

**Deloitte.**

# Human Capital Trends

## Companion Report

MAKING AN  
IMPACT THAT  
MATTERS  
*since 1845*



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## **Outlook on Global Human Capital Trends**



**Dear customers, colleagues, and companions,**

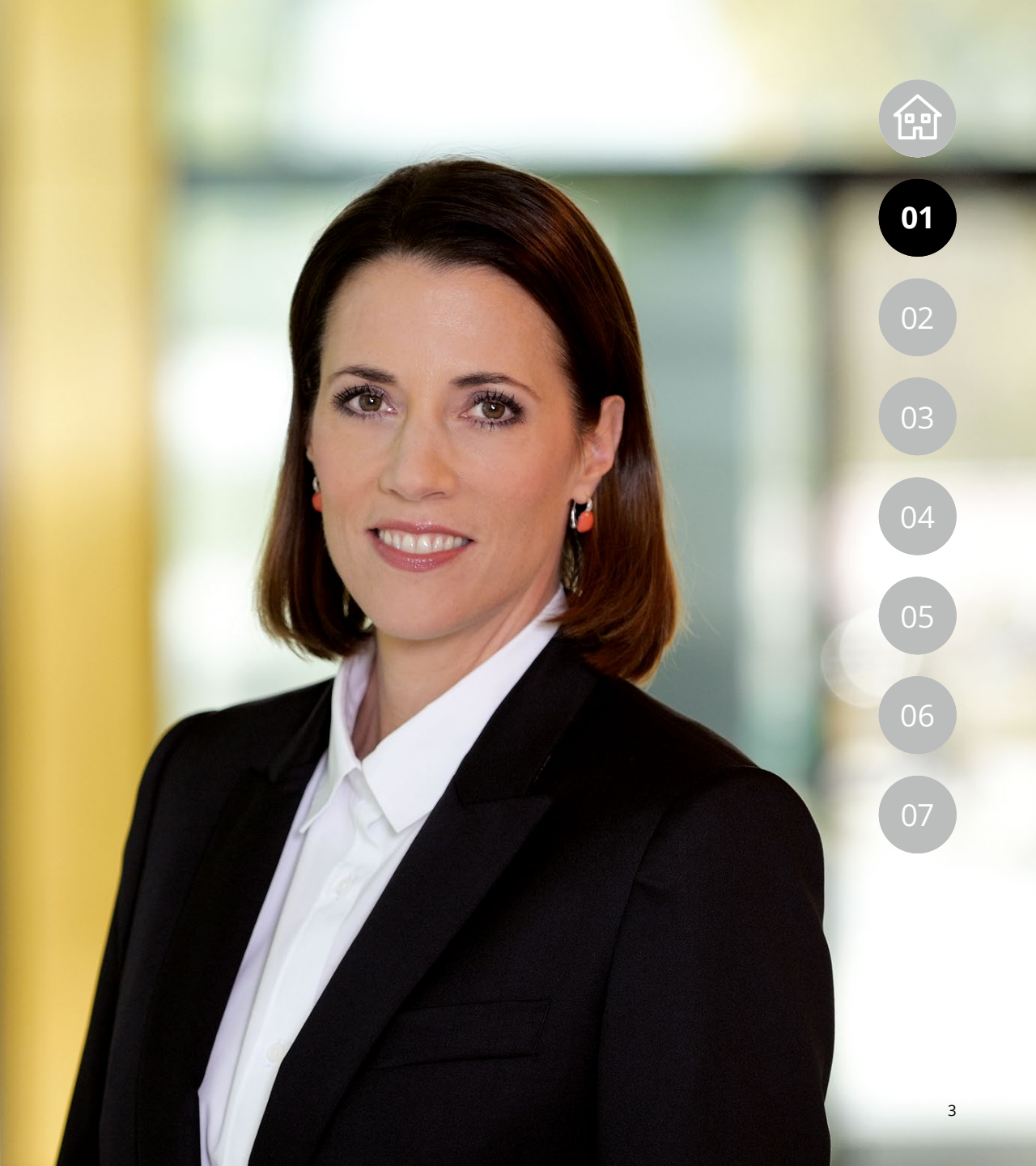
The boundaries we used to take for granted are all gradually breaking down. We believed work could be confined to clearly delineated processes, that jobs fit into neat categories within a single enterprise, and that staff would always work within the office's four walls. That is all gone now, and we are facing a boundaryless world. The implications for today's enterprises are groundbreaking: An entirely new landscape is emerging as we shed our traditional boundaries and give ourselves permission to redefine the fundamentals and experiment with innovative solutions.

In this time of rapid change and new challenges, it is important to have an open dialog and learn from each other. I firmly believe in the power of shared experiences and insights as we strive to master the changing world of work. To encourage mutual learning and collaboration, we launched "Human Capital Talks", an insightful series of conversations with HR professionals from across Europe and an opportunity to exchange views as well as best practices for the demanding road ahead.

The Companion Report is designed to complement our Human Capital Trends survey with perspectives from a number of industries and countries across Europe. In it, we dive deep into the dynamics of our boundaryless, hybrid workplaces and explore how pioneers are reshaping management practices in this brave new world of work.

These conversations touch on a number of essential human capital trends, whether it is interacting remotely with dispersed teams, adapting communication strategies as roles evolve, or finding innovative ways to entice workers back to the office. Very generous with their know-how and their time, the experts in our series provide insight into the people strategies coming on the scene across Europe and their impact on one another. It is our hope that these powerful examples might inspire you to envision novel solutions for your own enterprise.

**Maren Hauptmann**  
Deloitte Partner Human Capital, Germany



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“If the last century defined work as a series of fixed and replicable tasks, the next century will be all about workplaces and workforces that are fluid and agile.”

**Maren Hauptmann** | Partner Deloitte Human Capital, Germany



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Every year for more than a decade, Deloitte has been reporting on the global trends and changes in the HR ecosystem and in the workplace. The report draws on the perspectives of more than 10,000 business and HR leaders across a wide range of industries and from more than 95 countries. Also featuring one-on-one interviews with executives from some of today's leading enterprises, the Global Human Capital Trends Report is the most comprehensive study on HR and people trends in circulation today.



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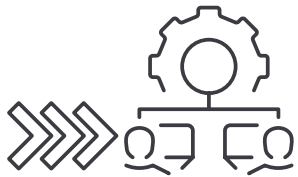
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01 I Think like a researcher



**Navigating the end of jobs**  
Skills replace jobs as the focal point for matching workers with work.



**Powering human impact with technology**  
Technology contributes to making work better for humans and making humans better at work™.



**Activating the future of workplace**  
The workplace evolves to be an input to the work itself.

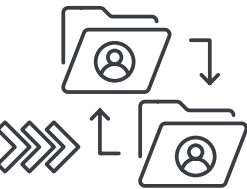


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\* Deloitte Human Capital Trends released in 2023.



02 | Co-create the relationship



Negotiating worker data

Organizations and workers vie for control of worker data when they should focus on mutual benefits.



Harnessing worker agency

Organizations drive value and strengthen their relationship with workers by embracing rising worker influence.



Unlocking the workforce ecosystem

Removing traditional employment distinctions unlocks access to a true workforce ecosystem—and with it, critical skills and worker potential.



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\* Deloitte Human Capital Trends released in 2023.

03 | Prioritize human outcomes



**Taking bold action for equitable outcomes**

The DEI conversation shifts from activities to outcomes.



**Advancing the human element of sustainability**

Human sustainability rises to the fore of organizations' sustainability strategies.



**Elevating the focus on human risk**

Opening the aperture and changing the lens on risks to focus on the human element.



\* Deloitte Human Capital Trends released in 2023.





**Leadership in a boundaryless world**

What we need is a new brand of leadership that focuses on how and where you show up, and on a fresh mindset committed to advancing a new world of work. More specifically, we need leaders willing to experiment their way to better solutions and approach learning as a value creation accelerator. Leaders brave enough to give staff greater agency as co-creators across the broader ecosystem and to see the human impact of their business decisions through a wider lens.



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\* Deloitte Human Capital Trends released in 2023. [Explore the Global Human Capital Trends 2023](#)

# Interview with Jolanta Bańcerowska, Żabka Polska SA, Poland:

## Harnessing worker agency

### Żabka Polska SA, Poland

Żabka Polska SA is the largest centralized chain of convenience stores in Central and Eastern Europe. Żabka Polska SA has over 9,400 outlets in Poland alone, offering its customers 24/7 convenience through bricks-and-mortar as well as digital channels. Thanks to the recent groundbreaking transformation, this industry leader has succeeded in creating a true convenience ecosystem.

### Jolanta Bańcerowska

Companies can create value and strengthen their relationships with staff when they give employees more agency and choice in what they do. This is only possible through open, respectful relationships that offer staff meaningful, mutually beneficial options and involve them in the decision-making process on issues that affect the workforce. It is up to management to empower employees in their desire to shape the future of the company and become co-creators of that future based on bilateral input.

The interview was conducted in September 2023.



**Jolanta Bańcerowska**  
Member of the Management Board and  
CPO at Żabka Polska SA, Poland



**John Guziak**  
Deloitte Partner  
Human Capital, Poland



**John Guziak**

The Żabka Group is the ultimate convenience ecosystem that aims to make people's lives easier. With more than 9,600 stores and 8,300 franchisees, Żabka Polska is one of the most recognizable brands in Poland. Millions of customers rely on the convenience chain for their everyday needs, so it is vital to listen to the experiences of the front-facing staff in your outlets. I am curious how you tuned into the voices of your retail staff in the past and whether things have changed in the post-pandemic era.

**Jolanta Bańcerowska**

A few years ago, the only tools we had to hear the opinions of staff were engagement surveys and a lot of formal or informal meetings. The pandemic forced us to create a more structured employee listening strategy, so we set up quarterly pulse checks, an annual engagement survey, and regular discussions with our stakeholder groups. Another key focus of the strategy was to host formal townhall meetings for all Żabka employees led by members of the Management Board. The question and answers sessions in these townhalls have turned out to be the most important aspects. We do our best to answer all questions in an open forum and in a transparent way. Transparency and openness are two of our core values.

**John Guziak**

From your perspective, how did the nature of these questions to employees change over time?

**Jolanta Bańcerowska**

Before the pandemic, I think we were more interested in whether staff were aligned in terms of the overall business objectives. Do they know what to do? Do they feel heard? Do their jobs give them satisfaction? Post-pandemic we started focusing more on the personal well-being of our employees. We started to ask: How are you doing? This has definitely changed the conversations that we are having, but this kind of connection also better reflects the current mindset within the enterprise.

**John Guziak**

What are you doing specifically when it comes to different stakeholder groups? You have the board, the managers and the teams, but you also have your franchisees, which is quite a unique group.

**Jolanta Bańcerowska**

We make sure to listen to every group in the same way. For our franchisees, we set up a Franchisee Council made up of representatives nominated by the franchisees themselves. We host joint meetings to discuss where there is room for improvement, what's going well and what they would like us to change. Franchisees also take part in our Net Promoter Score survey, though the questions for our franchisees might be different than those for our regular employees.

**John Guziak**

How do you quantify those answers and use them to make business decisions?



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**Jolanta Bańcerowska**

Pulse surveys are a key part of our employee listening strategy. The responses are all confidential, of course, but we can segment them to reveal disparities or trends. For example, we can look at our franchisees by sales region or our employees by demographic group, years of service, or staff with children. We tailor the analysis to our different needs, which helps us to see the organization from various perspective and understand the real demands of each sub-group of our staff. Even if the questions are all pretty similar, we can still gain additional insights.

## John Guziak

That must be a massive amount of information. What do you do to prevent so-called “analysis paralysis”? That's when a company tries to address the problem by setting up a committee, but nothing really happens in the end and the cycle just repeats itself year after year.

**Iolanta Bańczerowska**

As soon as the survey closes, we share the real-time results with all teams to ensure transparency. Team leaders have immediate access to the results and can respond accordingly. Reacting in real-time is a priority for the board as well. In an effort to keep the waiting time to a minimum, we view all the team dashboards right away. This makes it easier for us to gain a rich understanding of what is motivating our employees. We also use surveys as a research tool, for example to find out

whether the changes we have implemented in the enterprise are effective or to determine if our recruitment and onboarding initiatives are making an impact.

## John Guziak

Based on that data, what are the biggest changes you have seen in terms of employee expectations or engagement levels?

**Jolanta Bańcerowska**

We are shifting our leadership focus from tasks and figures to purpose, people, and engagement. This is our priority now. Another key observation for me is that people seem to care a lot more about the company's purpose, our brand essence, and our core values.

## John Guziak

What would you say is the key metric to watch for when it comes to harnessing worker agency.

**Jolanta Bańcerowska**

The key thing is to ask the right questions about issues that really matter, and then follow up on them. I cannot stress enough how vital it is to get the questions right. I once heard about a company that put more than 50 questions on their employee surveys. Their employee engagement was really high, yet so was the turnover rate and the shortage of skills on staff. It was clear that they were simply asking the wrong questions.

**John Guziak**

Do you know how your performance compares to other companies on the market?

**Jolanta Bańczerowska**

If you want to be the best, you have to play in a global league. That is why Žabka has been working with a company that provides a global benchmark for last six years. It keeps you humble. We have seen remarkable growth in Žabka's engagement journey, moving from the 14th percentile in 2018 to the 77th in 2022 in one global database, while also doubling our overall headcount. Today we are among the most engaged organizations in the world – and one of the convenience retail chains with the most dynamic growth in Europe. This is clear evidence of the positive change we have achieved – thanks in part to listening to our people.

## John Guziak

What would be the one lesson that you would like others to take away?

**Jolanta Bańczerowska**

Don't just focus on the numbers, because ultimately they mean nothing. Have the courage to go for a benchmark that can really bring about change in your enterprise. Have a plan, communicate the plan and take action. As they say in Poland – you don't fatten a cow by weighing it!

**John Guziak**

We're moving into a world with more and more digital tools that help us better understand our employees. And this naturally creates an enormous amount of personal data. At the same time, there is a tension between the market and data protection. Where do you draw the line between these two points?

**Jolanta Bańcerowska**

I think we cross a line when we start asking questions focused more on the person than the employee. Whenever these kinds of questions crop up, we make sure we are operating in line with our equity and inclusion policy. Of course, our employees can always choose not to answer a question with the "I prefer not to say" option – though we have a lot of employees who answer every single question. So, I suppose deciding what crosses the line is an extremely personal thing for each individual.

**John Guziak**

Is there anything else you think people would find helpful when it comes to harnessing worker agency and listening to the voices of the employees?

**Jolanta Bańcerowska**

Every CPO should know what it takes to capture the CEO's attention. When they spend all their time looking at share prices, revenues, profits, and customers, it is up to the CPO to make HR a priority, to invite yourselves to the agenda. A good CPO has to be extremely persistent and determined, but also good at highlighting how HR creates value for the business. Ultimately, the CPO's responsibility is to take the lead in shaping the HR agenda.

"We are shifting our leadership focus from tasks and figures to purpose, people, and engagement. This is our priority now."

**Jolanta Bańcerowska**

**John Guziak**

I think it goes back to the idea that the CPO has to have the courage to remind the organization that there are no revenues without people, there are no profits without effective people, and there are no customers without front-facing people engaging with them.

**Jolanta Bańcerowska**

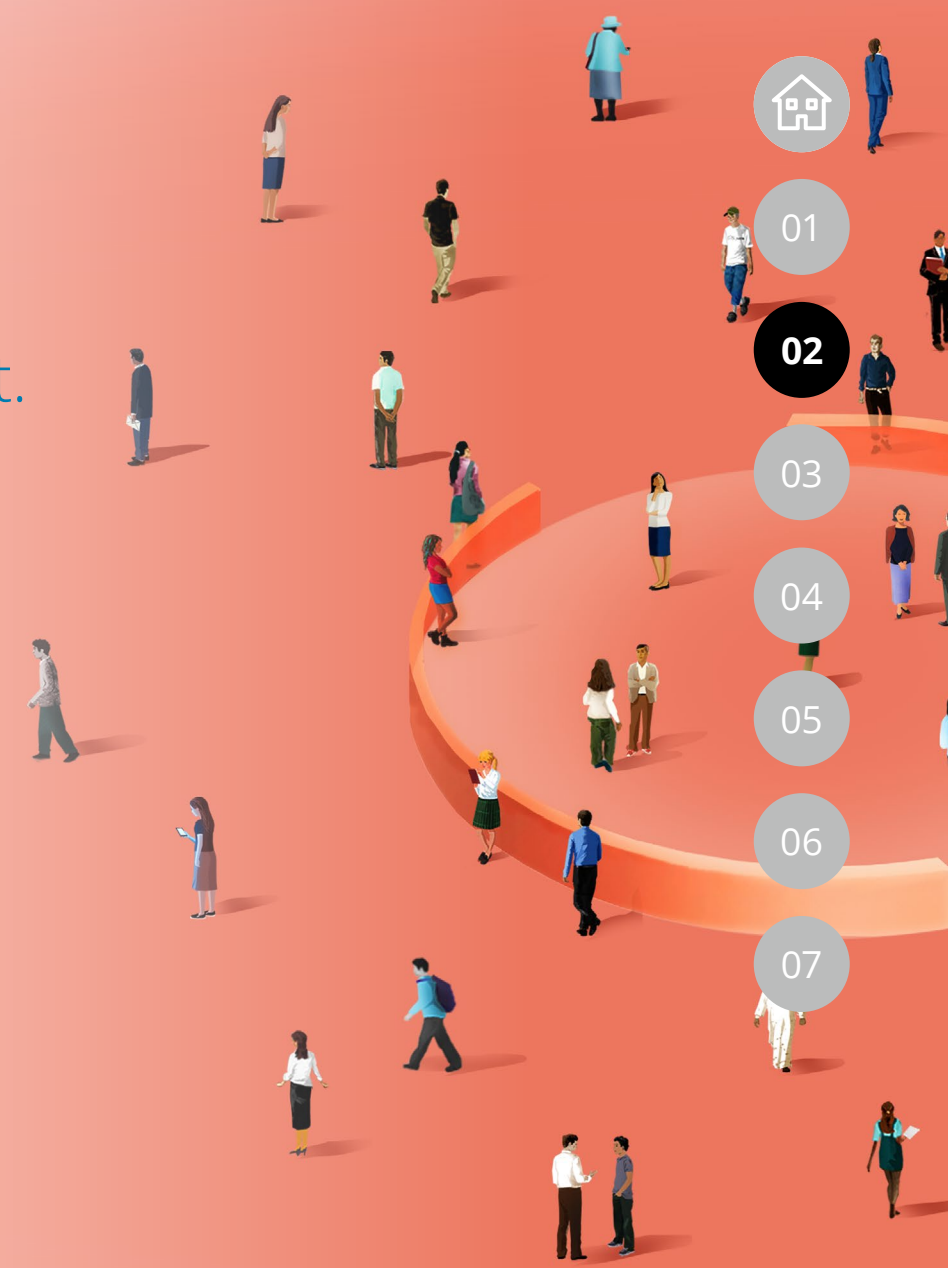
I would go so far as to say there are no customers without engaged people. And let's not forget that engaged employees create better customer experiences.

**John Guziak**

What you are essentially saying is that your engagement survey doesn't just tell you what's going on with your people, it's actually telling you what's going on with your customers.

**Jolanta Bańcerowska**

Yes, exactly.



# Interview with Patrick Mischo, Allen & Overy LLP, Luxembourg: **Shaping the post-pandemic workplace**

## **Allen & Overy LLP, Luxembourg**

Allen & Overy LLP is a British multinational law firm headquartered in London. The firm has 580 partners and over 5,600 people worldwide. The Luxembourg office works hand in hand with an international network of more than 40 offices. Allen & Overy LLP is one of the few international law firms in Luxembourg providing a full service, across all practice areas.

## **Patrick Mischo**

In the wake of the pandemic, the world witnessed an astonishing shift in the way we work. Remote work became the norm, blurring the lines between office and home. However, as the dust settled and organizations sought to re-establish a sense of normalcy, companies have been trying to stand out in their approach to embracing the changing dynamics of the workplace. The client shared the journey and insights on the future of the workplace.

The interview was conducted in August 2023.



**Patrick Mischo**  
Office Senior Partner  
Allen & Overy LLP, Luxembourg



**François Bade**  
Deloitte Partner  
Banking & Human Capital, Luxembourg

**Marie-Cecile Légrand**  
Deloitte, Senior Manager Human Capital



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**François Bade**

The pandemic has accelerated the need for organisations to rethink the concept of the workplace, virtual and hybrid work environments becoming more prevalent. One of the biggest changes related to the workplace is the wider choice of where, when, and how we work. What were the challenges you faced related to the workplace post covid and what did you put in place to overcome them?

**Patrick Mischo**

Post-pandemic, the main challenge was to get people back to the office. Recognising the need for flexibility, we aimed to strike a balance between in-office collaboration and the newfound benefits of remote work by implementing the '60/40 policy', allowing up to 40% remote work for residents in Luxembourg. Whilst generally a positive and welcomed development, one obstacle that emerged was the attachment to the comfort of working from home. During the pandemic in particular many employees had experienced the advantages of working from home (including saving time and no longer having to do the daily commute).

To incentivize employees to return to the office, we focused on restoring social cohesion. We organized various social events, as we understood the importance of the 'fun factor' in bringing people together. This approach not only boosted morale but also allowed us to demonstrate our commitment towards our people—we wanted them to feel like they belonged to a community. In particular, face-to-face events allowed lawyers

and employees who joined the firm during the pandemic to create and reinforce their internal networks. While presence in the office is on the rise, there is still some room for improvement.

Now in terms of the concrete application of the hybrid work policy, we also acknowledge the specific challenges that hybrid work might bring to day-to-day collaboration. Recognising the diverse needs and working styles of our various teams, we allowed each team to decide their own approach. We believe that there is no 'one size fits all'. We encouraged autonomy and empowered teams to make decisions that best suited their work processes. As an example, some teams decided that once every week or every two weeks, there should be a day when everybody comes in.

It is of crucial importance to address the challenges arising from the new ways of working, including how to foster effective communication, how to mitigate potential biases leaders may have towards office face time and how to enhance team spirit and collaboration. To this end, we will soon launch dedicated training sessions designed specifically for leaders and their teams, aimed at encouraging participants to leverage the benefits of hybrid work models, enhancing team collaboration, and optimizing collective performance in a flexible and adaptable manner.



### Marie-Cécile Legrand

In an era where organizations are battling for top talent and seeking to create workplaces that attract and retain the best and brightest minds, the concept of differentiation has become paramount. In addition to this level of flexibility that you granted your people, how else do you think you are differentiating as an organization that people want to work for and collaborate with?

### Patrick Mischo

We emphasize the interlink of purpose-driven initiatives and employee-focused practices. We believe that aligning our actions with meaningful causes, such as diversity, equity, and inclusion, pro-bono work, supporting charities, partnering with institutions like the Museum of modern art Luxembourg (MUDAM), and sustainability, not only drives positive societal impact but also acts as a powerful magnet for attracting and retaining top talent.

The rising generation of young professionals, in particular, places great importance on work purpose and growth opportunities.

### Magali Maillot

We are also differentiating ourselves by proactively and concretely working on our Future of Work project. Our firm's approach is holistic and carefully considered, rather than opportunistic; we take a long-term and global view of the firm's operations and how best to optimize these. We consciously choose to pursue certain initiatives, such as implementing flexible work arrangements, that align with our values and make sense for the overall well-being of our people. While the human aspect of the Future of Work project was crucial, we also recognized the need to work on other important and interconnected aspects: the workplace itself (namely, how we can adapt it to the new ways of working) and how we can harness the power of technology, including the use of AI, to make our work processes more efficient.

“Our aim is to build spaces that foster agility, networking, creativity, and collaboration. We want our workplace to be different from and better than home, ultimately enticing employees to come to the office.”

Magali Maillot, CHRO



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**Barbara Caltabiano**

When it comes to the future of the workplace, ways of working have changed as a consequence of the pandemic. How do you think that your organization's strategies, policies, and actions have adapted since the pandemic? Can you tell us more about the sustainability aspect?

**Patrick Mischo**

Since the pandemic, we have made significant efforts to adapt our strategies, policies, and actions to align with the evolving landscape of work environments. One notable aspect of our approach has been the implementation of the flexible work policy described above, which helps our lawyers and employees strike a better balance between work and their personal lives.

In terms of sustainability, we have embarked on a project that aims at defining our local sustainability strategy and in particular how the Luxembourg office can contribute to the A&O global objective of reducing its absolute carbon emissions by 50% by 2030. This project might serve as a case study for other offices within the firm, with the potential to create a blueprint that can be replicated in other offices of the firm.

The goal of this project is also to raise awareness and foster a debate among our people. Their involvement – in particular, their views on what matters to them from a sustainability perspective and proposals on initiatives that could be implemented – has been crucial in enabling the firm to define the scope of our sustainability policy. By creating this dialogue, we hope to generate concrete actions that will be widely accepted, as we realize that changing habits (especially when it comes to sustainability) is particularly challenging when it impacts personal routines.





**Marie-Cécile Legrand**

Gathering employee feedback and acting on that feedback is one of the cornerstone of any Human Resources strategy. How did you proactively gather and assess the sentiments of your employees during and following the pandemic?

**Magali Maillot**

To begin with, we recognize the importance of understanding the aspirations and expectations of different generations within our workforce.

We have invested significant time and effort into listening to the desires of our employees, particularly the new generations. It is essential to strike a balance between the aspirations of our firm and those of our people. By taking the time to truly understand their needs, we believe we can create deeper alignment with business goals and foster a positive work environment. To gather feedback, we organized workshops, which were the result of a year-long effort involving our employees.

These workshops provided a platform for open discussions with HR staff. Each team had the opportunity to engage in meaningful conversations, sharing their experiences and insights. These interactions were instrumental in understanding how our teams were coping with the new work environment and identifying areas that required further attention and improvement. Especially during the pandemic, we were praised for our empathetic approach and prioritization of the human side of work. It is crucial for us to keep maintaining this empathetic perspective as we move forward.

**François Bade**

The office of the future requires organizations to consider a different purpose to the workplace. Organizations faced the daunting challenge of re-establishing the office as the beating heart of teamwork and Allen & Overy understood the intrinsic value of face-to-face interactions. How has your conception of the purpose of the “workplace” changed, and how are you adapting your real estate consequently?

**Magali Maillot**

Different conceptions about going to the office emerged. The goal is to meet and collaborate, not just perform tasks that could be done individually at home. Brainstorming sessions, technical briefings, and certain types of work flourished when conducted in a shared physical space.

With regard to our real estate strategy, while our firm moved into its current premises shortly before the start of the pandemic, it is fair to say that our office is not perfectly suited for an hybrid work environment. We identified a number of issues that require adjustments, for instance the need to adapt the layout of our meeting rooms, or to have better suited areas dedicated to focus. Our aim is to build spaces that foster agility, networking, creativity, and collaboration. We want our workplace to be different from and better than home, ultimately enticing employees to come to the office. To adapt our office space accordingly, we are currently reinventing our spaces to make them more attractive and aligned with the culture

we aspire to build. This includes designing new areas that encourage collaboration, innovation, and team cohesion.

**Marie-Cécile Legrand**

As a consequence of your flexible work scheme, have you perceived an improvement of the work/life balance across your workforce?

**Magali Maillot**

We have observed mixed results regarding the impact of our flexible work scheme on the work/life balance of our workforce. While there are some positive aspects, it is important to acknowledge that challenges and individual experiences vary.

In our case, being based in Luxembourg, the proximity to family and friends has made life easier for our employees, especially for those who commute from neighboring countries. Before the pandemic, we noticed a higher attrition rate among individuals coming from abroad due to homesickness. However, with the implementation of flexible work arrangements, we have seen a gradual improvement in their ability to balance their personal and professional lives.

For parents, in general, flexible work arrangements have proven to be beneficial. It enables them to better juggle their family obligations and professional commitments. In addition, we would like to highlight that we are deeply committed to fostering an inclusive and family-friendly workplace environment, which has led us to offer

additional compensation on top of the country's statutory government allowance to our people who take parental leave.

It is also important to recognize that the blurring of boundaries between personal and professional lives is a common challenge for all of us. While the flexibility offered by remote work has its advantages, the lack of clear separation between work and personal spaces sometimes can make it difficult to truly disconnect from work.

Finally, as a firm, we recognize the inherent challenges in harnessing the full potential of new ways of working and effectively embedding them into our work practices, which requires significant effort. As we refine our approach, we will remain responsive to the evolving needs of our people and will seek to facilitate a healthier integration of personal and professional responsibilities.



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# Interview with Colette Rückert-Hennen, EnBW AG, Germany:

## Empowering teams to organize their own work

### EnBW AG, Germany

EnBW AG is one of the largest energy supply companies in Germany and Europe with a workforce of more than 21,000 employees. EnBW AG supplies electricity, gas, water and energy solutions, and energy industry services to around 5.5 million customers. The company aims to further strengthen their position as a sustainable and innovative infrastructure partner.

### Colette Rückert-Hennen

It quickly became clear that a one-size-fits-all hybrid work policy was not going to work for us, so we decided to make the teams themselves responsible for finding the right mix of in-person and remote work. With the support of the group-wide BestWork project, we made sure that the consultations were target-oriented and binding, but that the team also had more agency throughout the process.

The Interview was conducted in June 2023.



**Colette Rückert-Hennen**  
CHRO at  
EnBW AG, Germany



**Maren Hauptmann**  
Deloitte Partner Human Capital, Germany



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## Empowering teams to organize their own work | Colette Rückert-Hennen, EnBW AG, Germany

### Maren Hauptmann

We started our wide-ranging Human Capital Trend study in 2022, when the world was a completely different place. Many of the certainties that were settled for decades in HR management seem to be dissolving before our very eyes with so many changes happening across the world. We have already abandoned the idea that employees will be sitting at fixed desks in the office every day, and we are learning how to replace traditional hierarchies with more agile structures. Even the good old job description is no longer the core component of personnel planning that it used to be. How is senior management at your company dealing with all of these changes, Ms. Rückert-Hennen?

### Colette Rückert-Hennen

It's true, our enterprise is facing some major changes. We are an energy supplier with a workforce of about 27,000 and, as a key part of critical infrastructure, we need a stable workplace to keep energy production and the grid in operation. And we have to do all that even as we face challenges such as digital transformation, agile practices, and hybrid work models. Of course, during the pandemic—in the space of a day—we were able to set up some 10,000 of our employees for remote work. But the challenge is entirely different when it comes to choosing a hybrid work model that will stand the test of time. Thankfully, we got an early start on this and are now seeing the first positive results.

Let's talk about hybrid work first. After the pandemic, a lot of companies decided to bring their staff back into the office or to introduce a set of

strict guidelines on remote work. It quickly became clear that a one-size-fits-all solution wasn't going to work for us and that we had to come up with our own hybrid model, which we decided to call "BestWork".

The plan was to make the teams themselves responsible for how they want to work in the future, which means every team decides what model works for them. If, for example, they agree to a team day once or twice a week, then that's ok. If another team only wants to have a team day once a month, that's fine as well. We let all of the teams make their own decisions and agree on a model that is as flexible as their own operations allow. My department played more of a support role in the process, focusing mainly on cultivating a culture of dialogue that gave each team the freedom to handle the consultation process on their own. It turns out that giving staff more agency is a big advantage.

Some of the managers were very supportive, but it has been a big adjustment for others. To me, it's not just that the added flexibility of hybrid work also benefits top managers; it gives the teams new responsibilities as well. When managers are no longer working next door to their direct reports, they have to trust them to be mature enough to organize their own tasks. In the end, we all reap the rewards.

### Maren Hauptmann

That is exactly what our research findings show. Companies that leave it up to their teams to determine the ideal ratio of remote to in-person work

report the greatest benefits in terms of employee motivation and well-being in the workplace. At the same time, some companies are looking to completely redefine the workplace using virtual reality. Have you started looking into this challenge yet?

### Colette Rückert-Hennen

We are working on issues like these, but not yet across the board. Even in industrial and technical roles, digitalization is making inroads and transforming entire professions. For example, we are now using drones to inspect the grid and renewable energy plants. This is not only changing the workplace as such, but also the way we work. Of course, it will completely change the job requirements as well.

With BestWork, we are introducing an entirely new workplace concept across the enterprise. It is important to get the workplace design right, because staff will want to come into the office if it meets specific needs. And that requires the right technical and physical infrastructure, which goes beyond simply giving everyone a laptop. At the same time, we have to upskill our staff with advanced digital training and upskill our managers to prepare for a very different role now that staff are no longer in the office every day. I am convinced that we will end up with a wonderful and workable concept in place. When managers and employees see that everyone is at ease, happy to be there, and committed to their work—what could anyone possibly have against this new world of work?





### Maren Hauptmann

In our findings, companies with a flexible workplace strategy have a more positive employer image, finding it much easier to attract new talent in a tight labor market. Is employer branding a key driver of your strategy as well?

### Colette Rückert-Hennen

We are facing a general shortage of skilled workers as well as profound demographic change in our workforce—after all, many of our employees will be retiring over the next few years. Our medium-term forecasts indicate that we will have to fill no fewer than 8,000 positions in the next three years. With this demographic shift and our ambitious growth plans, we will have to recruit staff for more than half our positions by 2030. So, maintaining our appeal as an employer is something we take very seriously. It is already clear today that it will take a lot of effort to fill future positions.

At the same time, the response to our BestWork campaign has been really positive among our applicants. We seem to be able to win over new employees rather quickly—some of our business partners have even asked how we manage to get so many candidates to choose EnBW. The way I see it, giving staff more flexibility and more agency is something new recruits see as a tangible benefit.

“When managers and employees see that everyone is at ease, happy to be there, and committed to their work – what could anyone possibly have against this new world of work?”

Colette Rückert-Hennen



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**Maren Hauptmann**

With things on the job market changing so fast, a lot of companies are putting skills rather than job descriptions at the center of their recruiting strategy. The skilled-labor shortage you pointed out is a major driver here. At the same time, the business environment is changing so quickly that job descriptions are obsolete as soon they are posted. Many companies are finding it hard to adapt the recruiting plans and organizational charts of their official HR strategy to the rapid changes in the business. That's where we are seeing the shift to a more skills-driven strategy. This is a massive change from the structures we all grew up with, which, at their core, were based on fixed job descriptions. Do you find yourself moving the focus more to skills as a way of dealing with the demographic challenges ahead?

**Colette Rückert-Hennen**

Yes, we do. I first came across the skills approach about a decade ago when I was asked to restructure our call center. Back then, support requests were always passed along to employees with the best skill match for the respective issue. It was a very successful model that kept both the callers and the employees happy. Having seen this skill-based division of responsibilities work at a smaller scale, I am fully confident it could work at the enterprise level as well. To apply it at scale, however, is a completely different challenge and quite revolutionary. It will be more important to have transferable skills than a linear life and career path with no gaps. When we need to fill a position at EnBW, we consider the skills the applicant needs for a specific position as well as those that might be relevant for other domains as well.

To lay the foundation for this approach, we introduced a new strategic personnel planning process three years ago that is completely different to the quantitative forecasting that we have been doing as standard. Strategic planning is designed to gain an understanding of the skills we have in the enterprise today and those we will need tomorrow. This is all the more relevant in a business environment that, as you pointed out earlier, is experiencing such rapid and dynamic change. Take nuclear power, for example. We have always operated nuclear power plants in the past, and now we have to dismantle them. This is a job with serious safety considerations that requires specialist expertise and, in some respects, very different skills than we previously needed. We ended up having a lot of people who were happy to work on solving this issue and motivated to advance in their careers—something we expect to become more relevant in other areas as well. So, we set up an in-house learning platform called LernWerk, which empowers staff to design their own professional development path. It shows them which skills are likely to be in demand at the company in the long term, and how they can work with their manager to set up a development plan to acquire those skills through various training opportunities. This empowers each employee to take control of their own career path.

Then there is the challenge of the digital transformation. It is our job to plan for augmented reality, to steer drones, and recruit cybersecurity experts. As I mentioned earlier, we introduced a wide-ranging strategy three years ago to evaluate and then recruit talent with the skill sets we need. We started by

cataloging and bundling different skills so that we could, on the one hand, create different positions to recruit for, but also have people on staff with the kind of skills that could be transferred to other roles. With this as the basis for our strategic planning process, our HR controllers work closely with specialist departments to identify and plan for a wide range of future needs. Now, I would be wrong to say that every manager and the entire HR department already has all the expertise they need to embrace the skills-based approach. It is up to us to help the company as a whole acquire this expertise, and we are working hard to get there. After all, our goal is to recruit and onboard the majority of our open positions by 2025 using a skills-based approach.

**Maren Hauptmann**

Are there areas that work better with the skills-based approach than others?

**Colette Rückert-Hennen**

It's hard to say, but generally the more digital savvy and agile a manager is, the easier it is for them to staff according to skill. In our renewable energy projects, for instance, we work exclusively with agile methods. That makes it easier for the teams to recruit employees based on their skills, whereas we are more likely to use more conventional methods to recruit for traditional departments with complex tasks and higher security requirements.

**Maren Hauptmann**

When companies such as yours gradually start to introduce new ways of working way, management is faced with fundamentally new challenges. Leader-

ship is no longer defined solely by the organizational chart. Employees are no longer sitting at fixed desks day in, day out. And we have stopped valuing staff based only on their position in the hierarchy, relying instead on the skills they can contribute—even on a temporary basis—to specific tasks. So, increasingly, leadership is a network-based endeavor rather than the strict line management we grew up with. How does that play out in your company?

**Colette Rückert-Hennen**

More than three years ago, we set up the Leadership Development Journey to guide management into this new world, starting with the top two management tiers. The journey has gone well and is still going well. However, we need to take the strategy further and enter the uncharted territory you are talking about. The next step is to advance our collective understanding of leadership across all corporate units, which is a key objective for all of us on the management board. The good thing is that redefining what leadership means is something everyone has to do, not just a chosen few. And exchanging ideas and expertise with colleagues outside our departmental boundaries is especially important in this context. Where there are different perspectives, for instance with regard to digitalization, then our joint approach will allow for a healthy exchange.

There is a lot of diversity today in the leadership process, and all the people involved from different levels of the hierarchy are well respected. I have no doubt that this program will make EnBW even more attractive as a place to work.



# Interview with Guido Ruiz Höhn, DEKRA SE Group, Germany:

## Going global requires cultural savvy

### DEKRA SE Group, Germany

DEKRA SE Group has been working for safety for almost 100 years: The German Motor Vehicle Inspection Association founded in Berlin in 1925 has become one of the world's leading expert organizations. In 2022, DEKRA SE Group generated sales of almost 3.8 billion Euros, almost 49,000 employees work in about 60 countries on five continents.

### Guido Ruiz Höhn

Today's businesses have a more global reach than ever before, and that requires a different leadership approach. Even if you only meet staff remotely, you have to engage them in their regional context. It takes entirely different leadership skills, chief among them so-called cultural savvy, to manage different nationalities in a hybrid work environment.

The interview was conducted in July 2023.



**Guido Ruiz Höhn**  
EVP & CHRO at  
DEKRA SE Group, Germany



**Frank Schäfer**  
Deloitte Partner  
Human Capital, Germany



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**Frank Schäfer**

Like many other companies tapping into international markets, DEKRA has made globalization a key strategic axis. And that means the human resources department and the management process itself will also have to become more international—even as managers face new and challenging demands every day. In the latest Human Capital Trends survey, published in 2023, we found that many of the certainties we regarded as settled in HR management seem to be dissolving due to the changes happening across our world. We know now that employees will longer be at fixed desks in the office every day, and that we have to connect with them remotely. The strict hierarchies and fixed job descriptions of the past are also a thing of the past, as we move towards the boundaryless enterprise. What does this mean for your senior management, Mr. Ruiz Höhn, to shift focus to international markets under these circumstances?

**Guido Ruiz Höhn**

DEKRA is a testing and certification company with roughly 50,000 employees in more than 60 countries in five regions, so we already have a global footprint. But you're right: Globalization is one of our strategic axes, and this naturally poses new challenges for our leadership. In a way, all of us—the entire enterprise and the entire leadership—are on this journey together. We are learning that the teams we manage are less likely to be on site at a single location and more likely to be working

in remote or hybrid teams all over the world, either in different offices or on the road. We can't simply look over their shoulders anymore. So, we started working closely with DEKRA executives to redefine what leadership means and draft new leadership standards: What does it take to lead in a global organization? How do I build transparency into the global teams I lead? And even more importantly, how do I find out what expectations these global teams have and where there might be cultural pitfalls?

The goal is to bring all current and future leaders on this journey and work together to figure out how managers can create community in an enterprise with no borders. What does it take to create a shared corporate culture despite hybrid and remote work? How can we succeed in building trust, even across cultural boundaries? Am I culturally savvy enough in my everyday interactions? We realized that each of these issues deserves special attention; after all, things that sound simple are often quite complex. Every manager should be in a position to acquire the skills they need to lead global, virtual, and hybrid teams with different cultural influences, and do it remotely. We feel that we are up to this exciting challenge, and that this is the key to our continued success in the new world of work.





**Frank Schäfer**

How did you approach it?

**Guido Ruiz Höhn**

The first step was to get the entire management to agree on a set of shared leadership standards. We realized that not everyone across the enterprise had the same expectations of a leader. One thing we all agreed on was that leadership is empowering others to be as successful as they can be in their respective roles, but we had not yet agreed on how to define that empowerment. Working with the management board, we set out to determine what makes a leader at DEKRA, regardless of the person's location or business activities. We came up with a shared definition, and in my view, the process in itself was a crucial step toward achieving a common vision.

**Frank Schäfer**

In many of our studies, we see managers who feel they have truly arrived once they reach a certain status. This often goes hand-in-hand with a strong opinion (and self-regard) that they no longer needed any professional development. And now, these managers are up against a world that is changing profoundly, rendering many of their cherished standards and routines obsolete. How do you convince your managers to give up this feeling of having “made it”—what some might call complacency—and help them to embrace change?

**Guido Ruiz Höhn**

This was, in fact, one of the key points we wanted to address. We have elevated so-called self-awareness to a core leadership skill, because a leader cannot grow without a good sense of their own strengths and weaknesses. It's a fundamental requirement. Curiosity is also an essential part of this skill set. We want our managers to be genuinely interested in hearing different perspectives and ideally adopting some of them over time. Almost automatically, this would lead our managers to question conventional solutions and ideas—not just those of their peers, but also their own.

Over the course of our discussions, we realized that a self-aware person with a curious mindset already has two of the essential qualities our leaders need to embrace and implement change. Unfortunately, these traits don't just fall into our laps. So, to help us tap into them and make them an integral part of our leadership standards, we decided to do a deep dive into these skills and share our findings with the entire company.

**Frank Schäfer**

What was the response? Leadership principles typically generate responses and expectations within the company that can then shape leadership behavior.

**Guido Ruiz Höhn**

There were two issues that resonated deeply within the company. When I explained the idea of self-awareness and provided examples, people immediately got on board. We made it clear that we expect our leaders to make a visible and tangible effort to become more self-aware. For us, that means actively asking for feedback and being open to speaking about things they may need to change. We also want leaders who are not afraid to be vulnerable and form close relationships with their team. That will help them win over each and every team member. Managers should not judge themselves solely based on their business decisions. We much prefer managers who consistently work on themselves and make a visible effort to grow as leaders within the DEKRA organization. This is the only way for leaders to set an example for everyone else. They should always be role models for employees to look up to!

**Frank Schäfer**

What was the second issue that resonated so deeply?

**Guido Ruiz Höhn**

Interestingly enough, it was something I thought was self-evident—but the response has shown that we have to address it head on. This issue is talent development, a skill we should really expect and demand from our leaders.

In such a large organization as ours, you first have to decide what good talent management means before you can establish standard practices. After all, there are many very different types of expertise. Some roles will require staff to gain a high level of expert knowledge over several years and keep it up to date. The leadership career path, on the other hand, is an entirely different matter altogether. Developing leaders is more about acquiring skills rather than technical expertise. In our view, talent development has to be about more than just technical training. It should, above all, be concerned with finding new roles for people with a solid skill set—and not simply because they have been doing a particular job in a particular place for years. Instead, everyone involved should feel certain that the candidate has the potential to grow into the new role or to learn and master the necessary skills as they go along. In other words, career development in my view means focusing on potential and not just experience.



**Frank Schäfer**

Our research shows that professional development is among the most important factors people consider when looking for a job. That makes training and development an integral part of retaining your own workforce at DEKRA, and managers as well as management practices play a significant role in this process. Have you come up with any methods to measure a manager's performance in this context?

**Guido Ruiz Höhn**

We regularly conduct employee surveys to measure the engagement in specific areas. There is another key leadership skill at play here; after all, managers are pivotal in our ongoing efforts to build employee loyalty.

I really believe that it is up to our staff to take control of their own professional development. That said, the role of the manager is important as well. More and more these days, they act as coaches who are not afraid to challenge the plans and aspirations of their employees. This is a special leadership "muscle" you have to keep training.

It is also important to create the right conditions within the company for this, and we are working on that now. I'm not just talking about additional training opportunities. We need to put serious effort into creating a learning environment. Ideally, we would be offering more cross-functional projects that enable staff to work in a different area

than their main job. Cross-sectional projects and teams like these add real value for the company as a whole and incentivize staff to prioritize their own professional development. We don't think you have to coordinate massive plans for this approach; our job, in essence, is to provide a marketplace that makes the project staffing process more transparent and creates demand for challenging assignments. At the same time, we need to clearly communicate to employees the learning benefits of participating in interdisciplinary projects. It is important to describe the potential rewards as part of professional development discussions, so that staff and management are on the same page regarding the future career path. That is my idea of good talent management.

**"Every manager should be in a position to acquire the skills they need to lead global, virtual and hybrid teams with different cultural influences, and do it remotely."**

**Guido Ruiz Höhn**



### Frank Schäfer

What are the challenges associated with this approach to professional development?

### Guido Ruiz Höhn

One of the biggest challenges is communicating the added value of this approach to leadership. When an employee makes a professional development request, management often sees it through the lens of losing a staff member. This is particularly true because we don't have an easy-to-understand overview of the talent we have available in-house. To be honest, our managers often still feel this way when it comes to career development conversations. The only way to counteract this is full transparency: allowing managers full access to our succession pipelines. This goes beyond regular one-on-one meetings; it is more about establishing a shared understanding of the enterprise-wide potential in our succession plans across the entire management. Once we have outlined these plans at the strategic level, everyone looks forward to and has a shared interest in implementing them. It takes two or three rounds to really convince our managers in my experience. That's when they start to relax, because they are now familiar with the plans and their employees' career development paths. They finally understand that their operations are not going to suffer when good employees grow professionally and move to another department. That's why I think it is so important to keep discussing the succession plans at regular intervals within the leadership team.

### Frank Schäfer

According to the 2023 HC Trends Survey, only about 20 percent of leaders in multinational companies are equipped to respond effectively to the modern world of work. Would you say the same about DEKRA?

### Guido Ruiz Höhn

That is not an easy question to answer. In my experience, a lot of managers are still struggling to lead their virtual teams. And this is certainly not unique to us. On top of that, only very few of them would ever openly address the issue.

I personally find it fascinating how profoundly the pandemic has changed the working world in such a short space of time. What a thrill to witness this surge in innovation toward new ways of working. Post-pandemic, there have been many challenges, of course, but also many benefits. Now it is up to us to decide whether we want to turn back the clock or build on these new opportunities. At DEKRA, our position is clear: we look forward to playing an active role in developing the working models of the future and steering the change process. This makes it all the more important to focus on challenging and refining our definition of "good" leadership in a constructive way.



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# Interview with Dr. Daniela Büchel, REWE GmbH, Germany:

## Digitalization – a revolution for the workplace

### REWE GmbH, Germany

REWE GmbH is a German retail group organized as a cooperative that operates in food retailing (REWE, Penny etc.), specialist retailing, and tourism (incl. DER Touistik). As one of the leading food retailers in Europe, REWE GmbH is number two behind EDEKA and just ahead of the Schwarz Group (e.g., Lidl, Kaufland) is the German food retail sector. As one of the leading food retailers in Europe, REWE GmbH employs more than 400.000 people.

### Dr. Daniela Büchel

Digital business models and a gradual shift to digital in bricks-and-mortar retail: Digital transformation is changing the way we do business in virtually every sector. Even employees are demanding more digital services from head office, ideally via an employee app. That said, face-to-face conversations and personal interaction will continue to be a vital tool in our digital future.

The interview was conducted in October 2023.



**Dr. Daniela Büchel**

Executive Board Member Ressort People and Sustainability at REWE GmbH, Germany



**Maren Hauptmann**

Deloitte Partner Human Capital, Germany



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### Maren Hauptmann

Digitalization is quickly taking hold in every area of business – this is particularly evident in the retail sector. We see it in new digital business models from online ordering to multichannel retail, but also in bricks-and-mortar outlets, where retailers are introducing digital solutions for checkout and staff scheduling. Our studies show that these new, to some extent boundary-less, options are having a lasting impact on the workplace and calling for a new approach from both managers and employees. Dr. Büchel, is the digital transformation with all its implications the biggest challenge yet for large retail groups?

### Daniela Büchel

We actually see digitalization as two separate issues: The first relates to our business models. We want to use innovative technologies to tap into new areas or markets. Our e-commerce operations, for example, have made us the largest grocery retailer in the food sector today. The second issue relates to our internal operations, where we see digitalization as an enabler for more efficient and more effective processes. One example here is in order fulfillment, where we use a digital documentation system. In both of these areas, going digital has had an effect on the way employees work, but in very different ways.

E-commerce has completely changed the workplace and challenged staff to take on new roles and adopt new processes, such as omnichannel or “Pick & Go” and home delivery solutions. However, digitalization also plays a key role when it

comes to improving existing operations, particularly in the stores. Take the checkout process, for example, which is by no means ideal as we know it today. Customers remove items from the shelf and put them into the shopping cart, then stand in line at the checkout and move everything from the cart to the conveyor belt for the cashier to scan and finally place each item back into the cart in a bag. Not exactly an efficient process. And considering that store employees spend 30 to 40 percent of their workday at the checkout, we quickly recognize that this is a process where modern technology has the greatest potential – and the greatest need – for change.

We are testing various models in this area. Self-scanning is available at some stores, where customers can scan and pay for goods themselves on their way out of the store. This works quite well for smaller shopping baskets. In other stores, you can scan your items with an app on your phone or with our mobile scanner as you place them into your cart. So, once everything in the cart has been scanned, you only need to pay at the checkout on your way out. This is called “Scan & Go”.

The most recent innovation is something called “Pick & Go”, which is an extremely convenient offering for customers with a REWE account. Cameras in the store automatically register which items you place into the basket and then you get the bill automatically after you leave the store. This is already on offer in our stores in Berlin, Munich, and Cologne, with more locations

to follow in 2024. Pick & Go will enable us to digitalize the entire tedious checkout process, something that doesn't offer any real benefit to our customers.



### Maren Hauptmann

The checkout example makes perfect sense. It is a compelling example of the challenge of optimizing the “customer experience”. In our studies, we have found that today’s employees are also looking for digital solutions for obtaining HR services. Staff expect the same level of service whether they are interacting with head office or HR. This is often referred to as “employee experience”, which really only means that staff want the services delivered by their employer to be as convenient as those they offer their customers. Have you started digitalizing employee processes as well?

### Daniela Büchel

We are currently in the process of launching an employee app that staff can use on their own smartphones. It is voluntary, of course, but it’s still an important step towards improving the employer/employee relationship. When I want to get a message out to all employees – all 380,000 of them – I have to write them a physical letter. Not exactly a cutting-edge solution in terms of employee experience. But with the nature of our workforce, it isn’t easy to offer a digital alternative. Not everyone who works in store or in our logistics operation actually has a smartphone, so how do we communicate with them digitally? We are introducing a solution at the moment for employees to use on a work computer or on their private device. There are a few hurdles to overcome in terms of information security and data protection,

but it will all be worth the effort if staff can obtain services via the app and digitally submit their vacation requests, call in sick or healthy, announce a new role and much more. These are all processes that take place in the stores today, often through the manager or the store computer, but it would be much more convenient for employees to do this when they want and where they want on their own smartphones. We are working hard to offer even more services via the employee app.

Another goal that seems promising to us is the “paperless store”. My vision is to have an exclusively digital in-store experience. The most important thing in all of this is to have a state-of-the-art IT infrastructure that supports these processes. This is something we are working very hard to achieve at the moment. However, digitalization is not always as easy as it sounds; there are a lot of pitfalls. First of all, the underlying conditions have to be right, from having a fast internet connection and enough handheld devices to setting up standardized processes enterprise-wide. This is an area where we still have room for improvement. For example, if there are 100 different process flows involved in one particular system today, I would like to get it down just three flows in the future. That will make it easier to digitalize and much more efficient.

At the same time, we have to bear in mind that REWE is a cooperative, which means head office is also the central service provider for all of our commercial staff and store managers. Some of them are still more comfortable faxing documents or forms to head office or even sending them in the mail. It is a huge challenge to convince everyone that there are real benefits to digitalizing as many of our processes as possible. The best way to get everyone on board is to improve the user experience. We have to make all of our processes and applications so simple and convenient that our employees, managers, and commercial staff are eager to use them.

“The concept of a ‘paperless store’ seems really promising. My vision is to have an exclusively digital in-store experience, complete with all HR workflows.”



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### Maren Hauptmann

How are these new digital processes changing your demands on the staff? Do they need to upskill? And if so, how do you communicate that to the workforce?

### Daniela Büchel

We definitely need staff with the right digital skills for our IT operations, and we are actively recruiting them. Data analytics, for example, is becoming increasingly important, so we have introduced new positions that require data engineering skills. We are filling these very specific roles at head office.

It's a different story at the stores. I don't expect the skills to change radically for store employees. We are more likely to see their focus shift more towards advising customers. There are more and more questions coming from customers about the REWE app, Payback, and the self-scanning checkout. Our employees have to familiarize themselves with these new processes, so they are in a better position to answer customer questions. There is also a growing focus on advisory skills when it comes to the products we offer.

Among the HR staff, there are a lot of discussions about which skills employees need to develop, but so far, our staff have been well able to master the skills needed for every new challenge. As processes change, we need to make sure we keep employees in the loop and give them what they need to succeed under the new conditions. When we recruit new staff, we are naturally more focused on applicants that are open to the ongoing digital transformation. It is the same situation with logistics. In our highly automated warehouses, we sometimes have to develop new job profiles for specific tasks. Most of our staff are well able to perform these tasks with skills acquired in vocational courses or on-the-job training.



**Maren Hauptmann**

Based on our conversations with a variety of companies, it takes serious effort to introduce the change processes you are talking about – and employees want some agency in the process. Even if some of these challenges are easy to solve, it is important to get the workforce invested in the new way of doing things. How do you manage this, particularly given the scale of your company?

**Daniela Büchel**

This is a lot easier to accomplish at head office. Here, we can bring employees together by department and organize all-staff events, either virtually or in person, to discuss ongoing changes. We also naturally have a broad range of trainings, online courses, and learning videos. The challenge is completely different in the stores. We have to take a different approach there, depending on the complexity of the issue at hand. We have so-called ambassadors in each store who play a key role in keeping co-workers in the loop. Of course, we also have training and learning opportunities for our in-store staff. With such a decentralized retail network, it is virtually impossible to bring the entire staff together at a face-to-face event. And since personal interaction is very important for so many issues and changes, we often work with experts or so-called multipliers on site who can answer staff questions and offer tips.

Take our employee app, for example. It is quite complicated because each employee has to install the app on their personal smartphone. The instal-

lation process varies depending on the particular device an employee has. In my experience, the vast majority of staff are very resourceful and solution focused. If the existing support staff at the store is unable to solve a particular problem, they can contact our hotline for expert advice. Here as well, we are increasingly focusing on digital solutions with chatbots or voicebots.

**Maren Hauptmann**

You have already alluded to the fact that digital transformation isn't about replacing employees; it is about creating new opportunities and new roles. Among the almost 400,000 employees working at REWE today, more than 90 percent don't work at head office; they are on-site at the stores or on our logistics and warehouse staff. Presumably, what we have learned in our surveys also applies to your workforce. Employees want different things from their job these days. They want a better balance between family life and work life, and they want a sense of purpose in their day-to-day job. Are these the same challenges you are facing? How can you create this type of work environment for such a huge workforce?

**Daniela Büchel**

One of our biggest challenges is actually recruiting enough employees across the board. And once we have hired people, it can also be a huge challenge to retain them. Many of our employees know friends and family in other sectors who were able to work from home during the pandemic. That simply wasn't possible in our stores. And

with our extended opening hours, we also have to find staff willing to work in periods that are less appealing – in the evenings, for example, or on Saturdays. This might make recruiting staff even more difficult moving forward. We are already seeing this in some urban centers. When a new store opens in a city such as Munich, filling 40 to 50 positions can be a big ask. Especially because we want to make sure we have well-trained staff in all of our stores.

That's why we are so focused on our staff retention efforts. After all, the longer we are able to keep our existing staff, the fewer people we have to recruit. So, we invest in solutions that make working in the field or in logistics more appealing. One of our key challenges is finding ways to combine family and work. For several years, REWE has been certified by the "Job and Family" program. We are the largest corporate group to take part in these audits – which shows how we are leading in this area. We were also the first big retail group to allow our store managers to work part-time. That was unthinkable for many years, because there was an unwritten rule that managers had to be on-site 100% of the time. However, we found we were losing a lot of good female managers, who were concerned about balancing work and family, and who wanted to spend more time in their role as a mom. We have had good experience with our store managers since introducing the part-time scheme. Another key challenge is transparency in staff scheduling and finding ways to address the dif-

ferent demands of all staff. Who gets which shift? How do we allocate vacation days and daytime hours when childcare is available, while also making sure no one within the team comes up short?

We are currently piloting a new staff scheduling model designed to assign work hours across the week in a way that gives all staff an additional day off with the same number of weekly hours. There are still some kinks to work out here, still some debate as to how long one employee should work at the checkout and issues around allocating adequate break time. But this could turn out to be a model that makes working in our stores more attractive. We obviously have to study the time models in depth to make sure we can meet the needs of each individual employee. And I'm not saying this is already working well everywhere we've introduced it, but we are putting a lot of effort into improving this system over time. I believe that this could absolutely become a key employee retention tool if we find a good solution to these issues.



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“Assigning employees to the 'right' role is a key part of our staff retention strategy. That is why we put so much effort into cultivating a strengths-oriented corporate culture.”

**Maren Hauptmann**

Offering career development opportunities is another key retention tool. How do you go about identifying and developing employee potential with such a large workforce?

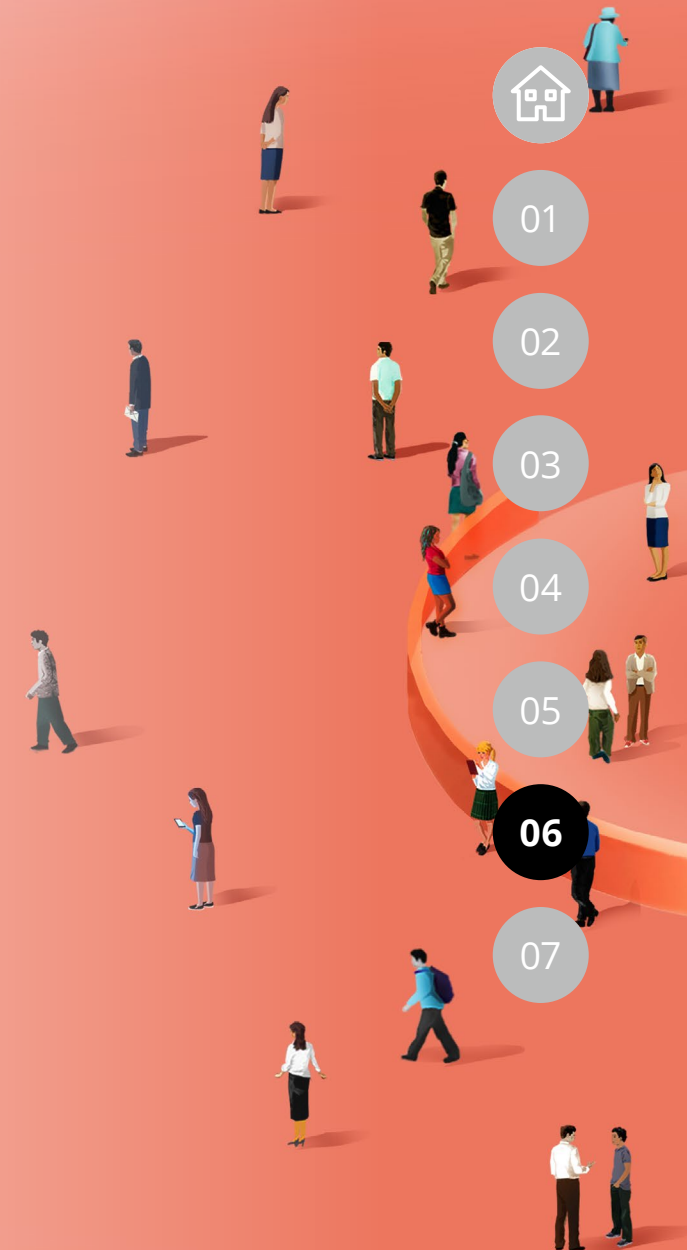
**Daniela Büchel**

You've hit on a key subject: professional development. We already have some sophisticated processes in place that align with our annual performance reviews. And our regular potential assessments and the associated employee interviews, at least to my mind, are working quite well. It is important to us to put these methods into practice in the stores as well. So, we embed all these solutions in our standard procedures and document everything digitally, making sure every employee has at least one potential assessment interview per year. These assessments take place at various levels – right up to the Management Board – to help us to determine which staff have the potential to take on a bigger role in the future. This allows us to keep an eye on employee progress and the professional development track.

We regularly review and revise this process and our excellent professional development initiatives in order to adapt them to the changing needs and demands of our employees. It is abundantly clear to us that the success of the REWE Group very much depends on our staff's success. It is important for employees and their satisfaction that everyone has a role that is in line with their strengths and offers development potential. Assigning employees to the “right” role is a key part of our staff retention strategy. That is why we put so much effort into cultivating a strengths-oriented corporate culture. At its core, this strategy is designed to promote and make the most of our employees' individual strengths. After all, focusing on the strengths of our staff will not only improve their performance as individuals but also our collective performance as an organization. Another key aspect of this strategy is being open to feedback. We believe that constructive feedback is the key to continuous improvement. By actively giving and receiving feedback, we are paving the way for personal and professional growth as well as individual and

enterprise-wide success. We are not, however, only open to feedback; we also actively encourage our staff to be bold and try new things. For us, innovation and creativity are critical success factors, and mistakes are always learning opportunities. This keeps us dynamic, agile, and willing to go in new directions.

We can, in principle, use digital tools in this area as well, but when it comes to the actual performance reviews, I have to admit that I'm quite old fashioned. I think face-to-face meetings are extremely important here – this is something that should never be done virtually. After all, we want employees to be able to share their opinions, express their ideas about future development and then engage in a constructive debate with their counterparts. Digitalization in this space is more of a means to an end. We can definitely use these tools to outline possible career paths and provide a transparent overview of the development opportunities, which will ultimately help us quickly match our existing vacancies with the skills and expertise available in the workforce.





# Outlook on Human Capital Trends

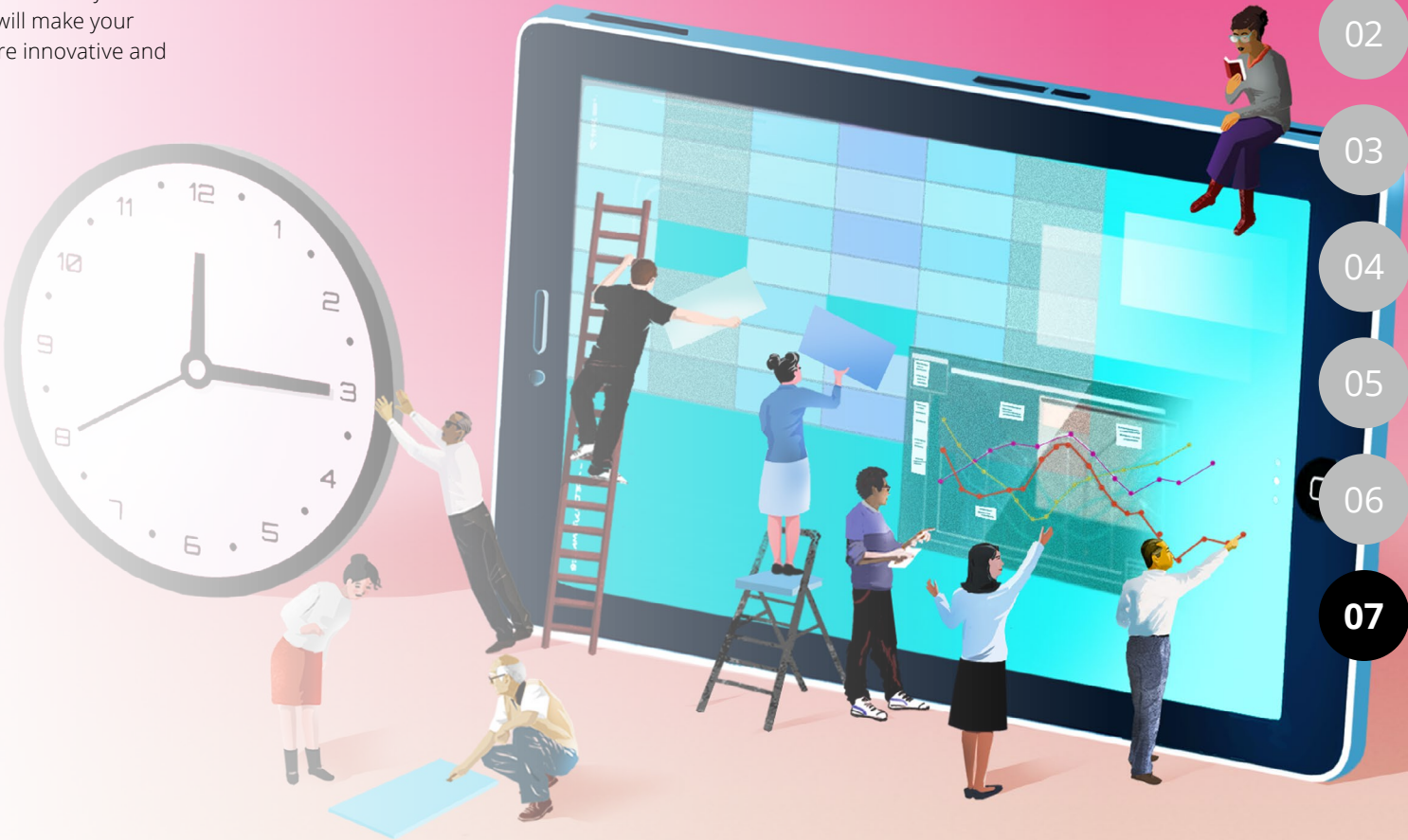
The rapidly changing landscape of work is driving a major shift from task-oriented, segmented models to more fluid, boundaryless systems.

When it comes to dealing with this disruption, our traditional structures and assumptions are not up to the task. That is why it is so critical to establish new fundamentals for enterprises and employees.

To foster innovation and collaboration, both employees and the enterprise as a whole need to approach every challenge as a learning opportunity. Such a sudden shift may cause a certain level of unease, even as it unlocks enormous growth potential.

The key for today's enterprises is to make their employees co-creators of future relationships, with a heightened focus on people-centric strategies and goals. This means thinking like a scientist and experimenting your way to new, adaptable solutions.

To manage the complexities of the future workplace, it will be vital to evolve with new trends and approaches rather than clinging to outdated models. Ultimately, the ability to whether the storms of change will make your workforce more adaptable, more innovative and more resilient.



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