

# PEOPLE, CULTURE AND INTEGRATION

CMD | Düsseldorf | Dec 14, 2017  
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# THREE MAJOR AREAS OF FOCUS

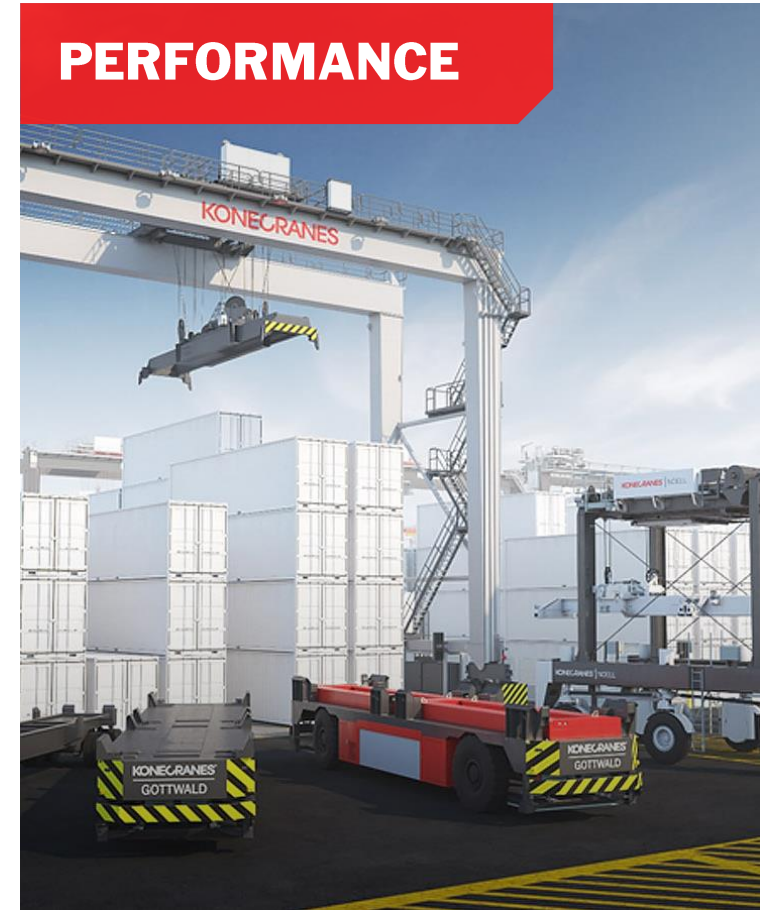
## CULTURE



## ENGAGEMENT

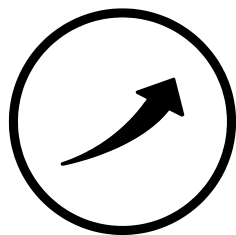


## PERFORMANCE



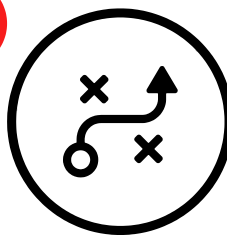
# KONECRANES' HIGH-PERFORMANCE CULTURE HAS THREE CHARACTERISTICS

## KONECRANES' HIGH-PERFORMANCE CULTURE IS ONE IN WHICH ...



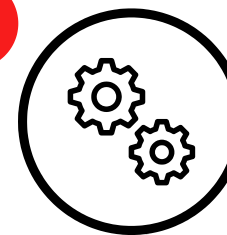
**1.**

Individuals and teams are engaging for results



**2.**

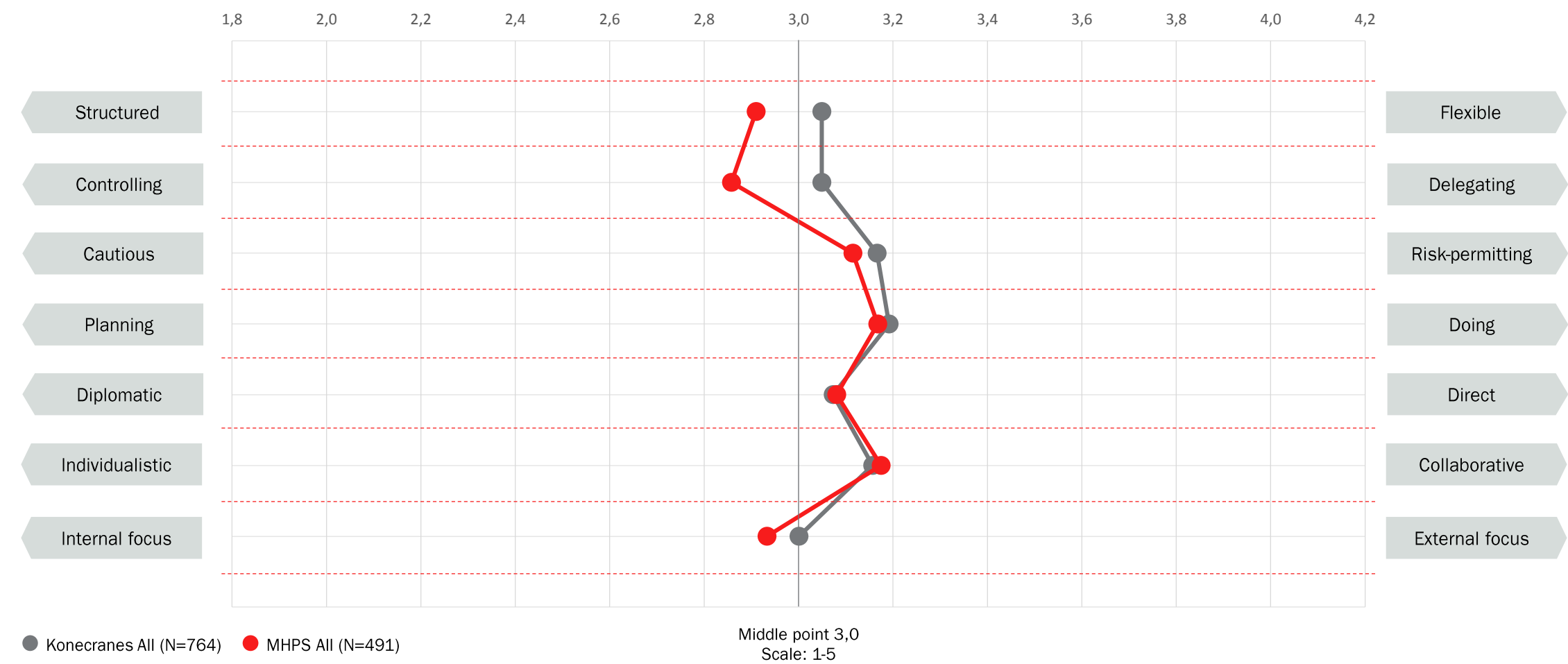
Culture is aligned with strategy



**3.**

Context reinforces culture

# LEGACY KONECRANES AND MHPS CULTURES ARE WELL ALIGNED





# CULTURE WORK IS PART OF BUSINESS INTEGRATION STREAMS

## BUSINESS INTEGRATION

Service

Industrial Equipment

Port Solutions

What culture do we need?

Purpose and goals



Strategy

Target culture

## ACTION PLANS



Leadership



People & development



Performance management



Informal interactions



Org/process design



Resources and tools

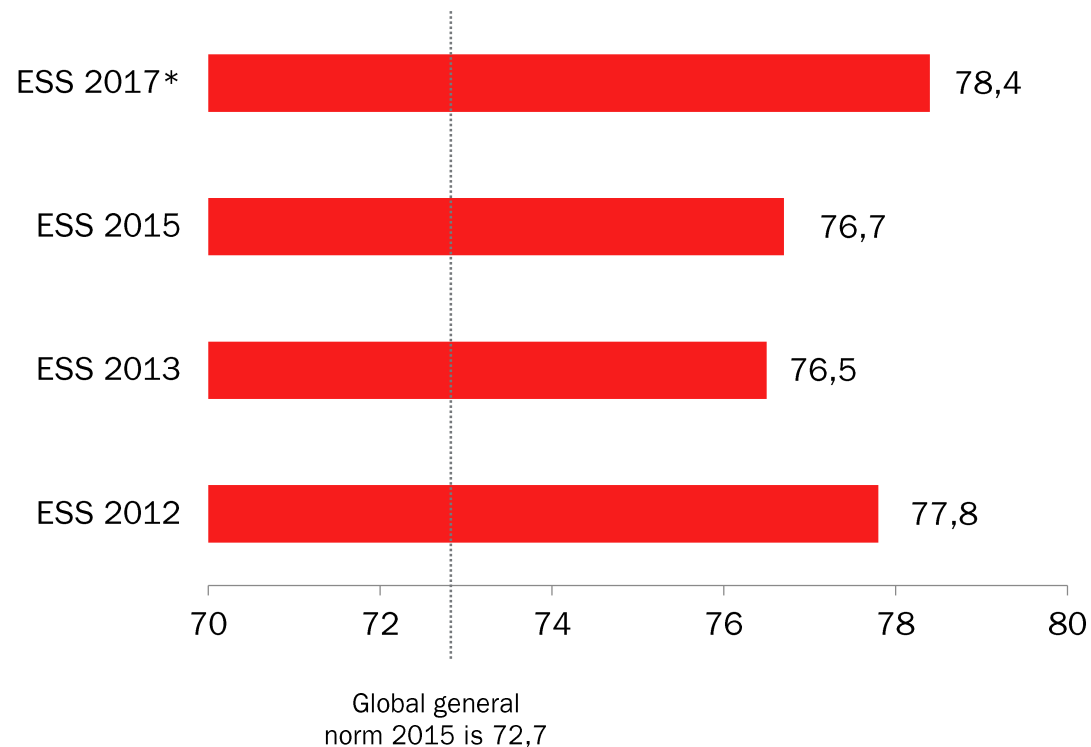


Vision & values

# KONECRANES AND LEGACY MHPS CULTURES – SOLID FOUNDATION FOR GROWTH

- Konecranes' and legacy MHPS' cultures are similar – good foundation for integration and growth
- The strengths of Konecranes' culture is built on
  - **Performance and action orientation**
  - **Collaboration, trust and accountability**
- More than 85% of the employees accepting, onboard and committed with the integration
- Employee engagement is above comparison companies and pre-integration
- Cultural differences and engagement level are systematically followed-up and facilitated

Engagement index (values 0-100)



\*ESS pulse check March 2017

# FAIR AND STRUCTURED PROCESS FOR ORGANIZATION EFFICIENCY DECISION MAKING WITH CLOSE INVOLVEMENT OF EMPLOYEE REPRESENTATIVES EARLY ON

## REVIEW OF STARTING POINT ('BUSINESS DATA')

- Review preliminary synergy plans, and conduct internal analysis of current financial & operational performance
- Define KPIs for future decision making and our global targets
- Identify high-level scenarios for outcomes

## SCENARIO EVALUATION

- Review factual reasons for the planned actions
- Jointly identify potential alternatives for the actions
- Plan for carrying responsibility of our employees (if there is reductions in force)

## IMPLEMENTATION PLANNING

Concluding on action plan and consequences



### Genext Works Council

- **Top Management and WC collaboration forum** on global level incl. **countries outside Europe**



### Role

### European Works Council

**Official collaboration forum** related to:

- Economic and financial situation of the Group
- transfers of production mergers, cut-backs or closures of comp. or operations, or important parts of them, and collective redundancies

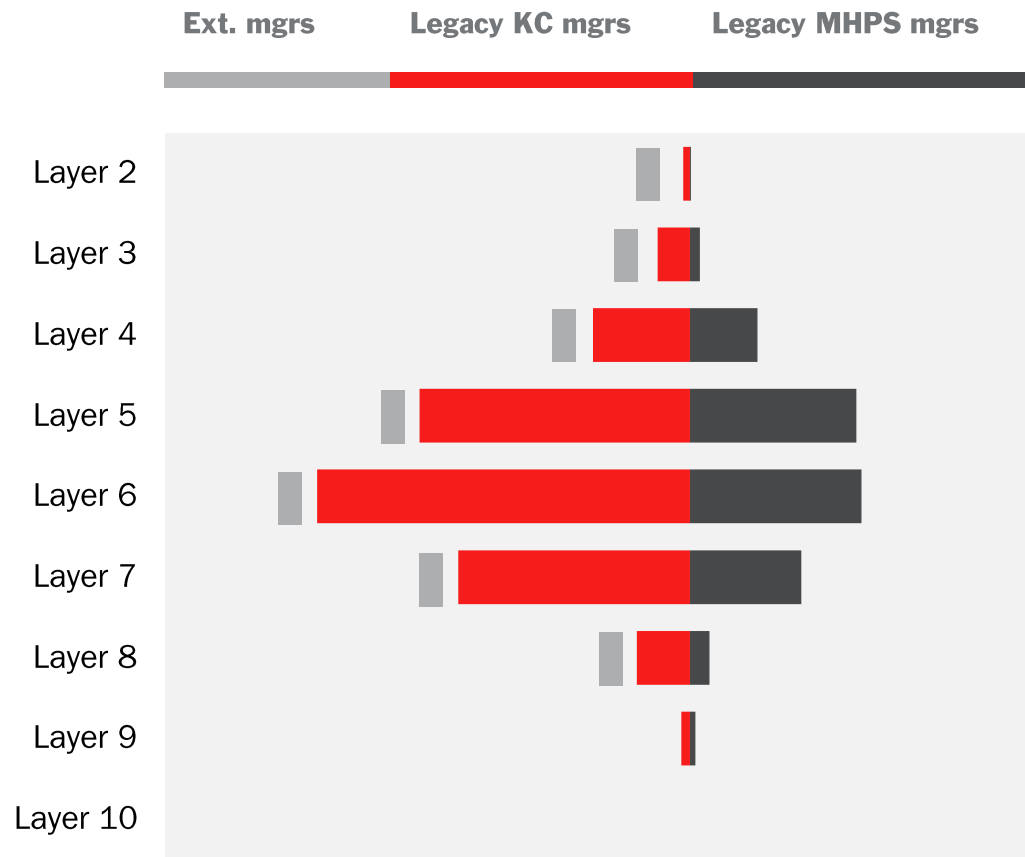
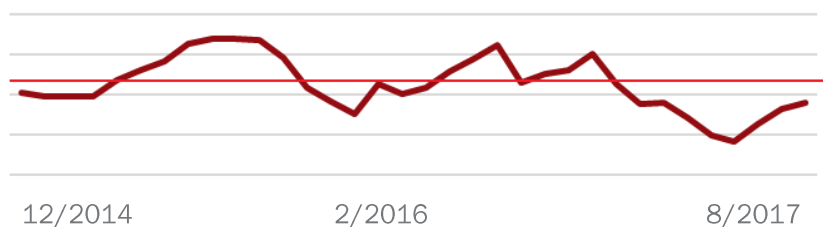
### Local Works Council

- **Official collaboration forum on a country level** related to topics with country-wide relevance
- Responsible for all legal entities in one country

# TALENT RETENTION HAS BEEN SUCCESSFUL DURING THE ORGANIZATION INTEGRATION

- Fair, structured and objective process used in key executive selections to drive best of talent approach
- Selection process of management were conducted using internal and external assessment. More than 70 executives were assessed by 3rd party and more than 450 managers by internal assessors
- Employee voluntary turnover below long term Konecranes average and below global comparison
- Managerial positions have been distributed based on competence and potential between legacy Konecranes and legacy MHPS managers

Voluntary attrition rate p.a.







**NOT JUST LIFTING  
THINGS, BUT ENTIRE  
BUSINESSES**