



Talent Management at Deutsche Telekom

Effectively Reshaping a Group-Wide Executive Development System

Edmund Komar – Group Head of Executive Development

Vienna 2008



Contents.

	Challenges & Strategies
	Realignment of executive development
	Change Management



Deutsche Telekom in the year 2007.



- Offices in over 50 countries worldwide
- More than 240,000 employees worldwide
- More than 50 percent of revenue outside of Germany

- More than 113 million mobile customers worldwide
- Over 37 million fixed access lines in operation
- Over 13 million DSL broadband access lines in operation (Germany and Eastern Europe)

- 1.7 million calls put through to the Call Center each week
- More than 1 million customers in Telekom shops each week
- 4.1 million activated DSL access lines and 5.7 million repairs in Germany in 2006

More than 150 million customer relationships worldwide:
Customers with high expectations of service that we do not always meet



Vision and Mission of Deutsche Telekom.

Our
Vision

Deutsche Telekom – a global leader in
“Connected Life and Work”



Our
Mission

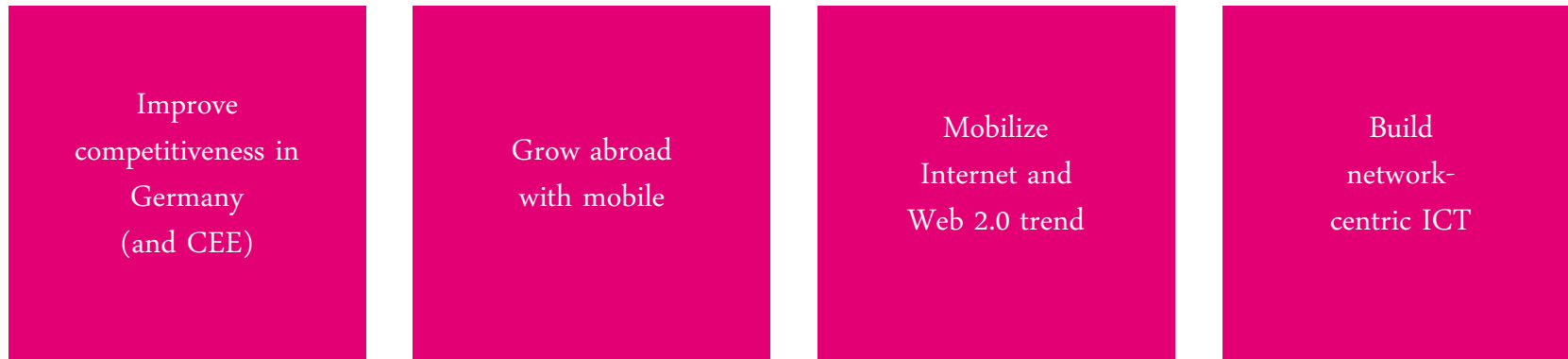
We mobilize personal, social
and business networking

T-Home	T-Mobile	T-Systems
Networking .. at home	Networking .. on the move	Networking .. at work



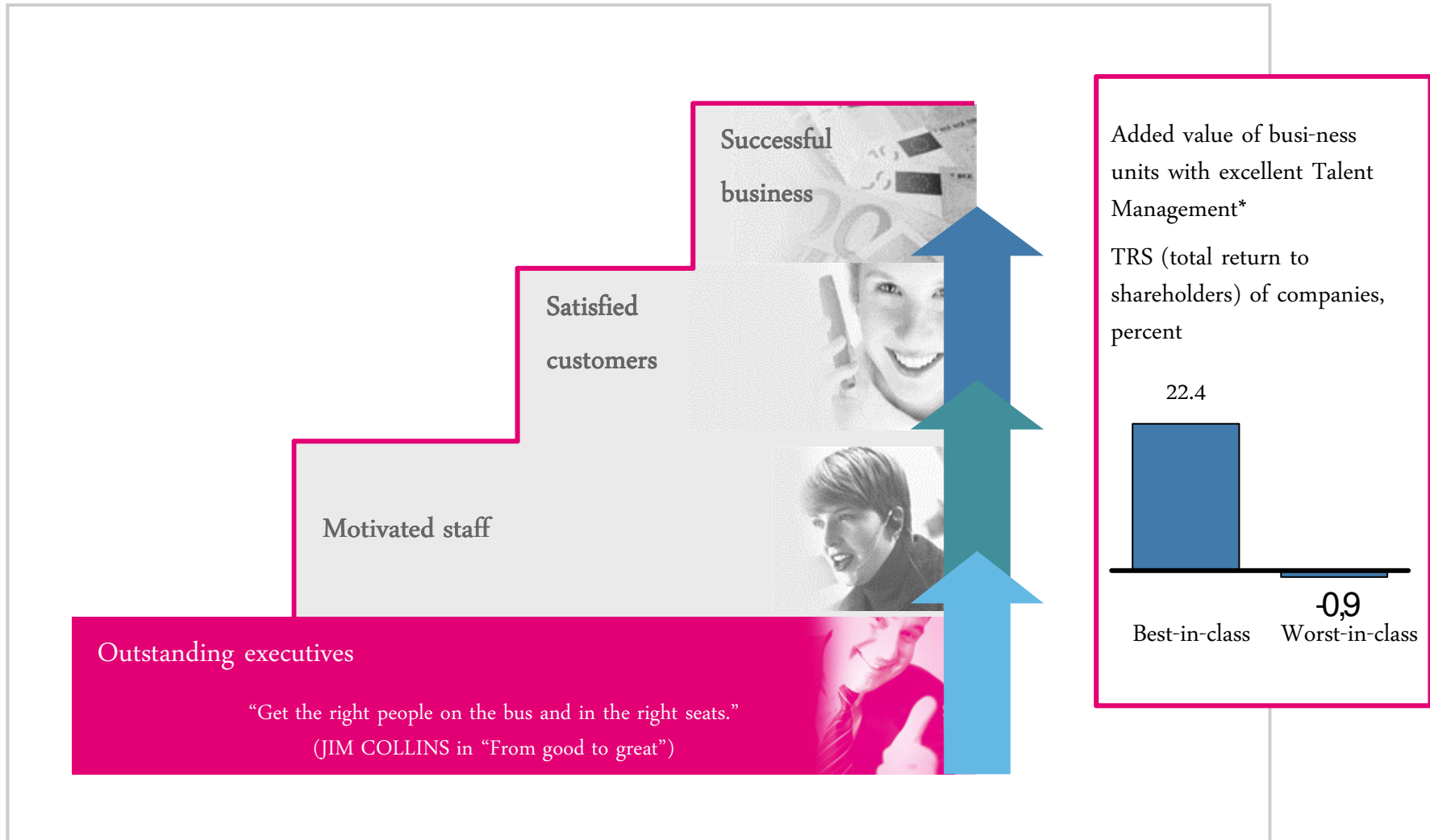
“Focus, fix and grow”:

Our Group strategy with four thrusts.



Business success via outstanding executives.

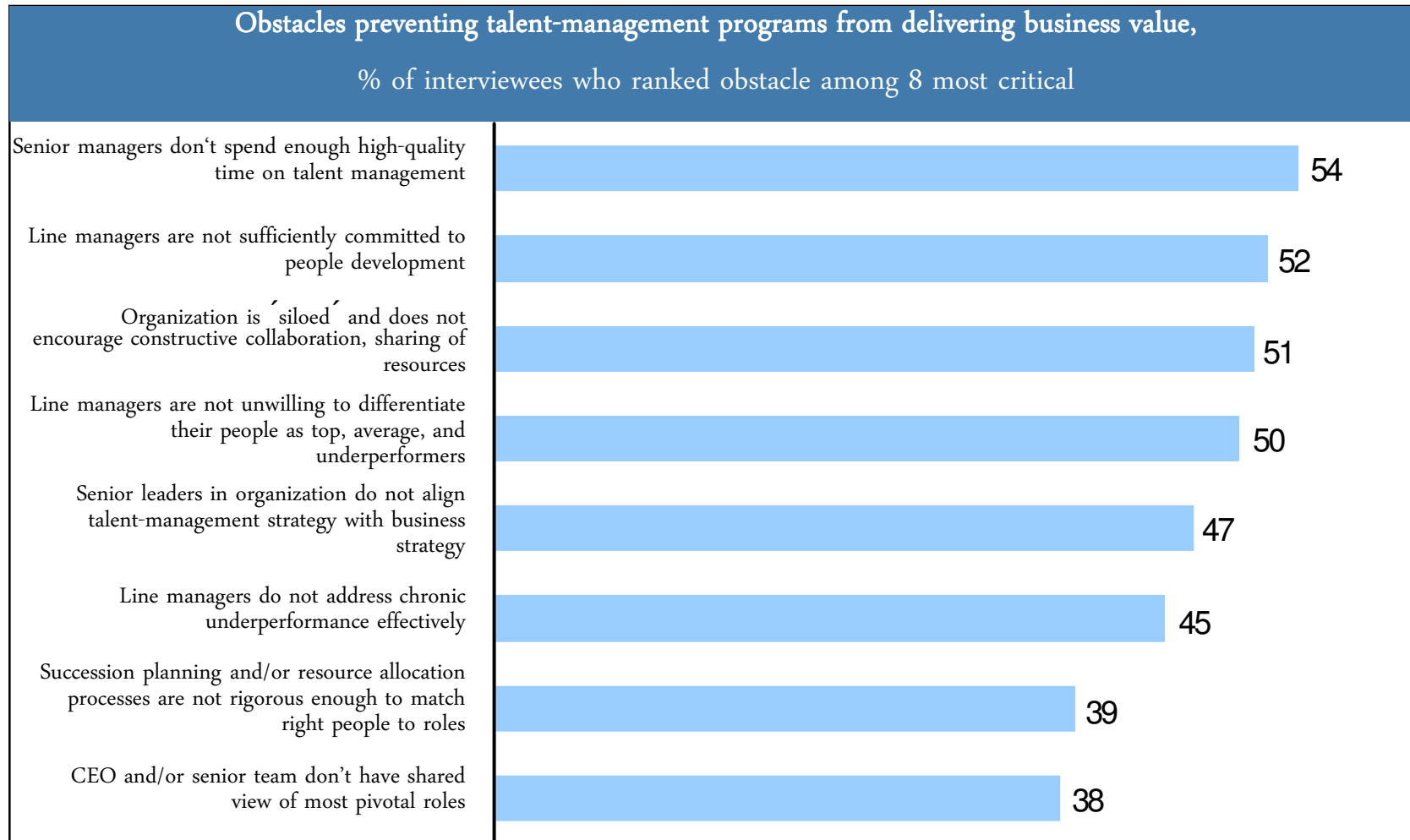
Talent Management has significant business impact.



* Comparison of best/worst percentile of a large company's more than 100 business units; source: McKinsey analysis

Talent Management .

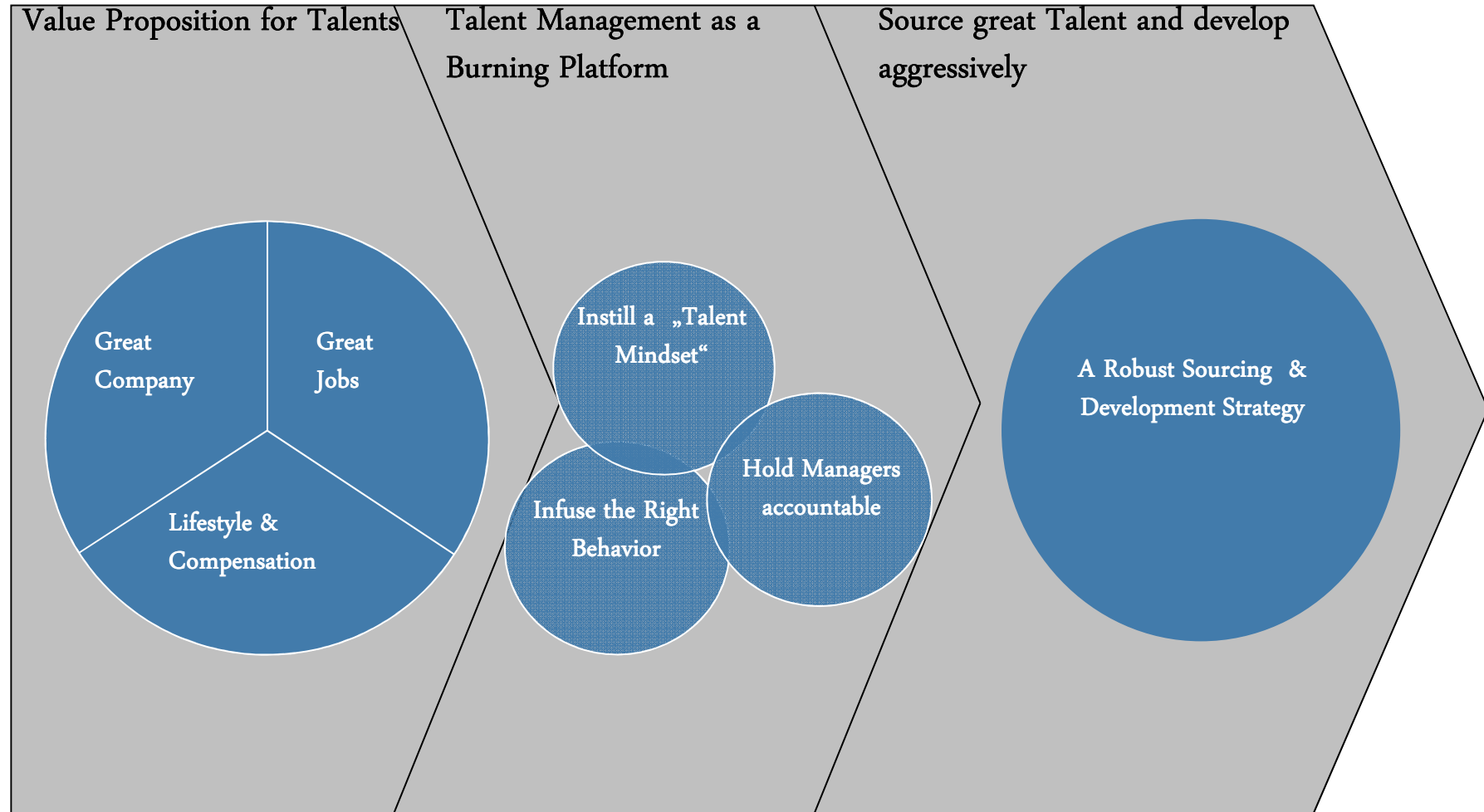
Talent Management: Business Leaders and Members of the Board are Role Models



Source: McKinsey quarterly, third quarter 2007

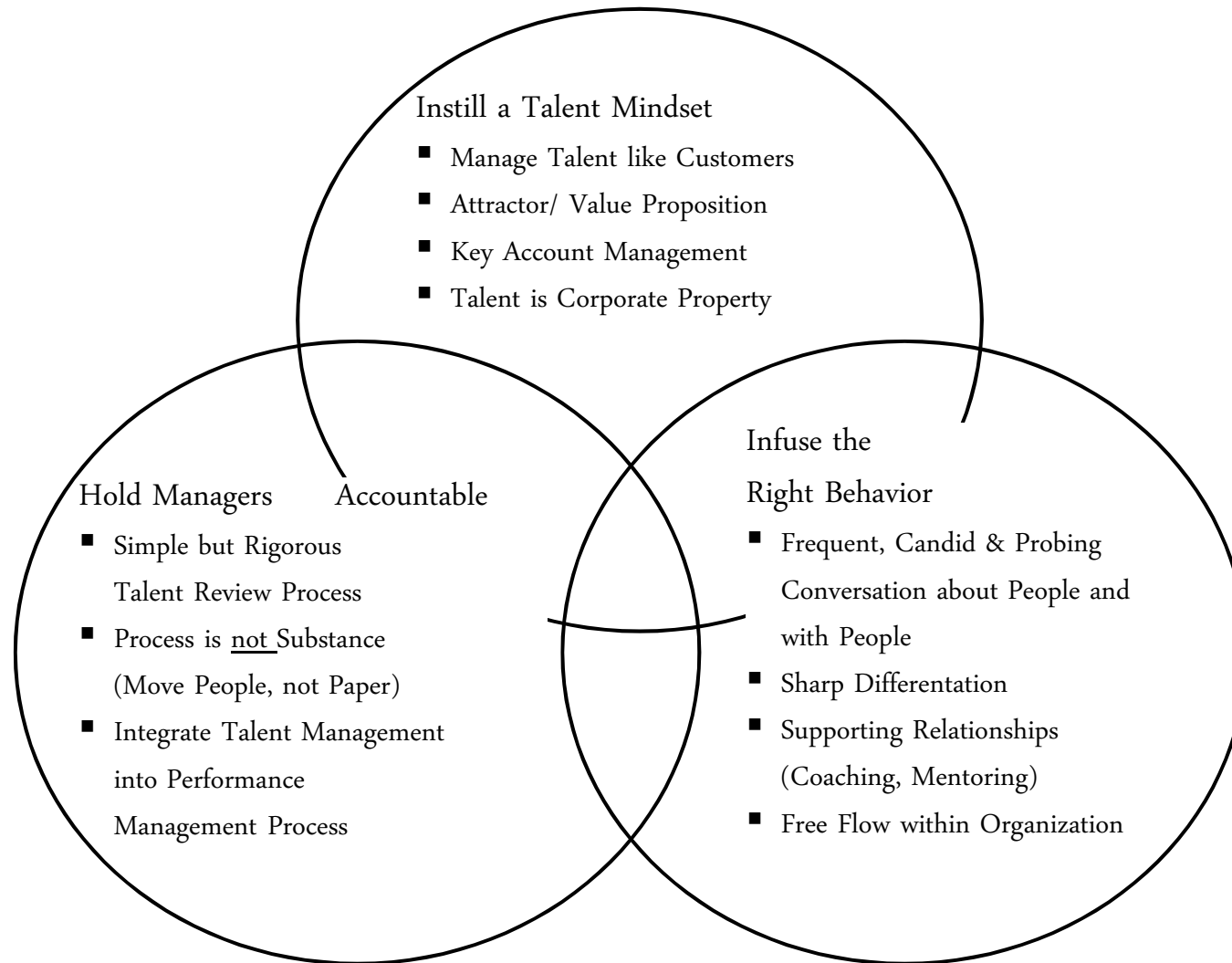
Talent Management.

New Imperatives of Talent Management.



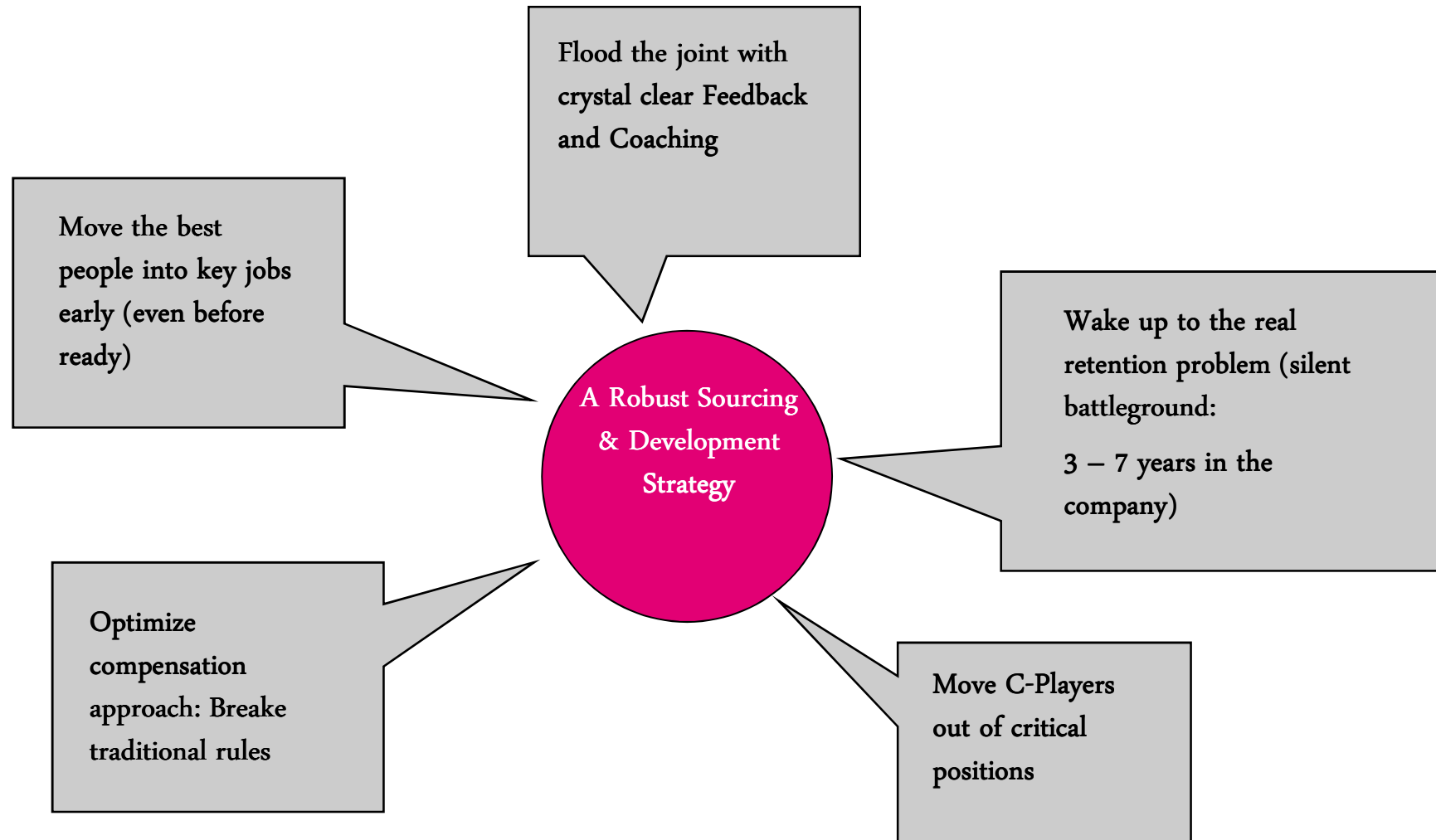
Talent and Management.

Talent Management as a Burning Platform.



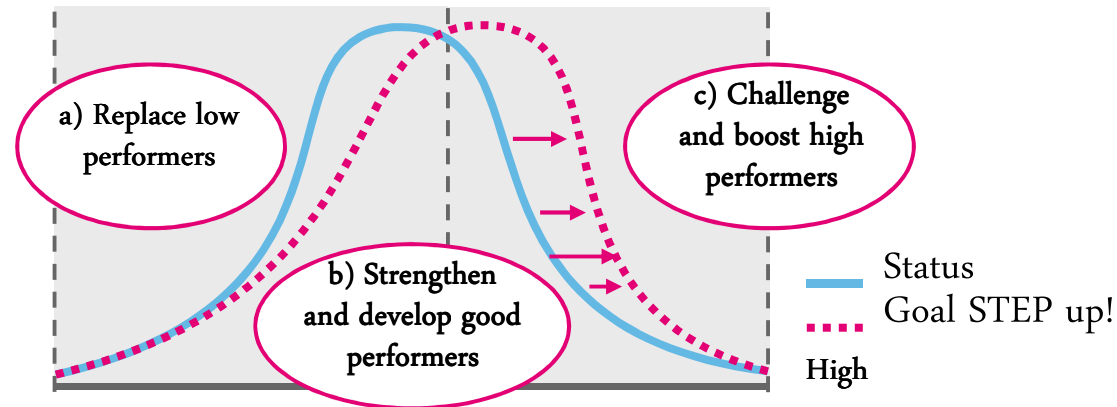
Talent Management

Source great Talent and develop aggressively.



Strategy for an effective Talent Management.

5 design principles.



- 1 Not quantity of instruments but quality of execution is the key.
- 2 Understand the "integrated" talent development process.
- 3 Talent development is about knowing who in the organization is successful and why.
- 4 Learning and development on the job is the key.
- 5 Focus on potential development and succession management



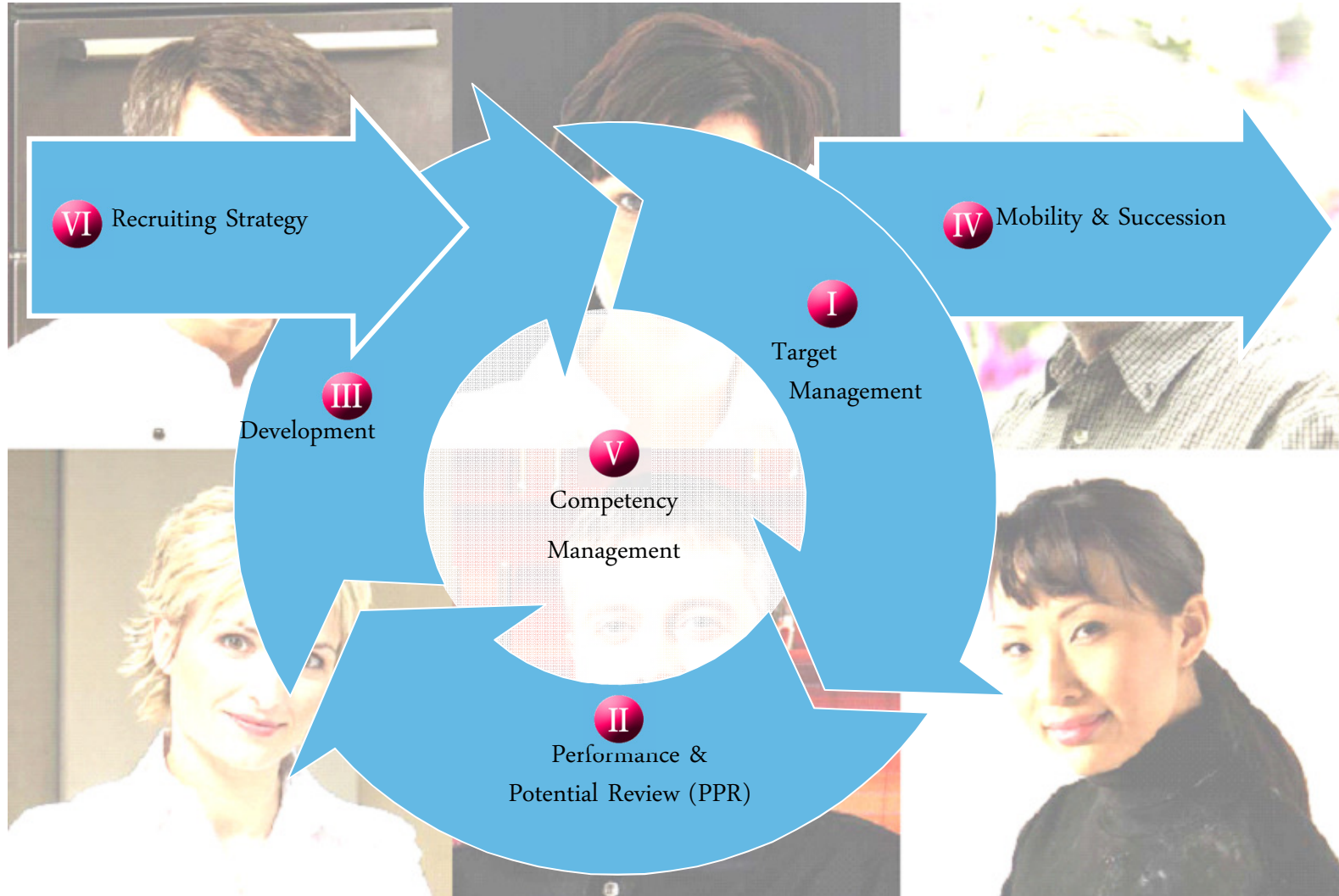
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STEP up! as “integrated” talent development process.

STEP up! revolutionizes all elements of executive development.



I Target Management.



Clear objectives, streamlined processes.

- earlier payment of bonuses
- simplified and streamlined target agreement processes
- more differentiation of performance and payment
- continuous transparency
- anchorage of sustainability (target monitoring & review)



II Performance & Potential Review.



One instrument for the entire Group: Not quantity of instruments but quality of execution is the key.



II Performance & Potential Review.



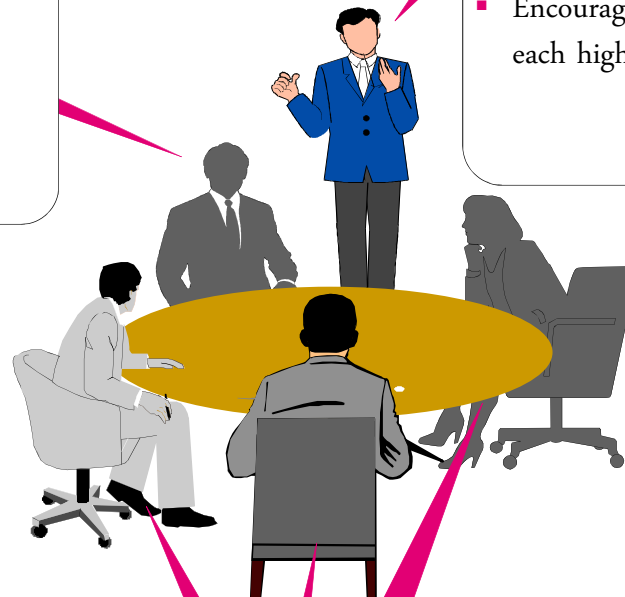
The roles of the participants.

Chair (participant's supervisor)

- Makes introduction
- HR situation
- Monitoring of staffing
- Monitoring of development plans

Moderator (responsible HR unit)

- Supports and guides discussion towards completing distribution template
- Encourages discussion to set development steps for each high and low performer



Participant (supervisor)

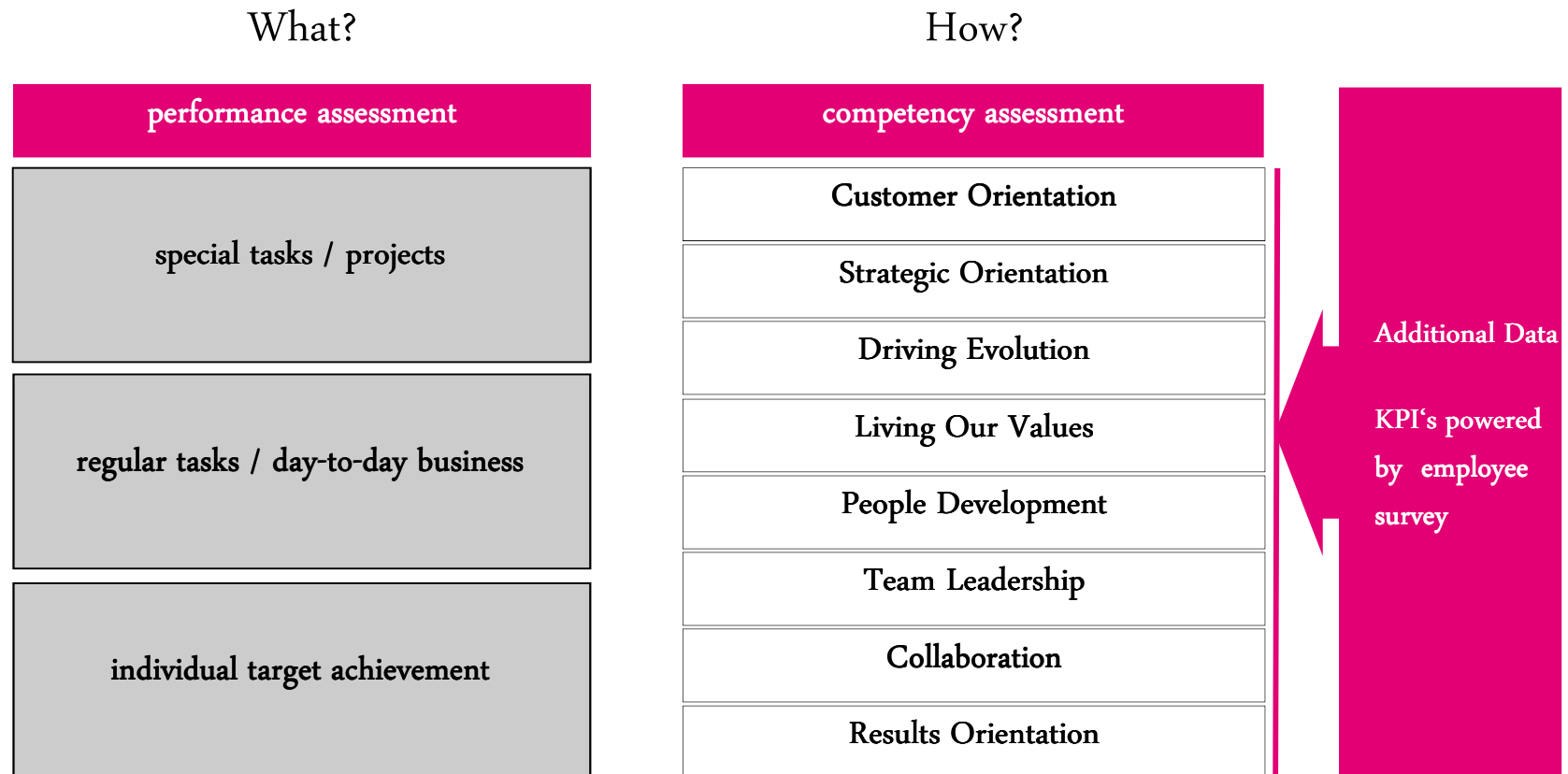
- Presents total performance of his staff
- Challenges assessments from other supervisors
- Presents high and low performer



II Performance & Potential Review.

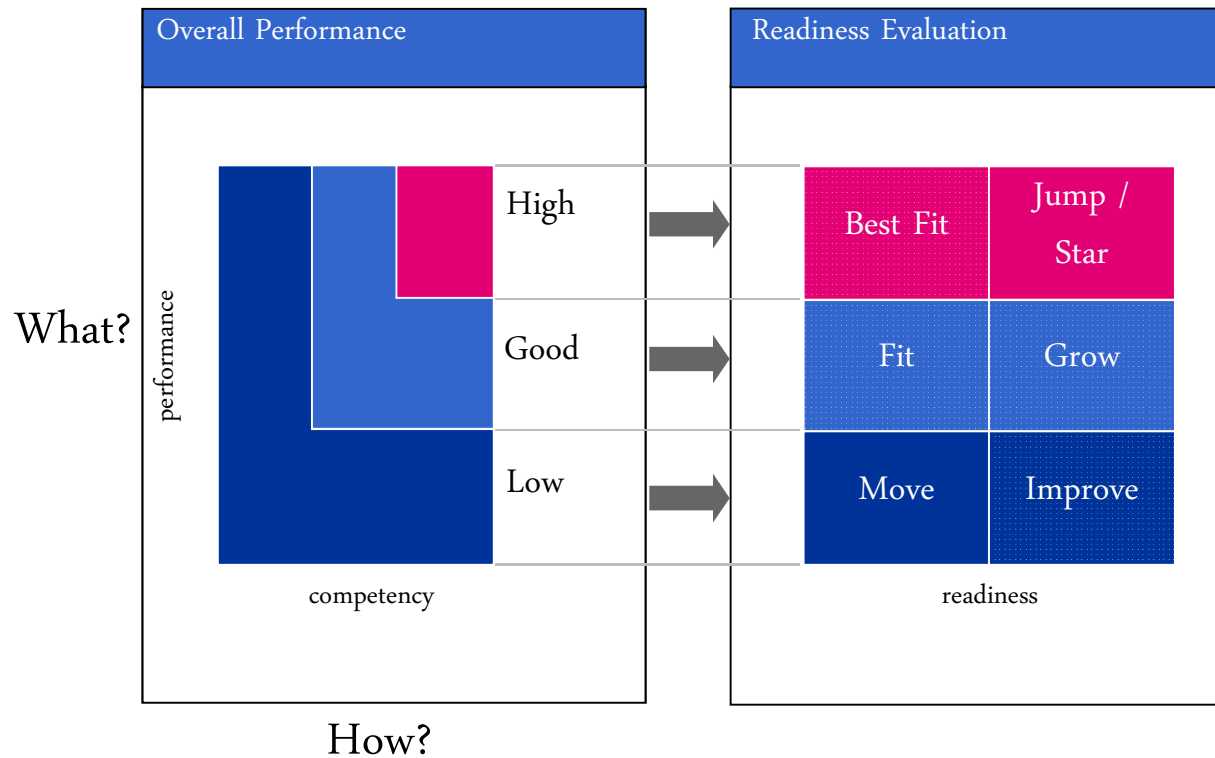


Regular assessment of performance and competencies ensures transparency with regards to talents.



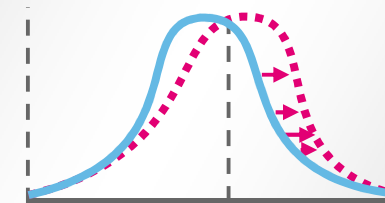
II Performance & Potential Review.

Classification of talents: who is successful and why.



consequences / actions

- Select successors
- Decide on promotions/ candidates
- Identify groups for development discussions
- Identify development measures



- Replace low performer
- Strengthen and develop good performer
- Challenge and boost high performer



II Performance & Potential Review.



Focus on potential development.

A **shift in complexity** might be achieved **immediately** .

A **shift in complexity** can likely be achieved **within 12-24 months**.

The manager can probably fully meet the demands of the **current position within 12 months** .

	false	true
Best Fit		Jump / Star
Fit		Grow
Move		Improve



III Development.



Learning and Development on the job .

- implementation of Group-wide standards
- improvement of individual development (on-the-job; Individual Development Plan)
- Leadership Excellence Programs (LEP) for each Management Group*
- people development as a key task
- systematic monitoring



* Management Group:

- 1) Corporate Executives / Business Leaders
- 2) Senior Executives
- 3) Executives

III Development.

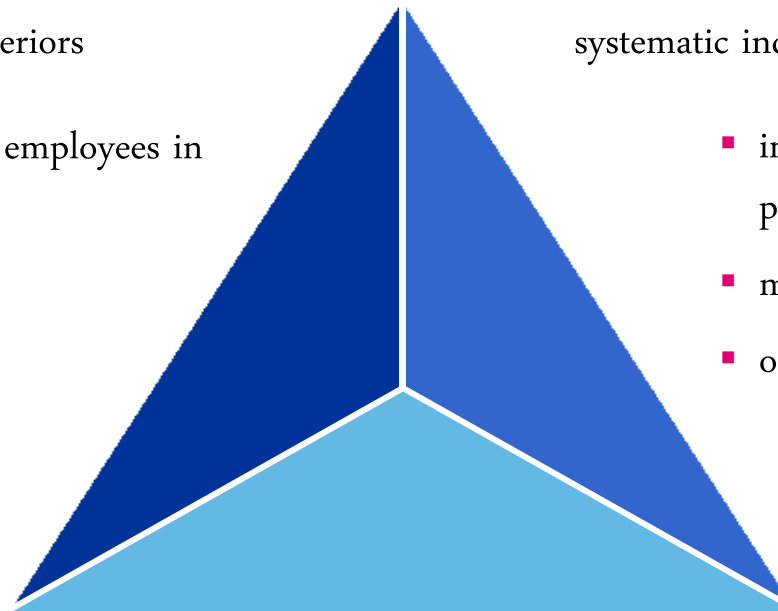
Three components of goal-oriented Human Resources Development.

people development by superiors

- support and coaching of employees in their day-to-day work

systematic individual development

- introduction of development plans
- monitoring
- on-the-job-focus



establishment of uniform standards

- introduction of comparable Leadership Excellence Programs
- scope/design is dependent on the specific management group



IV Mobility & Succession.



Focus on succession management.

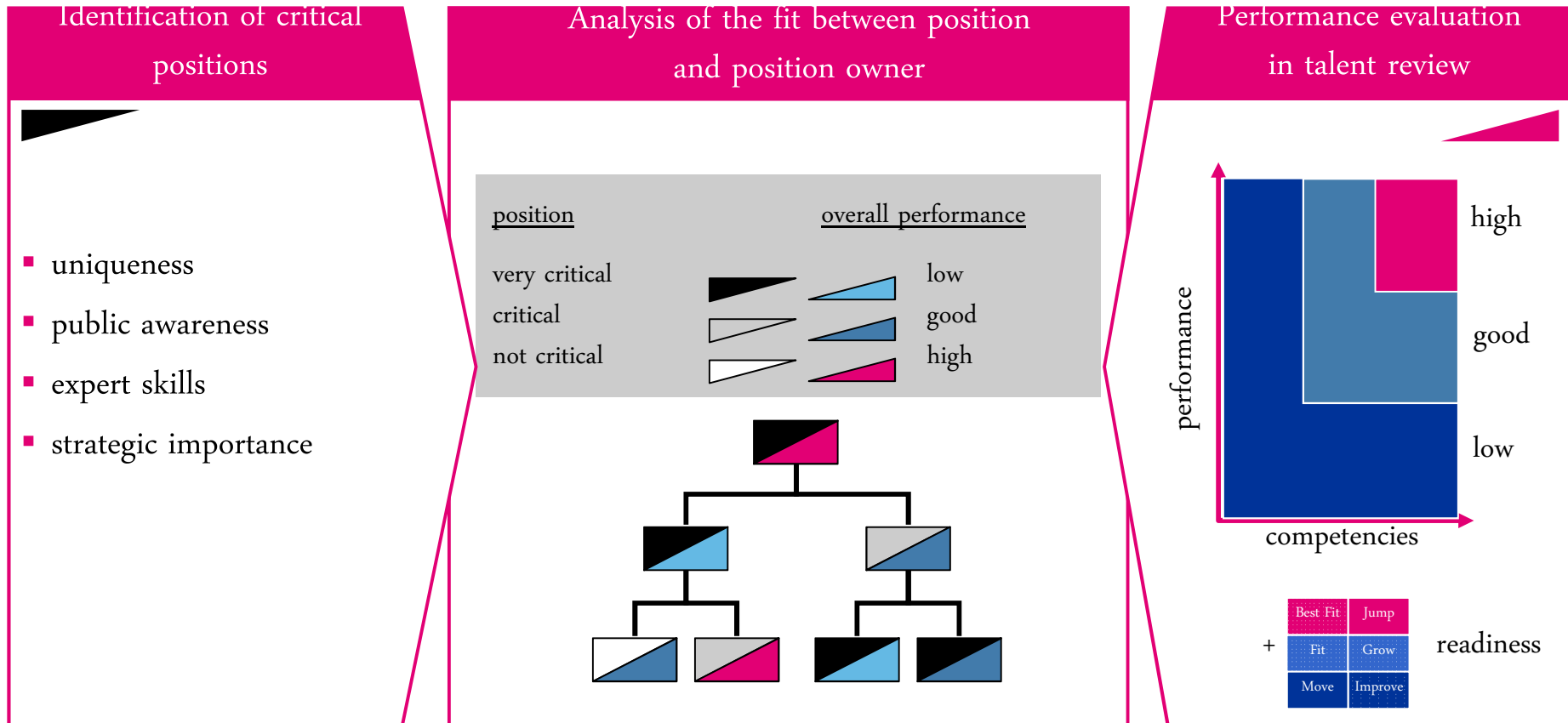
- elaboration of a systematic succession management
- identification of critical positions
- comparison of corporate strategy with human resources planning
- Group-wide rotations, international focus
- Group-wide systematic process for filling of positions via ESC
- transparency of specialized skills
- monitoring of mobility
- taking on new tasks on a regular basis



IV Mobility & Succession.



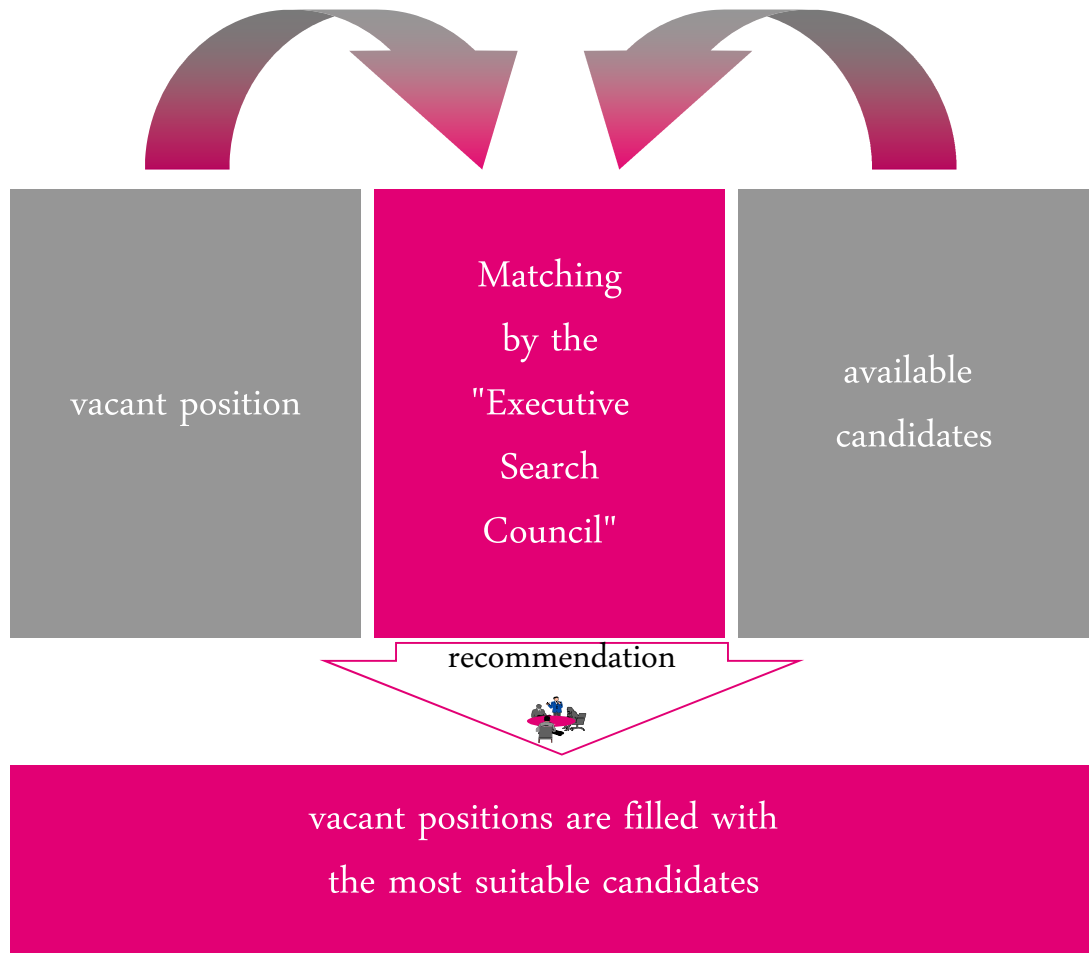
Systematic evaluation of ability of leaders for their specific position.



IV Mobility & Succession.



The Executive Search Council (ESC) encourages mobility throughout the Group.



- transparency
- more opportunities for development via Group-wide Mobility



V Competency Management.



More transparency with the competency model.



- development of a Group-wide competency model for all executives
- consideration of managerial competencies
- target profiles describe what competencies are required in concrete terms
- binding minimum requirements for each Management Group*
- Group-wide comparison of leading positions



* Management Group:

- 1) Corporate Executives / Business Leaders
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VI Recruiting Strategy.



More attractive as an employer.

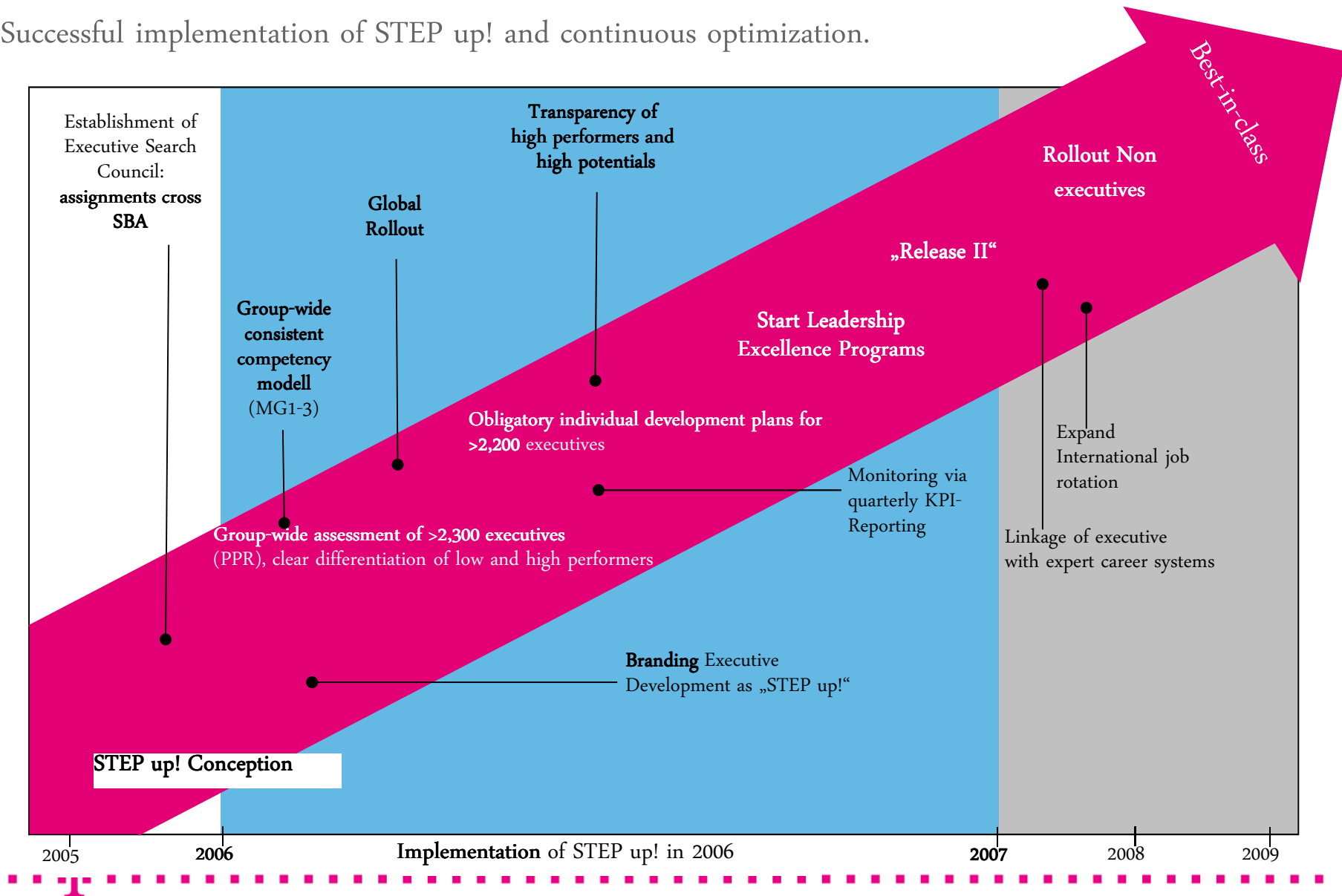


- creation of an attractive employer branding
- recruitment and retention of top applicants
- trainee and intern programs are standardized and intensified
- long-term recruitment strategy



STEP up! Highlights.

Successful implementation of STEP up! and continuous optimization.



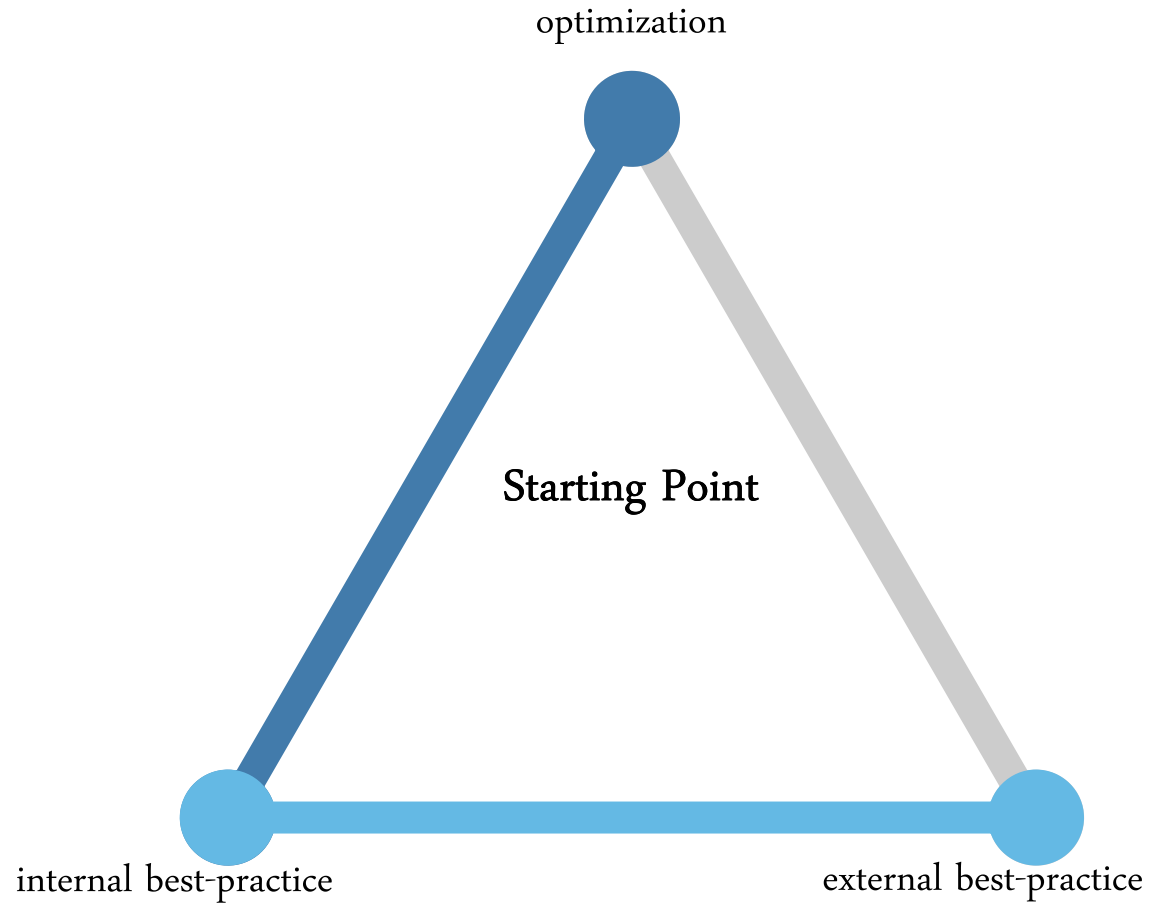
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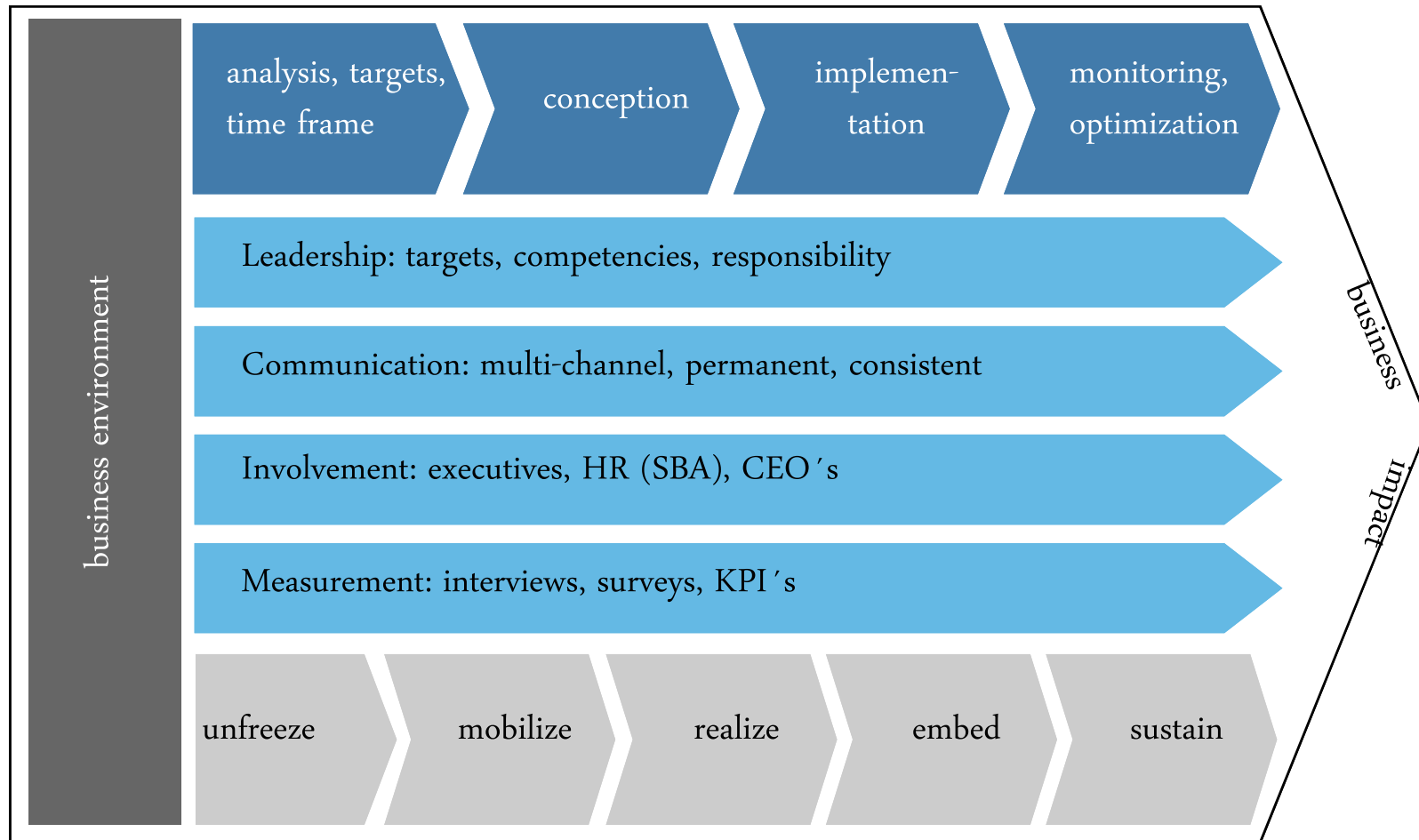
Implementation of STEP up! as a change management process.

Analysis of internal and external best-practices and optimization of existing instruments and processes.



Phases of the STEP up! change management process.

Change framework.



Basis of STEP up! as change management process.

Involvement of all stakeholders.

executives	HR SBA 's T-Com, TO, TMO, TS BS, TS ES, GHS	CEO 's Business Leaders
<ol style="list-style-type: none">1. interviews2. testing3. sounding board4. pilots	<ul style="list-style-type: none">• participation in conception• responsible for implementation• reporting of KPI 's	<ul style="list-style-type: none">• steering committee• commitment• video statements, etc.• rollout top-down



STEP up! Communication.

Symbolic Board Approval by Video-Message



Two ways to advance your career.



„There are two ways to advance your career:
You either really achieve something or
you pretend to have achieved something.
My advise is to stick to the first method,
there is much less competition.“

Danny Kaye, *american actor (1913-1987)*

Thank you very much for your attention!

Edmund Komar, Group Head of Executive Development,
Deutsche Telekom, Group Headquarters

