

the **HRDIRECTOR**

THE ONLY MAGAZINE DEDICATED TO HR DIRECTORS

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TALENT MANAGEMENT

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Susannah Clements -
Group HR Director, Anglian Water Group
Accenture
Alfred McAlpine
Bristol City Council
Deutsche Lufthansa AG
Hampshire County Council
Serco



Pictured: Jonathan Croucher
Director of HR, Taylor Wessing

DON'T MISS NEXT MONTH'S ISSUE WHERE WE LOOK AT: FORUM: MERGERS & ACQUISITIONS; EMPLOYING WORKERS FROM OVERSEAS; COMMUNICATION; HEALTHCARE & THE BOTTOM LINE... AND MUCH, MUCH MORE



DEUTSCHE LUFTHANSA AG, ONE OF THE WORLD'S LARGEST AIRLINES, HAS OVER 92,000 EMPLOYEES WORLDWIDE. WITH SUCH A LARGE WORKFORCE, A PRIORITY FOR THE DEVELOPMENT OF MANAGEMENT IS TO HAVE A TRANSPARENT OVERVIEW OF THE GROUP'S HR POTENTIAL AT ALL TIMES.

With reported tax results of £453 million and sales of £18.1 billion at the end of 2005, the aviation group has grown rapidly in recent years. Its main focus is on its core competencies in the following six business areas: Passenger Airlines, LH Cargo, LH Technik (aircraft maintenance, repair, and overhaul), LSG Skychefs (catering), Thomas Cook AG (travel agency), and LH Systems (IT services).

To be commercially successful, a service provider must consider its employees as its most important resource.

"For this reason, systematic and targeted management development is absolutely essential," says Dr. Sylvia Branke, director of Executive Development Strategies at Deutsche Lufthansa AG, when describing the main challenge in terms of human capital facing an aviation group with worldwide operations like Deutsche Lufthansa AG.

"The available leadership qualities, competencies, and technical expertise must be in synch with strategic corporate plans and objectives," adds Branke.

"develop executives to support succession and career planning"

In addition to needing a crystal clear overview of the talent within the group so that any vacancies can be filled quickly and immediately with in-house personnel, another ongoing key task is to further develop executives in a targeted manner to support succession and career planning.

In order to implement the steerable group-wide executive development system she designed, Branke required an efficient talent management solution. Lufthansa turned to ExecuTRACK Software Group, a global provider of strategic talent management software, which offers solutions for a wide variety of tasks including career and succession planning, skills and competency management, and performance management.

After examining the various possibilities, Branke opted for ExecuTRACK's ETWeb™ Enterprise. The totally Web-based solution

was welcomed by both HR specialists and IT experts due to its user friendly operation and flexibility, as well as its configurability in regard to process management and creating layouts for forms and reports using Deutsche Lufthansa's corporate design. Another significant criterion was its integratability with SAP, a standard solution used by HR within the Lufthansa Group to reconcile data periodically.

Using a top-down approach, software implementation began in 2002 with senior management and then, after close coordination with the individual divisions, worked its way down to include other management levels.

"administer and monitor potential and performance-related data"

Within the scope of its eXam (Executive Asset Management) executive development system, Deutsche Lufthansa is using ExecuTRACK's web-based ETWeb™ Enterprise software to administer and monitor potential and performance-related data of its executives and junior managers. It currently maintains information pertaining to competencies, strengths, special skills and similar characteristics of about 1,200 employees at these levels group-wide.

In a flexible and multifunctional manner, the tool helps to compile and generate reports pertaining to human capital, including the capability of carrying out ad hoc analyses. With a few mouse clicks, it is possible to assess the state of management capital for the individual job families. It can also be used to identify any upcoming shortages as well as potential candidates among current executives and junior managers in the group. By comparing job specifications against individual qualifications, Lufthansa's human resource managers can locate suitable talent that can be prepared as potential candidates for a given position using specific skill and competency acquisition training.

Besides setting up the system within the company, Lufthansa also plans to introduce ETWeb™ Enterprise components to generate organisational charts. This will enable company decision-makers to better

visualise the relationships between organisational structure, management capital, and position-occupancy scenarios.

“transparency over management potential”

“Essentially, we have created an executive development steering system that gives us transparency over management potential in the group and its development. At any time, ETWeb™ Enterprise can analyse the effects of job changes, generate a ranking for suitable candidates, or project excesses or shortages in job groups,” explains Branke.

The program also provides the data to allow Lufthansa to gauge the effects of position changes at any time, determining the ranking of suitable candidates to ensure the proper succession of key functions.

SUMMARY

Challenges...

- A need for transparency and the capability to compare information pertaining to management potential within the Group
- A need to perform quantitative analyses pertaining to position vacancies and potential in the individual job families groups
- Manual procedures

...and Solutions

- IT-supported navigation system pertaining to executive development and potential with a multifunctional analysis capability
- Active, forward-looking executive development
- Targeted assessment in regard to potential vacancies in executive positions
- Transparent and standardised database including data about the potential of executives and junior managers

“The Lufthansa success story highlights a number of the key trends and challenges facing professionals in the HR and Talent arena today,” comments Grant Crow, managing director UK at ExecuTRACK.

“We’re finding that a number of factors are converging to drive talent management to the top of CEO’s minds.

- Firstly, the demographic issues. A number of our clients are faced with the prospect of large swathes of senior executives (baby boomers) retiring. In some cases, impending retirees comprise 50% – 60% of the executive team!
- There is a global shortage of genuine ‘high end’ talent. This shortage is particularly felt in specialist areas such as engineering.
- Added to this is the desire of recent joiners to the workforce to have more independence over their career

development, investment in their skills and to be managed in a way that reflects the freedoms and outlets that technology has made available.

Given these, most organisations have only one sustainable solution. The current global talent pool is finite. Successful organisations will find new ways to develop skills and competence in all of their people. This is where Lufthansa has been visionary in its approach to management and people development.

Appropriate technology can make a significant contribution to organisational change and to helping to create the new world of work. Those organisations that grasp this opportunity will be at a substantial advantage.”



For further information:

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