indication of the attractiveness of the company, ABB received online recruitment applications from just under 500,000 people from 193 countries in 2015 - 10,000 more applications than the previous year. Being able to attract applications from all round the globe highlights the strength of the ABB brand and as an employer of choice.

Considerable focus is placed on attracting talented young people and developing their skills for future leadership roles. An updated employer branding campaign was rolled out in 2015, seeking to attract young people by emphasizing the importance and opportunities for young engineers.

Development

ABB invests heavily in the development of employees, offering structured career plans and many opportunities to realize potential. We offer employees a wide range of programs run at country, region, function and Group levels. Here are a few examples of Group-level training and development initiatives:

- Our annual appraisal scheme offers an opportunity to review and provide feedback on performance, development opportunities, and career discussions. Over 90,000 employee performance and development appraisals were carried out in 84 countries in 2015.
- Leadership development programs: 90 senior managers attended two courses of the Senior Leadership Development Program held in partnership with the IMD business school in Lausanne, Switzerland.
- The Middle Manager Program and the First Line Manager global programs covered a further 420 middle managers and more than 1,800 first line managers.

Retention

Our ability to retain our employees is crucial both from a current and future standpoint. All our countries strive to strengthen employee loyalty and engagement. In some countries such as India, turnover levels have come down in recent years and are below the industry average among peer companies.

International mobility strengthens our ability to transfer knowledge, deliver customer value, support individual development and build loyalty. The Group had 922 people on long-term international assignments in 2015. India and China are now established among the top 10 countries in ABB that send employees on international assignments.

As the company moves forward on our transformation process, there will be further challenges. These include ensuring our employees receive strong guidance and support in times of change so they can continue to give their best; we need to be able to continue to attract, develop and retain the best people in an increasingly competitive market; and in years to come we will seek to extend our diversity program, knowing that a highly diverse workforce contributes to business success.