People management

Wärtsilä’s People Strategy, as an integral part of group strategy, supports the company’s businesses in the successful implementation of their ambitions. This is achieved by developing the company employee skills, its organisation, competencies, and way of working to meet both current and future business needs.

The key focus areas of the people strategy are talent and leadership development, culture, and performance excellence. Talent actions are aimed at ensuring that the businesses have people with the required skills and motivation at their disposal. Continuous learning, competence development and growth, as well as the flexibility to evolve the organisation and its ways of working, strengthen the company’s competitive advantage. The ongoing development of the company’s leaders’ and people’s development skills are integral to driving the company’s business agenda in an evolving marketplace, and for maintaining a relentless focus on providing value to customers and stakeholders.

Strengthening accountability and ownership is encouraged by promoting employee engagement through a culture of open communication, integrity, and innovation. At the same time, Wärtsilä emphasises high performance and operational excellence throughout the organisation, including quality in the setting of targets, proper and regular feedback, the evaluation of overall performance, and recognition of outstanding performance.

Talent and leadership development

At Wärtsilä, equal opportunities and opportunities for professional and personal growth are core principles. The company empowers its employees by providing self-paced learning, and through encouraging people to drive their own career path to stay relevant and thrive in a rapidly changing business environment. Recruiting and retaining the best talent enables Wärtsilä to be a valued business partner to its customers, and the employer of choice for current and future employees.

In late 2018, Wärtsilä launched its new recruitment system, and with this and other development activities, increased the candidate experience significantly, helping Wärtsilä to attract new talent and promote the company as an employer of choice. This was demonstrated through a feedback survey to job applicants and hiring managers, where overall satisfaction was shown to be significantly positive. Candidates rated their overall experience at an average of 4.3 (out of 5), while hiring managers rated their hiring experience at an average of 4.1 (out of 5).

In 2019, developments were seen also in Employer Branding with these developments being translated into the people domain, resulting in a renewed tone of voice. This helps Wärtsilä to represent itself as an employer, and to better communicate about itself and its purpose.

In 2019, Wärtsilä continued its leadership development activities in many areas, with the aim of supporting line managers in their people development and leadership roles. Much focus is put on developing more virtual learning solutions to increase the flexibility and ease of access to learning, while saving both time and cost, and reducing emissions in line with our purpose. A new leadership development programme for senior managers was launched mid-2019, with the focus on creating a Wärtsilä culture that builds and sustains high performance. The programme contains elements related to leading high performing teams, leadership and performance excellence, and customer centricity.

The Growth Lab programme continued with the fourth cycle commencing in August 2019. Twenty Wärtsilä managers and future leaders, with 7 to 15 years’ work experience, were selected for this action learning programme based on applications. The participants selected three projects of strategic importance which were approved by the Board of Management. These projects are aimed at analysing and building possible future business opportunities. The fourth Growth Lab programme will end at the end of April 2020.

Wärtsilä’s HR organisation has developed the Operational Excellence Academy learning framework, and an Operational Excellence learning portal, with supporting materials for all employees in the organisation involved in leading operational excellence initiatives. Close to 2,500 Wärtsilä managers and employees have participated in the programme between 2016 and 2019. The aim of the OE Academy is not only to learn, but to establish operational
excellence as an integral part of the company culture and way of working, and to ensure continuous efficiency improvement.

Learning on the job, self-learning, mentoring, coaching, job rotation, and assignments designed to encourage competence development and the sharing of competence and skills by experienced employees with their junior colleagues, are integral to the development of knowledge and competence within the company. Employees are given formal classroom learning opportunities at all organisational levels; from induction for new employees, to learning programmes for the company’s top executives. Wärtsilä employees attended a total of 39,017 formal learning days during 2019; an average of 2.07 formal learning days per employee. Aside from formal learning in the classroom, and in line with living our purpose, there is a strong emphasis on and attention to the continued development of virtual learning solutions, and providing learning on the job through new ways of working.

**Transforming company culture**

Together with the company’s business transformation initiatives, Wärtsilä promotes new ways of working and a company culture that is defined for a changing world. Wärtsilä’s purpose drives all activities, and the company's values of “Energy, Excellence and Excitement” are strengthened by the diversity of its employees. Wärtsilä aims to capture opportunities and make things happen, to do things better than any of its competitors, and to foster openness, respect, and trust while creating an exciting work environment. A diverse workforce generates innovation, higher profits, has better complex problem-solving skills, and enables access to a larger talent pool.

Wärtsilä embraces collaboration and co-creation in order to succeed in a complex and uncertain business environment, while maintaining individual accountability. Purposeful sharing and working transparently as one brings value, both internally and externally. Exploring and adopting new ways of working that foster collaboration and sharing form part of the transparent and inclusive approach.

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MyVoice is the Wärtsilä employee engagement survey, whereby all Wärtsilä employees are invited to give their feedback. MyVoice has been conducted globally since 2004. Since its introduction, MyVoice has proven to be an important means for developing our way of working and strengthening our culture.

In 2018, the survey was updated to better meet our current needs. The survey covers 5 different subject areas: Leadership, Culture, Work, Development and Customer Orientation. The renewed survey is shorter and gives more attention to engagement and motivation. It is completely online and available on mobile devices. The survey will be conducted globally once a year in the future, instead of every two years as it was earlier. The new MyVoice survey is available in 17 languages and was conducted in January 2019 with a participation rate of 82.3%, with close to 16,000 employees responding.

From the results it is clear that the majority of Wärtsilä colleagues across the world are inspired by the company purpose, and feel that their work is meaningful. In addition, safety continues to be a top priority and as a result, a separate MyVoice Safety Pulse survey was conducted in September 2019 to get greater insight into this topic.

**Performance excellence**

One of the essential elements of Wärtsilä’s People Strategy is to embrace and develop performance excellence throughout the organisation. Coaching to achieve better performance through smart target setting, together with continuous and real-time feedback, is central to this aim.

A well-executed performance management process supports Wärtsilä in reaching its business targets by translating business strategies into team and individual objectives. Each Wärtsilä employee needs to know and understand Wärtsilä’s business strategies and their goals. More importantly, everyone needs to know the main targets set for their own units, and the target areas related to their own work. Greater attention has been given to the quality and impact of the process by emphasising the importance of continuous feedback, clarifying expected behaviours, and creating opportunities for both professional and personal growth.
Good coverage of the annual development discussions has continued globally, with 91% coverage being achieved in 2019. The performance management process supports line managers in their daily leadership roles. Each employee receives performance feedback, and an evaluation based on their overall job performance, as well as a personal development plan for the future. Overall performance evaluation is one of the considerations in compensation decisions, and is in line with the principle of performance-based rewarding.

Wärtsilä Human Resources works to create a compelling employee experience by developing its people processes, tools, and ways of working across national and organisational boundaries. This includes investing in technologies and tools that enable quick access to online reports, employee information, and annual compensation planning for both local and multi-country teams.

In the area of robotic process automation (RPA), Wärtsilä Human Resources has altogether 12 bots currently in production across different people processes, such as recruitment, rewarding, international mobility, reporting, time management, and data quality assurance. Bots do invisible work behind the scenes, which reduces a great deal of manual work, and in fact, makes it possible for professionals to focus more on value-adding tasks.

People analytics is an area of growth and innovation for Wärtsilä Human Resources. In 2019, a number of HR and management team dashboards were created. These make data more tangible, and support data-driven decision making, while facilitating discussions on people topics and business performance.

The company's organisation and ways of working continue to evolve. In 2019, the focus has been on providing added value to customers in a competitive market situation by reducing complexity in the company's structure, enabling faster decision making, and providing clarity on roles to encourage ownership and accountability. Embracing proactive change management and ongoing communications have been critical elements of this approach. Agile ways of working, design thinking, and a data-driven mindset are encouraged when understanding the customers' businesses, their changing needs, and being able to deliver value to them.