



SPREAD YOUR WINGS: UTILISING TRAINING AND DEVELOPMENT AS EMPLOYEE BENEFIT

KLM's experience with non-financial rewards in order to keep people inspired and motivated

Bringing the training dept closer to business and HR

Expanding the employees personal development portfolio to enhance employability and engagement

Social impact: how can a strong development programme help to retain talent in difficult times

Appreciating what employees want out of employment and work with employees to deliver it

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Teheran, July 11th 2009

Context

- Annual staff surveys since 2001
- AF/KL merger since spring 2004
- Updated MD KLM since 2004
- New CLA since 2004
- HR-dashboard since 2004
- Programme on innovation since 2006
- Continuous reorganisations
- New legislation in the Netherlands
- Current economic crisis

Leads to focus on Employability

Managing through change & crisis

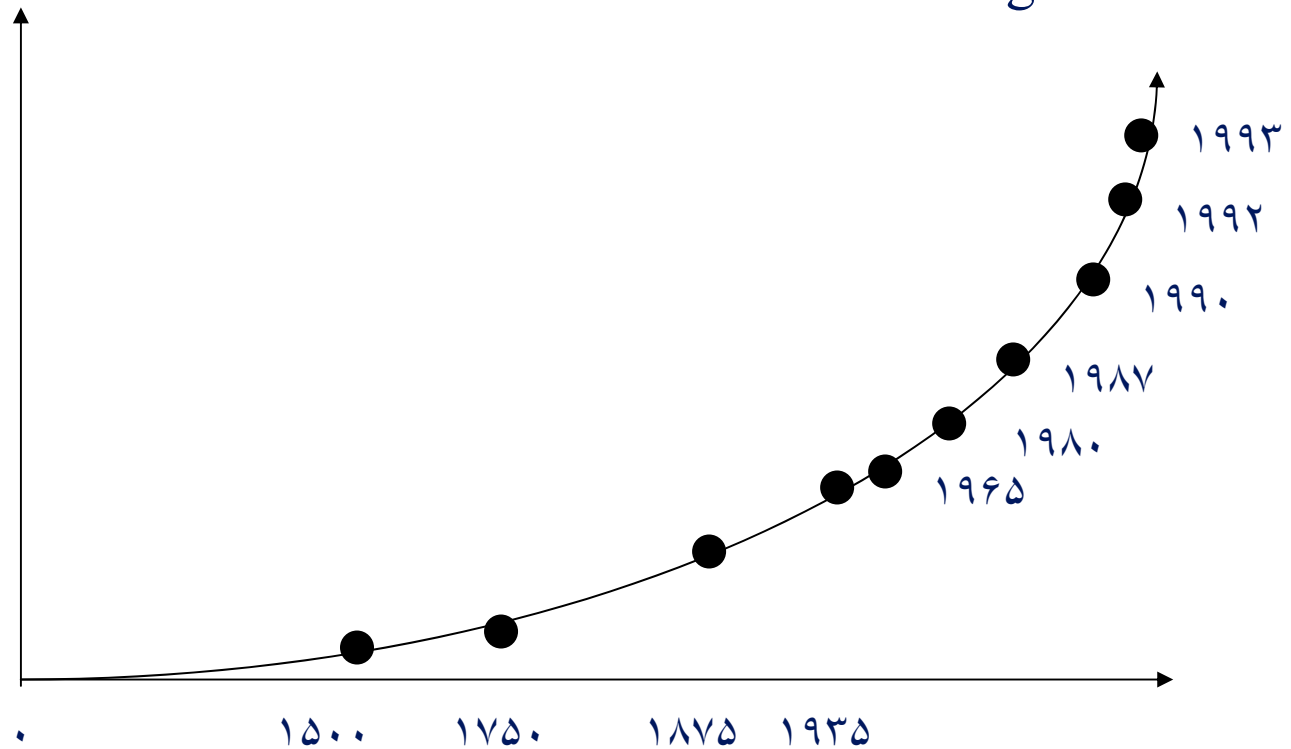
“It’s not the fittest, it’s not the strongest, it’s the one most adaptable to change who will survive”

‘On the origin of species’, Charles Darwin (1809-1882)

Dominate or Die - The Rate of Change

The Half-Life of Human Knowledge

Cumulative
total of
patents,
inventions,
etc



Source: US Dept. of Commerce:
Bruce Merrifield, 1988

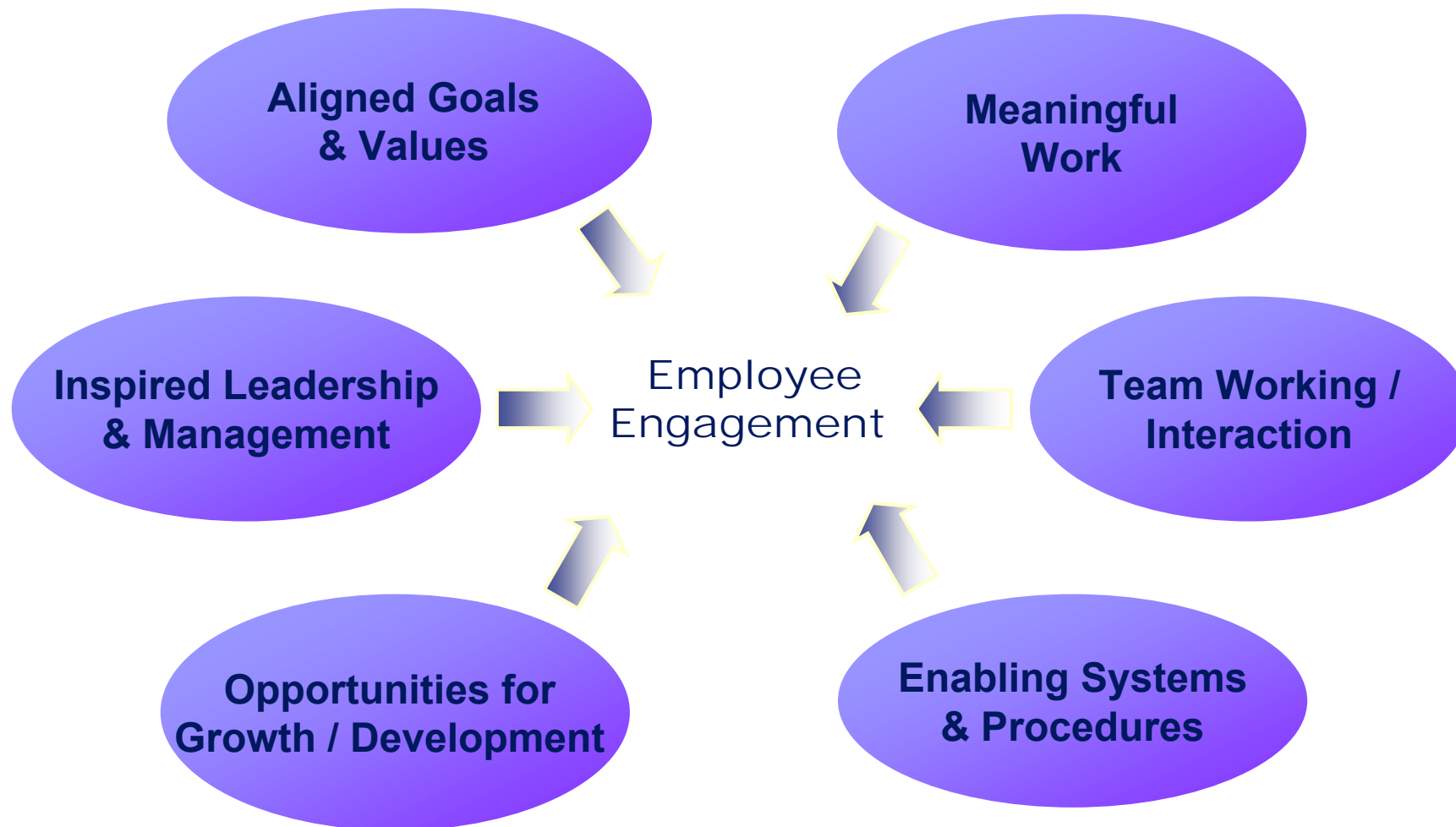
PEOPLE DYNAMICS

- YOU, the other, the world: consciousness & choices
- The concept of SELF: social being
- Dealing with change & uncertainty: the comfort zone
- Reconciling dilemma's
- The “closing” of the mind: feedback-loop

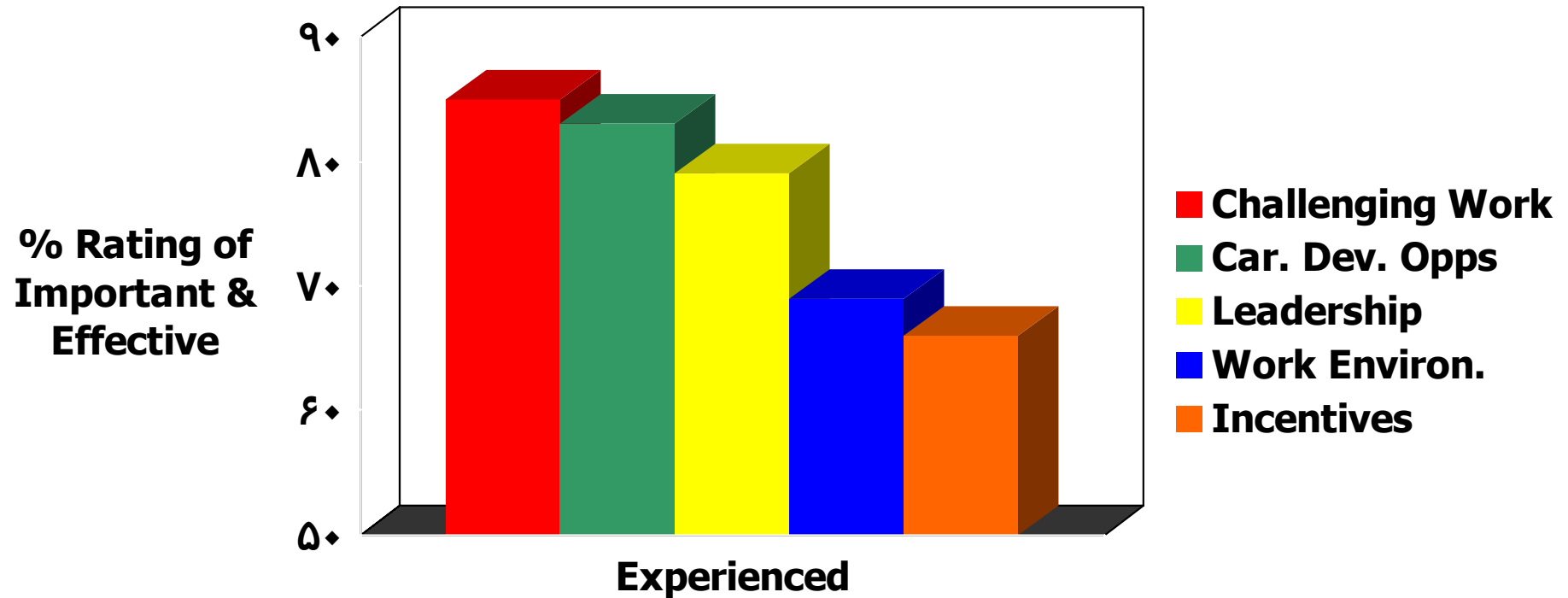
YOU ARE WHAT YOU DO

(boundaries: ability; willingness; “permission”)

Employee Engagement



Five Highest Rated Tactics for Retention



Roles and responsibilities

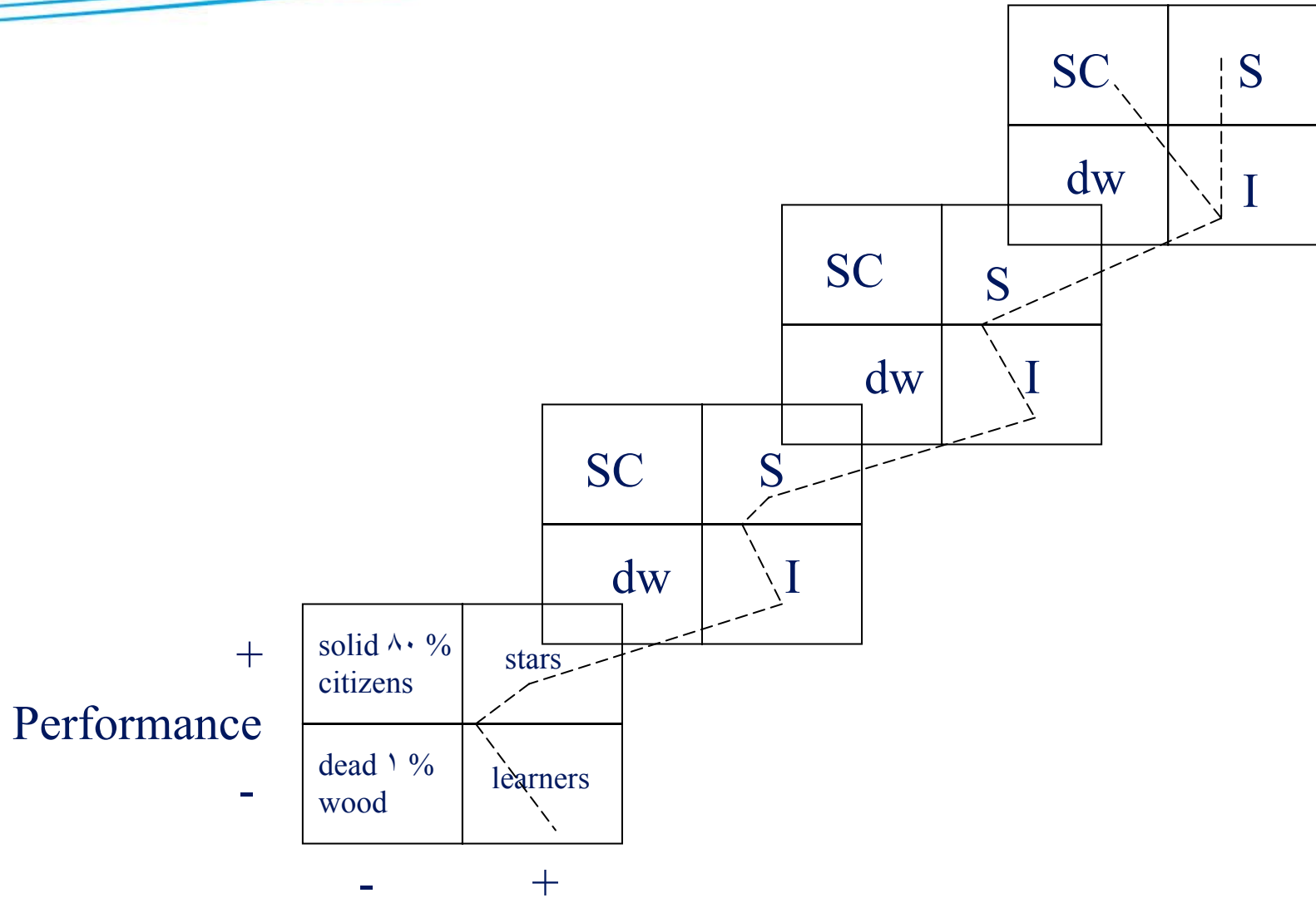
- Employees' development: own responsibility
- Management secures occupation of key positions, creates development opportunities & supports follow-up and manages expectations
- HR and Training provides instruments and facilitates processes to support employability

Our focus on Employability

- **Mobility:** the extent to which employees are capable of adequately fulfilling diverse tasks and positions within KLM or, if necessary, elsewhere
- **Flexibility:** the extent to which KLM is capable of optimally aligning workload and manpower
- **Health:** the extent to which employee health sustains continued productivity
- **Participation:** the extent to which employees in different phases of their lives can continue to work on suitable challenges

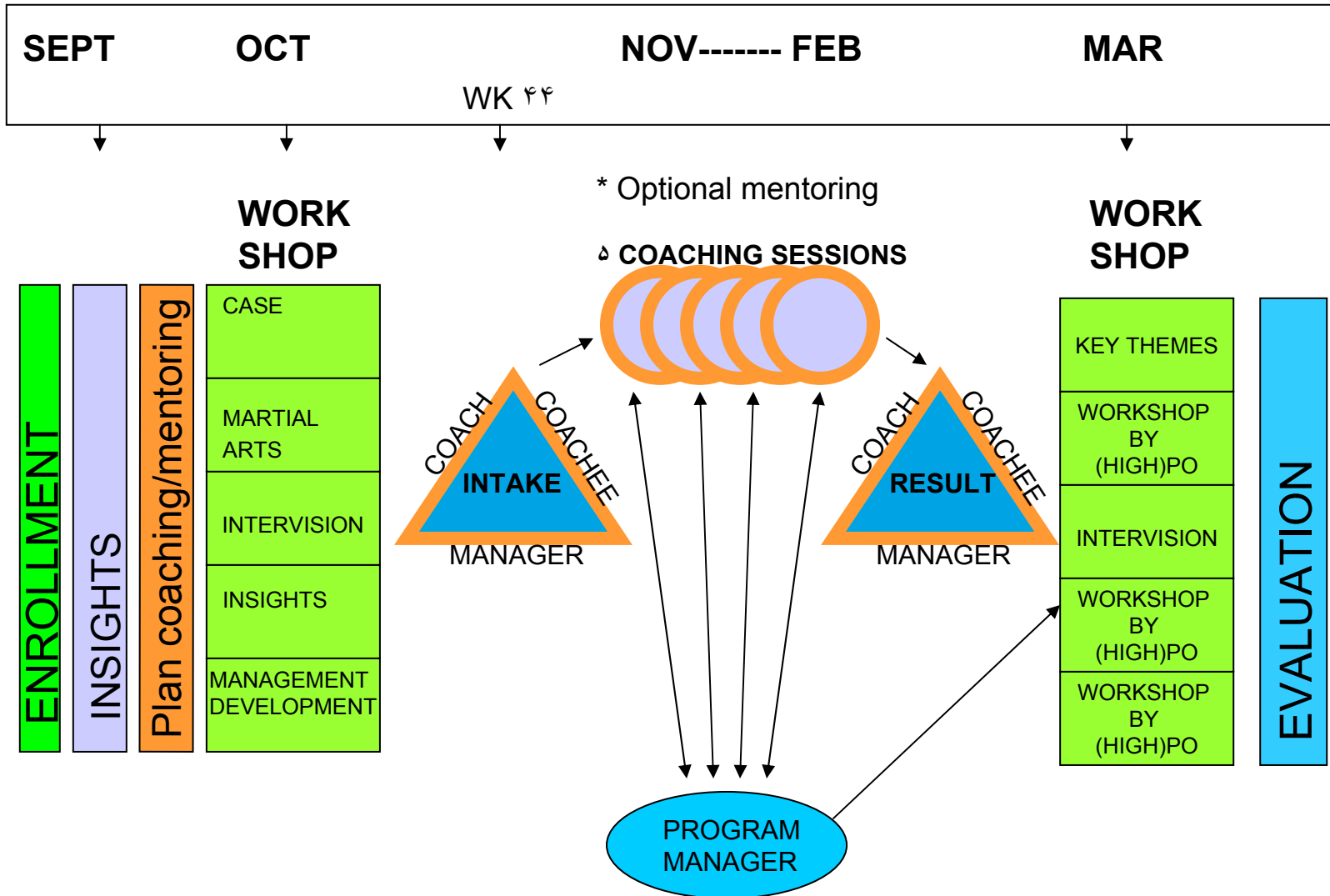
Our People Scope

- Focus on mobility and participation for MD target group (“Focus on Your Future”)
 - High Potential:* at least average score on performance and potential to be promoted twice within **three** years
 - Potential:* at least average score on performance and potential to be promoted once within **one** year
- > Focused participation to tap “untapped” potential & to stimulate mobility & innovation (“Crossing Borders”)
- Create branded learning for staff, performed by managers (“Commercial Academy”)
- Focus on mobility and participation for non-potentials (“My Personal Profile”)



I. Focus on Your Future (MD)

- Yearly MD Assessment in May/June
- Actual MD reports for every (high) potential
- MD committee focuses on succession planning and career development
- Platform with MD co-ordinators of other Divisions
- Creation of Focus on Your Future Programme



Evaluation Focus on your Future

Overall results:

- Total programme: 8,5
- Content: 8,35
- Organisation: 8,75

Detailed results:

Gained insight in my strong points & areas of improvement: 9,2

On the objectives:

- inspiration: 8,6
- increased commitment for KLM: 8,2
- prepared for the next level: 8,2

II. Crossing Borders for Innovation

- “Crossing Borders for Innovation”, both... and...
- Both a pool of talented employees wanting to commit time, talent and energy to Innovation Projects
- And an opportunity for employees for:
 - Personal Development, participation & mobility
 - Broadening their scope (crossing borders)
 - Meeting colleagues from different disciplines
 - Visibility at MT/Board-level



AND EVEN MORE...

- as this might expand to open up the Crossing Borders program for other roles (e.g. training)
 - thus creating a pool of talented employees wanting to commit time, talent and energy to sales or systems training
- This makes Crossing Borders an experiment with a new organisational model – other than our traditional model based on functions and hierarchy
 - Which is an innovation in itself
 - Which is an experiment from which we will learn about ‘the KLM-way to Innovation’

Key to the concept of Crossing Borders is:

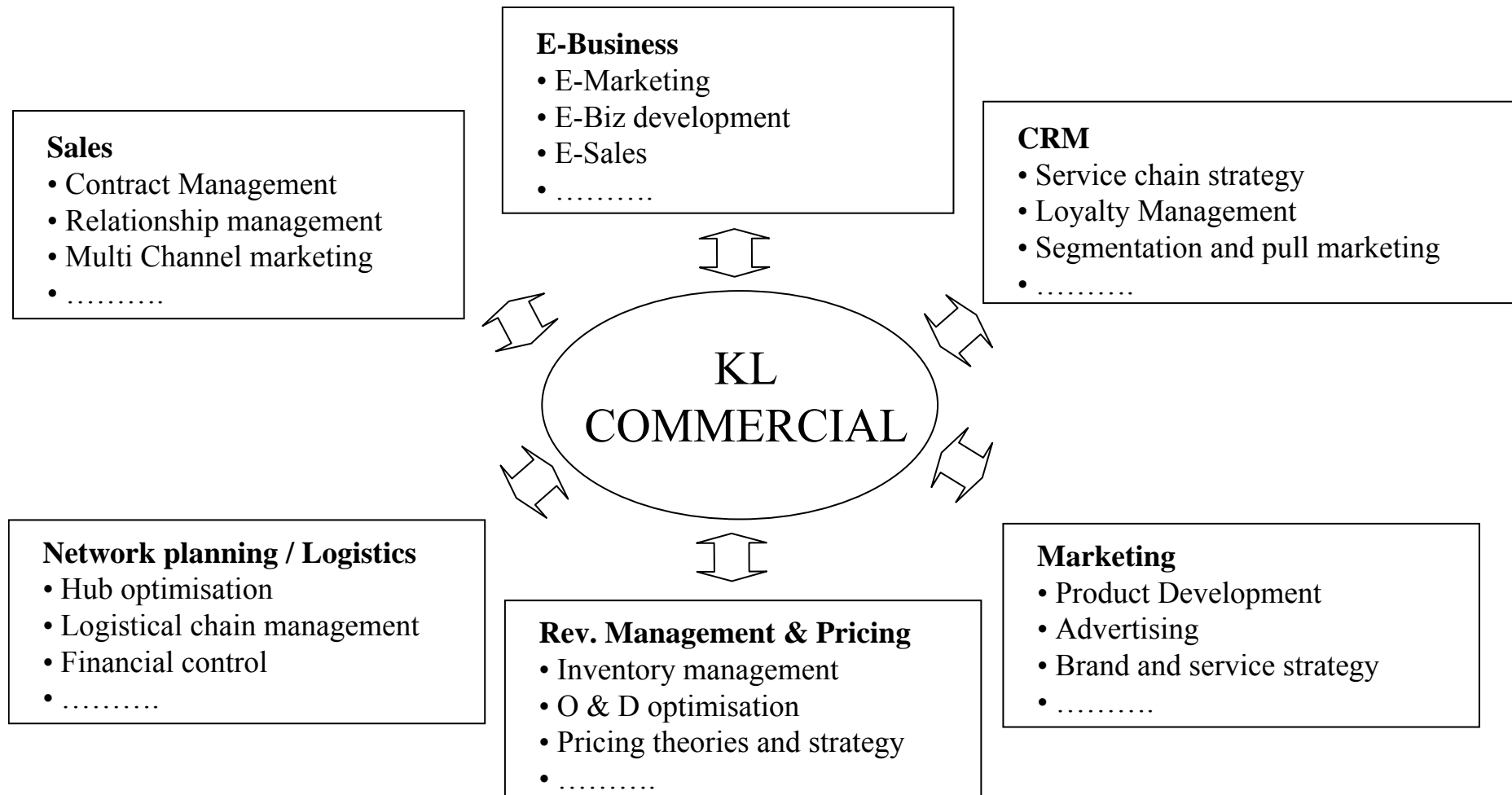
- **Open application:** Crossing Borders is about tapping unused potential in the organisation
- **Selection:** Crossing Borders is also about tangible results for the business
- **Management commitment:** Free up resources (organise)
and support
and reward (incentives, attention, ...)



III. Commercial Academy- Mission statement:

- Institutionalise commercial skill enhancement and make knowledge management a strategic commercial target
- Offer a platform for knowledge transfer (Outside-in and Inside-in)
- Match individual learning with organisational learning
- Offer a portfolio of training classes constantly mirrored with organisational needs and in line with the Commercial strategy
- Create a community of leading airline professionals with high employee mobility and participative value
- Improve the overall KLM commercial competitiveness resulting in more revenues, lower costs, higher market shares, improve margin and a higher motivation of our workforce

Within KL Commercial, 7 main business skill area's are clearly identified

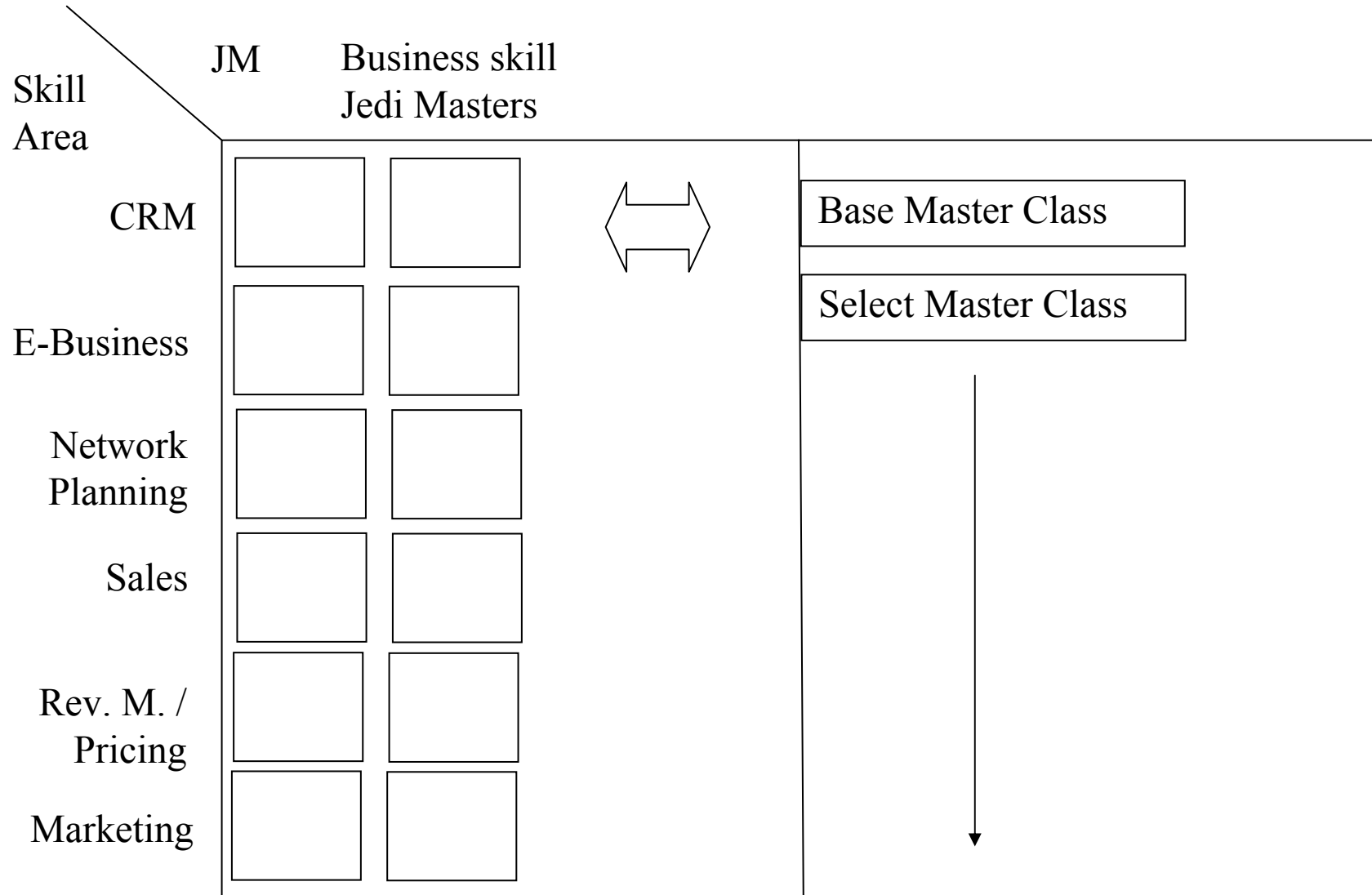


For each of these 7 Business Skills Areas a Commercial Master Class is developed and updated continuously plus one for general management abroad .

The Commercial Master Classes are set up to:

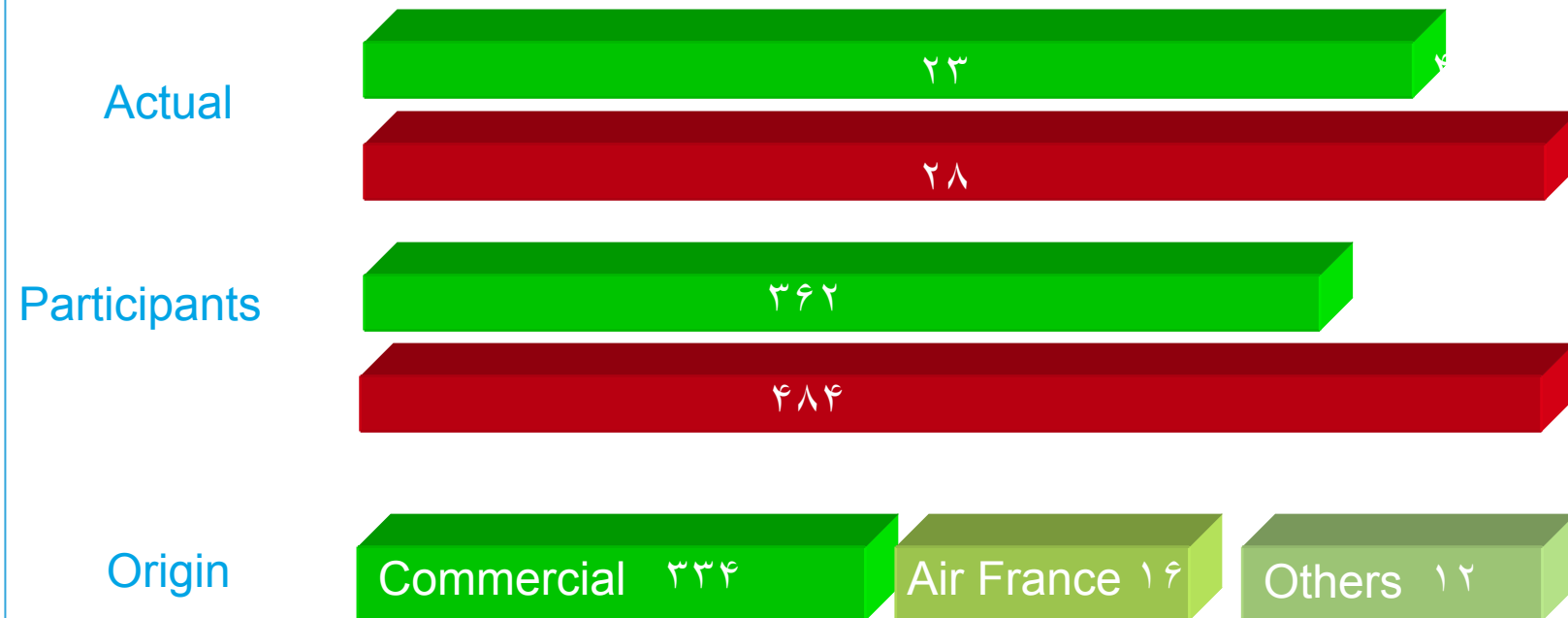
- Know-how transfer expert professionals to other professionals
- Acquaintance with the KLM policy, tools and techniques in a certain skill area
- Networking, meet cross functional colleagues and use these new contacts for the fulfilment of your task
- Cross functional fertilisation
- Translation of new know-how/skills in own work environment
- Advances development of skill areas (Jedi Master tasks)
- Ambassadors function: “spread the religion”

Jedi Master Matrix

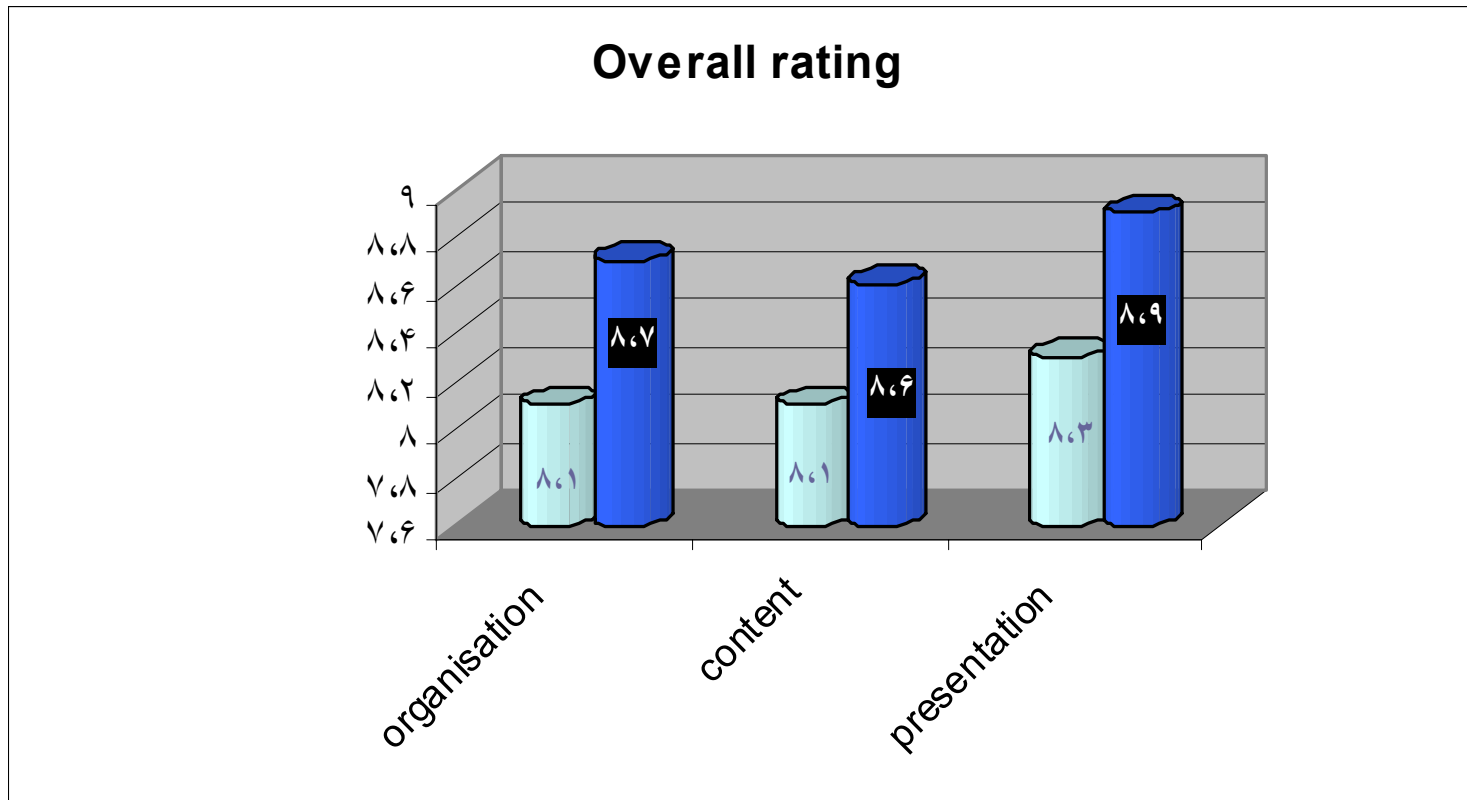


Accomplished

■ Planning
■ Year 2
■ Year 1

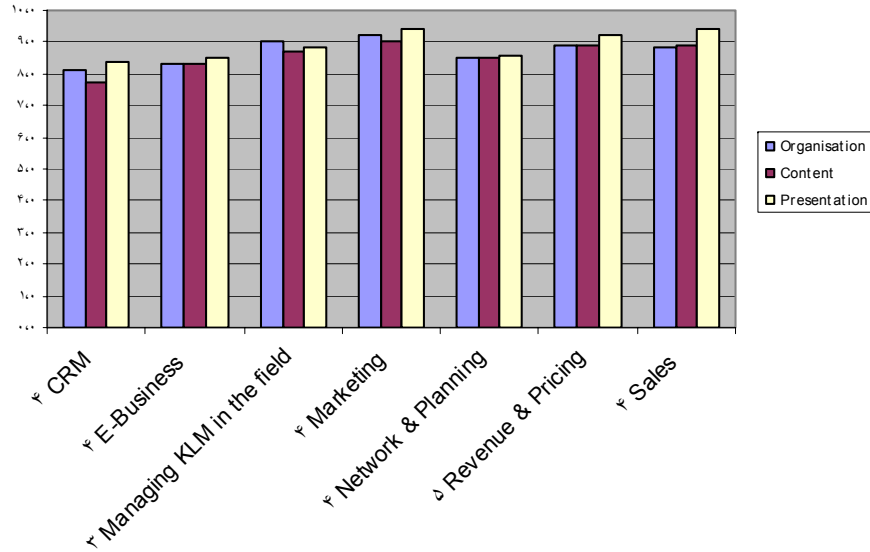


Overall rating

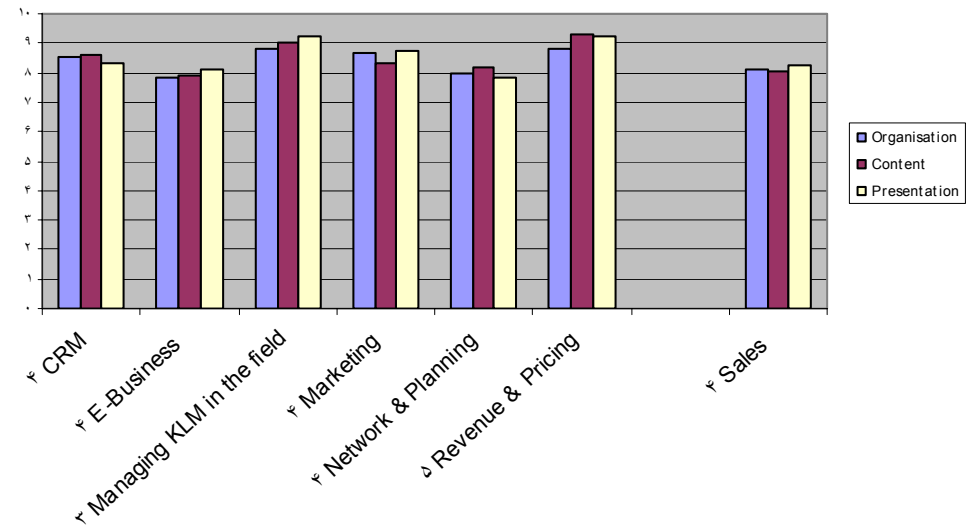


Score per Masterclass

Business skills Year 1



Business skills Year 1



IV. My Personal Profile

- **Pilot held in 2005 “Spread your Wings” (200 staff)**
- **Evaluated in 2007, expands into “My Personal Profile”**

MPP focus on awareness and supports mobility (self-enrollment) by means of a template, workshop, career scan and coaching which leads to:

- **Core-competences: what am I good at?**
- **Career values- what is important to me in my job?**
- **Key drivers; what makes me tick?**
- **Preferred tasks- what do I like doing most?**

Evaluated in February 09, with a score of 7,7



On Employability...

FROM THE “OLD” DEAL TO THE “NEW” DEAL.....

- from loyalty and lifetime employment to..... sustainable employability
- from “automatic” growth to..... growth in competencies
- from certainty to.....managing uncertainty
- from company steering to..... self-steering and self-management
- from one-time learning to.....life-long learning

Questions:

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