


VOLVO

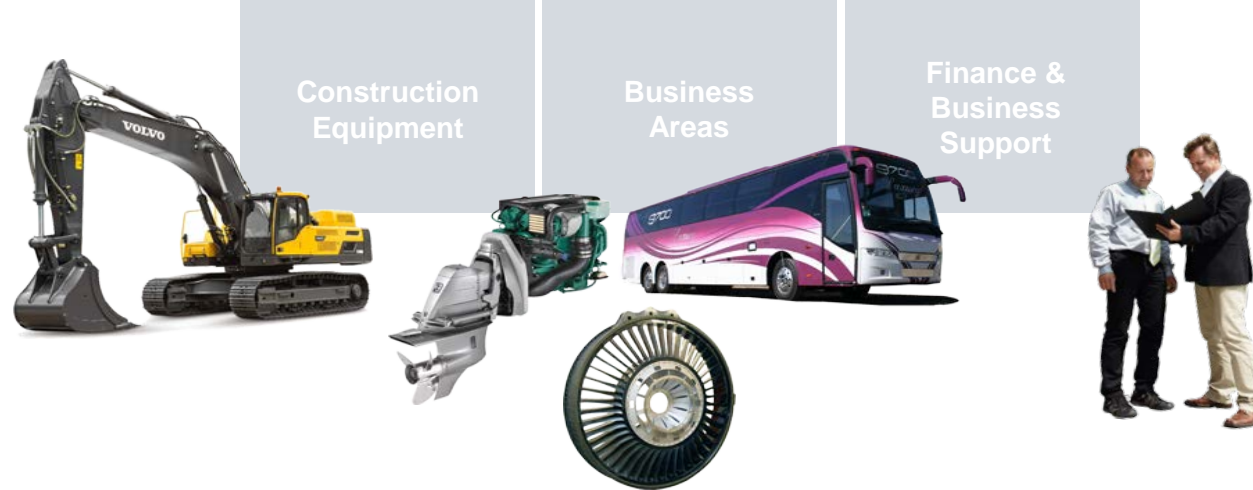
Volvo CE Region China Leadership Pipeline & Culture

Florence Shea



The Volvo Group, which
employs about 100,000 people,
has production facilities in
19 countries and sales of products
in more than 180 markets.

Volvo Group Organization



Volvo CE's Growing Presence in China

Our Commitment to Sustainable Development in the Region



Volvo Construction Equipment (China) Co., Ltd. established in China, headquarter in Shanghai – Volvo wholly owned



Volvo CE equity investment - Lingong Construction Machinery Co., Ltd. – JV



Volvo CE China integrated the road machinery business from Ingersoll Rand China - M&A



Establishment of Volvo CE (Jinan) Tech Center



Strategic Cooperation Memorandum signed between Volvo CE and Shanghai Gov about establishment of Volvo CE RHQ in Shanghai

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012

Our Product Portfolio in China

More than 40 different models in total

General Purpose



Articulated Haulers



Wheel Loaders



Crawler Excavators



Wheeled Excavators

Road Machinery



Asphalt Pavers



Soil Compactors



Asphalt Compactors



Motor Graders

Compact Equipment



Compact Excavators



Personal Business Planning

A year-long communication cycle for leading your team



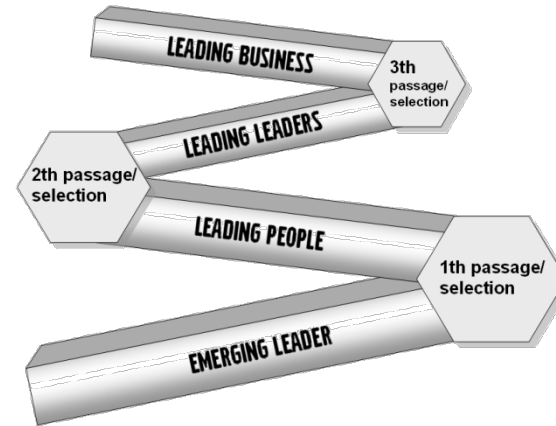
The Volvo Group leadership journey

This is what we are coming from:



- 12 leadership competencies
- Not tied to any leadership level
- Difficult to measure

This is where we are:



- 5 leadership areas
- 38 capabilities defined per leadership level
- 38 measurable capabilities
- Based on research and aligned with The Volvo Way

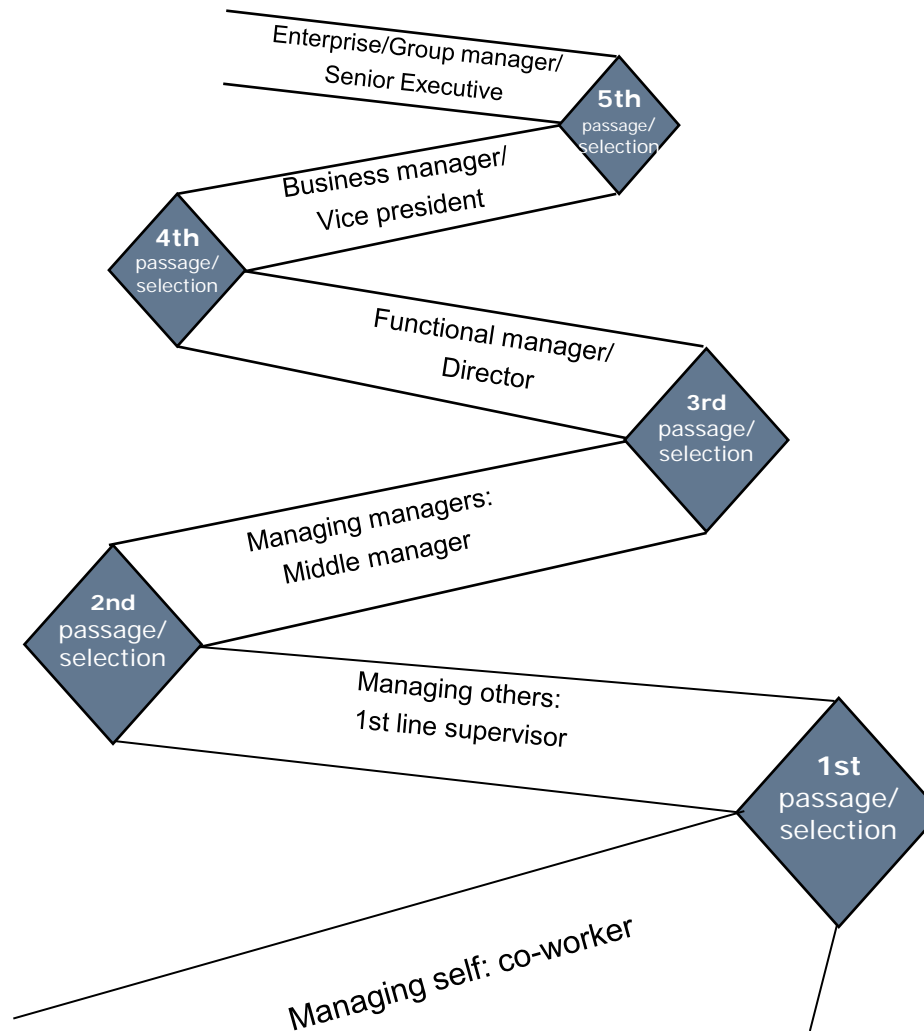
LEADERSHIP
PIPELINE

The Volvo Group Leadership Pipeline



Most important competencies at 1st mgr level:

- Action-oriented
- Drive for results
- Perseverance
- Specialization



Most important competencies at top levels:

- Long-term view
- Strategic & visionary
- Wide variety of people
- Holistic



Adapting Mahler's Career Crossroads model and Charan et al's book to Decision Dynamics' HBR-study



Volvo Group Leadership Levels

Leading Business

This higher leadership level includes functional and business managers and executives, with typically at least second level managers as direct reports. They face additional key transitional challenges such as:

- Inspiring many others through vision and purpose
- solving complex problems and recognizing future customer opportunities with strategic business thinking
- managing innovation, change and processes well with high-quality decisions
- negotiating with various stakeholders based on ethics, values, trust, win-win thinking, and strategic purpose

The major shift is towards combining the whole set of different functions effectively, managing both short-term operating results and longer-term business positioning, and encouraging growth through culture. Need to spend time on reflection on major external shifts, risks, business models, and overall organizational competencies.

Leading Leaders

Managers at the second level have typically other first line managers as direct reports. This presents new key performance factors, such as:

- balancing various business and people demands from different parts of the organization and its environment
- role modeling of ethics, values, and managerial courage
- creating developmental opportunities for direct reports
- executing through planning, systems, staffing, networking, inclusive team-building, and handling the organization well
- creative strategic thinking and communicative leadership to achieve greater performance

The major shift implies holding first-line managers accountable for managerial work and to value developing managerial talent. Leaders need to move from focusing on the immediate unit to working across external and internal boundaries and to think further into the future.

Leading People

Being a first-level manager supervising one's direct reports requires in particular:

- delivering through others by informing, delegating, and directing one's direct reports
- clear focus on execution through initiating action and driving it all the way to completion
- respecting and managing the diversity of one's direct reports in fair and trustworthy ways
- continued learning about the business, prioritizing customer driven decisions and actions

The transition from co-worker to first-level manager means shifting from "doing" the work oneself to valuing getting results and success through others. Making time available for direct reports. Prioritizing and planning for unit.

Emerging Leaders

This is the gateway to Volvo's leadership pipeline for those who are not yet formal managers with direct reports, but have begun showing leadership potential through:

- willingness to take the lead and assume greater responsibilities
- increasingly understanding and learning the business
- clear focus on execution through persistent action
- being able to stand alone and relate well to others
- managing self through development and integrity

Emerging leaders should both volunteer for this role and be identified/accepted by their leaders.

Culture Effects

GlobeSmart Assessment Profile



Resurvey

Profile

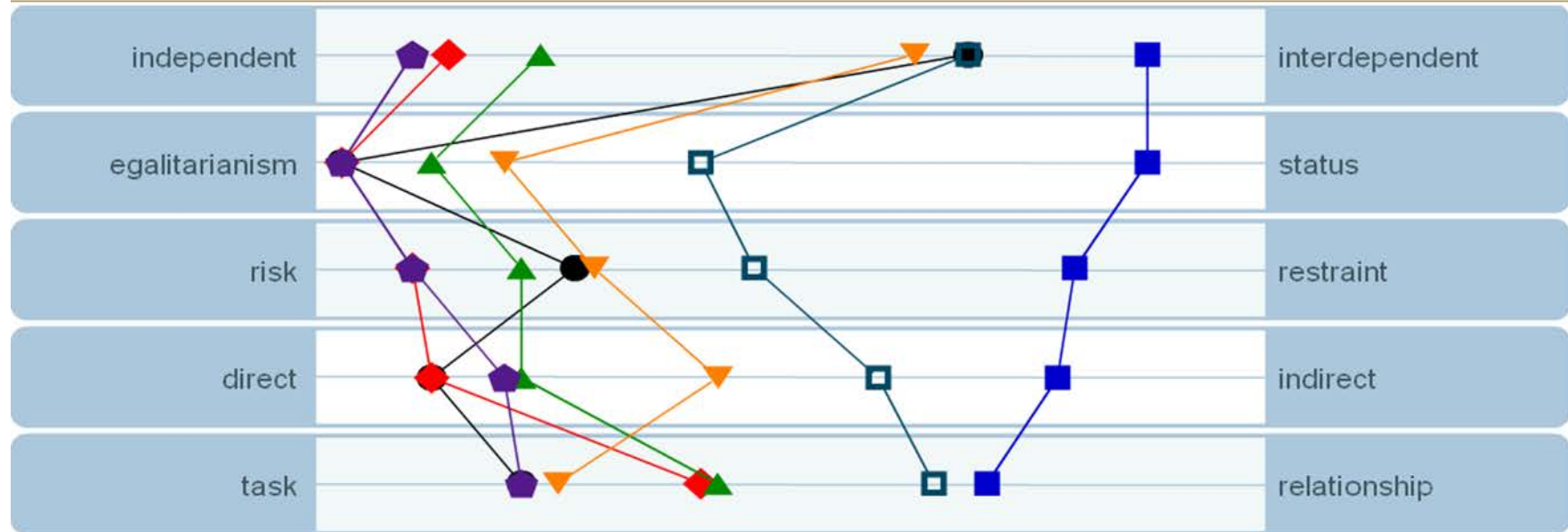
Invitations

Overview

Select Language

Profile Description

Get advice on how you can adjust your style to be effective with the cultures, individuals or groups you have selected, **select an item from the right side of the chart below**. Then click in the chart again or click **Get Advice**.



- Florence S
- China
- ◆ Sweden
- ▲ United Kingdom
- ◆ United States
- ▼ Volvo
- Brazil