



Competitive HR Practices for a High Performance Organization

K.Chandrasekhar (KC)

February 2008



NXP Semiconductors

- ▶ Established in 2006 (formerly a division of Philips)
- ▶ Builds on a heritage of 50+ years of experience in semiconductors
- ▶ Provides engineers and designers with semiconductors and software that deliver better sensory experiences
- ▶ Top-10 supplier with Sales of € 4.960 Bln (2006)
- ▶ Sales: 35% Greater China, 31% Rest of Asia, 25% Europe, 9% North America
- ▶ Headquarters: Eindhoven, The Netherlands
- ▶ Key focus areas:
 - Mobile & Personal, Home, Automotive & Identification, Multimarket Semiconductors
- ▶ Owner of NXP Software: a fully independent software solutions company



Creating a high performing organization is “hot”

- ▶ Web statistics show:
 - ▶ High Performing Organization → 118.600.000 hits
 - ▶ High Performance Culture → 65.900.000 hits

- ▶ And important:
 - ▶ 9 of 10 CEO's believe that corporate culture is as important as strategy for business success.

- ▶ Some definitions...

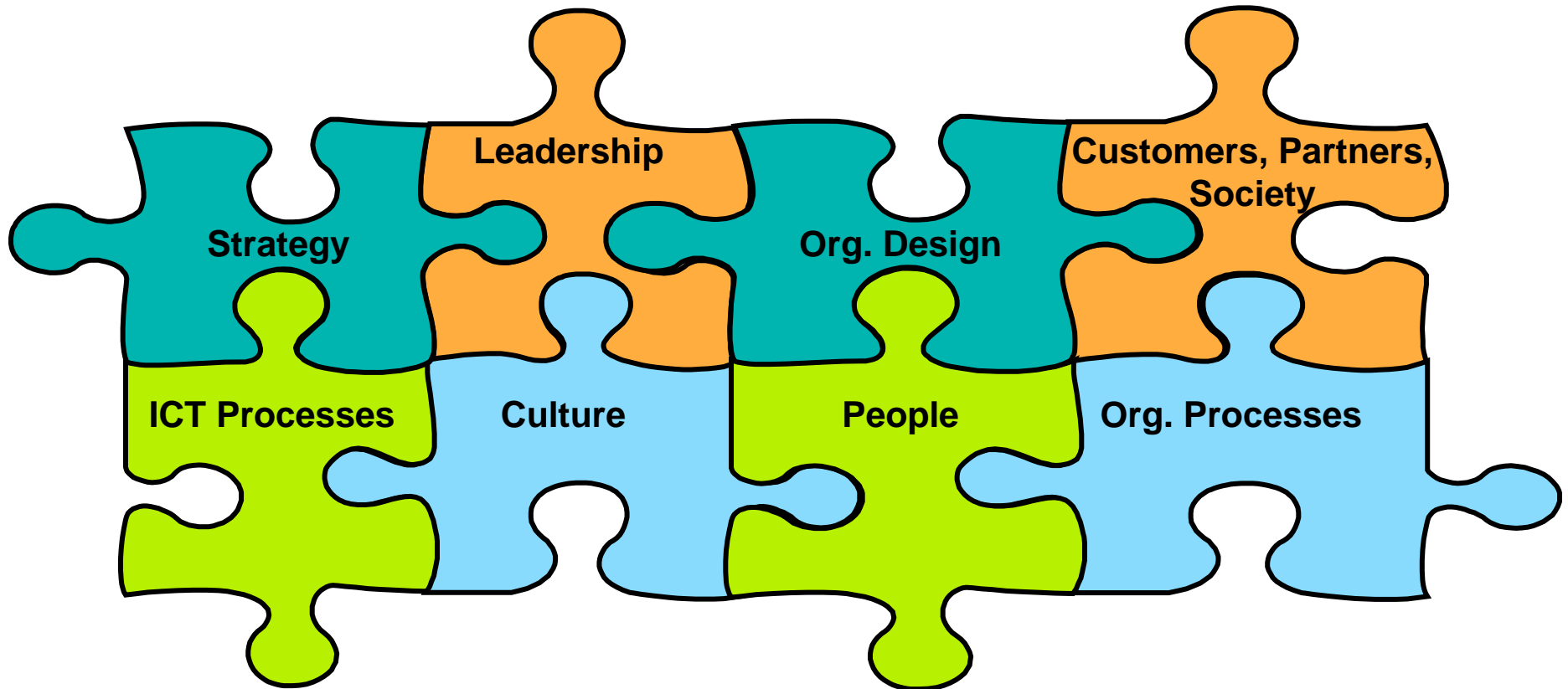


High Performance Organizations they...

- ▶ set ambitious targets and consistently and continuously achieve those objectives
- ▶ display a strong sense of purpose through shared values both inside (among employees) and outside the organization (among customers, suppliers, and other stakeholders)
- ▶ have a strategic focus and alignment so that employees know how they are contributing to the results of the organization
- ▶ have the agility to adapt to changing circumstances quickly
- ▶ have a common and shared business model throughout the organization



High Performance Organization



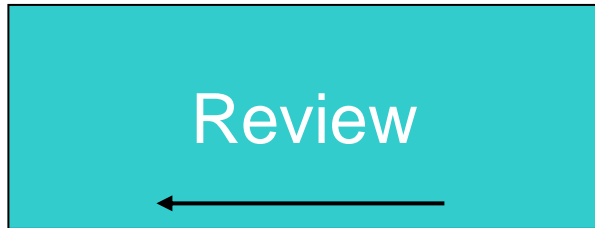
A High Performing Organization is one that, over time, continues to produce outstanding results with the highest levels of human satisfaction and commitment to the success of the organization

Performance Management @ NXP:

1. Setting objectives and expectations
2. Assessment:
 - Meeting Personal/Job objectives
 - NXP Values assessment(Core and Leadership Behaviors)
 - Assessment of potential (Talent Assessment)
3. Team Calibration
 - Rating and guided distribution
 - Professional calibration process and tool usage
4. Consequences and Follow-up of ratings
 1. Reward and Recognition
 2. Coaching
 3. Development and Improvement Planning
 4. Career and succession planning
 5. Reassign or rescope

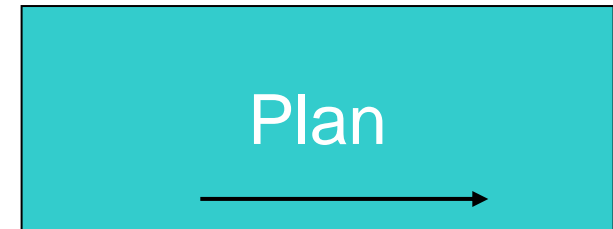


Meeting Job/Personal objectives:



- ▶ Employee reviews performance for 2007 by indicating how well (s)he has fulfilled his/her Key Areas of Responsibility (KAR's) and objectives.
- ▶ Employee summarizes what went well and what could be improved.
- ▶ Employee indicates strengths and areas for improvement w.r.t. the NXP values.
- ▶ Manager provides input for each objective during the Management input phase.

Meeting Job/Personal objectives:



- ▶ Employee plans performance for 2008 by indicating KAR's and objectives
- ▶ Objectives are key results to be achieved
- ▶ Employee should propose not more than 5 objectives for 2008
- ▶ A selection of the objectives might be used for target setting for annual incentives
- ▶ The objectives need to be SMART

Objectives need to be SMART

Rating	Definition
Specific	Define exactly what you are aiming for
Measurable	Define the measures you will use to decide whether you have reached your objective
Ambitious	Define your objectives such that they challenge you to put in a strong effort
Realistic	Define your objectives such that it is realistic to expect that you reach the objective with that strong effort
Time-bound	Define the timeframe within which you aim to reach your objective

Tips:

- ▶ An objective does not necessarily need to be quantifiable, as long as it is discussable/verifiable. For example, customer satisfaction can be verified via feedback calls to randomly selected customers



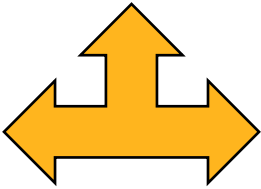
Values Based Assessment

<p>Driven by deep insights into what the customer and their end-users want to experience from our technology thereby taking into account competition and industry shaper</p>	<p>Creating winning propositions and roadmaps based on market knowledge, own strengths and weaknesses and competition. Internally: improving ways of working by creating and using simple processes.</p>	<p>Commitment to support the growth and ambitions of our people and customers and creates passionate teamwork.</p>	<p>Passionate to deliver excellence in everything we do, our work, customer service and financial performance.</p>
<p>insightful</p>	<p>inventive</p>	<p>engaging</p>	<p>excellence</p>

How you get things done, your behavior and application of skills and knowledge

EXPERIENCE

What you have achieved and learned



PROFESSIONAL SKILLS

What you know and can do



Values Based Assessment: Underlying Behaviours in order to be able to assess an individual

Our values are about these things:

insightful	inventive	engaging	excellence
<ol style="list-style-type: none"> 1. Future focus 2. Broadening thinking and perspectives 3. Understands customers/market 4. Sharing the customers vision 5. Demonstrates flexibility and openness for change 	<ol style="list-style-type: none"> 1. Translates ideas to practical implementation 2. Thinking of smart strategies to beat the competition 3. Builds on and uses creativity to reach a goal 4. Identifies approaches which remove barriers to progress 5. Applies entrepreneurial and intrapreneurial thinking 6. Being partners in innovation 	<ol style="list-style-type: none"> 1. Sharing information effectively and appropriately 2. Influences and motivates others, demonstrating passion 3. Open to giving and receiving feedback 4. Builds trust and alliances which promote effective teamwork 5. Engaging with customers 6. Unrivalled Design -in support 	<ol style="list-style-type: none"> 1. Delivers on commitments 2. Works to meet required standard and quality 3. Drives things through to completion 4. Makes contributions which add value. 5. Being excellent in: <ul style="list-style-type: none"> • Time to market • Financial results • Zero defect quality • Responsive manufacturing

← Implicit in all of these Is Communication →



Measuring values behaviors

To measure how someone is living the values, we need to consider which of the values listed in PPM are appropriate for their job role and responsibilities

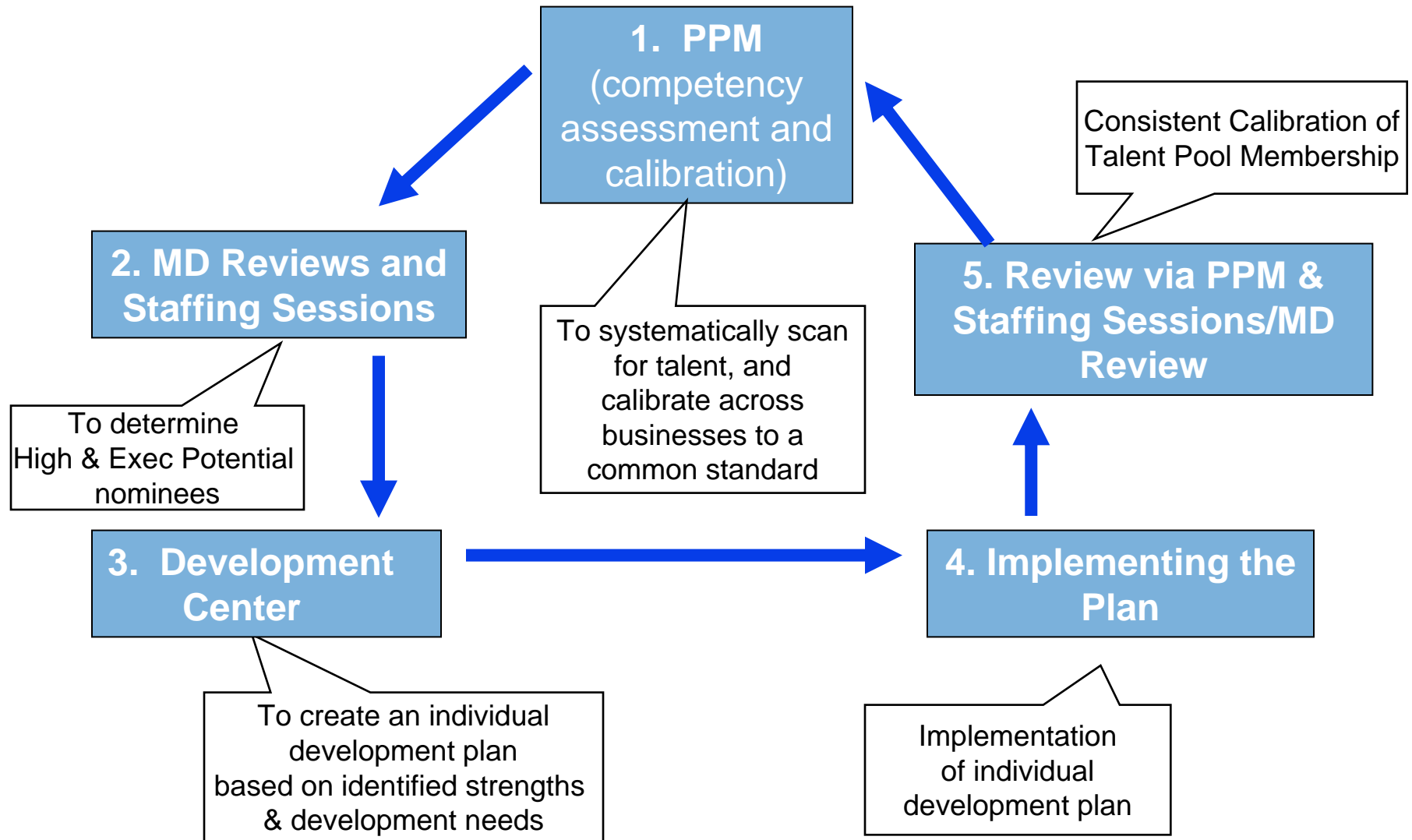
Then to decide how much they demonstrate the behavior and how well they do it

Sharing recent examples of specific evidence for both positive behaviors and examples of missed opportunities or negative impact gives the most powerful feedback and really helps an individual know what they can change, try to improve

Vague feedback, based on distant past behavior is no longer relevant or appropriate



The Talent Identification Process



This is the process outlined in MD which is underpinned by DC's and Development programs designed and implemented by L&D

PERSONAL DEVELOPMENT PLAN

Name : Mr XX

Manager's name : Mrs YYY

Activity : BL CMM

Date : July 1st

Strengths - Take actives ownership / accountability - Shows drive & determination		Development needs Active listening Develop market knowledge	
Development objectives (based on my strengths or development needs)	Development activities: What will I do, how and when?	Comments	Status/ Progress
1. Build an overall cordless market understanding and customers needs. 2.develop customers networks & intimacy	Set up relevant links with IPMM& Customer Account manager , customers visits. Regular visit with top 5 customers (1 time per quarter)		
Career Aspirations [filled in by employee] What is your ambition for the longer term in terms of next steps or assignments? Marketing manager / Customer global account manager.			
Career Planning [filled in by manager] Input of manager on ideas on next career move(s) or assignments			
Career Planning [as discussed by manager and employee] Include scenarios and/or details of next career move(s) or assignments		Timing	
Mobility [filled in by employee] EU / AP		see website for document link	



This plan should be used for at least all identified talents

PERFORMANCE IMPROVEMENT PLAN

Employee: _____

Date: _____

Manager: _____

Section 1: Description of Performance Issue

Section 2: Date/s and Nature of Previous Relevant Performance Discussions

Section 3: Standards/Specific Improvements Expected and Time Frame

Section 4: Date For Review to Assess Progress

Section 5: Next Steps If Improvement Is Not Demonstrated

Section 6: Management Commitment to Improvement Actions

My signature indicates that I have been informed of my performance issue/s and received a copy of this form.

see website for document link



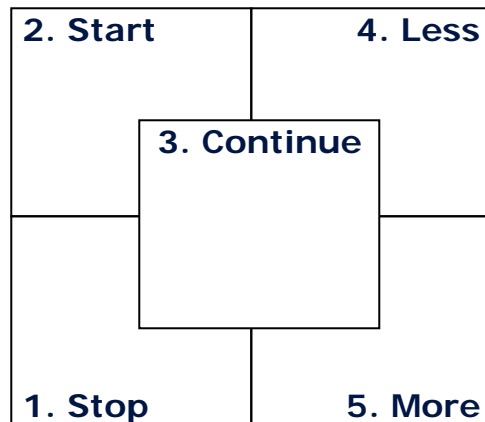
Reward linked to Performance

- ▶ The PPM outcome will have an impact on Rewards, especially:
 - Individual salary
 - Some of the objectives might be used to create the targets for the Annual Incentives
 - Granting of Equity Rights
- ▶ The Individual salary increase awarded is driven by the PPM outcome and the individual salary positioning against the market
- ▶ We seek to maximize the differentiation in increases awarded to our top performers and high potentials. Individuals low in the scales should receive increase levels that will move them quickly to their market level.



Giving motivational feedback

- ▶ In PPM you have identified strengths and areas for improvement. The tool below offers a format for sharing this feedback in a way that motivates your employees to act on that feedback and continually strive for high performance.

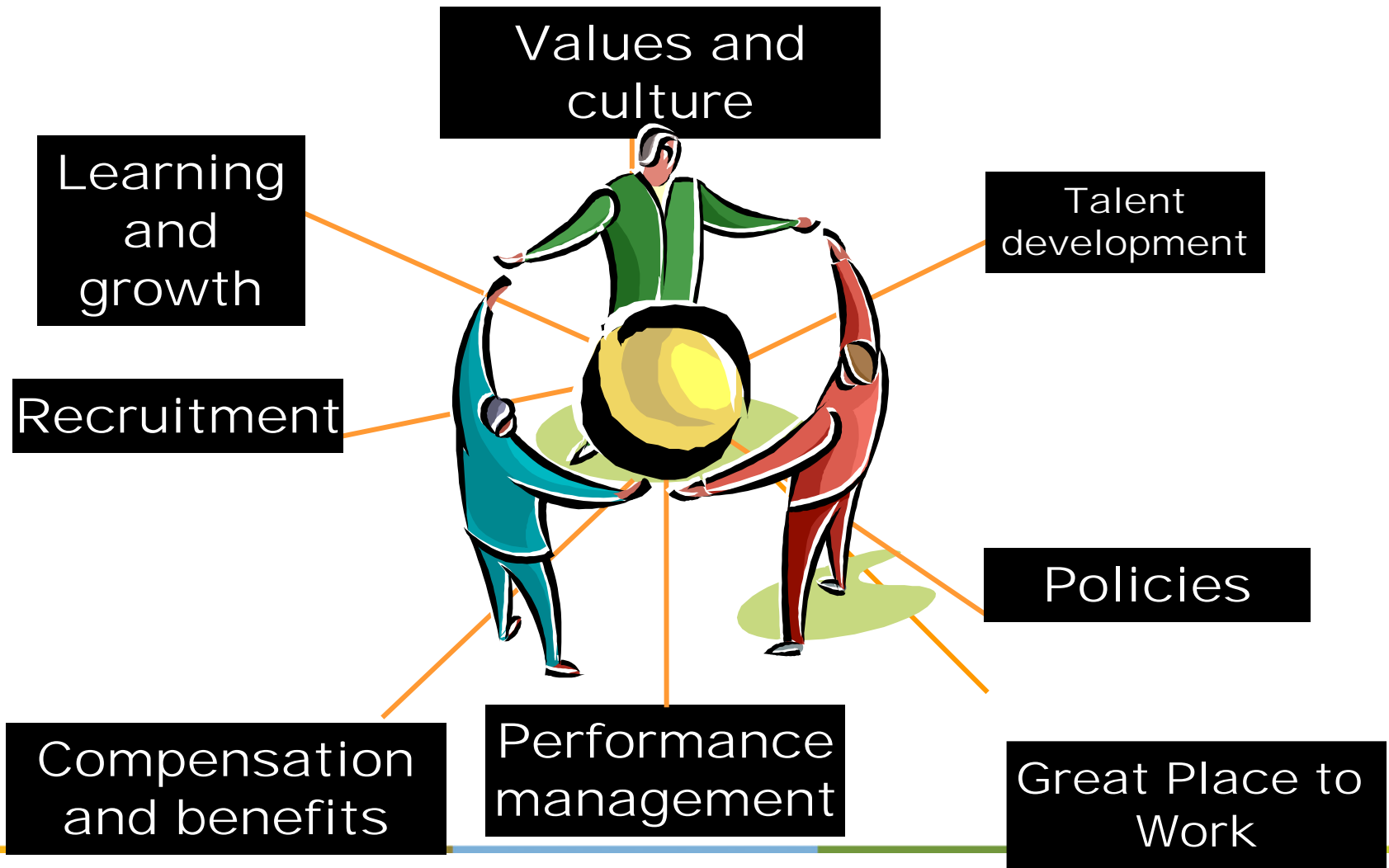


- ▶ Before entering into a feedback conversation, write down:
 - What you think this person should **stop** doing
 - What you think this person should **start** doing instead
- ▶ And also formulate:
 - What you think this person should **continue** to do
 - What you think this person should do **less** of
 - What you think this person should do **more** of
- ▶ With this format, you give a more balanced view, that is less punishing and more motivational.

Tips:

- ▶ Give one or two recent examples to illustrate your feedback.
- ▶ Focus on one or two areas for improvement – don't try to change too much at once.
- ▶ For employees: when you ask for feedback, ask the Stop, Start, Less, More questions.

NXP India – Talent Engagement Model towards high performance



Summary

- ▶ High Performance Organization is “hot”,
 - Many definitions and interpretations
- ▶ Similarities in the definitions are
 - They deliver results
 - It’s about values, beliefs and alignment
 - It’s about people working together
 - Change
- ▶ High Performing Culture is perceived as the most important condition in order to perform
- ▶ Let us start with ourselves



