

The dual transition

The path to a digital and sustainable economy

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Executive conversations with...



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HR AT THE CORE OF TRANSFORMATION



Mercedes-Benz is one of the leading global suppliers of high-end passenger cars and premium vans. The company also offers financing solutions and innovative mobility services. In 2023, the company had a workforce of around 166,000, sold about 2.5 million vehicles, and reported a revenue of €153.2 billion. The company aims to have a net carbon-neutral new vehicle fleet across all stages of the value chain by 2039. Eefje Dikker is the head of global HR Transformation, Digitization and Operations at Mercedes-Benz Group AG. Prior to this, she was HR director and, later, a member of the board of management and director of Labor Relations at Daimler Mobility AG. In April 2023 she took over Transformation, Digitization, and Operations within the Personnel department of the Mercedes-Benz Group. She has held several leadership positions in HR across her rich career in the industry, spanning more than 25 years. She is based in Stuttgart, Germany.



HR AS AN ANCHOR FOR OVERALL BUSINESS TRANSFORMATION

Which strategic objectives are you currently working towards??

My top priority is HR transformation, where I have a twin focus on digitization and overall organizational transformation. On the operations side, I am responsible for shared services for HR in Germany and internationally, in addition to managing Tech for People, which is the unit responsible for the IT side of our HR, on a global scale. I also manage HR strategy and change management as part of our broader transformation program, which is implementing some of the greatest changes we have seen in the history of the organization.

What is Mercedes-Benz's approach towards its data transformation journey?

The automotive industry is going through a remarkable transformation. A great deal of innovation has sprung up, especially in software development and the use of integrated data on customers and vehicles. Data is key for HR, too. It has, therefore, become even more important for us to focus on a common, coordinated data approach that can be followed across departments. This common data approach deals with issues such as storage, handling, and usage. We make sure that different functional areas are involved in the joint pilots to ensure that our data strategy is applicable across the organization.



Eefje Dikker, Head of Global HR Transformation, Digitization and Operations, Mercedes-Benz Group AG





New technologies have impacted your industry greatly. What is the role of HR in the organization's transformation journey?

HR is pivotal for any transformation. Moreover, we are actively transforming HR from the inside. We have set up new structures and end-to-end responsibilities as we introduce a product mindset into HR processes, with the required training and qualification initiatives to support these.

We are entering a digital era in which most people will be expected to adapt to working with new technology. We are constantly on the lookout for opportunities in other functional areas, such as finance and legal, in which we hope to use tools such as generative AI to unlock greater value. Over the last few decades, HR has transitioned from a comparatively narrow focus on contracts, hiring, and related activities to handling transformations, testing strategies, and helping organizations to build the resilience required to weather the changes brought by the digital transformation.



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How do you attract the candidates you require to respond to the rapidly changing technology environment?

We have adopted some approaches to attracting people with varied skills. For example, we have invested a lot in employer branding, including pushing social media to engage with different target groups. We created a pathway for manufacturing employees to join the IT workforce, following the successful completion of a course in digital skills. This ensures that our workforce can keep contributing to Mercedes-Benz, even if some of the drive train production jobs disappear as a result of the industry's shift towards electric vehicles (EVs).

Mercedes-Benz has promoted this initiative very strongly and there is highlevel backing from the board and our manufacturing leadership. We already have our first round of success stories: our people from manufacturing who have not only completed IT training but have also gone on to make impactful contributions in their new assignments. "We created a pathway for manufacturing employees to join the IT workforce. Our people from manufacturing have also gone on to make impactful contributions in their new assignments."





For certain technologies, we have relied on upskilling internal employees. In areas such as artificial intelligence (AI) and data management, we made training available to existing IT staff, rather than hiring new people. For

instance, if there is a new cloud solution we need to implement, we utilize the same people who maintain our Oracle on-site solution, after enabling them with new skills. We are planning to make a €2 billion investment between 2022 and 2030 in employee training worldwide, as part of our Turn2Learn qualification initiative. We strongly advocate using innovative technologies to enhance process stability, bolster product quality, build resources, and enhance overall efficiency. This frees up employee hours, allowing us to deploy them in other areas.

How do you incorporate emerging technologies into HR practices and broader business operations?

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AI is a crucial area for us because HR has two roles in implementing AI across the organization. One is to use it for ourselves, for our operations. The other is to use it for broader impact. For instance, we are working to harness generative AI to answer employees' more straightforward HR questions. Consequently, HR colleagues can focus on more complex tasks that require human intervention, including individual development, identifying trends, capacity planning, and adjusting business strategy.

We are always looking at new technologies that we can apply to our business. This, in turn, makes HR's role critical. Increasingly, HR will focus on the human interface. The last five years have shown us that we simply can't predict the future, and volatility is a constant. And getting the business through this volatility and enabling it to transform will be key to the role of HR.



What is the role of HR in helping Mercedes-Benz meet its sustainability goals?

Generally speaking, we have a wider definition of sustainability. It is not just limited to KPIs (key performance indicators), carbon footprint, green manufacturing, and compliance with regulation.

For us, sustainability is also linked to data quality and processing. Therefore, we have set up guidelines and knowledge-management portals to ensure we handle data in a consistent manner. Our support of the transformation process and our efforts to empower employees through skill-development initiatives are all based on our commitment to sustainability. In my view, a big part of sustainability is about enabling your employees and giving them the opportunity to learn and grow, so that they can adapt to new technology and take on different tasks. I think the learning initiatives that we have in our company are a very big part of it. And our employees make great use of them. For example, in 2022 around 120,000 training courses undertaken at Mercedes-Benz worldwide were related to digitalization, such as software, coding, and IT.



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How do you think HR leaders at large organizations can prepare for large-scale technological transformation?

One piece of advice would be to build a culture that is open for the future and does not restrict the organization to its past. A strategy may have been successful for the preceding 10 years, but this does not guarantee success for the next 10. When the organization is faced with waves of change, leaders need to avoid the complacency of living in past glory and move forward with their eyes open.



Eefje Dikker, Head of Global HR Transformation, Digitization and Operations, Mercedes-Benz Group AG

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