

Social Exclusion

The emerging business and social context



Geoff Glover

Vice President Human Resources,
Talent Management



agenda

Social exclusion

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- Global Business and Social Developments
- Consequences / Responses at Company Level
- Consequences / Suggested approaches at society level
- Closing Remarks

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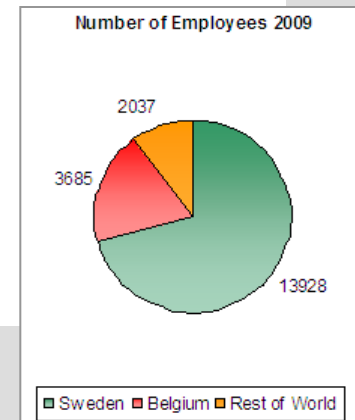
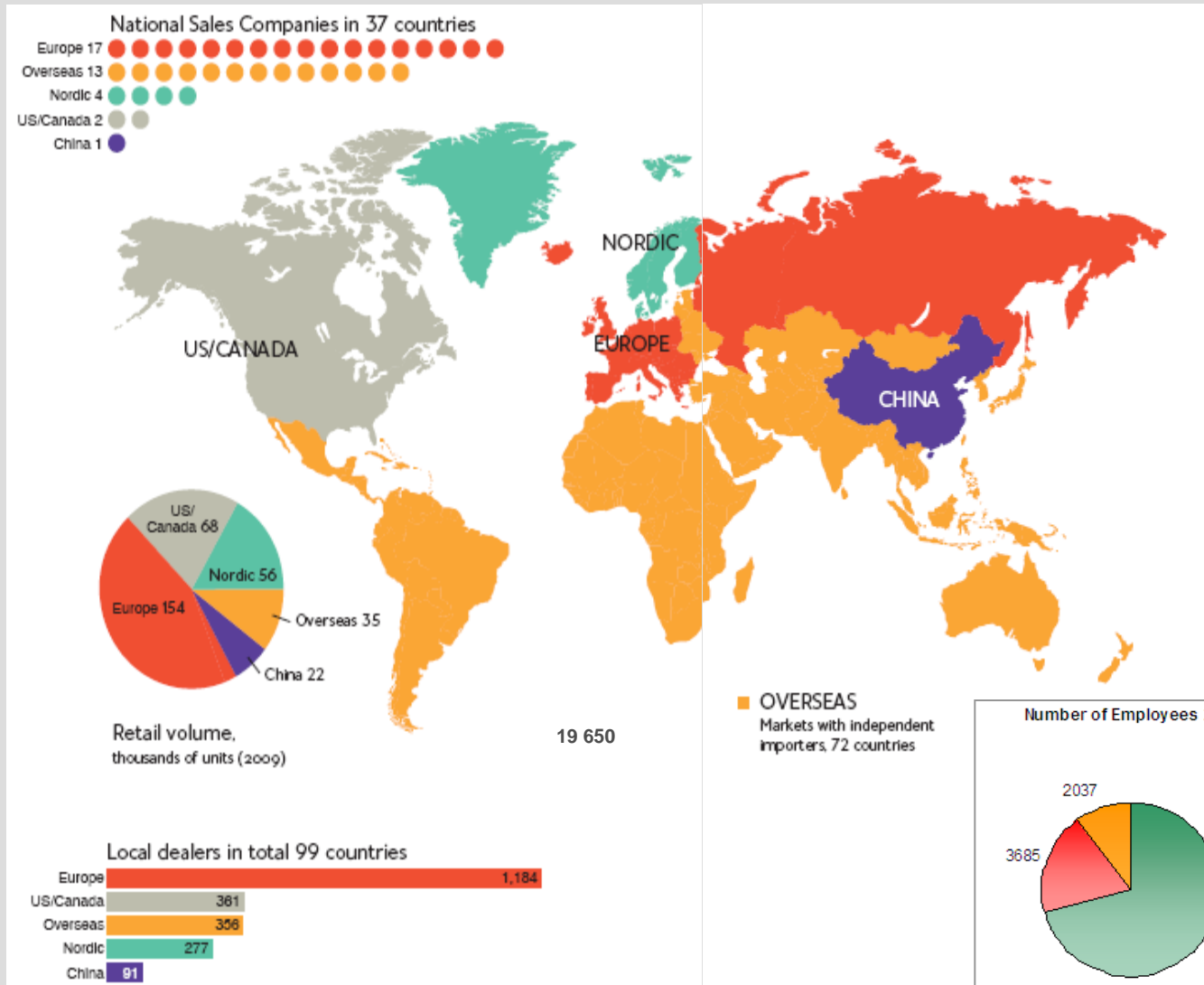


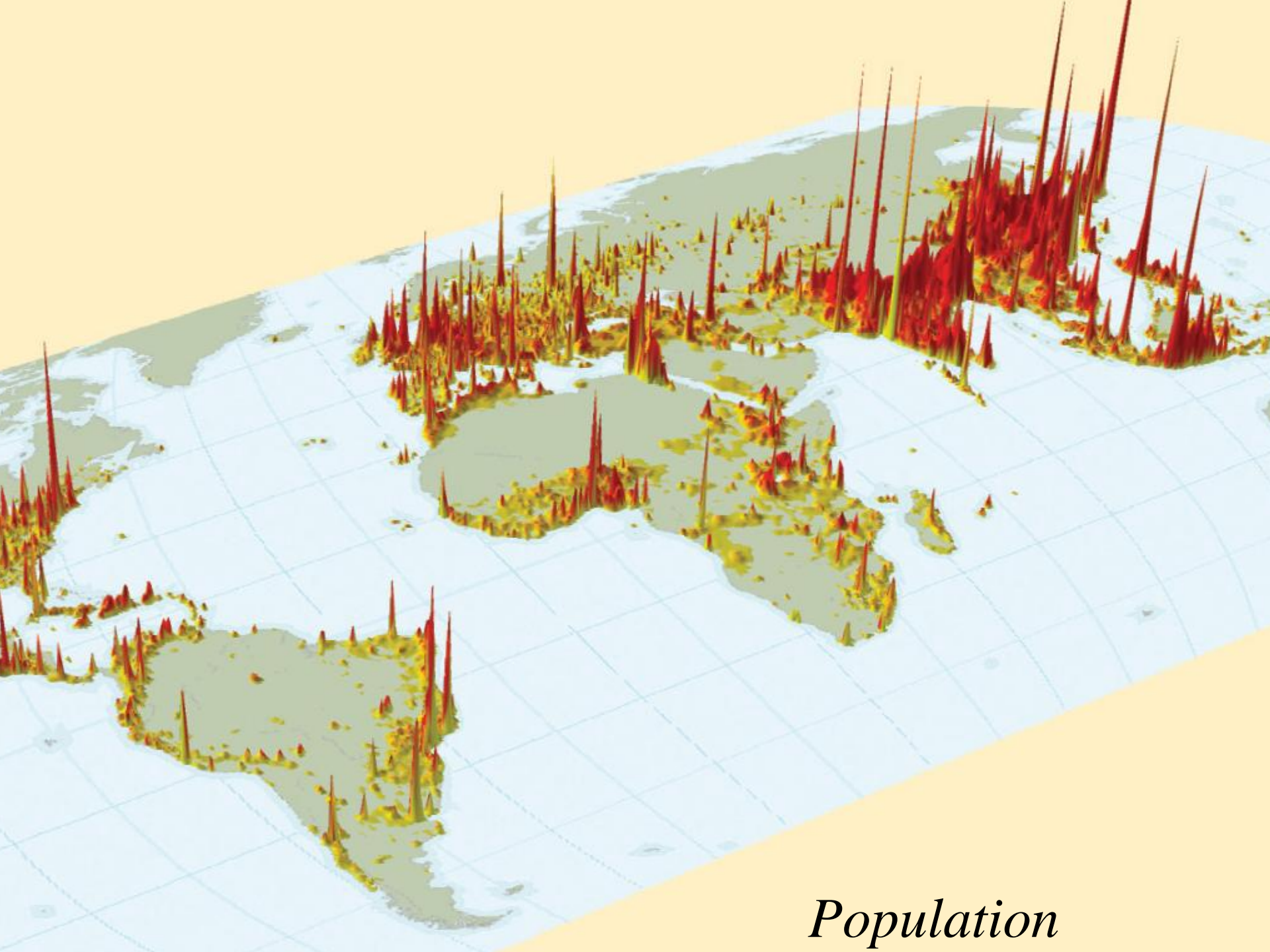
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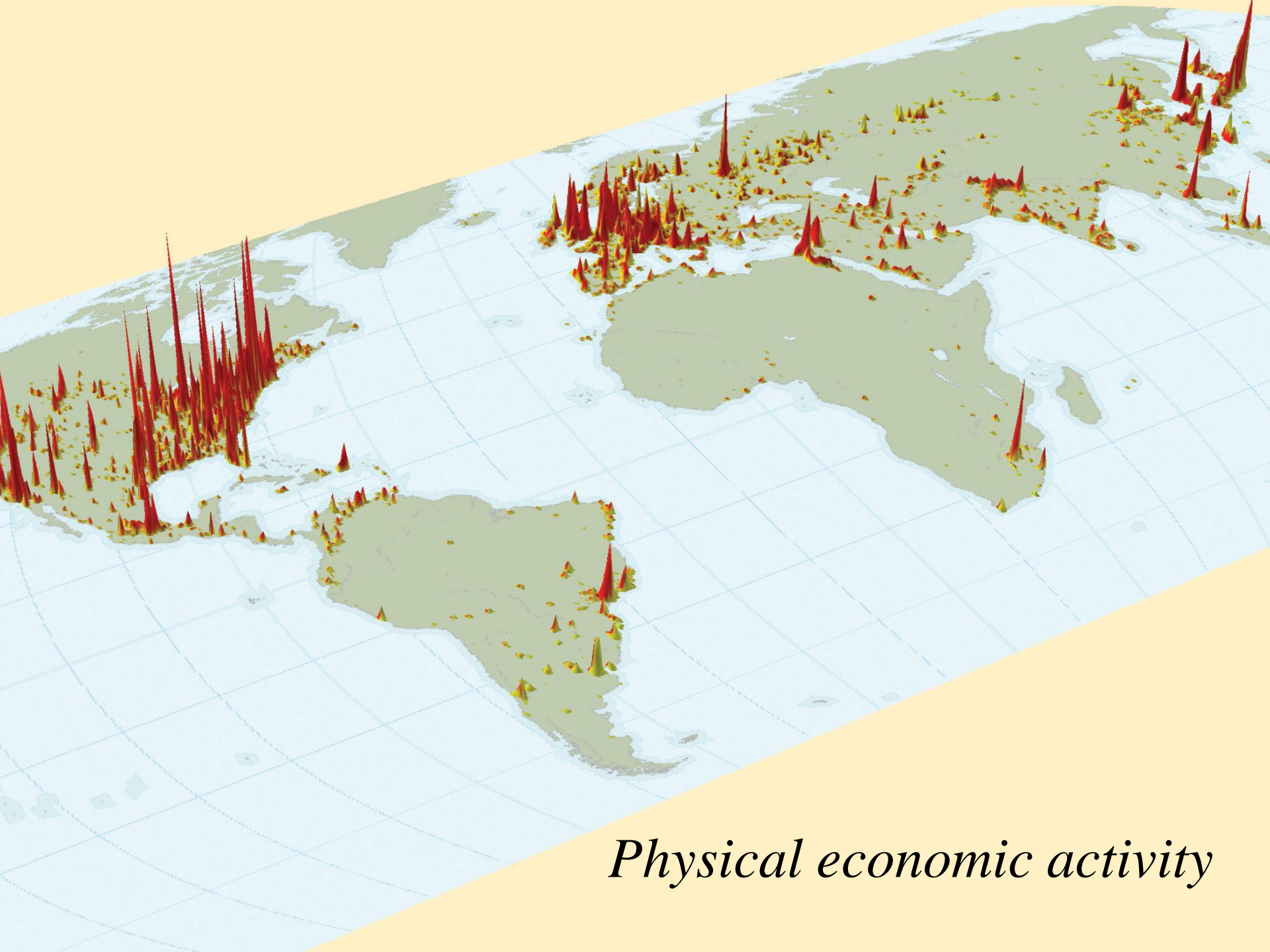
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Volvo in the World





Population



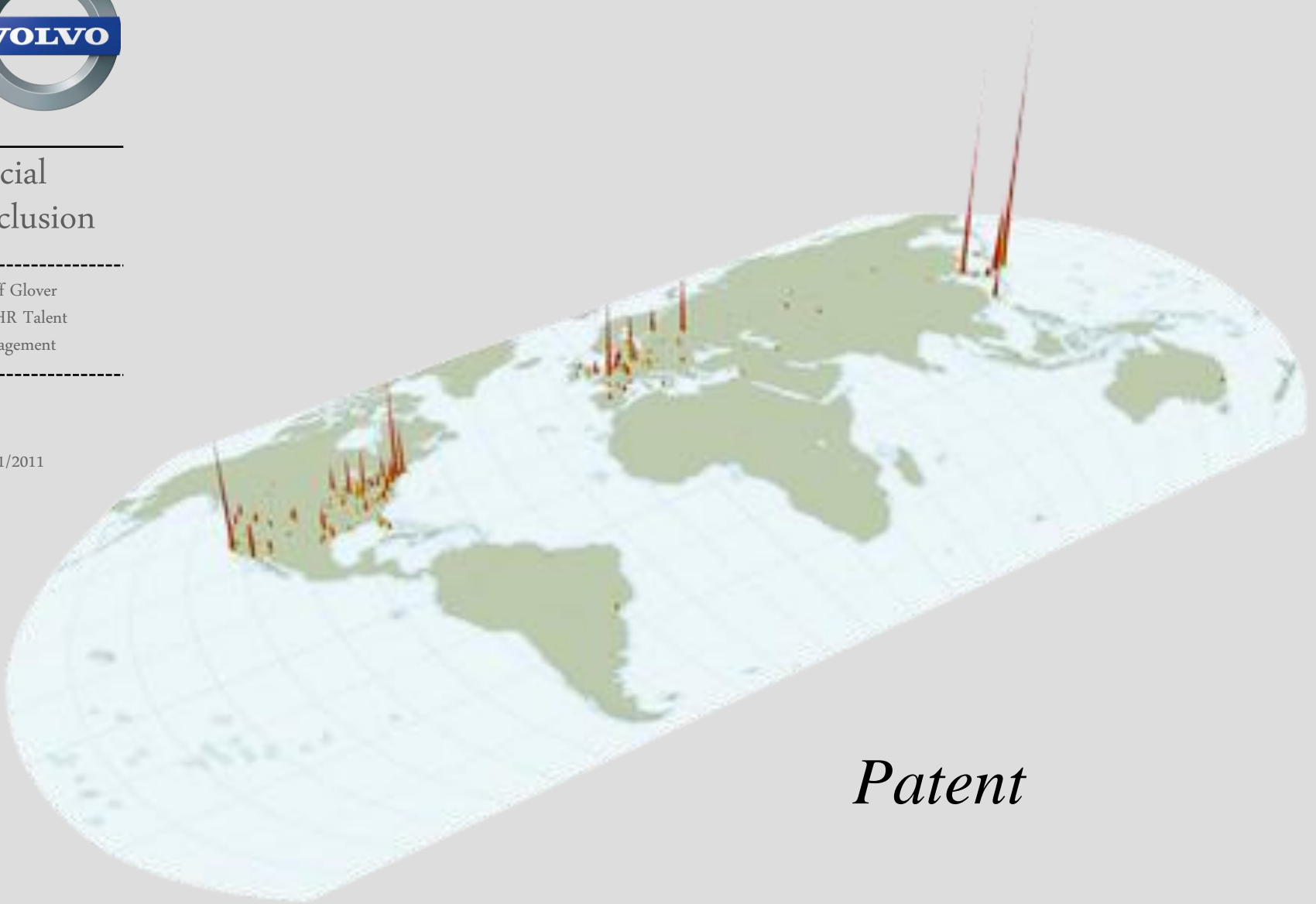
Physical economic activity



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Patent



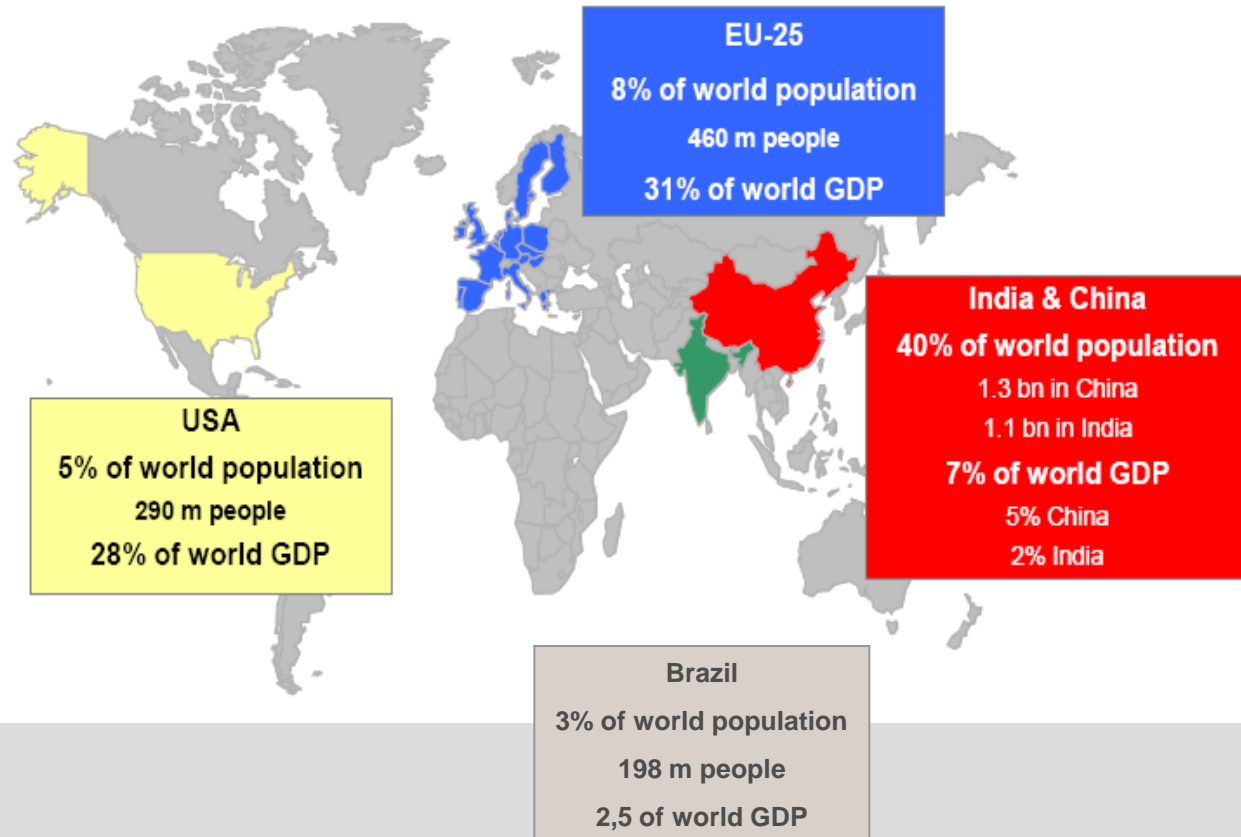
The Evolving Global Reality

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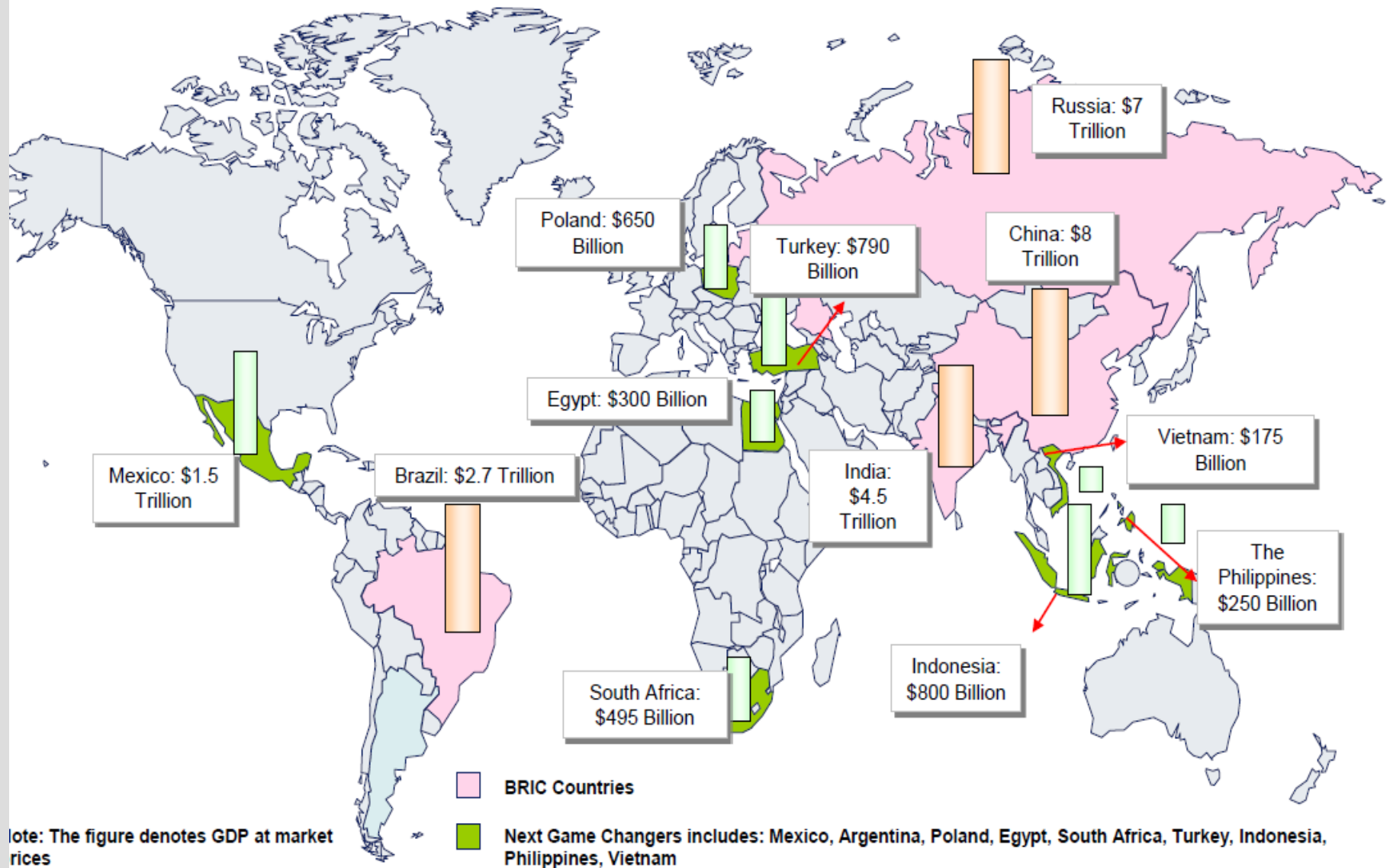
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India & China: Home to almost half of the world's population, but the origin of only 7% of world GDP...



Beyond BRIC: The Next Game Changers in 2020



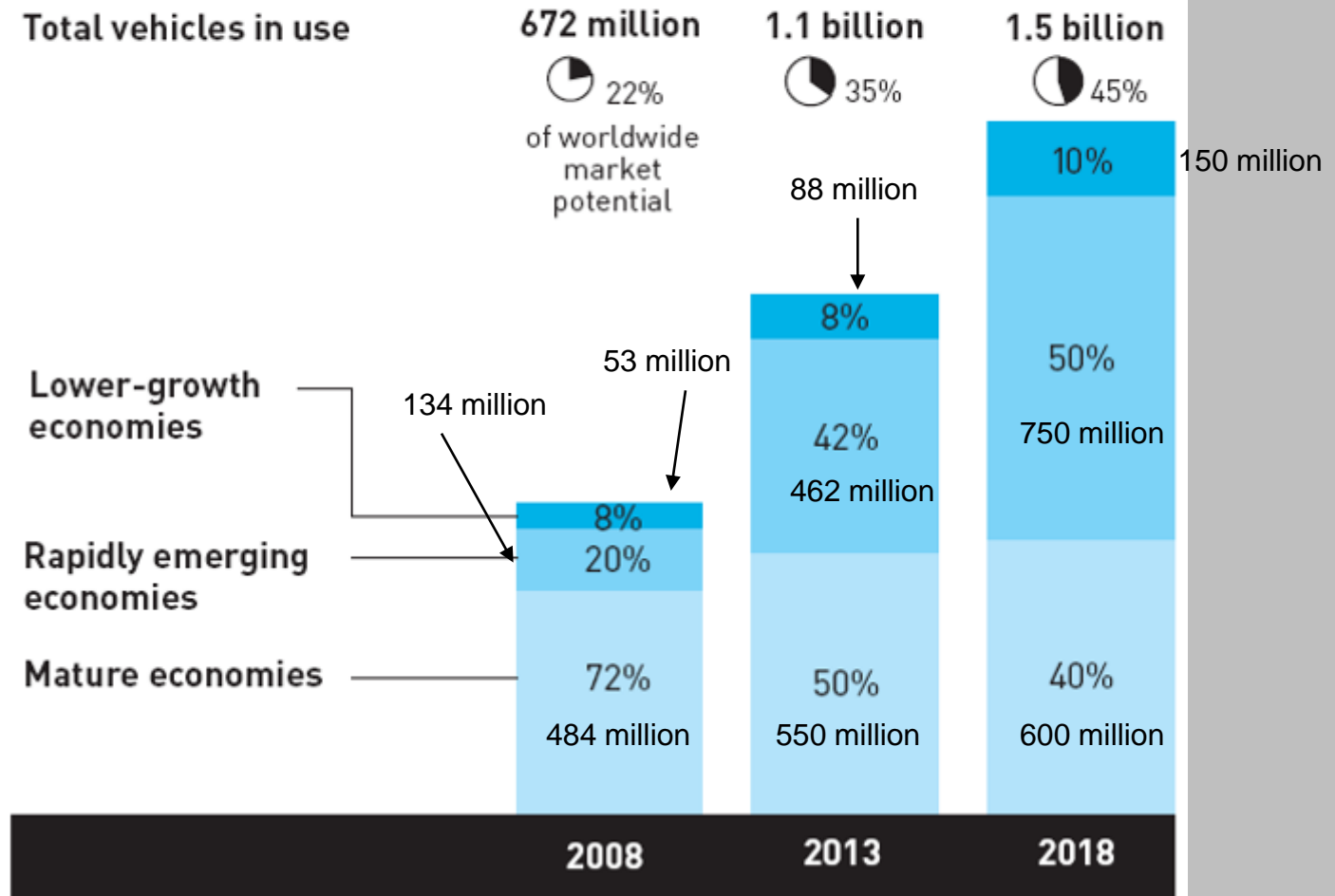


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Exhibit 2: Growth Projections for the Global Automobile Market

A plausible scenario for a future mobility market has most growth between 2008 and 2018 taking place in rapidly emerging economies.



Source:
Booz & Company



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The Current Competition





The New Competition?

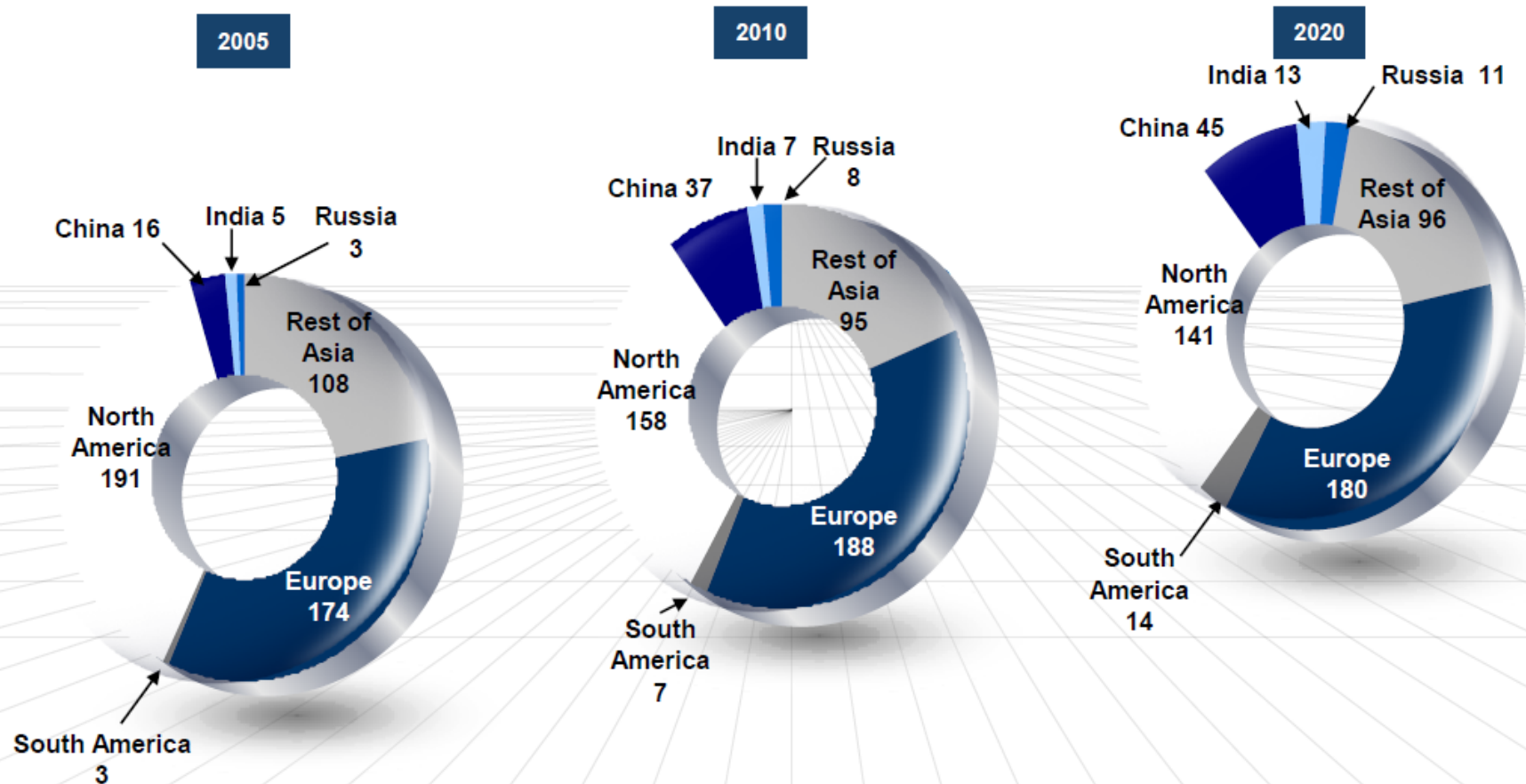
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Fortune Global 500 Companies in 2020: Around 30% Increase in the Number of Asian Companies in the Global 500 Companies List in 2020



Source: Fortune 500 Magazine / Frost & Sullivan

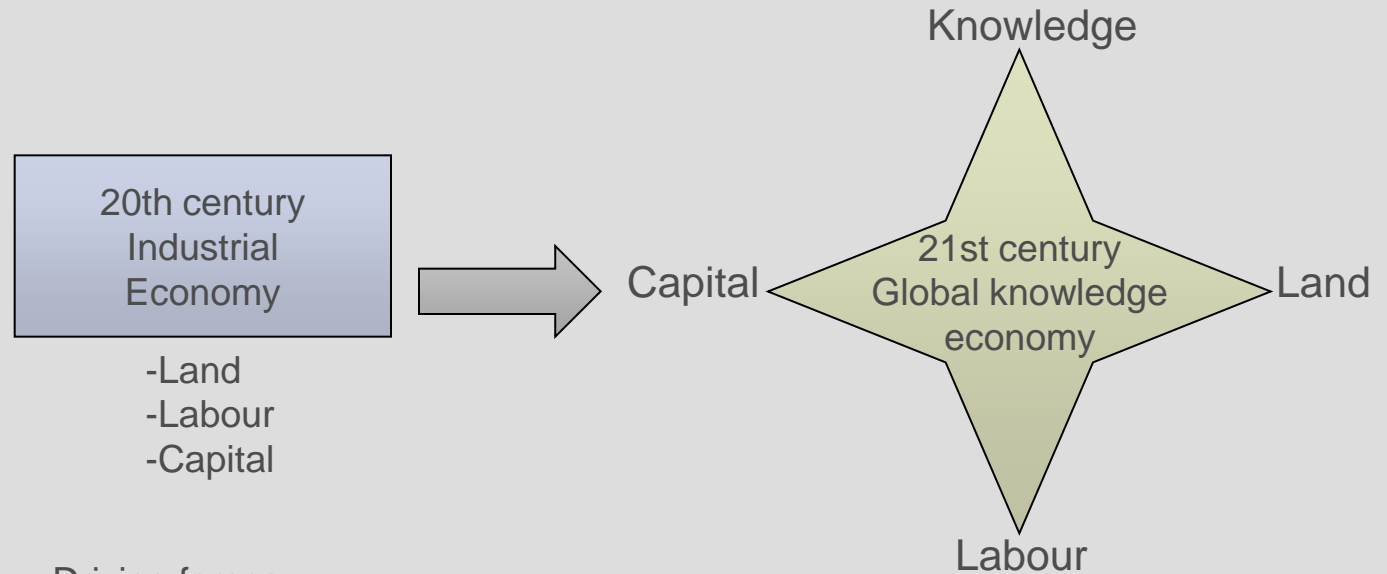


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Global knowledge economy



Driving forces

- Globalisation
- Information/knowledge intensity
- Networking and connectivity

Form

- Goods and services can be:
 - Developed, marketed, bought, sold, delivered over electronic network

Result

- "Knowledge is King"**



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The Business Dynamics The Basis for our Competitiveness

To compete successfully in the global economy,
we will need to compete on the basis of:

- Being a truly global corporation
- Passion for our customers globally
- Strong brand identity
- Luxury products
- Creativity & Innovation
- Smart / Rapid development – bring to market first
- Lean mindset - high productivity to offset cost/ scale disadvantages
- Sustainable development solutions
- Superior service dimension

High Value Add

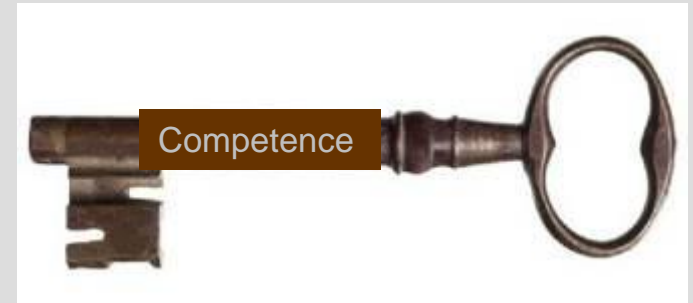


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Competence is the Key to High Value Add



Competence is:



Knowledge
Experience
Skills
Behaviours
Attitude

We must ensure it's supply



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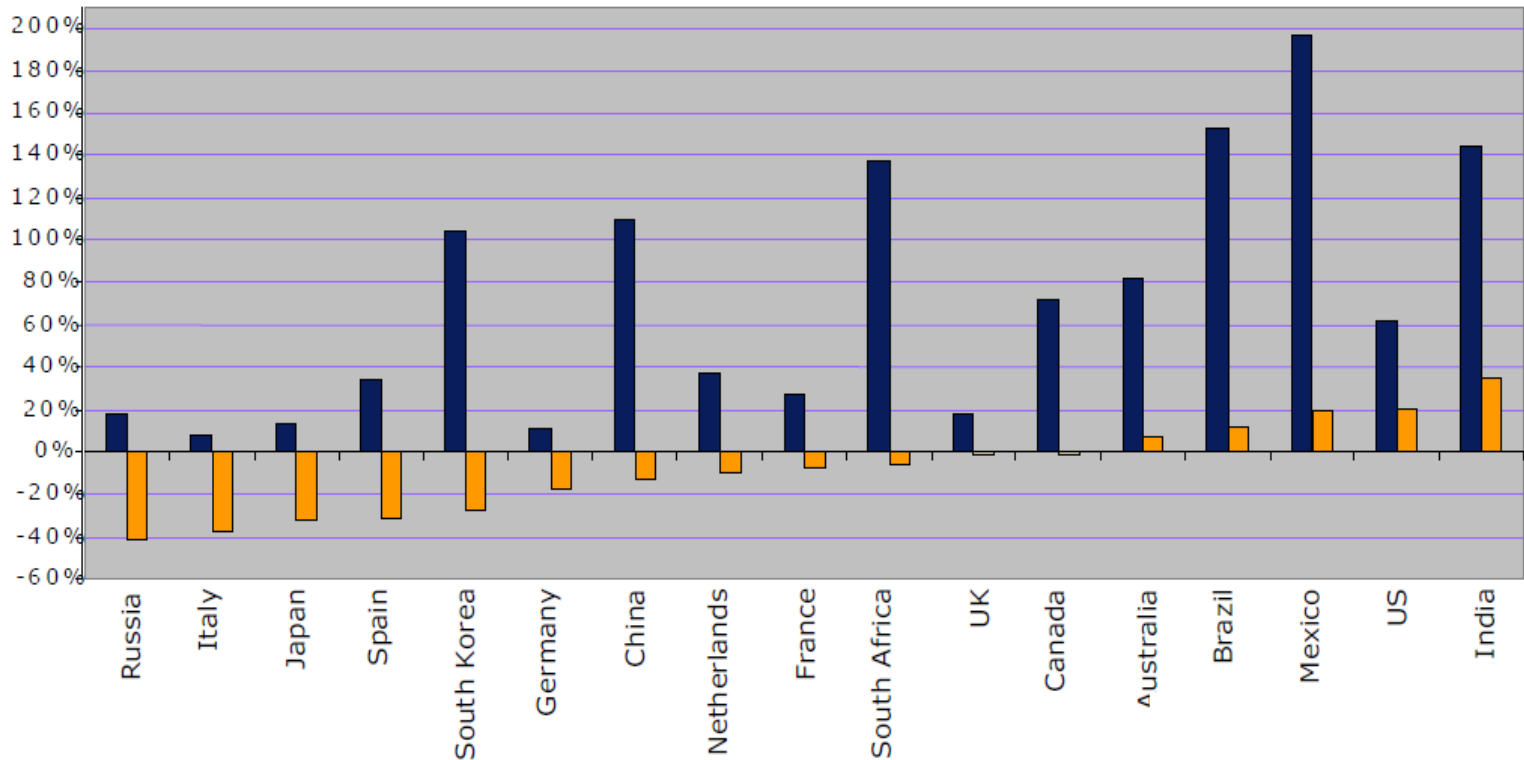
Generational Dimensions

Shrinking Workforce Around the World

A Shrinking Workforce

Projected Change in Working Age Population (15-64) 2010-2050

■ 1970-2010 ■ 2010-2050



Source: Deloitte Research



Changing demographics

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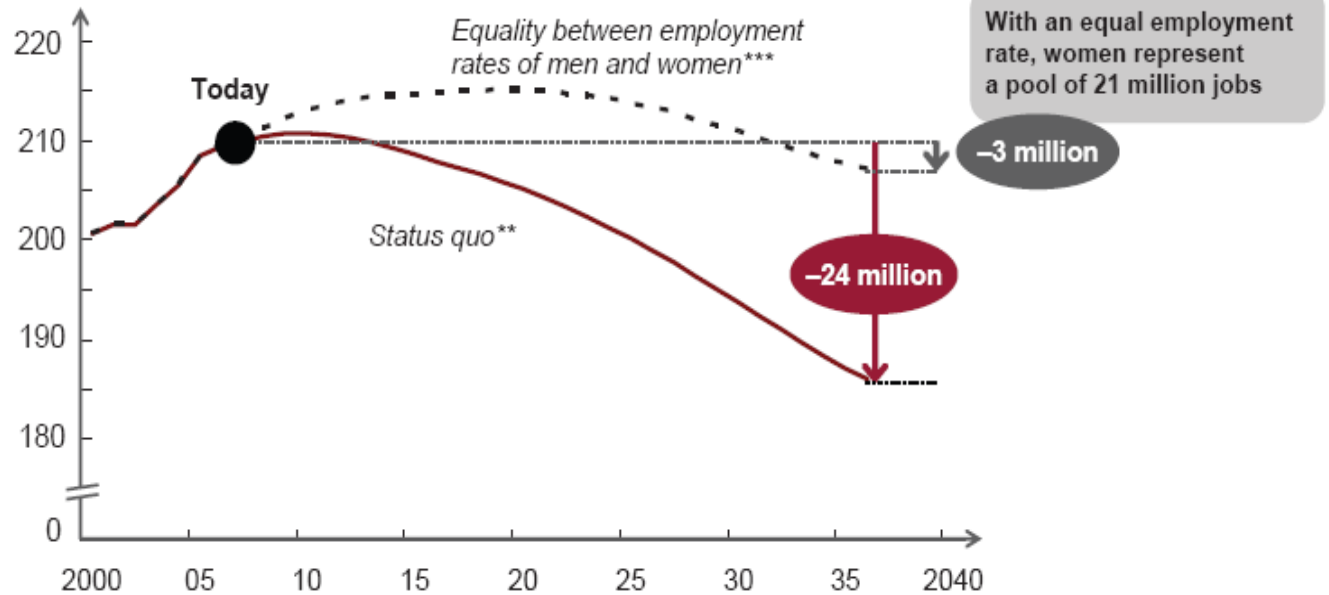
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Increasing women's employment rate offers one possible response to the demographic challenge

Active workforce*

Million



* Total population aged 15–85 years multiplied by employment rate (for the European Union – 27 countries excluding Slovenia, Slovakia and Czech Republic and including Iceland, Norway, Sweden and Albania)

** Estimate based on employment rate of women in 2005 (58%)

*** Based on employment rate of men in 2005 (71%)

Source: Eurostat; Global Insight; McKinsey

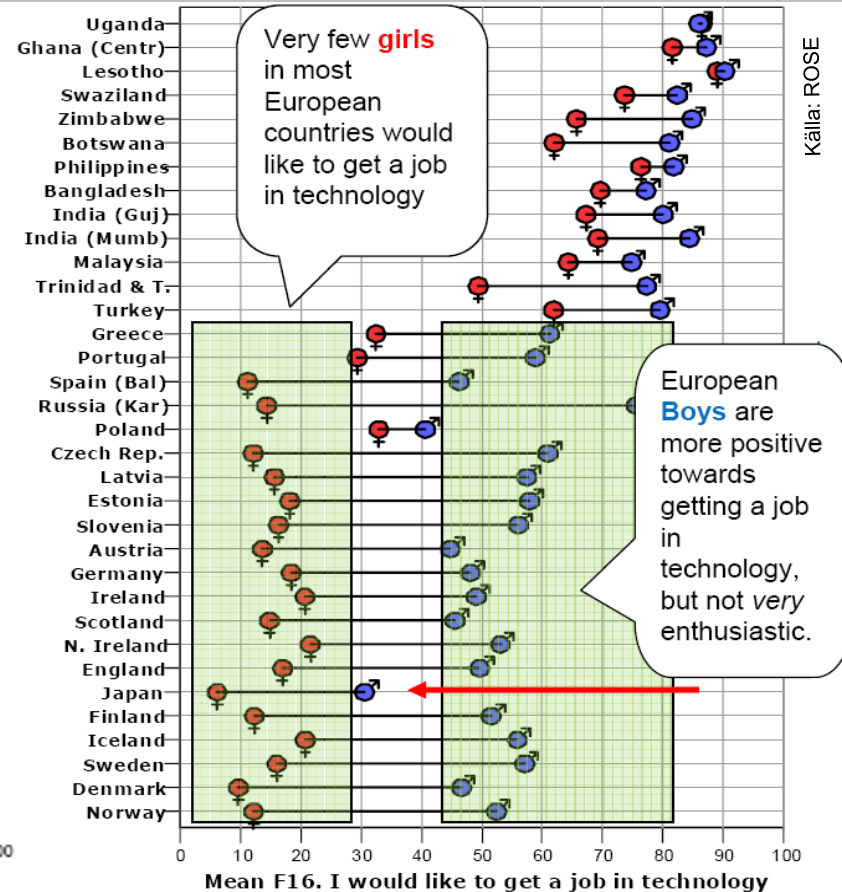
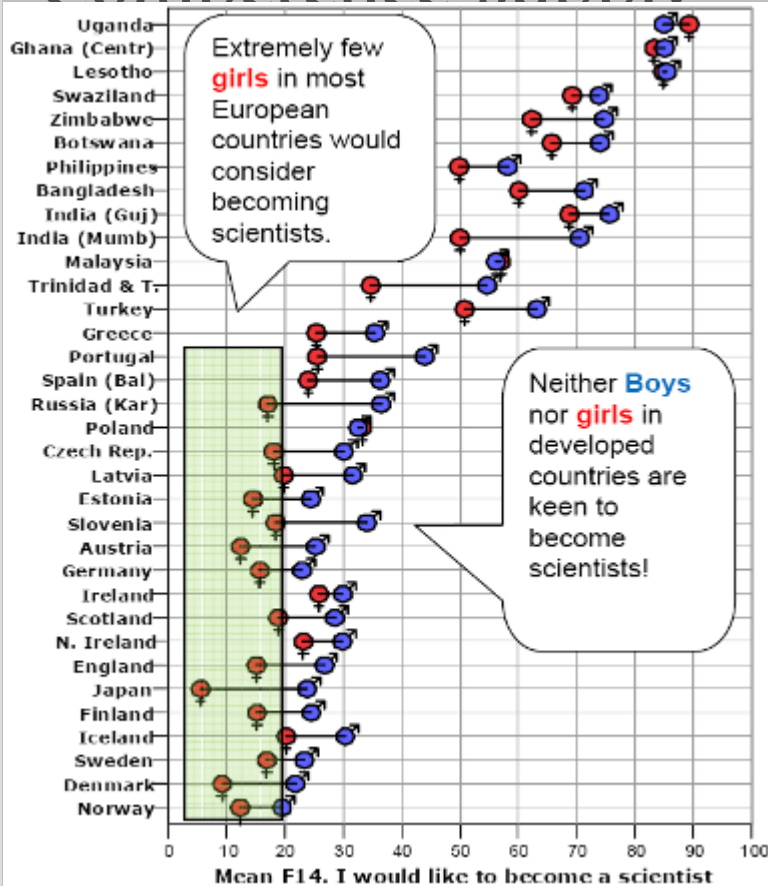


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Changing Attitudes

Attitudes in Europe threatening the Competence supply



Källa: ROSE



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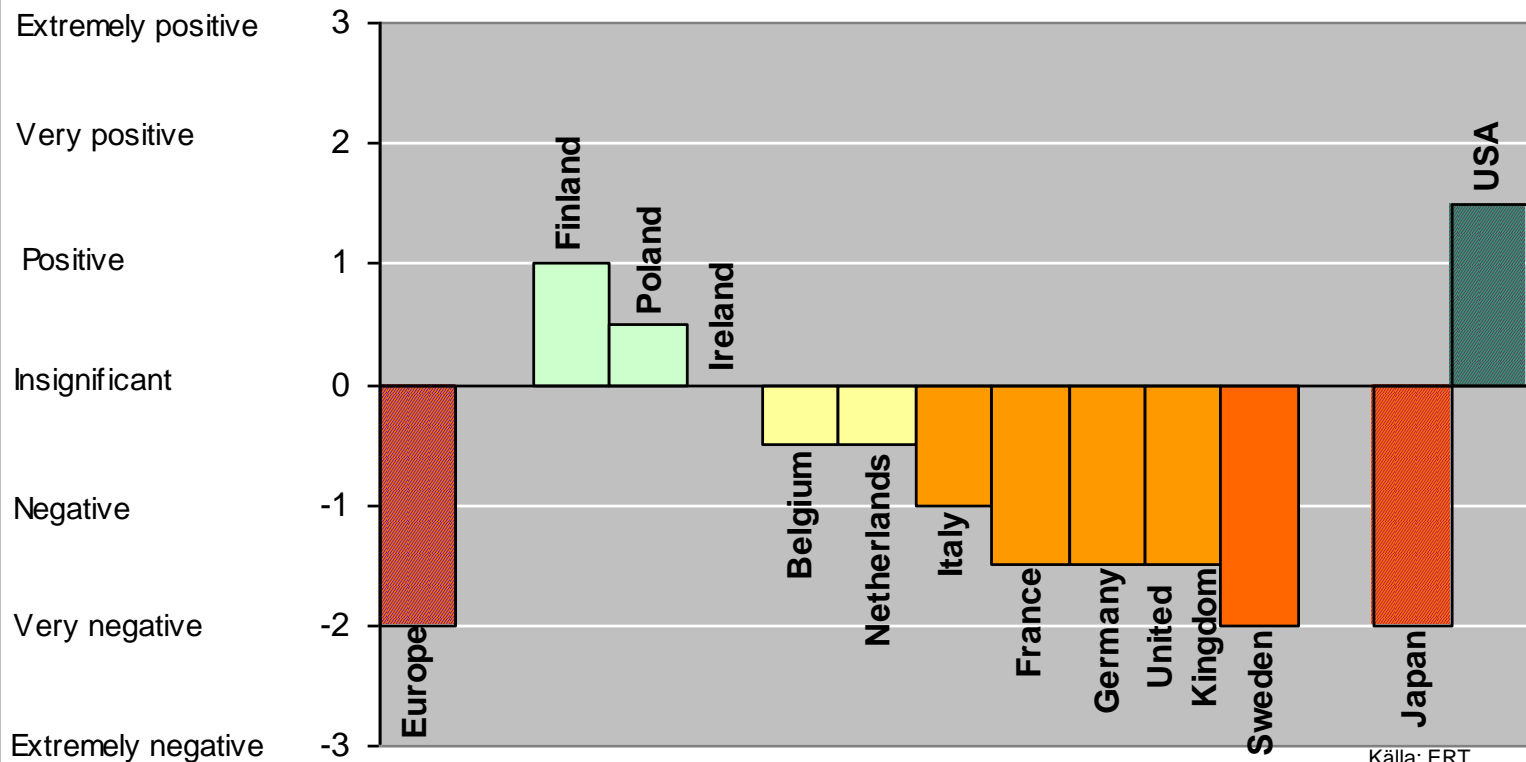
Changing Attitudes

Attitudes in Europe threatening the Competence supply

Supply development indicator

Indicating trends in the supply of human resources in MST

(accounting for demography, educational attainment and choice of MST education)



Källa: ERT



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Changing Attitudes

Attitudes in Europe threatening the Competence supply

Most Attractive Industries - to new Graduates

	No. 1
US	Education
UK	Media & Entertainment
France	Communications
Germany	Communications
India	Technology Consulting
Russia	Electronics and High Tech
China	Electronics and High Tech
Brazil	Communications



Source: Talent and Organisation Performance 2008 Accenture



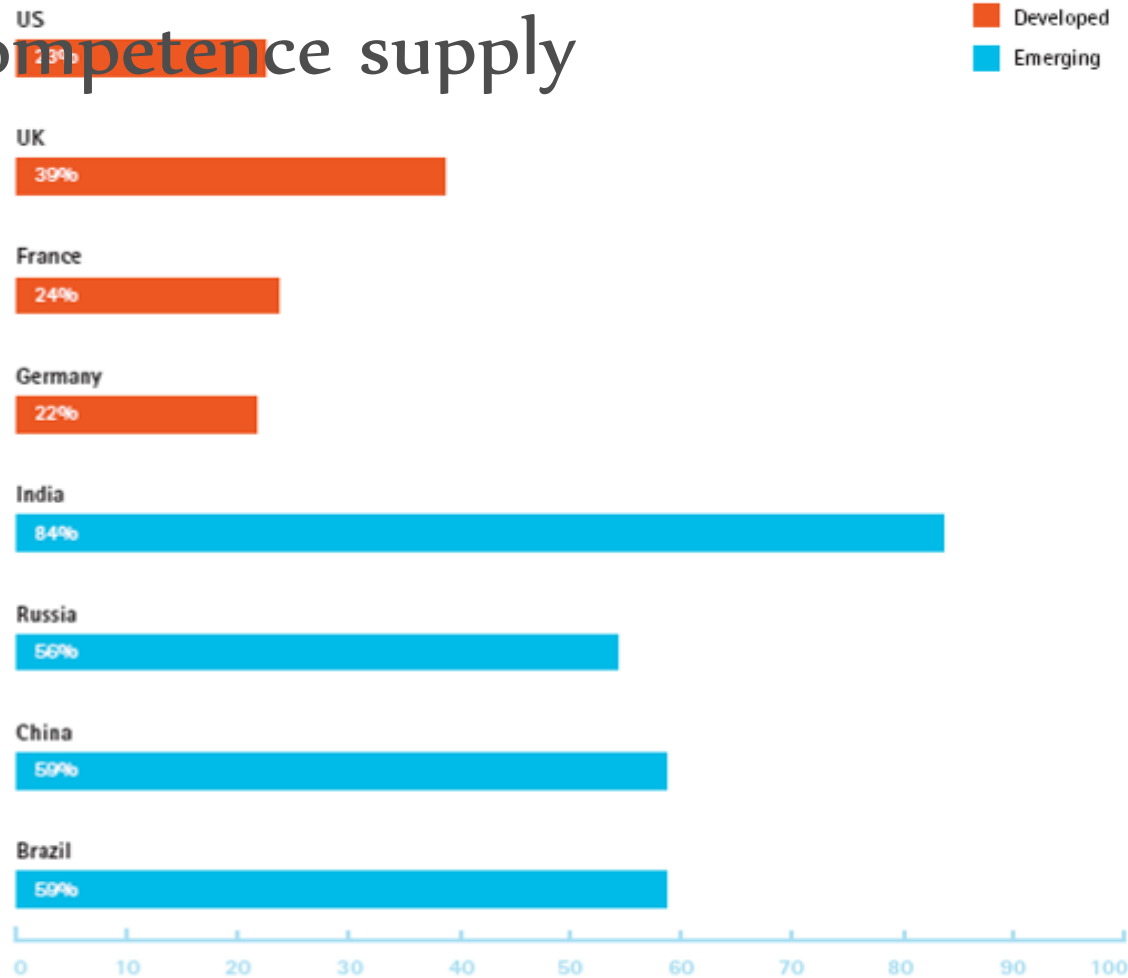
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Changing Attitudes

Attitudes in Europe threatening the Competence supply



Talent & Organization Performance | © 2008 Accenture



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Competence supply under threat in the “West”

Decreased volume of
talent supply –
Demographics

Decreased interest in technical
education and career choice

Diversity
– female employment
rate needs to increase

Less female interest for
the industrial sectors

Less motivation to achieve
higher level positions

Drivers of Change





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Global Corporations

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Highest quality product/service to
most profitable Worldwide market at
lowest cost under
changing market and competitive conditions
through Global sourcing of:

- Raw materials
- Technology
- Capital
- Facilities
- Human Resources

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New Shores: Emerging Outsourcing Hotspots in 2020



Source: Frost & Sullivan



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Employer of Choice Criteria

- People want to join
- People appreciate working for
- People want to stay with or return
- You recommend to friends



Diversity Agenda

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- Embracing "Manyness"
 - Countries, economies, markets, locations, employees, customers, products, languages, generations, attitudes and beliefs.
- Polycentric rather than monolithic organisations
- Diverse employees:
 - Act as "bridges"
 - Offer different perspectives
 - Challenge norms and enhance creativity
- Employer of Choice:
 - A Home for Diverse Talent



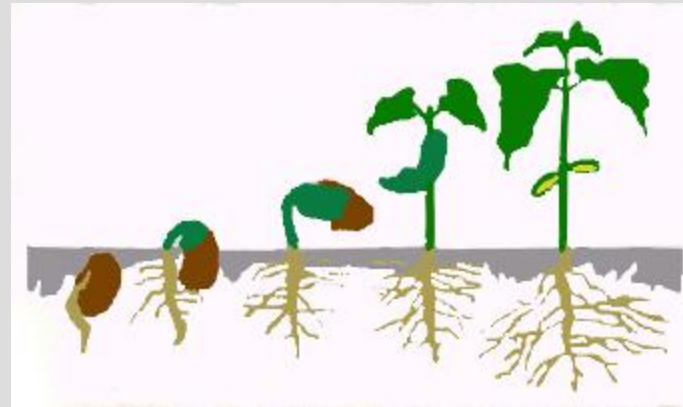
The Growth of Values

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Organisational
Dispersion



Values

Employer brand, Increased transparency
CSR agenda

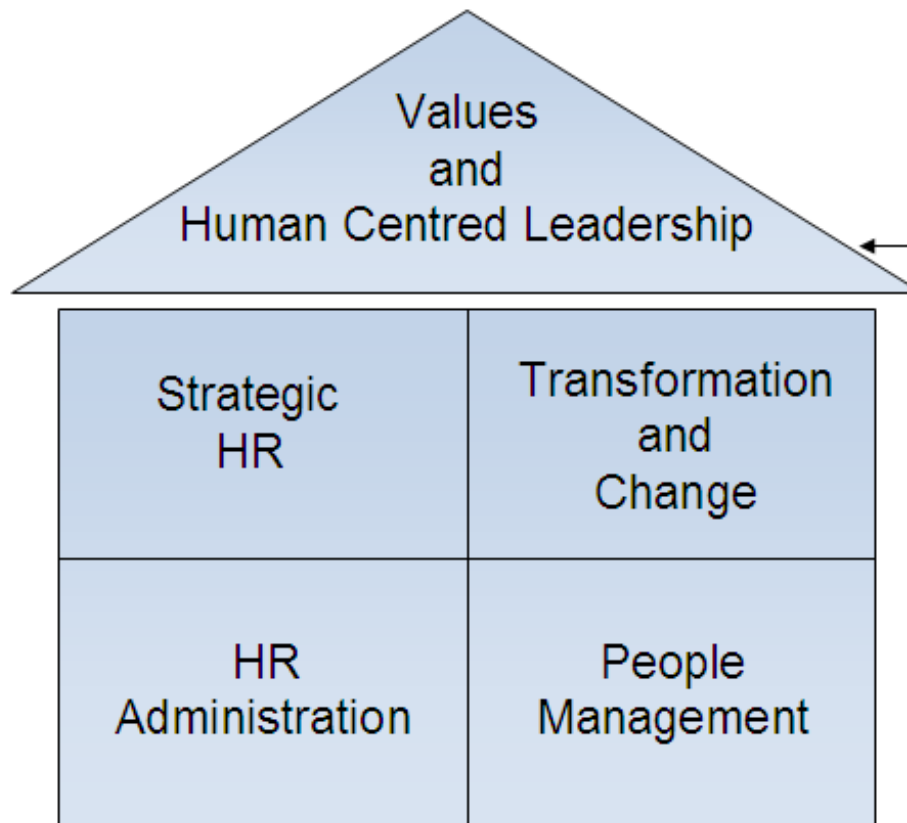


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Value and Values



Values Management

Maximise Value
Creation through
People

Source: Geoff Glover



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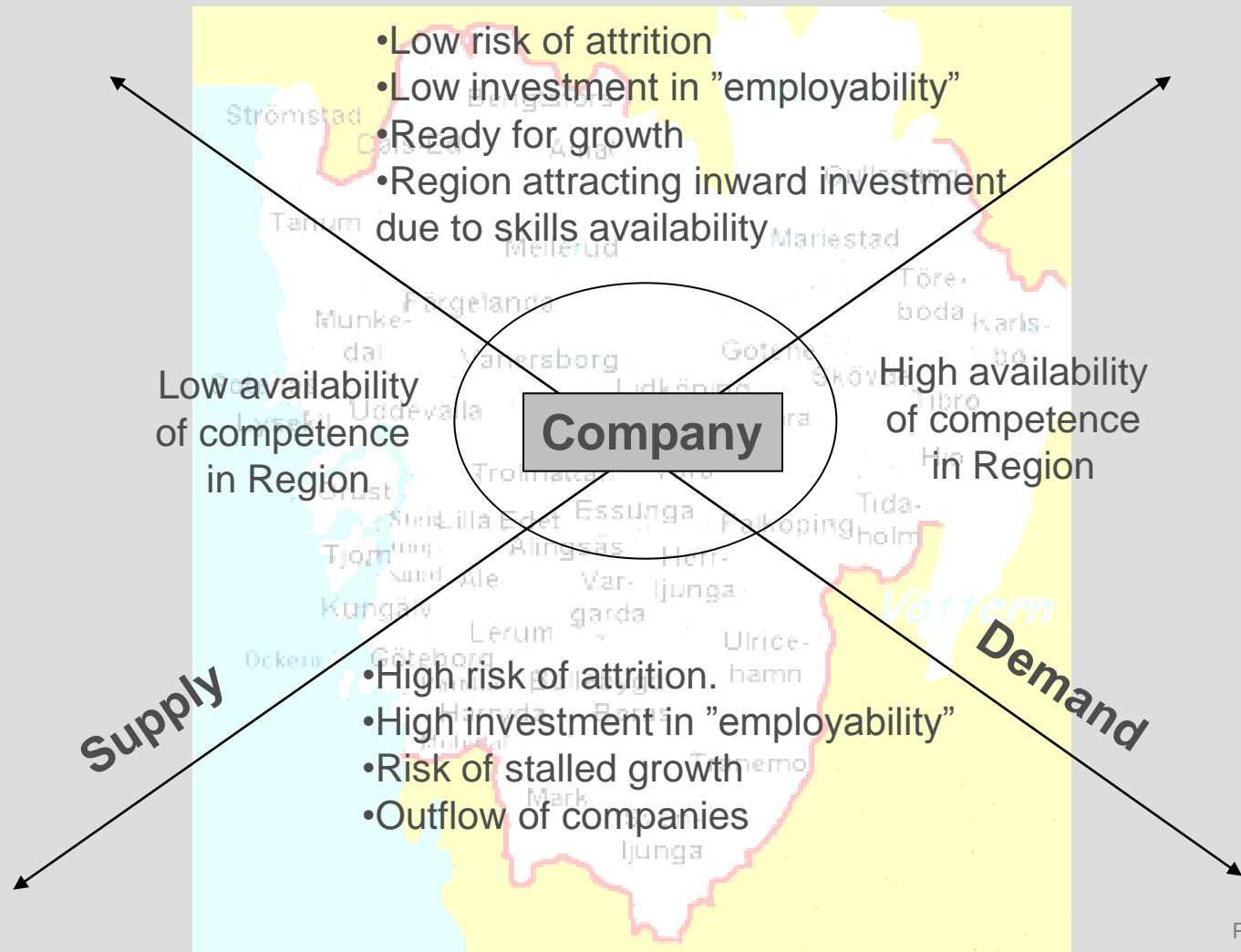


Supply and Demand – the ideal Scenario for every business

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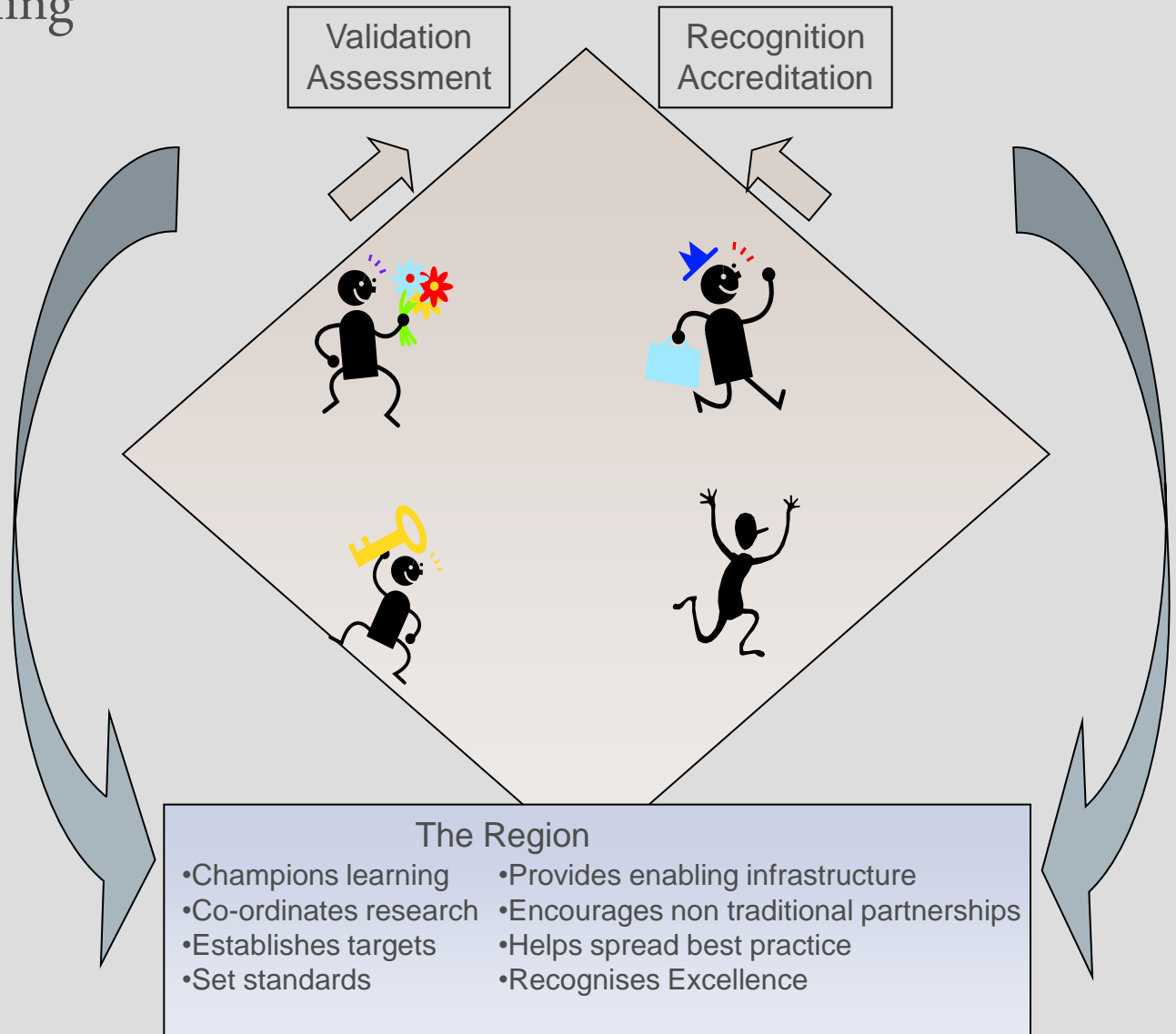


Creating An Explosion Of Lifelong and Lifewide Learning

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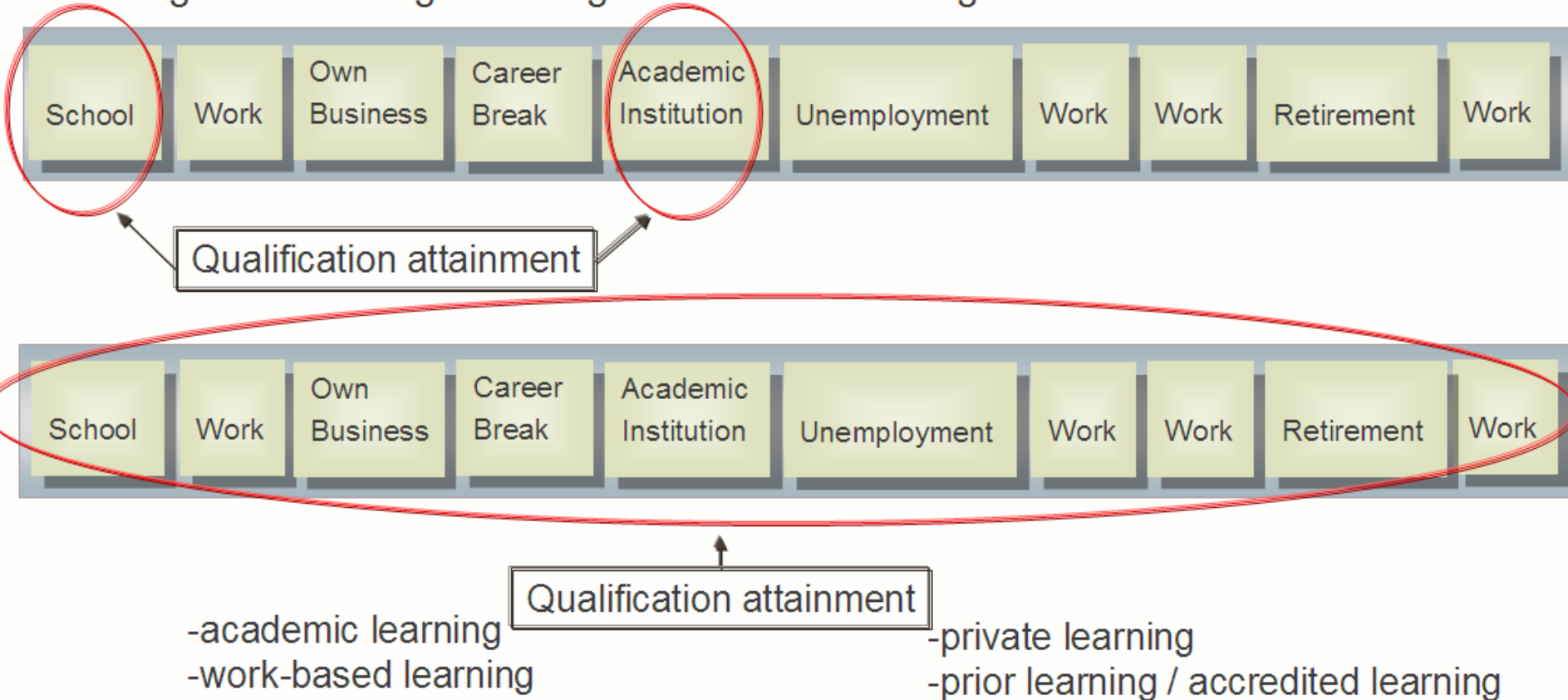
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The Competence platform must support lifelong and lifewide learning

Recognise "Lifelong Learning – Lifewide Learning"





The Vision

Knowledge or Learning Region

	Schools		Employers		Adult Education		Unemployed	Citizens
Analysis	•Learning needs analysis	Joint	•Learning needs analysis	Joint	•Learning needs analysis	Joint	•Learning needs analysis	
Solutions	•Learning solutions	Share	•Learning solutions	Share	•Learning solutions	Share	•Learning solutions	
Investment	•Investment - learning content - technology - infrastructure	Collaborate	•Investment - learning content - technology - infrastructure	Collaborate	•Investment - learning content - technology - infrastructure	Collaborate	•Investment - learning content - technology - infrastructure	
Standards	•Standards / assessment	Standards	•Standards / assessment	Standards	•Standards / assessment	Standards	•Standards / assessment	
Aspirations	•Readiness for global competitiveness	Aspire	•Globally competitive in employment	Aspire	•Global competitiveness	Aspire	•Global competitiveness	

← Technology / Equipment Providers Champion Connectivity →

Regional Competence Platform

- Champions learning
- Co-ordinates research
- Establishes targets
- Sets standards
- Provides enabling infrastructure
- Encourages non -traditional partnerships
- Helps spread best practice
- Recognises excellence

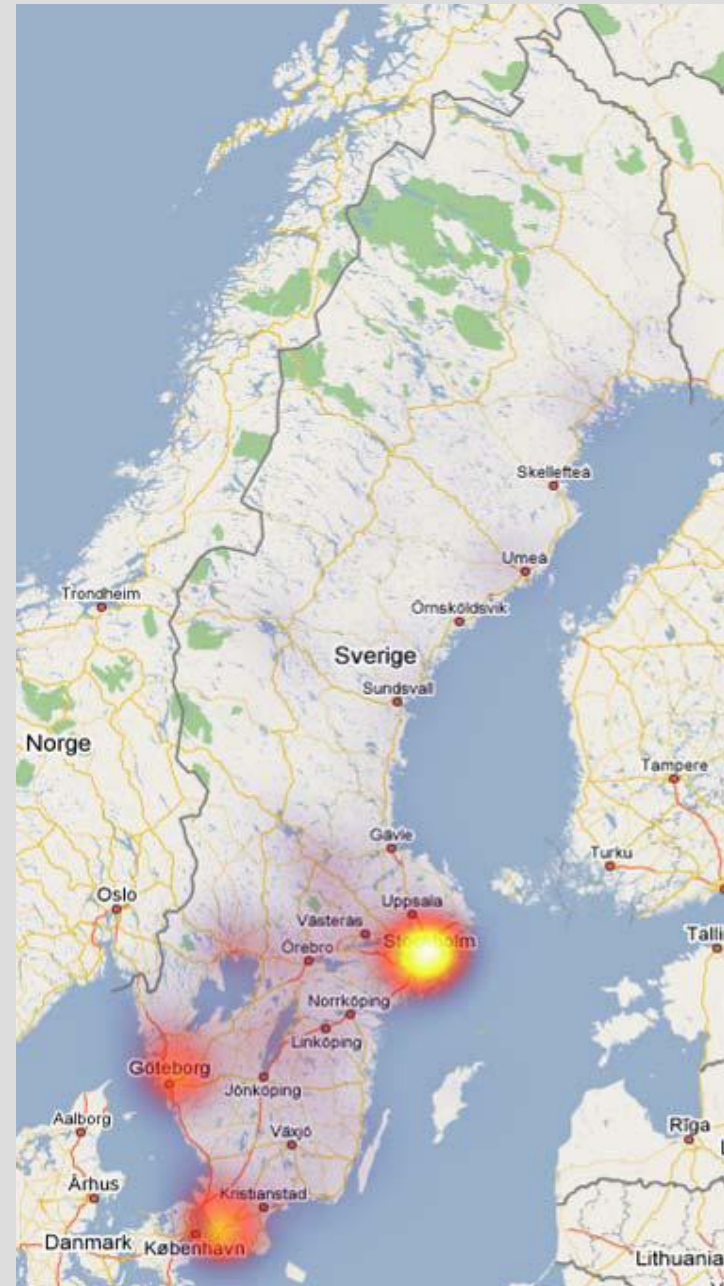


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Highly educated people

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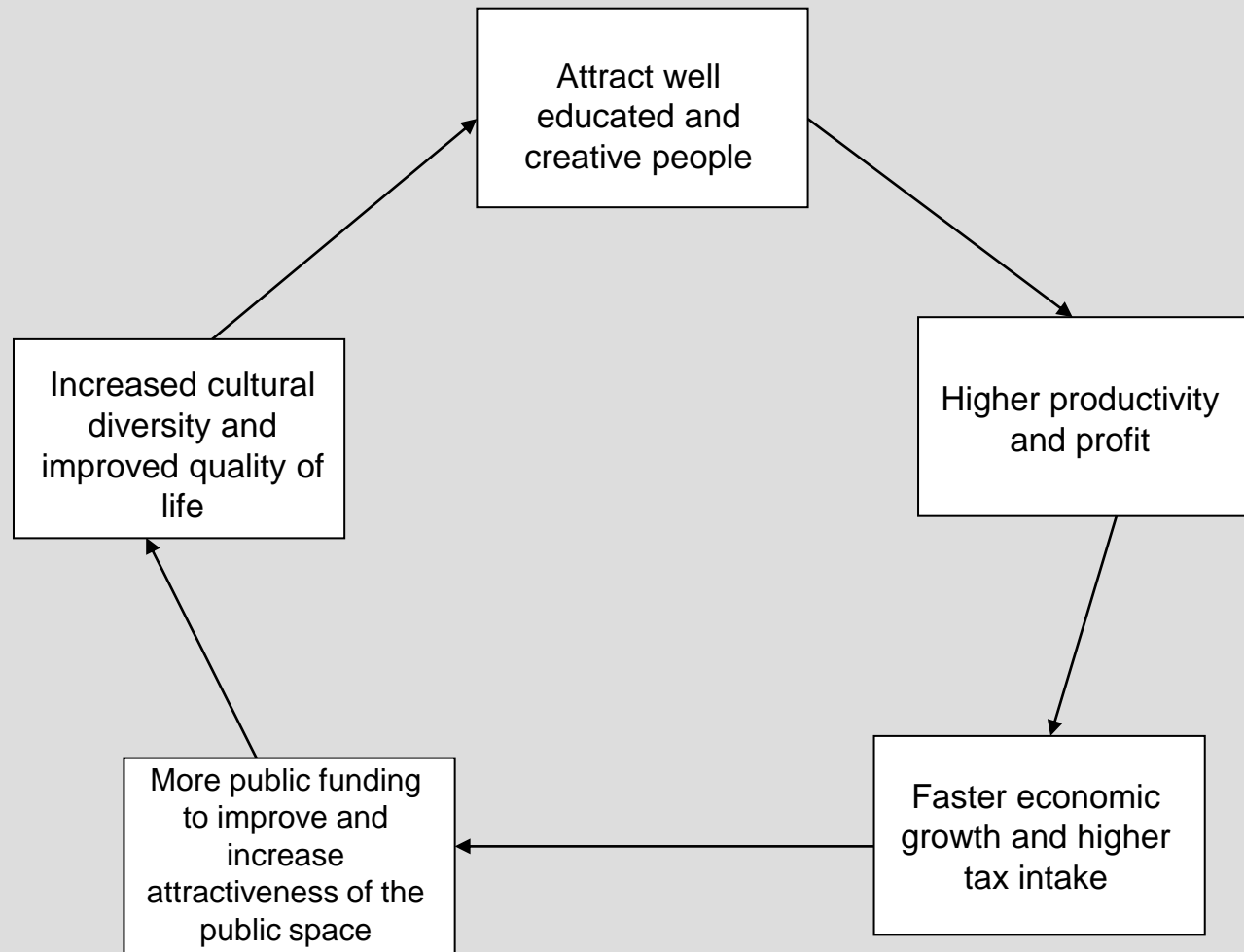


The virtuous circle ...

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Focus

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Today Regions compete to attract highly educated and creative
people ...

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Recipe for success

- 1) – A competitive economic strategy
 - Global niche
 - Entrepreneurial

- 2) – The Knowledge/Learning Region
 - World Class Learning Infrastructure to develop and attract global talent
 - Regional Competence Platform
 - Global standards – assessment and validation
 - Invest more in schools/International schools
 - Public funding and technology to leverage learning assets
 - Attract students for economic priorities and from growth markets
 - Support global talent "conversion"/integration



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Recipe for success

- 3) – Infrastructure, a home for global talent
 - Attractive living and working environment, accommodation, transportation, connectivity etc.
 - Differentiated taxation, student fees, scholarships etc.
- 4) – Marketing
 - Confident and proud
 - Clear on our global offer
 - Strength through unity
- 5) – Holistic approach
 - Common goals, strategy
 - Engage the "whole team"
 - Leverage all assets
 - Deliver the plan



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Vielen Dank für Ihre Aufmerksamkeit
Tack för
att du lyssnade
Bedankt
voor het luisteren
Thank you for
listening
Merci de votre
attention

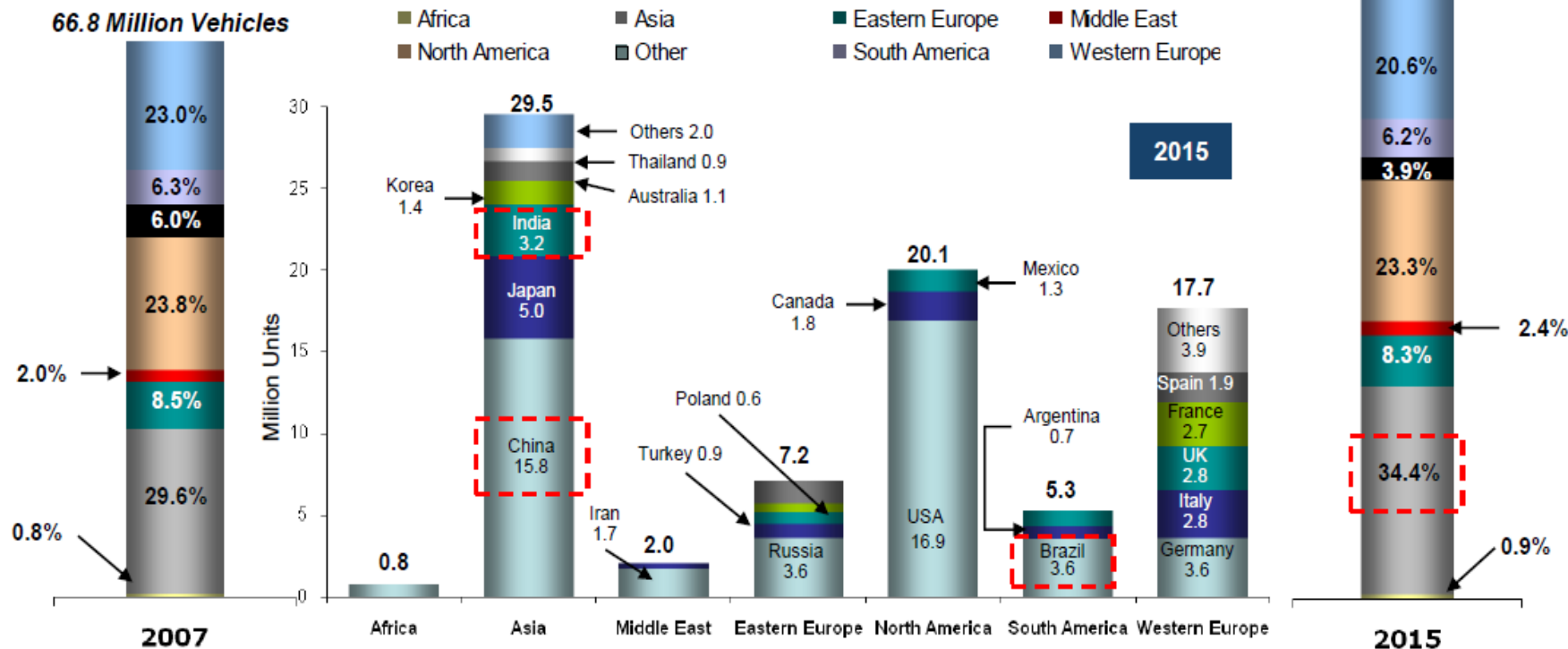


谢谢你听

Top Regions in 2020:

BRIC Countries to be the Major Sales Powerhouse by 2015 – By 2015; 50% of global sales to come from Asia, Eastern Europe and South America

Automotive Market: Light Vehicle Sales (World), 2007-2015



The above vehicle sales forecast is for passenger cars and light commercial vehicles (<3.5 t). Vehicle segments included are Basic, Executive, Large, Lower Midsize, Luxury, MPV, Pickup / Truck, Small, Sports, SUV, Upper Midsize and Van

Note:

Africa - South Africa

Asia - Australia, China, India, Indonesia, Japan, Korea, Malaysia, Philippines, Taiwan, Thailand, New Zealand

Eastern Europe - Bulgaria, Bosnia, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine

Middle East - Egypt, Iran

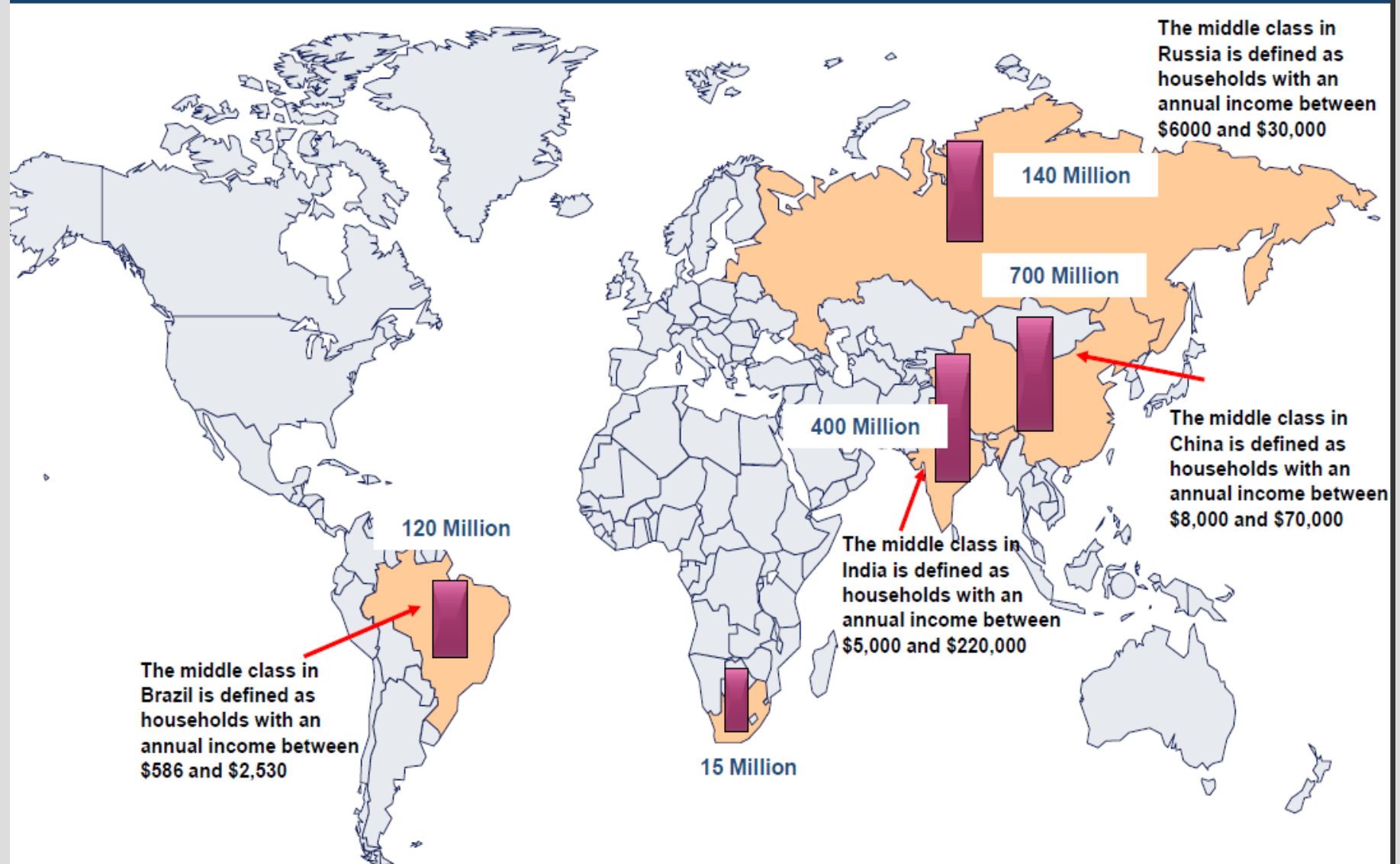
North America - Canada, Mexico, USA

South America - Argentina, Brazil, Chile, Colombia, Ecuador, Uruguay, Venezuela

Western Europe - Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK

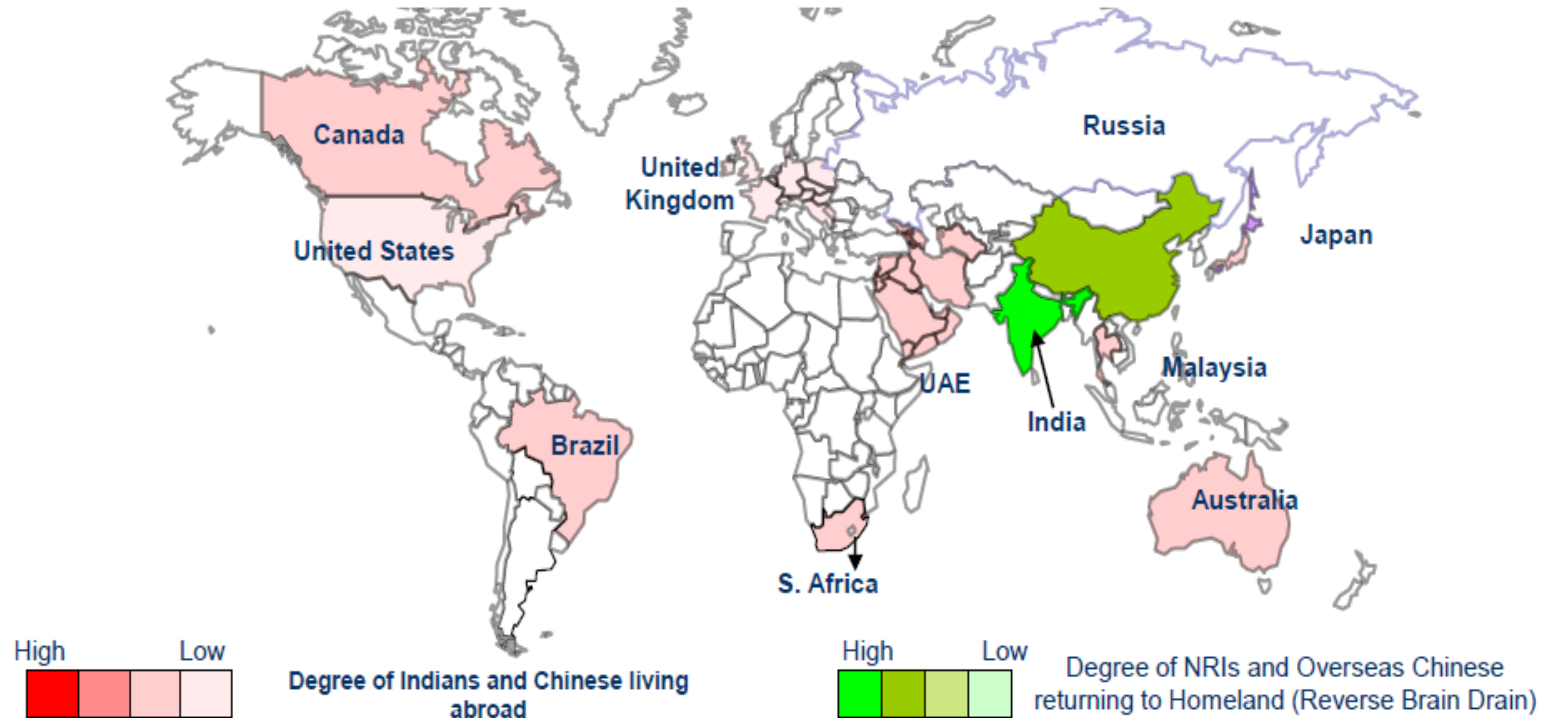
Source: JD Powers / Frost & Sullivan

Rise of the Middle Class in 2020: Over 1 Billion from India and China Alone



Reverse Brain Drain and Huge Shortage of CXO Positions In BRIC Nations Will Make Us Look For Opportunities Overseas

Mostly evident in countries like India and China, reverse brain drain as a concept implies a massive reversal of highly educated and skilled workers back to their homeland. This trend will also see proliferation of non-resident population filling up CXO jobs and salaries and benefits in these countries will eventually outstrip the Western World. Many Europeans and Americans will seek jobs in these developing countries in the future.



IMPACT

- Steady flow of foreign professionals and migrants returning back home to fill vacancies for CXO positions
- Salary on par with developed countries (in terms of purchasing power) and even more benefits
- 2 million BPO- KPO jobs for foreign nationals from China, Poland, Philippines



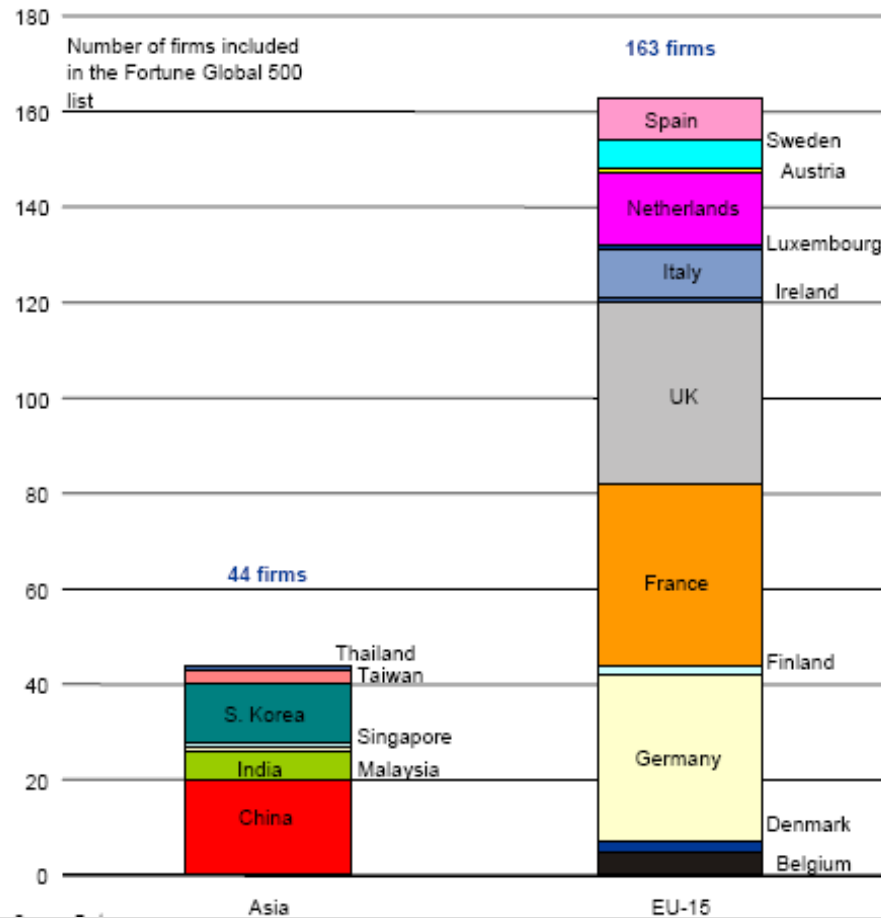
Increased Competition – Asia's Entry onto the Global Stage

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Europe: Still the seat of big firms, but Asia is catching up



'Health, Wellness and Well Being' Will be the Next Big Factor For Product Differentiation After 'Environment'

- OEMs generally tend to focus on one of the 7 key factors (as shown on the right) for positioning of their vehicle brands.
- For each factor OEMs evaluate whether they want to be 'best-in-class (BIC)', 'amongst the leader' or 'a follower'.
- Those factors which strengthen their brand values are normally bracketed in the 'BIC' box (e.g. Volvo on safety, BMW on driving dynamics).
- **The next big factor for competitiveness for OEMs will be "Health, Wellness and Wellbeing".**

Factors which currently form basis of differentiation among OEMs

Safety

Quality

Environment

Design and Styling

Cost Of Ownership

Driving Experience

Comfort/Convenience

Source: Frost & Sullivan

Do You Know?

If we could shrink the earth's population to a village of precisely 100 people, with all the existing human ratios remaining the same, there would be something like the following:

57 Asians

21 Europeans

14 from the Western Hemisphere, both north and south

8 Africans

52 would be female

48 would be male

70 would be non-white

30 would be white

70 would be non-Christian

30 would be Christian

89 would be heterosexual

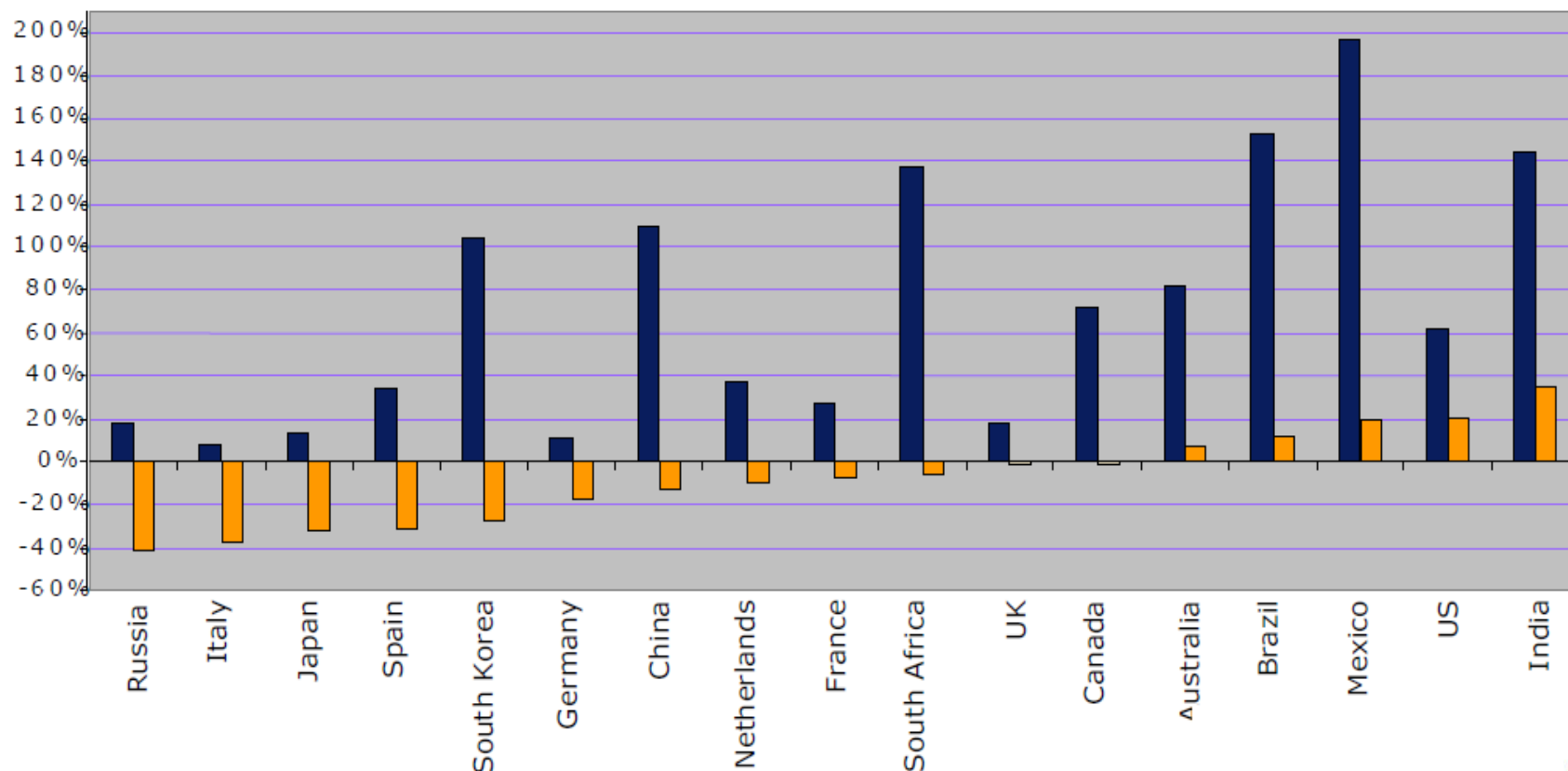
11 would be homosexual

Shrinking Workforce Around the World

A Shrinking Workforce

Projected Change in Working Age Population (15-64) 2010-2050

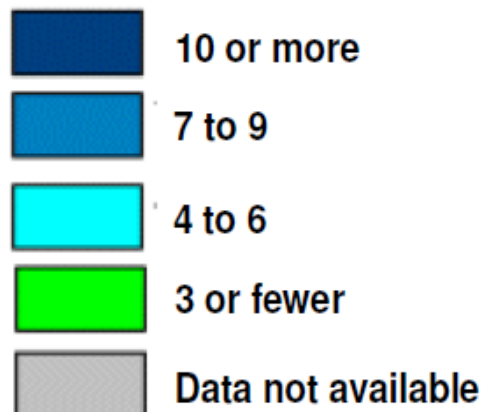
■ 1970-2010 ■ 2010-2050



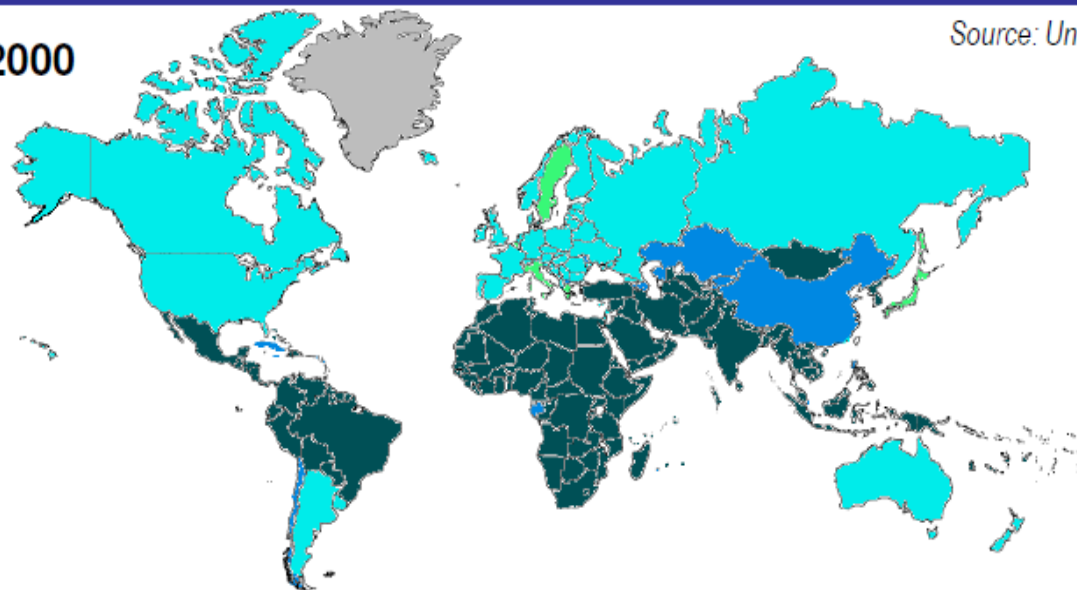
Aging Global Workforce

Source: United Nations

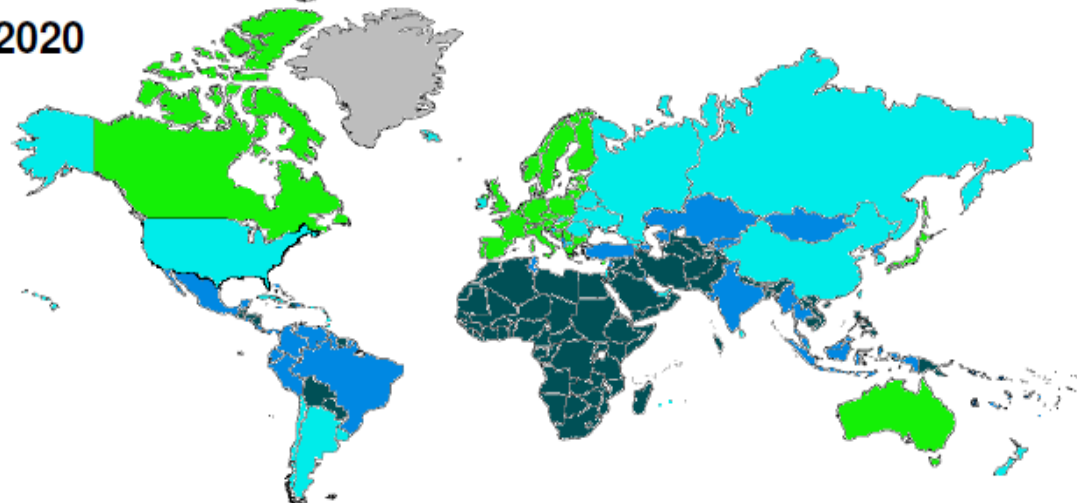
Number of persons aged
15 to 64 for each person
aged 65 or older.....



2000

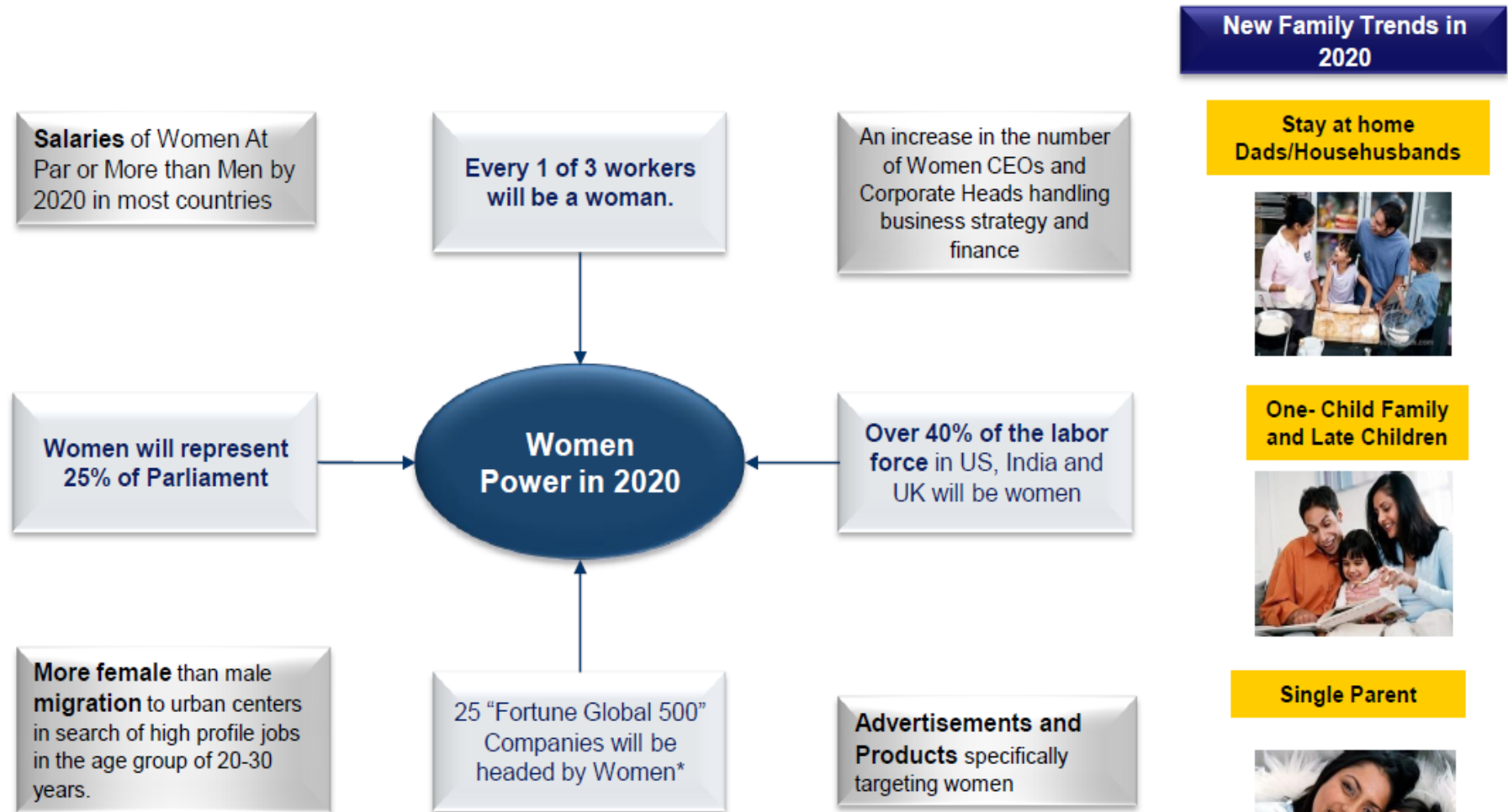


2020



Note: Some smaller countries
are not shown.

Women Power: Empowerment of Women Resulting in More Women CEOs and New Family Trends in 2020



**Currently 15 Fortune 500 Companies are Headed by Women CEOs
Source: Fortune 500 Magazine, 2009*



Changing Expectations in the Knowledge Economy

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- In the knowledge age:
- Organisation structures will be loose, more virtual and leaner.
- Connectivity will be key to managing business relationships, productivity realisation, organisation performance etc.
- Leadership decision making will become more intuitive.
- Management of "knowledge workers",
3 generations in one workplace, more diverse groups, will be a complex business.
- Businesses are placing more and more emphasis on the "soft skills", especially leadership, lean thinking, systemic thinking, the willingness and ability to continuously learn.
- Business assessment is that the hard skills can be taught and will have limited lifespans.



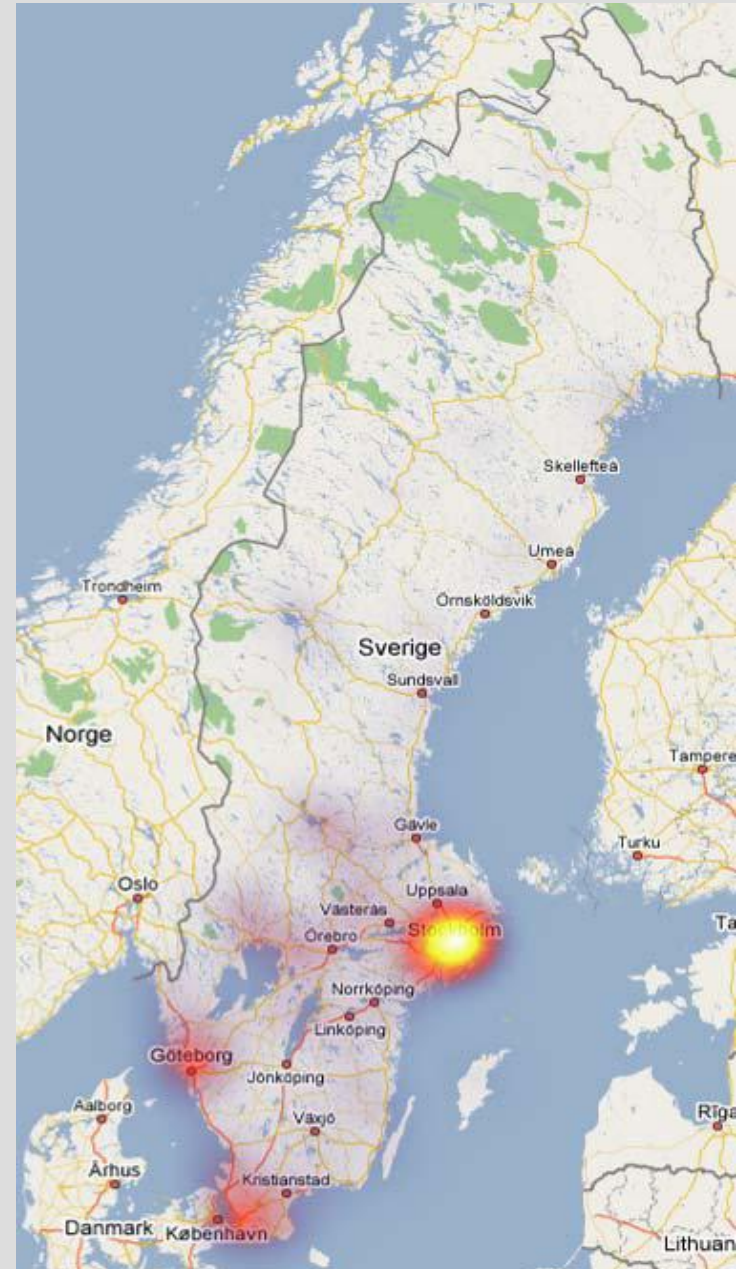


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Kultur



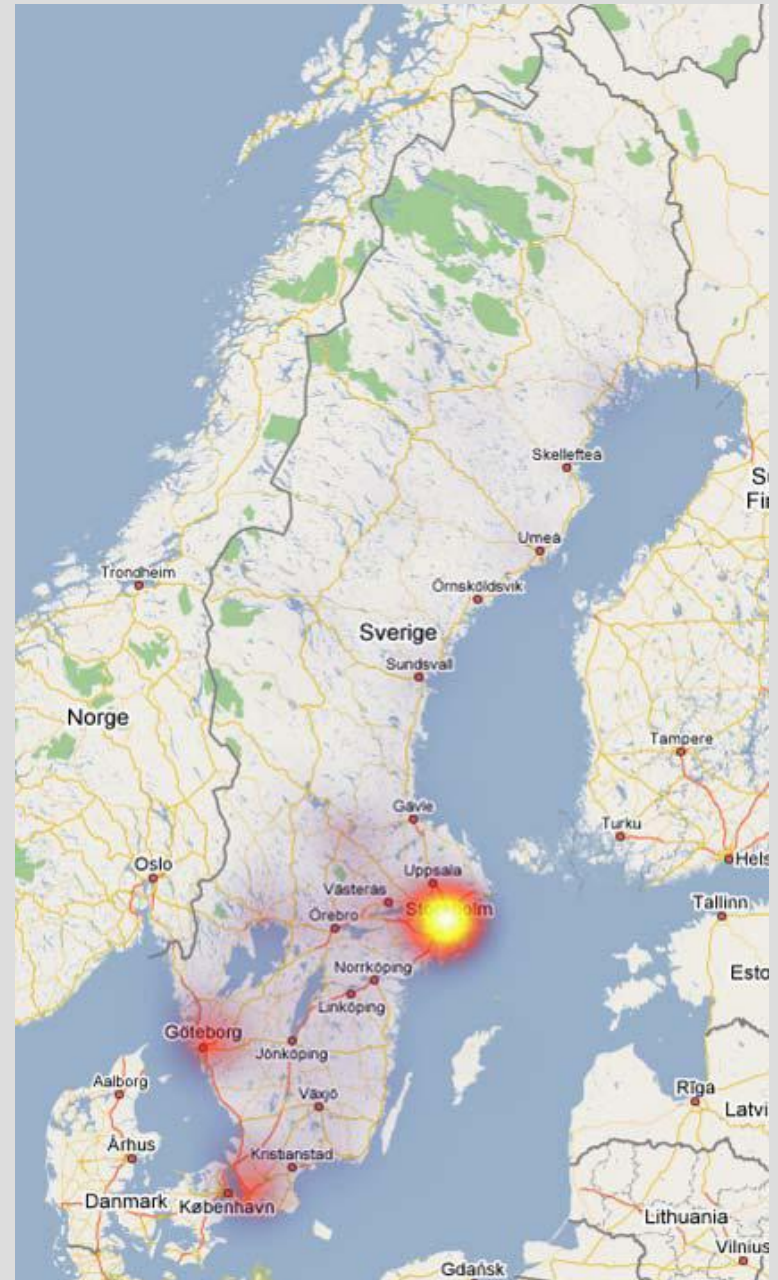


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Teknologi



Three Main Trends in Urbanization: Development of Mega Cities, Mega Regions and Mega Corridors



MEGA CITY

City With A Minimum
Population Of 10
Million

EXAMPLE:: Greater
London, Greater Paris,
Greater Cairo



MEGA REGIONS

Cities Combining With
Suburbs To Form
Regions. (Population
over 15 Million)

EXAMPLE:
Johannesburg and
Pretoria (forming Jo-
Toria)



MEGA CORRIDORS

Transport corridors
connecting two or
more major cities or
mega regions

EXAMPLE: Hong Kong-
Shenzhen-Guangzhou
in China (Population
120 Million)

Source: United Nations Population Statistics, Frost & Sullivan and other regional and country level statistics bureau

Urban Planning: Snapshot of a SMART Mega City Plan in 2020

SMART Buildings: Atleast 50% of buildings will be **Green and Intelligent** built with BIPV. Around 20% of the buildings will be Net Zero Buildings.



SMART Infrastructure: Multimodal Transport Hubs Providing Excellent Air, Rail, Road Connectivity to Other Mega Cities



SMART Energy: 20% of Energy Produced in the City will be **Renewable** (Wind, Solar etc)



SMART Technology: Intelligent Communication Systems Connecting Home, Office, iPhone and Car on a **Single Wireless IT Platform**



SMART GRID: Infrastructure to Enable Real time monitoring of power flow and **Provide Energy Surplus** Back to the Grid



Satellite Towns: Main City Centre will Merge with Several Satellite Towns to form **ONE BIG MEGA CITY**



SMART Cars: Atleast 10% of Cars will be **Electric Vehicles**. Free Fast Charging Stations at every half mile



Source: Google Images



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Hur lockar vi till oss de människor vi behöver för att skapa regional tillväxt?

- Variation av varor och tjänster
- Estetisk och vacker omgivning
- God offentlig service
- Hastighet
- Densitet
- Höga löner

(Glaeser, Saiz, Kolko, 2001)



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Men detta räcker inte för att skapa regional tillväxt och attraktivitet!!!

Det gäller att skapa en miljö där människor har en möjlighet att fortsätta utvecklas, där det finns en hög grad av öppenhet och tolerans, för att dels skapa trivsel, men också för att man skall kunna ta in nya idéer.

(Florida, 2002)



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Lycka ger en god förutsättning
för innovationer och kreativitet,
snarare än tvärt om.

T. Amabile



Så vad mer driver "city satisfaction"?

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- Quality of Place – estetiska faktorer
- Self-Expression – tolerans, rätten att vara sig själv
- Utbildningsmöjligheter
- Möjlighet till sociala nätverk – utbud av "det tredje rummet"
- Grundläggande behov (sjukvård, skola, omsorg, kollektivtrafik etc)

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En närmare titt på:

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(1) Quality of Place:

- Parker och möjlighet till utomhusaktiviteter
- Den estetiska miljön; skönhet/fysiska inramningen
- Luft- och vattenkvalitet

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Och ...

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(2) Tolerans: Self-Expression/Diversity

- Är din stad en bra plats för följande grupper att bo på?
- Etniska minoriteter
- Immigranter
- Homosexuella
- Unga, högutbildade som söker jobb
- Unga singlar
- Familjer med barn



Social exclusion

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VP HR Talent
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Tolerans och Estetik är starka drivkrafter bakom:

- Den allmänna och övergripande "city satisfaction"
- En ökad sannolikhet för att man vill stanna på den platsen man bor
- En ökad sannolikhet för att man kan tänka sig att rekommendera platsen för boende för någon man känner