

Providing for the Future with Global Talent Management

The Linde Group and its Standardized HR Strategy – Process Transparency Based on the ExecuTRACK Solution



THE LINDE GROUP

“The cornerstones of our personnel strategy are professional recruiting of skilled employees and management staff, promoting talent based upon group-wide succession planning, and consistent HR development at all levels!”

Dr. Michael Prochaska, Head of HR Strategy and Development at The Linde Group

Within the scope of its new corporate strategy and performance-oriented culture, The Linde Group, an international technology group active in over 80 countries, has restructured its HR development division and created a standardized personnel strategy. Thanks to ETWeb™ Enterprise software developed by ExecuTRACK, Linde designed a comprehensive set of tools to implement a performance-based compensation system, an efficient system to manage employees' potential, and targeted succession planning within the group.

“LeadIng.” is a concept Linde has adopted that refers to both “leadership” and the German abbreviation for “engineering” and that encompasses the company's core competencies and vision. Based upon its new corporate philosophy, Linde is optimizing its internal structures, processes, and procedures in order to continually strengthen its capabilities in the face of international competition. This entails closely integrating strategic, financial, and HR processes to guarantee sustainable optimization from here on out.

“A distinct characteristic of successful companies is the executive board's active role in developing managers and in matters pertaining to HR strategy,” says Dr. Michael Prochaska, referring to the critical importance of Human Capital Management (HCM) for a company's

success. Prochaska, Head of The Linde Group's HR Strategy and Development, points to pertinent studies in the US and Europe that identify succession planning as well as regular performance and potential evaluations as essential factors for success.

Within the scope of the “LeadIng.” corporate philosophy, Linde opened a new chapter in HR management and initiated a group-wide improvement program in 2003 to run over several years. They restructured the HR development and standardized the HR strategy. The concept's most significant components are performance-based compensation systems, an efficient employee-potential management system, and specific continued qualification programs. Overall personnel management is run by Linde's head office to utilize cross-divisional HR synergies and to achieve a uniformly high qualification level.

“Standardized processes and powerful IT tools are a tremendous help in successfully overcoming personnel management challenges that face an internationally active group,” says Prochaska. Using

HR StepUP! based upon ExecuTRACK's ETWeb™ Enterprise software, his team was able to generate the required IT tools in the form of various programs.

Key Facts

- Linde Group uses ETWeb™ Enterprise as basis for the HR StepUP! overall HR management program.
- The solution is implemented group-wide in the various divisions and utilized by 400 executives and 50 HR managers.
- Group-wide succession planning helps to ensure that vacancies are filled and to support individual career planning.
- Data management of 1,000 management positions.
- Implementation of management communication regarding competency and potential evaluations with a self-service functionality.
- ETWeb™ Enterprise components implemented: HR Management, career and succession planning, performance management, and reporting.
- Integration into master data management systems (SAP among others).

Right after the successful adoption of the Linde bonus system pertaining to success- and performance-based compensation, the group implemented the HR StepUp! tool to support the target process from the system side. Succession planning is the lynchpin to it all and ensures that key positions within the group are filled while also allowing individuals to plan their respective career paths. Information regarding skill-requirement profiles and competency specifications are correlated to the expertise and potential of employees.

The core instrument to assist with succession planning is the "succession map" that provides a graphics-supported snapshot of any division's specific issues. The "management portfolio" tool makes a division's performance and potential transparent, whereby it can generate detailed information in the form of employee lists by position or entire divisions. The "risk portfolio" tool helps answer questions pertaining to what types of employees are more likely to leave the company. To determine a candidate's suitability, competency and potential are assessed by supervisors (management dialog) or by qualified external or internal evaluators (leadership appraisal).

"Using the ETWeb™ Enterprise-based tools, we have achieved a maximum degree of transparency regarding in-house talent and are able to use it particularly to promote internal potential," explains Prochaska. The centralized collection of all information pertaining to target agreements, succession planning, career path development, and related internal workflows allows for immediate analysis as opposed to paper – based processes. In this regard, Prochaska gives high marks specifically to the flexibility of ETWeb™ Enterprise that supports a straightforward adaptation to Linde-specific processes. Additional advantageous features of ExecuTRACK software are the stated HCM functionality, group-wide utilization via the Internet, as well as smooth integration into existing master data systems (SAP R/3 and similar).

Currently, Linde is using HR StepUp! to maintain information concerning competencies, strengths, special abilities, and other characteristics of about 1,000 management positions. Related training sessions as well as the inclusion of personnel managers from operational units in defining the system's target processes resulted in fast acceptance and implementation within the organization. "Nowadays, HR planning and strategy are thoroughly integrated into the corporate strategy and add real value to a company's success."

The Linde Group

The Linde Group is an international technology group that holds market-leading positions in its Gas & Engineering and Material Handling divisions. With a 125-year reputation for inventive talent and innovation, the company employs 42,000 individuals worldwide and posted annual sales of € 9.501 billion in 2005. The Gas & Engineering division includes activities in the sectors of industrial and medical gases as well as plant engineering and construction. Both divisions benefit from the mutual exchange of information and expertise when it comes to taking on challenging projects throughout the world. By acquiring UK-based The BOC Group plc, Linde became one of the world's leading gas and engineering companies. In the future, the company will focus all operations on this market segment.

ExecuTRACK Solutions

ExecuTRACK is the global market leader for strategic Talent Management software covering career and Succession Planning, Skills and Competency Management, Performance Management, Compensation Management, Training and Development Management, Organizational Charting, and Global Talent Warehouse.

Many companies use the 20 years' experience of our employees and the advantages of our 100% Web-based software solution ETWeb™ Enterprise such as Akzo Nobel, Audi, Bacardi, BASF, Bayer, Beiersdorf, DHL, DuPont, F. Hoffmann-La Roche, Lamborghini, LSG Sky Chefs, Lufthansa, McDonald's, Metro, Novartis, Pearson, Scania, SGS, Siemens, Swisscom IT Services, Swiss Re, ThyssenKrupp, Union Fenosa, and Volkswagen.

The ExecuTRACK Software Group has established a global presence through its many locations and distributors in Europe, North America, Asia, and Australia.

Challenges...

- Incorporating the new corporate strategy and performance-oriented culture into personnel management and personnel processes
- Lack of transparency to promote the performance capabilities and potential of employees
- Non-standardized processes in HR development and succession planning

...and Solutions

- First-ever introduction and implementation of a group-wide HR strategy and development program
- Standardized HR strategy comprised of succession planning, performance-based compensation systems, efficient employee-potential management, and purposeful continued qualification programs as the major components
- Implementation of a centralized, IT-supported personnel management system
- Standardized and transparent group-wide processes and database for HR management

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