



Bombardier Talent Management Process

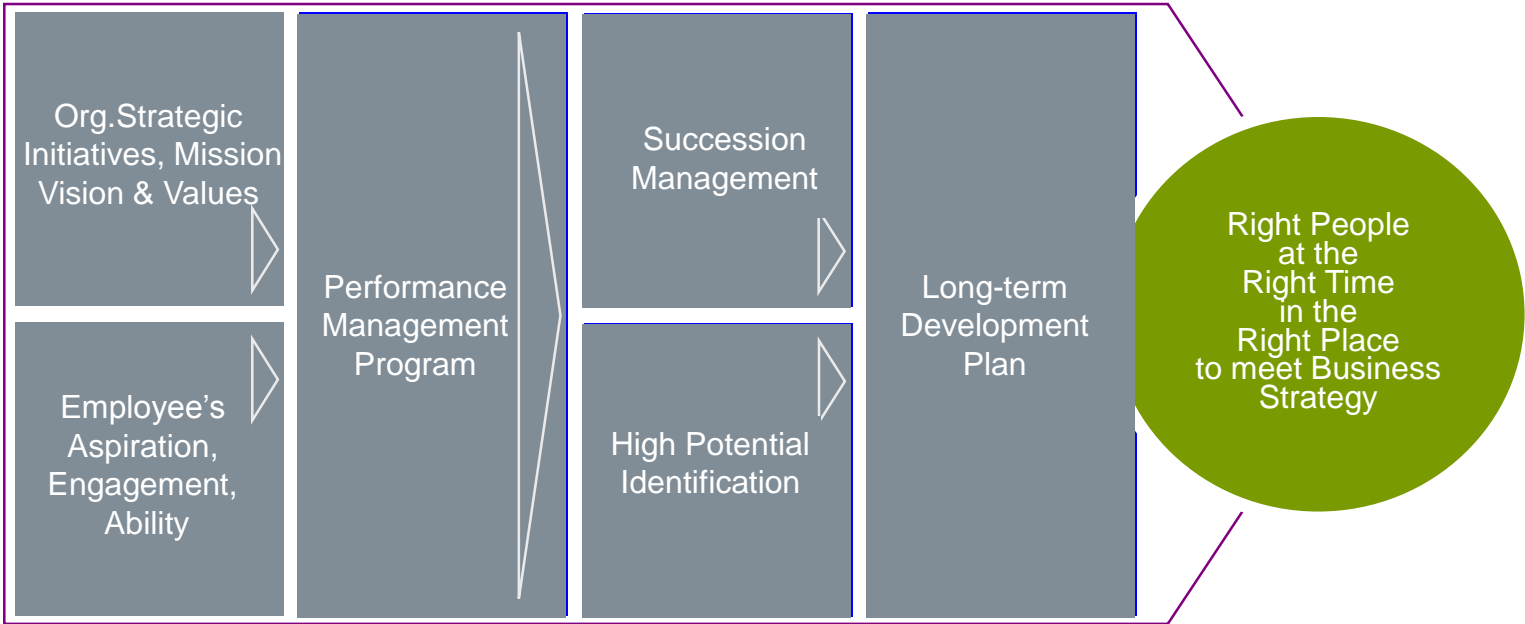
Flavia Mirabelli

Head of Human Resources
Product Line Locomotives

Milano, 5 marzo 2015

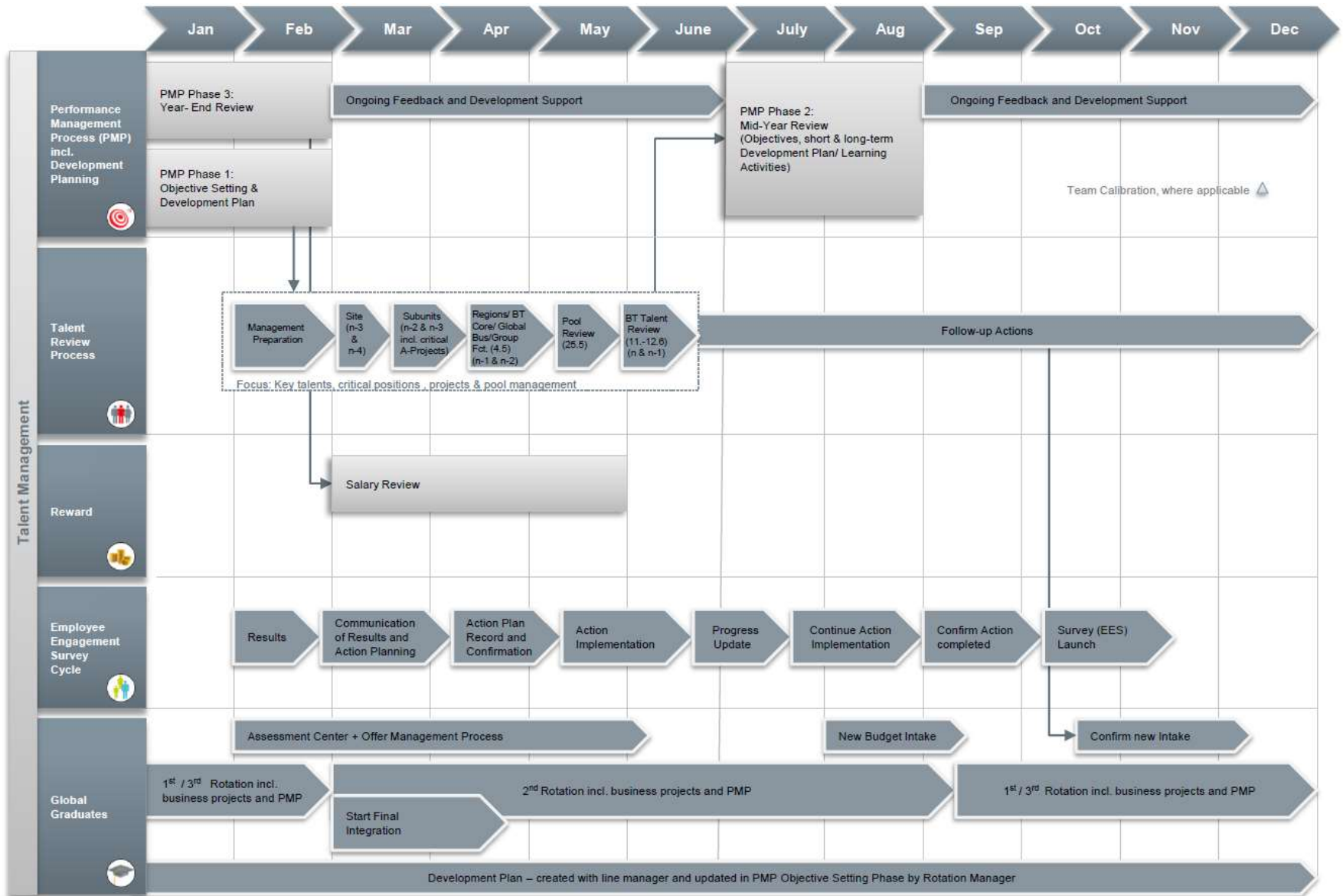
Convegno “Merito ed equità nelle
organizzazioni. Il contributo delle metriche di
performance”

Talent Management at Bombardier



 *Right People at the right Time in the Right Place will shift the company's performance into high gear!*

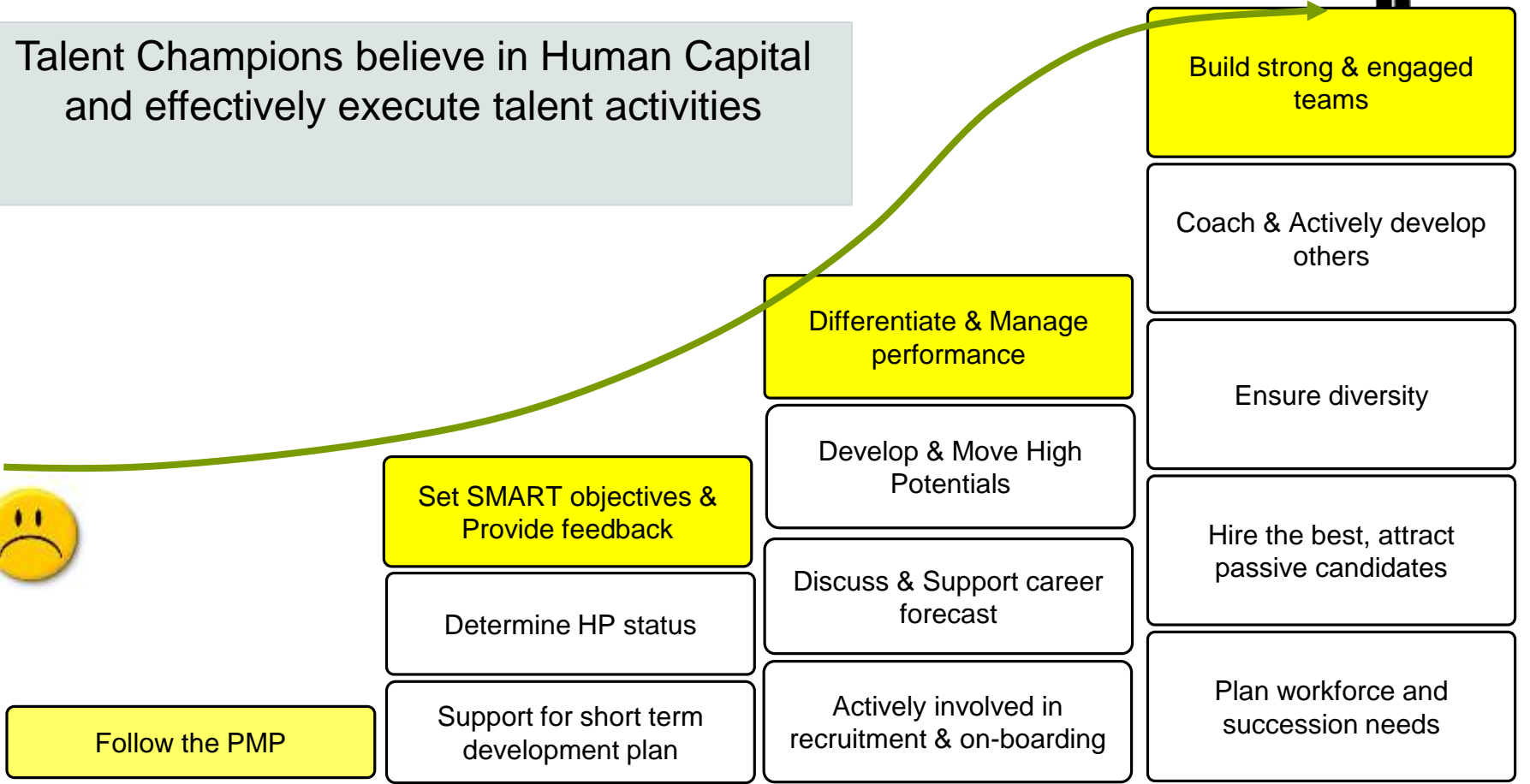
Integrated Talent Management Cycle: 2015 Calendar



Talent Management



Talent Champions believe in Human Capital and effectively execute talent activities



People know what they have to do People drive performance Good people make the difference People are THE long term competitive advantage

Performance Management Process

Year-End Review

Employee conducts self-assessment
Manager evaluates employee's performance
Manager calibrates employee's performance
Manager and employee meet

Objective Setting

Manager cascades objectives
Employee refines objectives
Manager and employee meet



The PMP has **three phases** supported throughout the year by dialogue and coaching.

It captures **WHAT (objectives)** you are going to accomplish this year and **HOW (competencies)** you will achieve it.

Mid-Year Review

Employee reviews objectives
Manager reviews progress
Manager and employee meet

Target of Talent Review

1. Define People & Organizational Issues - what we need / where are the capability gaps?

2. Define All Critical Positions

3. Succession Planning

- Own succession proposal (can be done one-to-one with HRBP)
- Critical positions regardless at which level they are
- All director and above positions
- HPs, HPFs & HPGMs

4. Map all HPs, HPFs & HPGMs

- Alignment with HP definitions and check list
- Long term development plan
- Nominations in succession plans of critical positions
- Extra Assignment
- Development 2014

5. Performance-Capacity to Grow Matrix (9-box grid)

- For direct reports of each Department Head

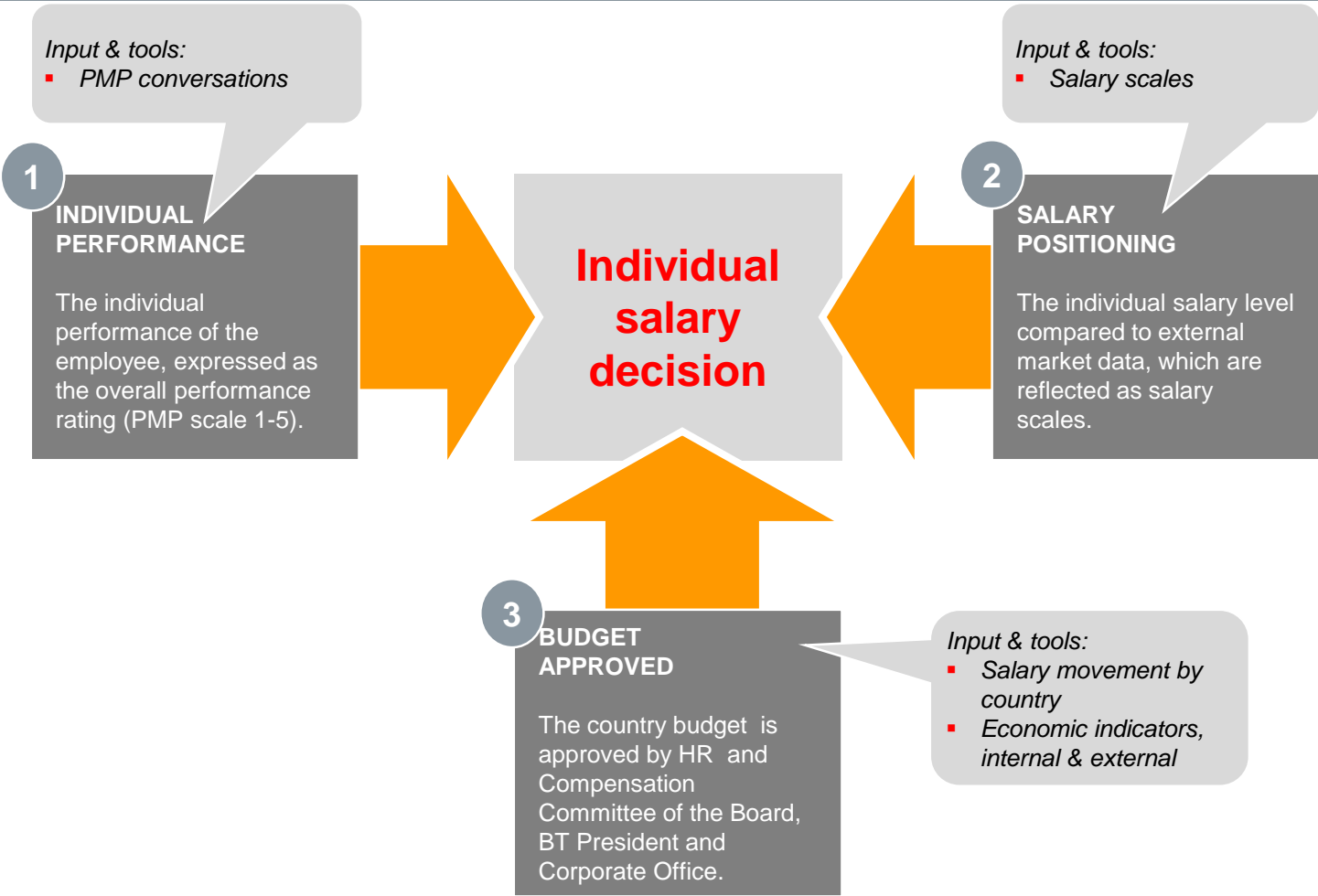


Talent Review Definitions: HP status

HP High Potential	<ul style="list-style-type: none">• Manager level and below• Could achieve position with enlarged responsibilities faster than his/her peers• Proven performance track record and has displayed strong leadership skills in current role• Capable of achieving 2 or more promotions/major new challenges within next 5 years• Has at least 1 year work experience with Bombardier
HPF High Potential Functional	<ul style="list-style-type: none">• Director level or above• Could achieve a leadership position as Head of a Function at a BU/Divisional, Group or Corporate level within 5 years• Proven performance track record and has displayed strong management and leadership skills in current role• Has at least 1 year work experience with Bombardier
HPGM High Potential General Mgt	<ul style="list-style-type: none">• Director level or above• Is seen as able to manage “P/L” and cross-functional responsibilities at BU, Divisional and Group level• Capable of achieving 1 or more promotions within the next 5 years• Proven performance track record and has displayed strong management and leadership skills in current role• Has at least 1 year work experience with Bombardier
Experts Tracked additionally	<ul style="list-style-type: none">• Can be at all levels in the organization• Is recognized as a key resource in a field of expertise (specialist) and is hard to replace externally and well sought after due to his/her unique skills, knowledge and qualification• Is a consistent performing employee who possesses unique skills supporting business or unit’s high performance; does not necessarily progress faster in the organization, but losing him/her could be seriously damaging the organization• Is ready to take on new position as a stopgap (emergency) measure

All HP/HPF/HPGM should be nominated at least once as successor

Factors influencing Salary Review



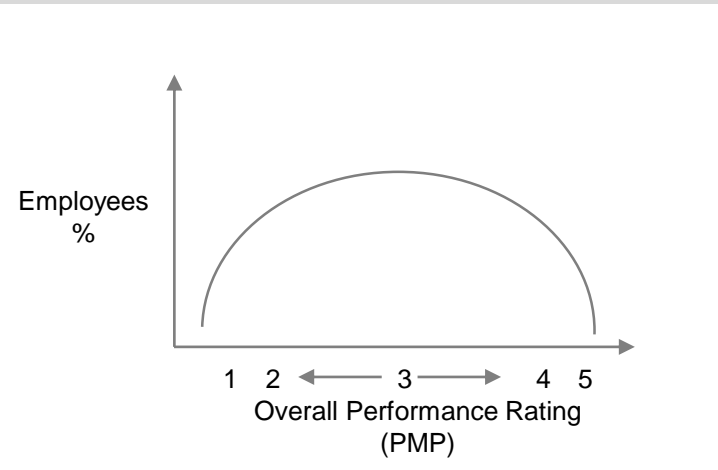
The 3 elements are provided in the tool used to assess the salary increase

Factors influencing Salary Review

1. Individual performance

- Considering individual performance as a key driver means to **strengthen the link between performance and pay**.
- The Performance Management Process (PMP) is recognized as a tool that distinguishes well between levels of performance spanning from inadequate to outstanding.
- The graph indicates the **ideal distribution of performance ratings across all employees**. This guiding principle shall be pursued by each superior when reviewing performance of his/her direct reports. It is expected that only a few number of employees are rated on the poles of the ranges (extreme positive as well as extreme poor performance).
- For further information please refer to the PMP section on the ExpressNet.

Guiding principle: Ideal distribution of PMP ratings across all employees



The overall performance rating represents a combination of the results rating and the behaviour rating in relatively equal proportions.

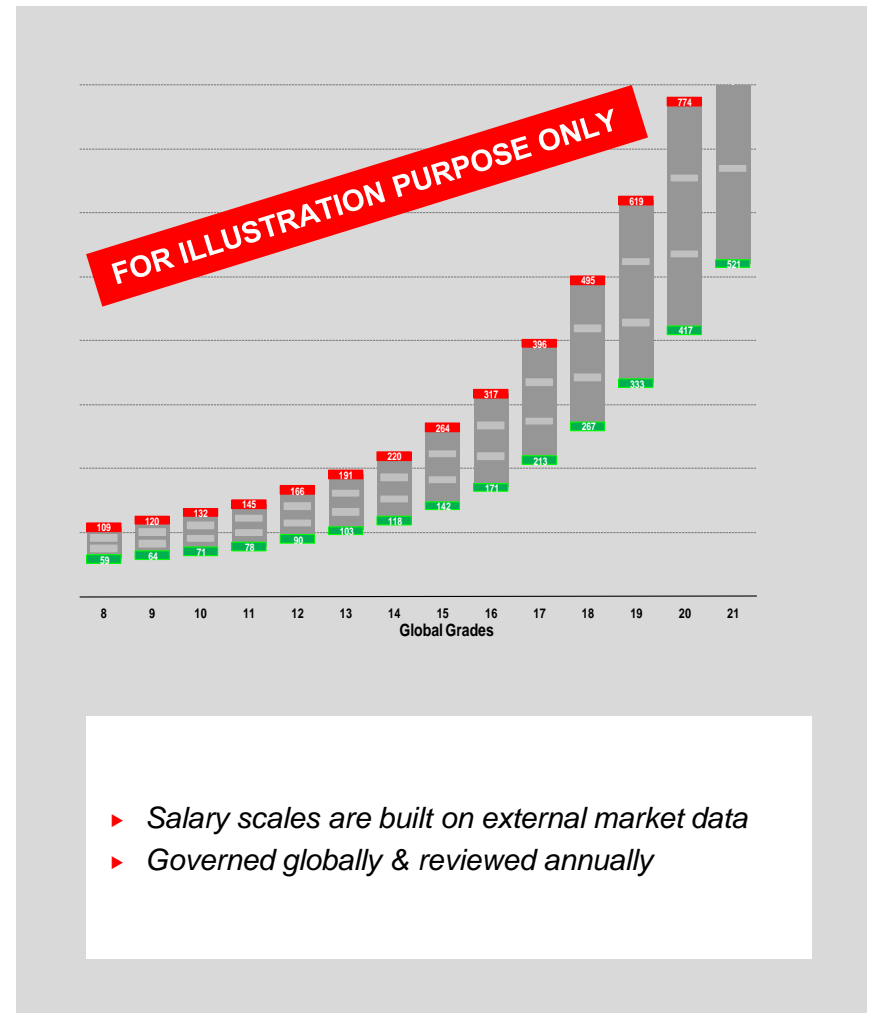
It is important to note that a „fully satisfactory“ rating is considered a solid performance in the company and the vast majority of employees should achieve this standard.

Only a small percentage of individuals should receive superior and outstanding evaluations.

Factors influencing Salary review

2. Salary positioning – salary scales

- It is BT's compensation strategy to provide competitive pay.
- To ensure such market competitive pay levels, salary surveys from data provider Mercer, Towers Watson (and others) were identified and selected on a global level.
- To use their data matching sessions were conducted to integrate their market data in the BT Global Grading System.
- The result are generic country salary scales that are available for (almost) every country in which BT operates.
- They reflect actual market conditions and general pay trends of the specific country, regardless of functional, regional or other special market circumstances.



Factors influencing Salary review

Combination of individual performance and salary positioning

- The combination of individual performance and the individual salary positioning results in the merit increase matrix.
- This grid provides an indication how the performance rating in combination with pay positioning can be used.
- This is only a recommendation - the final decision will be required from the line manager.
- Where an employee is very high in the scale consideration should be given to a lump sum rather than increasing base salary

Separate performance levels and give accordingly an higher pay increase to those employees who contribute more than those who don't.

Example for a country with approved budget of 2,5%

Give a higher pay increase to those employees who are currently paid below their reference midpoint (vice versa).

		PMP rating				
		1	2	3	4	5
		Does not meet expectations	Partially Meets Expectations	Fully Meets Expectations	Exceeds Expectations	Significantly Exceeds Expectations
Pay positioning (comparison)	>130% out of range	0,0%	0,0%	0,0%	0%	0%
	110-130% senior	0,0%	0,5% - 1,0%	2,0% - 2,25%	2,50% – 3,25%	2,50% - 3,75%
	90-110% in role	0,0%	1,0% - 1,38%	2,25% – 2,75%	3,25% - 4,25%	3,75% - 6,0%
	70-90% entry	0,0%	1,38% – 1,75%	2,75% - 3,25%	4,25% - 5,25%	6,0% - 8,0%
	<70% out of range	0,0%	1.75% - 99%	3,25% - 99,%	5,25% - 99%	8 ,0- 99%

Factors influencing Salary Review

3. Country Budgets: Bombardier Inc – Bombardier Transportation

- The **Human Resources and Compensation Committee of the Board of Directors of Bombardier**, or the HR CC, is comprised of independent directors. The HR CC has the mandate (beside others) to review and approve a total compensation policy that takes into account, among other things: base salary, short-term incentives, mid-and long-term incentives and pensions, benefits and perquisites.
- Part of this mandate is to review and approve salary budget recommendations (that were submitted by the various Groups that make up Bombardier Inc) per country.
- Salary budget recommendations, as approved by the HR CC, set the **maximum guidelines for increases** for the entire year.
- Groups may decide and plan in certain countries to go below these guidelines.
- Salary increases will be effective on May 1, 2015 for Transportation employees.
- In a number of countries and sites special regulations apply and have to be followed (for example, Austria, Belgium).