innovation technology energy

Disrupting HR – digitalizing the employee – employer relationship

October, 2018
All of your are leading people.
All of you are being lead (or maybe not...)

So let’s start with a question:
How do you know that the conversations you are having with your employees are truly relevant for them...?
... because you have to be relevant to them ...

... as even in a world of data driven business models...

...Talent is the ultimate competitive advantage...
**Organization: Situation**

Engaged employees are key to business performance.

But most employees are not engaged.

- 14% is engaged
- 66% is disengaged
- 20% is actively disengaged

Failing employee engagement comes at a serious cost.

Disengaged employees cost the American economy

$500 Billion every year, according to Gallup

Source: Gallup Q12 Report

Gallup numbers for Western Europe
Organizations make decisions based on data and evidence in most areas of business. Why is this so difficult in people operations?

- **Fleeting**: Feelings and opinions are momentary and hard to capture naturally.

- **Complex**: The human side of work is complicated and difficult to quantify.

- **Invisible**: Any single person can only sense the sentiments of the few people around them.
People are upgrading their expectations of work.

Today’s and tomorrow’s employees need to feel understood, supported and valued.

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<th>NOW</th>
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<td>Boss</td>
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<td>Annual Performance Review</td>
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Harvard Business Review

“The chief principle underlying this new relationship is **reciprocity**: Both parties understand and acknowledge that they’ve entered into a voluntary relationship that benefits both sides.”

Reid Hoffman, LinkedIn founder and venture capitalist
EMPLOYEES: COMPLICATION

Millennials are driving these new expectations.

At Innogy, 10.000 employees will be Millennials in 2020. And they will have upgraded expectations of their jobs:

• **Transparency**: Millennials prefer more transparent and meritocratic organizations. An environment that will make the most of their skills and help them grow.

• **Feeling heard and valued**: They want their opinions to count, and they want their contributions recognized and rewarded both financially and psychologically.

• **Employee Experience**: This group is highly technology-literate, comfortable with data collection, and expects their work tools to be simple and well-designed.
ENERGIEWENDE

Captain’s dinner
What “Energiewende” really means

Electricity prices on the weekend 17/18.3.2018

• **Peak infeed:** 40,000 MV (wind- & solar energy) within the early morning
• **Epex Spot Day Ahead** trading negative peak price of -1,32 EUR/MWh
• **Block 7h-10h:** -21,44 Euro/MWh
• **At 9h:** -29,99 Euro/MWh

Source: energate 19.3.2018
any directions?
How we went for the transformation: Work on “What” and “How” simultaneously in Change Engines

Strategy & Innovation
New functional strategy to achieve our innogy Future Picture
Set up the innogy innovation journey

Current leadership & team / Individual capabilities and behaviours are a competitive Disadvantage
Lack of innovation and learning

Change priorities
Through strategy translation, everybody knows to win
Take leadership to the next level
Increase your outward orientation and engage with the outside world
Give clear feedback reward performance
Have courage to trust

High net debt
Insufficient profitability
Fundamental changes in market environment

WHAT

HOW?

NYSE
DBP
NLL
TTA

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"Culture eats strategy for breakfast"
(Peter Drucker)
Organisation health index* - 2012

Organisational health index (= OHI)* is the ability of an organisation to align, execute and renew itself faster than the competition so that it can sustain exceptional performance over time.

Top

2nd quartile

3rd quartile

Bottom quartile

HOW?

*McKinsey’s Organisational Health Index (OHI) measures & tracks the elements of organisational effectiveness directly related to financial and operational performance and offers actionable insights into areas of improvement.
Regain strength – identify your „blocking patterns“

blocking ‘systemic’ patterns

> **Vertical power distance** – Delegate responsibility without authority
  Quote: “I don’t give critical feedback”

> **Working in silos** – Easily kills building up something
  Quote: “I lead my area but not innogy”

> **Not holding boundaries** – Target and boundaries needed
  Quote: “I stay below the radar and wait until it is over”

> **No time for reflection and outward orientation** – Hamster wheel
  Quote: “I need direction”
Shit, it works
> **25.000+ employees** completed the transformation
> **15.000+ employees** currently in transformation
> **350+ employees** trained as full time NWoW experts to enable the whole organisation
> **61 NWoW waves** running in parallel as of today
> **430mn+ EURO** committed cash flow improvements
> NWoW transformations performed in **8 languages in 7 countries**
Organisation health index 2016

- **Top**
  - Leadership: 81
  - Trust: 63

- **2nd quartile**
  - Strategy translation: 74
  - Outward orientation: 51
  - Performance & motivation: 37

- **3rd quartile**
  - Organisation health index: 2016
  - 75

- **Bottom quartile**
  - Leadership: 29
  - Trust: 43

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What if…

We capture insights in Realtime?
What if…

The simple insights provided prescriptive data and evidence about our most valuable resource, our people?
What if - we go from annual surveys to real-time?

**Average Org**
- 100s of logistical hours
- 4-5 HR FTEs
- Large Data Period Gaps
- Opportunity Cost

**Google’s “Best in Class” HR**
- 1000s logistical hours
- 100s of HRBPs & Analysts
- Data Period Gaps
- Companies can’t afford this

What if - we go from annual surveys to real-time?

**Googlegeist**
- Perf 1
- Mgr Assessment
- Perf 2
- Stale data used for 1 yr to make key decisions

**Real-Time & Continuous**
- 0 logistical hours
- 0 HRBPs & Analysts
- $10/EE / month
Plause enables organizations to see the human side of work, so they can make better people decisions.

- **Fleeting**: Plause collects small and big employee sentiments on an ongoing basis. Making sure they are stored and remembered.

- **Complex**: Plause has created an algorithmic model of engagement, performance and alignment. The algorithms automatically make sense of all the collected data.

- **Invisible**: Plause makes the human side of work visible. By delivering the right insights about work to leaders, HR, managers and every employee.
Imagine we meet each other in December 2018...

What will you tell us, you have consciously changed - starting in October - in your daily way of working to increase your performance and how did you measure your improvement.
Our planet will be a better place when we create a sustainable world in which innogy inspires how people live and work.

Brand belief

- Sustainable
- Productive
- Reliable
- Innovativ
- Digital
- Smart
- Communicative
- Human
- Continuous
- Bright
- Engaging
- Mobil
Thank you