智享会

HR Excellence Center

Visiting us at www.hrecchina.org

Employee Retention

Agenda

- What other survey reports say employee engagement, stay at and quit from the company?
- salaried employees attrition rate
  - from 2006 to 2012
- Some actions taken to retain our salaried employees

A Global View on Employee Engagement: 2011 Findings

HR Excellence Center

2011 Survey on Employee Engagement
BlessingWhite, Inc.

EMPLOYEE ENGAGEMENT	◆ *Fewer than 1 in 3 employees world wide (31%) are engaged. Nearly 1 in 5 (17%) are actually disengaged* ◆ *Engaged employees plan to stay for what they give; the disengaged stay for what they get*
RETENTION	◆ *More employees are looking for new opportunities outside their organization than they were in 2008*
DEVELOPMENT	◆ *Employees worldwide view opportunities to apply their talents, career development, and training as top drivers of job satisfaction*
REALITY	◆ *Managers are not necessarily doing the things that matter most*

Did You Know Global Data Shows?...

"Handle with Care"
by Barbara Glanz

- 46% of employees leaving a company do so because they feel unappreciated
- 61% said their bosses don't place much importance on them as people
- 88% said they do not receive acknowledgement for the work they do

10 Most Common Reasons for Staying at a Company

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Hay Group Study
Global Survey Results

- *Good boss*
- *Recognition for work well done*
- *Autonomy; sense of control over one's work*
- *Flexible work hours and dress code*
- *Fair pay and benefits*
- *Career growth, learning, and development*
- *Exciting work and challenge*
- *Meaningful work; making a difference and a contribution*
- *Great people*
- *Being part of a team*

Global Reasons Employees Quit

Kelly Global Workforce Index 2011

- *Negative relationship with direct manager*
  - *Unrecognized*
  - *Unappreciated*
- *Little hope for career advancement or growth*
- *Reality of a role does not match what was promised during the recruitment process*
- *Overworked and stressed out*
- *Lack of coaching and / or mentoring*

Employees quit their bosses, not the company

HR professionals have an unclear picture of the factors that employees consider important for staying at their jobs.

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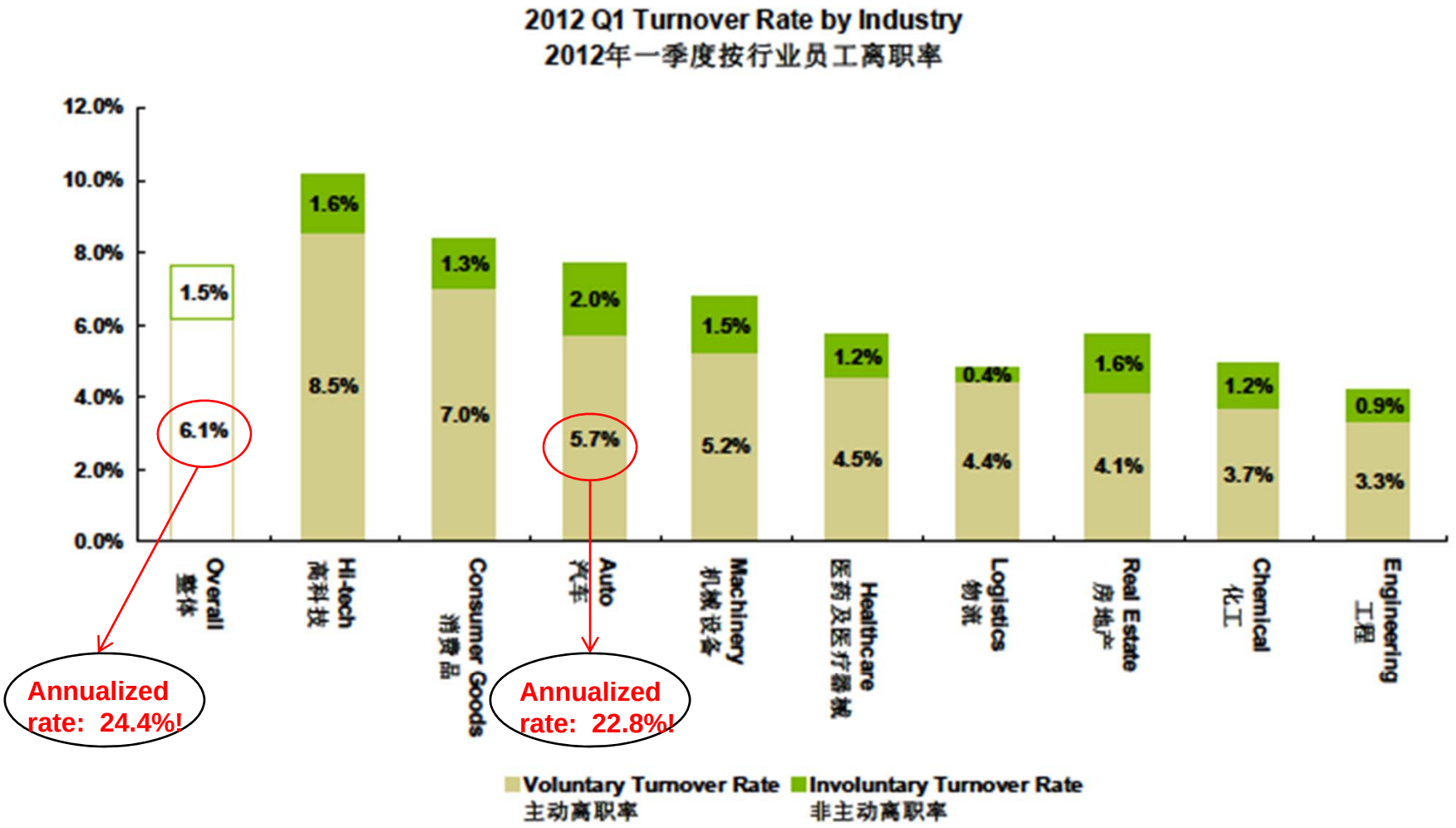
DDI Development Dimensions International

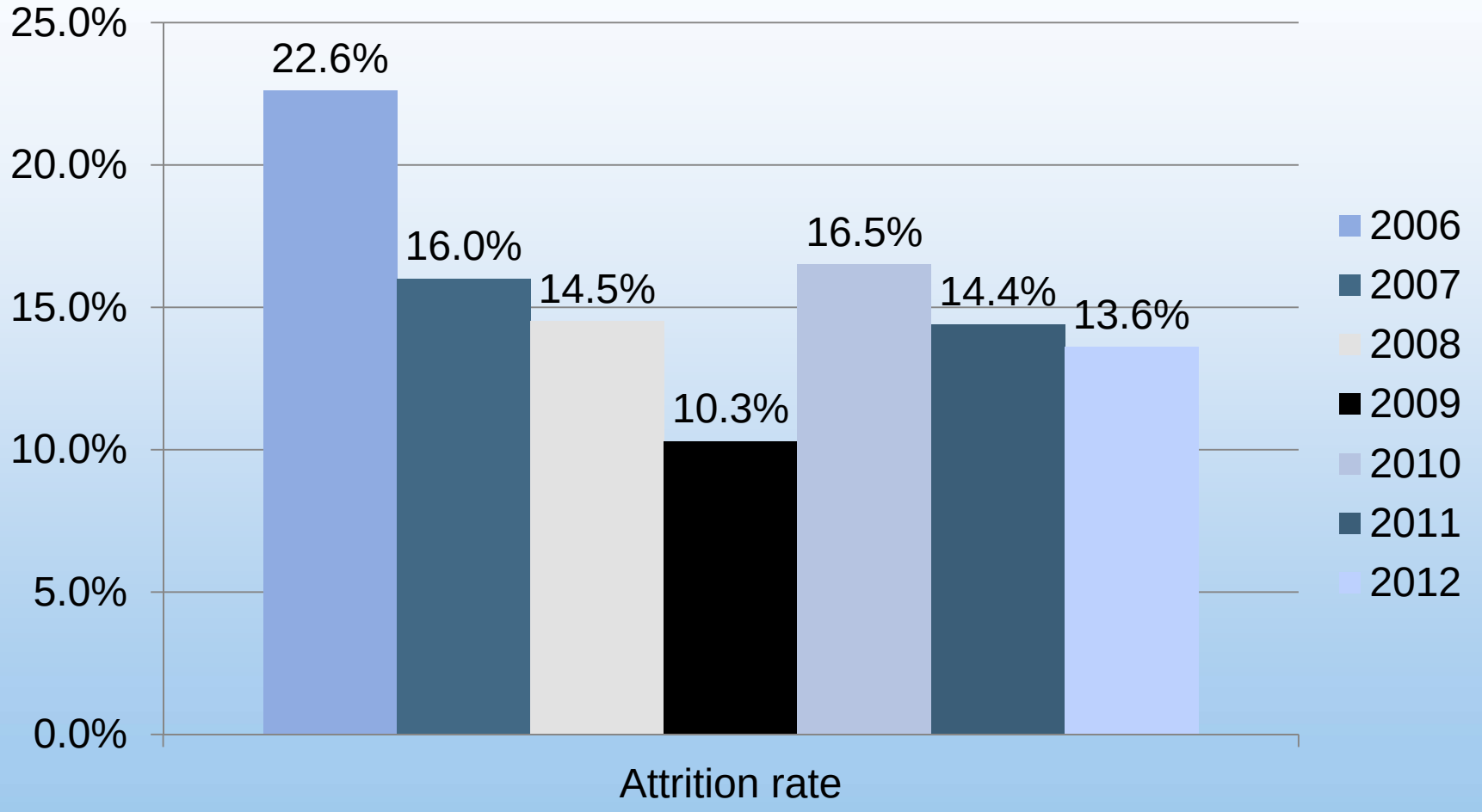
Table 5: Retention factors ranked in order of importance by HR professionals and employees (EE).

HR Rank	EE Rank	Retention Factors
4	1	Quality of relationship with supervisor or manager (Motivational Fit)
5	2	Ability to balance work and home life (Home Life)
19	3	Amount of meaningful work—the feeling of making a difference (Motivational Fit)
20	4	Level of cooperation with coworkers (Cooperation and Trust)
21	5	Level of trust in the workplace (Cooperation and Trust)
2	6	Quality of compensation package (External Rewards)
1	7	Opportunities for growth and advancement (External Rewards)
15	8	Clear understanding of work objectives (Motivational Fit)
11	9	Link between pay and individual contributions (External Rewards)
8	10	Other (Undefined)
16	11	Company responsiveness to needs/requests (External Rewards)
7	12	Level of challenge in work (Motivational Fit)
18	13	Autonomy—freedom to direct work (Motivational Fit)
6	14	Amount of recognition for work (External Rewards)
14	15	Quality of vision and strategy from senior management (Company Direction)
12	16	Ability of the organization's selection practices to choose the right employees (Company Direction)
9	17	How well individual goals and style match the organization's (Motivational Fit)
3	18	Amount of job stress (Workplace Discord)
10	19	Desirability of the company's geographic location (Home Life)
13	20	Volatility of work environment, such as downsizing, mergers, etc. (Workplace Discord)
17	21	Amount of internal politics/bureaucracy (Workplace Discord)

2012 Q1 Turnover Rate - By Industry
2012年第一季度离职率 - 按行业



Salaried Voluntary Attrition Rate



Our objective: Voluntary attrition at or below country regional industry benchmark

Some Actions Taken to Retain Our Employees

- Construct and exemplify the company Excellence culture
- Optimized on-boarding process -- Help the new employees to adapt to the new working environment and reduce “the attrition % in 6 months”.
- Employee development and leadership development program
- Employee communication and Employee Excellence Survey
- Publish monthly salaried employee voluntary attrition report
  - Pre-set annual target for each plant at the beginning of the year
- Fast tracking salary increase scheme is in place for fresh graduate/ less experienced employees to catch up the market movement.
- China **A**nnual **I**ncentive **P**lan to replace old Variable Bonus scheme effective from Y2012
  - Stronger linkage between company performance and individual award

7 Absolutes of EXCELLENCE Culture

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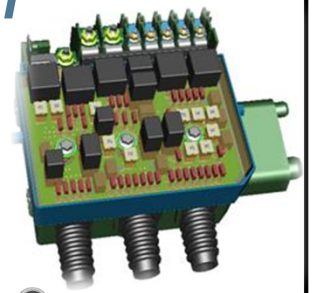
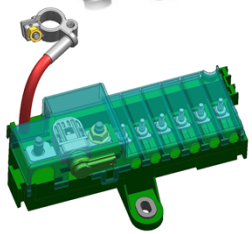
- **Focus:** **Your customer** through consistent performance resulting in profitable growth
- **Performance goal:** **Do it right the first time**, **every time** through EOS compliance and accountability
- **Method:** **Innovation and continuous improvement** to excite our customers while aggressively eliminating variation
- **Control:** **Customer feedback** and constant performance scrutiny
- **People:** **Caring** through professional development and personal accountability
- **Style:** **Teamwork** committed to win as one organization
- **Reward:** **Recognition and security** based on personal performance and business success

Excellence: Teamwork / MBO: Growth
DEC Awarded GM D2XX and D2UX Electrical Centers

Lifetime Revenue: $600 Million





- Recognition

Leaders: Andreas Schmies, Brian Kogut, Christian Klimm, Andreas Weidemeyer

Team: Wheeler, Greenbury, Fein, Pawlik, Muschalik, Yi Jiang, K. Huang, A. Wang, Swiatek, Swierczynski, Dziech, Wozniak, Nowakowski, Ramaekers, Scheumann, Burow, Ackermann, Wirtz, Volkov, Partenheimer, Brinkschulte, Carstens, Bergmann, H K Hofmann, Feltovich, Kaiser-Laboudi,, Ernst, Okrob, Ming Tan, Aihua Gong, Marcias, Meinberg, Carbajal, Drew, Villanueva, Navarrete, Moch, J. Luo, Perez, Schwarz, Sebastiani, Sartorius, Brandon, Tupper, Gamon, Jiminez, E. Rodriquez, Carnahan, Gallegos, Morales,. Kopiczak, A. Jozwiak

- Background
  - 2014 CY Global platform (NA, EU, SA, and AP)
  - Includes: Excelle, Verano, Cruze, Equinox, Astra, Terrain
- Performance
  - Optimized technical solutions created GM enthusiasm
  - Strong Sales & Engineering relationship focused on customer requriements
  - E/EA value propositiion overcome competition through rounds of designs and quotes
  - Global capabilities aligned to GM needs
- Result
  - Conquest EU win over Leoni
  - Defended NA and AP business
  - DCS awarded the EC connections

One of the Excellence messages at monthly global leadership meeting

Annual Worldwide Excellence Celebrations – 2nd week of June

Excellence Logo

*This year, as we celebrate our culture of Excellence, we place an additional **focus on the absolute of Teamwork**. Being committed to win as one organization is part of what differentiates us and allows our team to accomplish our goals.*

As always, be safe and have fun!

2012 Excellence Pin

Excellence Week Theme

Excellence Theme Selection

2012 winning poster

- 2003 – “Excellence, Celebrating Together”
- 2004 – “Living Excellence Day by Day”
- 2005 – “Excellence – Take the Challenge”
- 2006 – “Excellence: Now More Than Ever – Creating Our Future”
- 2007 – “Excellence: In All We Do”
- 2008 – “Excellence in a New Era”
- 2009 – “Strength and Adaptability in a Changing World”
- 2010 – “Excellence: Together We Succeed”
- 2011 – “Excellence: The Best Investment For A Better Tomorrow”

2012 –

“Excellence: Teamwork Makes the Dream Work ”

2012 Excellence Week Activities (Central Office)

2012 Excellence Week

<Central Office>

Monday June 4	Tuesday June 5	Wednesday June 6	Thursday June 7	Friday June 8
➢**Cherish today, Strive for tomorrow** Venue: Cheng Jia school Time: 9:00~11:00am ➢**English Club** Venue: Central Office Time: 13:00~17:30pm ➢ **Photography Competition–Future Star** Venue: Canteen Time:11:30am	➢ **Kick-off Meeting** Venue: Shanghai University Time: 10:00~12:30pm ➢**Puzzle & Contest** Venue: Office Time: 13:30~14:30pm ➢ **Book Fragrance in Delphi** Venue: Office Time: 13:30~14:30pm	➢ **Delphi New Technology Show** Venue: Innovation Center Time: 10:00-11:30am ➢ **June Birthday Party** Venue: Canteen Time:15:00-16:00pm	➢ **Sports Day** Venue: Parking Lot Time: 10:00-11:30am ➢ **Ice Cream Day** Venue: Parking Lot Time: 11:00~13:00pm ➢**Family Day** Venue: Central Office Time: 9:00~13:00pm	➢ **Closing Ceremony & Excellence Tree Planting** Venue: Central Office Lobby Time: 10:00~11:00am ➢ **Karaoke Contest** Venue: Training Room Time: 15:00~16:00pm

What is Onboarding?

- Onboarding is a systematic and comprehensive approach to orienting a new employee with two main goals
  - Create a sense of belonging and commitment to the organization
  - Minimize the learning curve allowing new employees to quickly become productive members of the work group
- An Effective Onboarding Program goes beyond the basics
  - Provide information, relationship building and training
  - Supports the employee through this critical phase of employment and creates a sense of belonging and commitment to the organization

Why is an Effective Onboarding Program Important?

- An Effective Onboarding Program is fundamental in securing higher retention of new employees
  - "In many organizations who win the best-place-to-work-in-America awards, orientation, assimilation, or induction programs play a major role in getting new employees up to speed quickly and in adding months and years to retention."
- Effective Onboarding Programs help shape an employee's attitude toward the organization
  - Creates an environment where the employee feels valued, informed, connected and committed

What is Included in an Onboarding Program?

- Corporate Culture
  - Vision, Mission, Objectives and Principles
  - Excellence Culture
- Key business policies and procedures
- Short and long-term performance objectives
- Regular feedback on job performance
- Avenue to build relationships
- Ongoing support
  - Mentor Relationship

On-boarding Program in China

- 33 Action items are included in the on-boarding program
- Starting from the candidate accepts job offer until probation period is completed
- Recruiting team and an appointed buddy will make sure everything is ready before the new hire is on board (with a well defined checklist)
- Warm welcome from HR, buddy, hiring manager and peers, etc… on the 1st day. Welcome message on the TV screen at lobby, check-in and brief introduction, office tour, etc… will be delivered in a nice manner
- A 6 months' new employee orientation program will be arranged through classroom training, team building activities, plant tour, business trip, functional meetings, etc…including:
  - Corporate Culture
    - Vision, Mission, Objectives and Principles
    - Excellence Culture
  - Key business policies and procedures
  - Short and long-term performance objectives
  - Regular feedback on job performance
  - Ongoing support

Employee Development

13 Delphi competency-based classes are scheduled through consulting company – DDI

No	Topic	Training Program	Delphi Competency	Target Audience	No. of Participants	Facilitator (tentatively)	Aug	Sep	Oct	Nov	Dec
1	Communication Fundamental*	Communicating & Listening	Communication	Level 5~6	76	Stella	8/17	9/14		11/13	
		Interaction Skills for Success	Building Relationships								
2	Managing Work	Improving Personal Productivity	Managing the Job	Level 5~6	75	Stella	8/24		10/12		12/11
		Making Effective Decisions	Decision Making								
3	Service Excellence	Service Plus	Passion for Excellence	Level 5~6	25	Carol		9/4			
4	Solving Problems	Taking Actions to Solve Problems	Problem Solving	Level 5~6	50	Carol			10/26		12/7
5	Influencing Others	Influencing Others	Interpersonal Effectiveness	Level 6~7	50	Carol		9/7		11/6	
		Working through Conflict	Maturity								
6	Inspiring Self & Others	Feedback Fundamentals	Coaching	Level 6~7	50	Stella				11/20	12/18
		Personal Empowerment: Taking Initiative	Results Orientation								
					326						

Asia Pacific Learning Plan

Introduction to Leadership	Leadership Laboratory	External Leadership Programs
Finance for non-finance managers	Talent Management	Visionary Leadership
Foundations for Leadership	Leading with Excellence	Coaching Skills
Interviewing Skills	Strategic Thinking	PBP Appraisal
Influencing Skills →	Conflict Management →	Interpersonal Negotiation
Presentation Skills →	Communicat -ion Skills →	Technical T T T
Teaming for Excellence →	Professional -ism →	Team Development

AIM
Developing Excellence

Achieving Business Results
- Results Orientation
- Decision Making
- Problem Solving
- Functional Expertise
- Managing the Job
- Visionary /Strategic Leadership
- Change Management
- Integrating/Functioning Globally

Inspiring Others
- Interpersonal Effectiveness
- Builds Relationships
- Coaching
- Team Development / Empowerment
- Diversity

Managing Self
- Integrity
- Accountability
- Passion for Excellence
- Communication Skills
- Maturity

Delphi Asia Pacific 2012 Course calendar by country

Courses	Target audience	Days	USD	China	India	Japan	Korea	S'pore
Teaming for Excellence	*New joiners including hourlies*	1		Jun 29				
Presentation Skills	*Level 5 +*	1		Mar 16, Jul 17, Oct 23		Sep 14	Jun 14	
Communication Skills	*Level 5 +*	1		Feb 17, Aug 23, Dec 4			Jul 12	
Technical Train the trainer	*Required for Internal trainers*	3						
Influencing Skills	*Level 5 +*	2	25	Apr 26-27, Nov 8-9		Mar 15-16		
Interpersonal Negotiation	*Level 5 +*	2	25	Feb 9~10, Jul 25~26			Jun 26-27	
Strategic Thinking	*Level 6 +*	1		May 30, Dec 21			Aug 23	
Foundation for Leadership	*Required for all supervisors*	2		Jul 5~6		Sep 11-12		
Leading with Excellence	*Required for all supervisors*	2	200	Nov 22~23				
Interviewing Skills	*Supervisors*	1		Feb 24, Aug 21, Oct 18	TBD			TBD
PBP Appraisal Skills	*Supervisors*	1	25	Feb 29, Aug 17		Mar 19	Feb 9 Jul 26	
Coaching Skills	*Supervisors*	2	50	Jun 14~15			Nov 14-15	
Change Leadership *(revised)*	*Level 6 + who lead projects*	1					Oct 18	
Finance for Non-Financial	*Level 6 + who manage a budget*	2		Mar 1~2 Sep 13-14		Apr 24-25	Jun 28-29	
Introduction to Leadership (ITL)	*Recommended for Level 7 & 8*	3	500	Mar 5~7 Sep 17-19		Mar 21-23		
Talent Management	*Level 7 & 8*	2	25	Jul 31~Aug 1				
Visionary Leadership	*Level 7 & 8 after attending ITL*	2		Aug 2~3		Apr 26-27		
Leadership Laboratory (LL)	*Level 8 after attending ITL*	4	1200	May 22~25				
Senior Executive Program	*Selected Level 8 after attending LL*	9	11,250	Supervisors wishing to nominate staff for these 2 external courses, contact Milton Ang				
Thunderbird Consortium	*Executives & selected level 8*	10	10,010					

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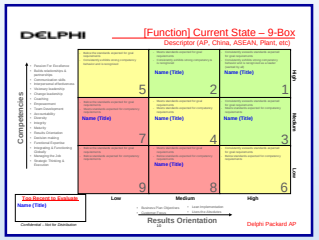
Leadership Development Programs

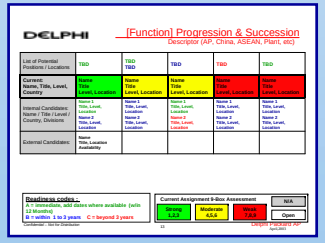
1. Global Leadership Development Program
   - 9-box ranking for Hi-pots list, 10 executives are matched with 61 hi-pots for the 3rd year.
   - Strength/Weakness/Gap Analysis/Action Plan



9-BOX Analysis

2. Packard China Future Leader Program
   - 10% of managers joined in a 3 years' program, 64% of them were developed to function directors

3. Bi-weekly leadership HRM Review
   - P&S
   - Promotion proposal at managerial level
   - Key HR programs and initiatives review



Progression & Succession

Employee Communication

Central office

Changchun Plant

Yantai Plant

A5 Plant

Baicheng Plant

Guangzhou Plant

Moyu Plant

Indian Plant

DCS/DEC Plant

Wuhan Plant

Strengthen employee communication through different channels

- Monthly Global Leadership Meeting (8th level and above)
- Formal quarterly employee meeting
- Informal meeting between leadership team members and employees (APL lunch meeting, HR Open Day, etc…)
- **Employee Newsletter**
- Invite visitors from leadership team to give business/functional talk

Continuously Improve Employee Job Satisfaction

Enhance employee morale and job satisfaction in all spectra, focus areas are:

- Employee development
- Empowerment
- Organization structure and alignment (right people at the right positions)

PACKARD AP vs. DELPHI AP	Categories	AP 08	Packard 08	AP 09	Packard 09	AP 10	Packard 10	AP 11	Packard 11
		(N=5,257)	(N=1,523)	(N=4,388)	(N=1,233)	(N=4,218)	(N=1,318)	(N=4,869)	(N=1,651)
	Culture of Excellence	**78**	**82**	**77**	**83**	**79**	**86**	**84**	**91**
	Senior Leadership	**60**	**70**	**56**	**67**	**60**	**74**	**67**	**78**
	Immediate Supervisor	**75**	**79**	**76**	**81**	**77**	**84**	**81**	**88**
	Pay, Benefit and Recognition	**50**	**55**	**42**	**49**	**46**	**58**	**55**	**65**
	Employee Development	**49**	**54**	**44**	**54**	**51**	**63**	**58**	**69**
	Empowerment	**56**	**57**	**57**	**62**	**61**	**68**	**65**	**70**
	Organization Communication	**53**	**58**	**53**	**62**	**56**	**66**	**61**	**71**
	Organization Structure/Alignment	**52**	**57**	**53**	**61**	**58**	**68**	**63**	**72**
	Company Image and Reputation	**66**	**73**	**58**	**69**	**64**	**77**	**71**	**82**
	Employee Engagement	**70**	**73**	**63**	**68**	**69**	**78**	**75**	**83**

Target: > Delphi Avg. in the region

2012 Salaried Voluntary Attrition Target

Our salaried attrition rate target is to be <=13.6%, a 7% improvement over 2011 (14.5%)

Venture	December	Y2011				11 Target				12 Target			Improvement - Y12 Target vs Y11 Act
	Attrition%	Quit No.	Avg. HC NO.	Attrition %		Quit No.	Avg. HC NO.	Attrition %		Quit No.	Avg. HC NO.	Attrition %	
India	2.7%	21	71	**29.4%**		18	70	**25.7%**		20	85	**23.7%**	19.6%
Wuhan	0.0%	4	16	**25.4%**		3	18	**16.6%**		4	20	**20.0%**	21.3%
SH MY	0.0%	14	58	**24.3%**		13	59	**22.0%**		6	27	**22.2%**	8.6%
Central Office	1.3%	96	542	**17.7%**		77	510	**15.1%**		103	670	**15.4%**	13.2%
SH DCS/DEC/Device	0.4%	49	375	**13.1%**		49	333	**14.7%**		66	512	**12.9%**	1.2%
Guangzhou	0.0%	8	63	**12.7%**		10	66	**15.1%**		7	62	**11.2%**	11.4%
Yijiang	0.0%	4	32	**12.3%**		4	28	**14.5%**		4	40	**10.0%**	19.0%
Malaysia	1.5%	9	66	**13.6%**		9	68	**13.2%**		9	69	**13.1%**	3.6%
Korea	3.4%	8	55	**14.6%**		3	52	**5.7%**		9	67	**13.5%**	7.5%
Yantai	0.0%	6	65	**9.2%**		10	65	**15.5%**		6	71	**8.4%**	8.9%
Changchun	1.5%	13	127	**10.3%**		18	120	**15.0%**		13	134	**9.7%**	5.8%
SH A5	0.0%	8	92	**8.7%**		14	90	**15.5%**		11	84	**13.1%**	-51.6%
Baicheng	0.0%	2	38	**5.3%**		2	38	**5.3%**		2	42	**4.8%**	8.8%
Japan	0.0%	2	72	**2.8%**		4	72	**5.5%**		2	74	**2.7%**	1.8%
SH A6	0.0%	-	10	**0.0%**				**N/A**		8	51	**15.7%**	NA
Chengdu	0.0%							**N/A**		3	17	**17.9%**	NA
Chongqing								**N/A**		8	52	**15.4%**	NA
Yangzhou								**N/A**		3	19	**15.8%**	NA
Grand Total	**0.9%**	**244**	**1681**	**14.5%**		**234**	**1590**	**14.7%**		**284**	**2094**	**13.6%**	7%

Fast Tracking Salary Increase Guideline

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Objective

- Set up a special Fast tracking salary increase scheme for fresh graduate and less experienced employees (<2 years' experience) to catch up the market salary movement.
- Reduce the voluntary attrition of employees at new entry level.
- Retain those employees for longer service with acquired knowledge & skill, accumulated experience and increased maturity at Delphi, protect our investment and human capital.
- Help relative employees understand when and how they receive salary adjustment in aligned with market movement.

Simulation – by taking Bachelor in Shanghai for example

Year	Market Benchmark	Level	Mid point – Packard Structure	Annual Review Increase %	Monthly Salary	Comp ratio
Start	3,927	4B	5,160		**4,000**	78%
1yr	4,708	4A	6,350	15%	4,600	72%
				20%	**4,800**	76%
				25%	5,000	79%
				30%	5,200	82%
2yr	5,702	5C	7,930	20%	5,760	73%
				25%	6,000	76%
				30%	6,240	79%
				35%	6,480	82%

Use as base for 1st yr simulation

Use as base for 2nd yr simulation

China Annual Incentive Plan (CAIP)

	2011 Practice - Old China Variable Bonus Plan	2012 and beyond - New China Annual Incentive Plan
Financial Target	Overall China OI (20%) & Divisional China OI (80%)	
Target Incentive	2 months base salary	
Funding	Discrete 0%/20%/80%/100% ✓ No payout if lower than OI target ✓ No additional payout even if OI targets are overachieved	0% or 50% ~ 150%: ✓ No payout if achievement is lower than 80% of OI target ✓ Threshold is 50% of Target CAIP if 80% of OI target is achieved ✓ Target is 100% of Target CAIP if 100% of OI target is achieved ✓ Maximum is 150% of Target CAIP if achievement is 138% of OI target or higher

To build stronger link between company performance and rewards for salaried employees in China

Tips to Improve Retention

- ☑ Get to know your employees
- ☑ Give your employees the right tools to get their job done
- ☑ Provide meaningful and interesting job assignments
- ☑ Communicate with all employees on a regular basis
- ☑ Give clear direction
- ☑ Tell your employees why their job matters
- ☑ Recognize your employees' contributions (individuals and teams)
- ☑ Give your employees timely performance feedback in person
- ☑ Compensate people fairly and consistently according to their contributions
- ☑ Encourage growth and development
- ☑ Offer more flexible work / life arrangements
- ☑ Give your employees the confidence that they are part of the right organization and the right company

Remember if you take care of your employees, they will take care of you