

VOLVO CAR CORPORATIONS TALENT CASE STUDY



*As part of HDA's sustained commitment to supporting our clients, we regularly work with world-class organisations to obtain insights into their talent management strategies and successes. With this in mind HDA has recently collaborated with **Volvo Cars** to create a short case study on their approach to effectively managing talent – with particular emphasis on their Competence Management Framework and Lean Academy both of which are intrinsically linked to enhancing employee engagement levels and ensuring long-term success.*



Talent Management will and always has been a crucial component of successful business management. It is important to develop practical strategies for ensuring your key talent are engaged, motivated and ultimately committed to your organisation and its objectives. Reflecting this, Volvo Car Corporation has developed a Talent Management strategy that reflects the requirement for organisational capability to meet business commitments in the short, medium and long term. For Volvo, organisational capability is about having the right competences in place and the right levels of commitment to utilise those competences in an ever-changing and fiercely competitive global economy. So the starting point, for their Talent Management strategy, is a Competence Framework.

Competence Management Process

The Volvo Competence Management Framework was established in 2006, in the hopes of refining their approach to training and development – moving from a subjective, fairly ad hoc approach to a more systematic, consistent and objective process. The Framework is built on the six generic competences which the company believes all employees should have. These competencies are considered essential if Volvo is to strengthen their people-centric culture; continue to operate successfully in the premium segment of the global automotive industry; and deliver on their brand promise to “*design cars for a better life*”. For leaders, there is an additional component to the Framework as they are assessed against four key competences deemed as essential in delivering business success through people. Alongside the generic employee and leadership competences, Volvo has also identified the specific competencies required for each role/function to deliver business commitments both now and in the future.

In order to determine progress against these competencies, employees and leaders are assessed (self and supervisor assessment) against the framework according to the Volvo standards of: Acquire, Apply, Guide and Shape. A development discussion is then had around this assessment and a personal development plan is produced. As demand for learning far outweighs the resources available to satisfy all needs, any competence gaps identified are then prioritised in order of importance for business continuity. Once priorities are determined the competence area specialist group identifies ways to provide high quality learning solutions at the lowest affordable cost.

The Competence Management Framework in itself provides a greater return on investment than previous training and development activity as it enables Volvo to achieve more learning for less as a result of the systematic approach which eliminates ad hoc, subjective training requests. In addition, competence gaps are now defined and identified within a business context and so learning solutions are more closely aligned to business needs. The Framework also drives the Operating Management to think more radically about strategic needs in terms of competencies and so the focus is shifted from the short to medium/long term.

In the current climate, with constraints on the budgets related to managing and developing talent, organisations are finding it increasingly challenging to facilitate and promote a culture of continuous learning. The transparency of Volvo's Framework combats this by reinforcing a learning culture; whereby individuals take responsibility for their own learning agenda. HR guide and enable as opposed to directing staff; thereby creating a culture of career ownership amongst staff members. In addition, greater emphasis is placed on self-help solutions, blended learning, relationship-learning and experiential learning. As a result, Volvo's role is shifting away from pure provider to enabler.

Finally, the Framework allows for an overall 'health check' of the organisation so that an assessment can be made as to Volvo's capability to meet business commitments and this can be used to steer the whole Talent Management cycle plan – for example, it maybe that the succession planning approach needs to be modified to reposition the company to meet a competence gap.

A successful implemented and managed competency framework is not only a useful performance management tool but it can also act as an indirect motivator; particularly in the current climate where organisations are constantly seeking new and alternative means of engaging talent. A critical challenge for the 21st Century organisation is in understanding how to engage employees in a world where geographical boundaries have no limits and remote working is commonplace. Clearly defined competencies can be a useful means of integrating remote workers; ensuring that all staff are aligned and engaged with organisational goals and consistent in their approach to promoting and representing the organisation. A successful competence management framework can also give structure and direction to employees during times of change; ensuring they are fully aware of where their role 'fits' within the organisation and what they need to achieve to be successful.

The Lean Academy

Following the successful introduction of Lean into its operations, Volvo identified that although the Lean systems and tools were operating effectively, the company had not made sufficient progress on the most important element of ensuring a sustained Lean transition...Lean Thinking!

As a result Volvo developed its Lean Academy - a programme aimed at reinforcing knowledge of lean systems, processes and tools amongst leaders, and ensuring that Volvo leaders are Lean Thinkers and believers in the Power of Lean with a proactive approach to embedding Lean approaches across the organisation. Taking a radical departure from past learning activities, Volvo decided to combine the expertise of their operations management and internal lean specialists to design their own 3-week programme to be delivered through internal resources. Blended learning is central to the success of the Academy as is buy-in from the Senior Management Team, which is visibly committed to the programme. A key enabler of effective talent development is a clear commitment from the leadership team, while the greatest barriers tend to be the time and cost associated with running talent management schemes. Even in the current climate, where numerous short-term priorities consume both people and financial resources, Volvo has achieved a longer term commitment to talent development through their Lean Academy.

Since its inception the return on investment from the Lean Academy has been significant; with the programme delivering real business benefits, including:

- Post-programme each participant takes an on-the-job assignment to resolve a business issue which has a real impact to their business location.
- The introduction of an online alumni, which allows former course participants to network as a lean knowledge community.
- Alongside the leader element to the programme, Volvo also partners with a locally-based technical college to make the programme content available for its students; thereby ensuring that the company will have access to a new generation of Lean Thinkers in the future.
- The Academy demonstrates Volvo's commitment to continuous improvement; where flaws in current processes are highlighted and more robust solutions to ensure long-term Lean success are implemented.

Through the introduction of their Lean Academy, Volvo has demonstrated their understanding of the important role that leadership development plays in determining future organisational success. In addition Volvo recognises that investing at this level should be made proactively to ensure leaders are equipped with the skills not only to achieve current requirements but also to meet the changing demands of the market place.

The Key to Success...

As with any strategy the key to success is in ensuring that there is an integrated approach to Talent Management; recruitment planning should be linked to career or succession planning and leadership development should not be seen as something disconnected from a company's Employer of Choice positioning – they are all part of a holistic Talent Management system. With talent retention set to remain a key concern in 2010 (CIPD 2009, HDA, 2009, 2008) it is critical for organisations to ensure they develop a proactive, integrated but diversified strategy for attracting, engaging and retaining talent now and in the future.



“Our Lean Academy is not just about teaching Lean. It is about our Employer of Choice status for the future, it is about organisational learning, it is about leadership development, but it is also about employee engagement and our mission to establish a fully inclusive, people-centric culture. Connectivity is key to future business success.”

(Geoff Glover, VP Talent Management – Volvo)

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For more information or to express an interest in collaborating with HDA on a future case study please contact Sweta Patel - sxp@hda.co.uk