

“A company’s ultimate purpose is to improve people’s lives”

Jean-François Heris, President and CEO AGC Class Europe

By Stephen Gardner

What was the motivation for AGC Glass Europe to introduce a people governance approach?

Jean-François Heris: AGC is a global corporation. We produce glass for the building and automotive sectors, and television screens and similar products. About 50,000 people work for the company and we are number one or number two in each of the sectors where we have a presence.

We moved towards people governance because we had a real problem with the alignment of our HR strategy, which was not doing enough to support the business. In addition, our managers were too focused on technical matters, and not enough on people dynamics. It had become clear to the management team that HR should be the top priority for reaching the company's goals. We had many HR tools but they were not aligned, which was a further problem.

What initial steps did you take?

JFH: We took time to think and consider the meaning of what we were doing. It was an opportunity to think about the business's real value. We asked 'Why are we doing that?' and 'What is the final purpose?' and came up with interesting conclusions. The clearest answers con-



cerned value creation. My personal conclusion was that a company's ultimate purpose is to improve people's lives. This more philosophical approach was behind our people governance ambition. We took the view that it was for the top management to issue clear instructions and guidelines, so we discussed the initiative at executive committee level, then communicated with our senior managers and the rest of the company.

What concrete actions did this period of reflection and discussion lead to?

JFH: We established seven people governance principles. These deal with self accomplishment, sense of identity, openness, engagement, a holistic approach, transparency and empowerment. The ultimate objective when managing people in the organisation is to enable self-accomplishment. The other principles relate to this; self-accomplishment requires people to be empowered, which

is related to their sense of identity, and to emphasising openness rather than restrictions. Finally, nothing will happen if the management does not sincerely engage in people governance in a holistic sense. It needs to be integrated into the business model.

You have established the AGC Institute Europe to put the principles into practice. Can you give some details of this?

JFH: The AGC Institute is a place where we translate our strategic objectives into concrete actions and projects. It is also a place for reinforcement of the collective engagement of our people when it comes to strategic objectives and company values.

The AGC Institute is also a place for integration of newcomers into our value system. It is a strategic platform acting as a change agent, aiming to support and reinforce the company strategy and culture.

Can you give examples of concrete actions?

JFH: We have launched two types of project. First, we have sought to transform our HR structure. Second, other projects deal more directly with line management and team leaders, so that

they examine their attitudes. We have more than 20 projects underway.

We work on three levels of change: the job, the career and at a more strategic level. In the first case, the key questions are:

- How am I being managed on a daily basis?
- How is my performance evaluated?
- How often do I learn and what is my role?

On the career level, the questions are:

- What is my aspiration and potential?
- Where can I discuss this?

The strategic level concerns company capabilities and securing business continuity. We ask how we can get the right abilities and skills for the future of our company, and how to adapt as the company grows. Linking up these three levels of change is a part of our HR transformation programme.

How do you process the answers to those questions?

JFH: We try to give feedback through an open, non-judgemental discussion. Appropriate feedback can lead to changes in attitude and behaviour. Aligning people's working objectives with those of the company is also very

important. We aim to enable people's development through a systematic mapping of the opportunities open to them. People have to know where they stand, how they can improve and what we can do for them.

On the career level, ownership is the key. Talented people should not wait for the organisation to plan their career, though the organisation should be in a position to help and offer opportunities.

At the company level, there should be a clear vision, for example of where we will be in 2020 or beyond, so that the organisation can be shaped for the future. This leads to increased efforts to ensure that our people are developed accordingly. This strategic planning can imply management changes, which can trigger resistance. Some individuals might block the process. People governance prompts you to manage those cases fairly but firmly.

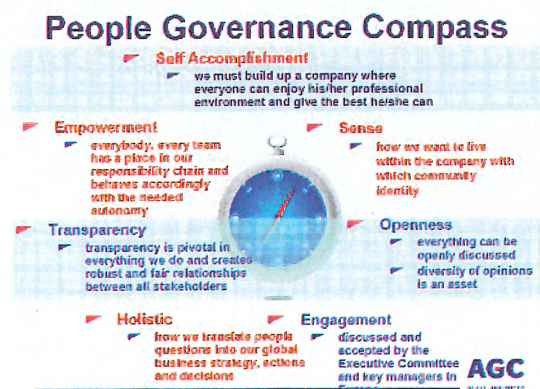
What benefits do you expect from people governance?

JFH: Respect is key. We are merging into a larger organisation in Europe, involving the automotive part of the company (5,000 people) and the flatglass part (10,000 people). Respecting each other, whatever one's background, is very important.

We want to have a transparency in our HR practices, with the HR department aligned with the business and working for the business. From our HR organisation we expect professionalism and alignment. We want to emphasise strongly that in decision-making processes, HR and people aspects should be integrated.

We want to be an employer acting fully in line with its principles. This will help attract young talent and lead to better performance. If we better address the needs of our people inside the company, we will better address the needs of those outside. This will close the loop and bring us back to the point about the company's ultimate goal: improve people's lives.

Our mission statement is to make the company a better workplace and the world a brighter place. We believe that 50 percent of glass products that will be on the market in 10 years are not available yet. We want to be innovative and have ideas in many areas, such as photovoltaic solar panels, exterior and interior glass and improved car lighting systems. These products have an important role in energy control, and thus in the fight against climate change. But without people deeply committed to innovation and governance, these developments will never happen.





People governance pioneers

During the course of the plenary session, three CEOs spoke about their personal visions and commitment in terms of people governance.

A remarkable statement was made by Luc Lallemand (who is considered elsewhere in this magazine). The CEO of Infrabel stressed the vital importance for him of having people who regard

their work as meaningful, having the feeling of being part of a meaningful whole throughout their careers. This can obviously be achieved only if all the senior officials in the organisation – irrespective of the level – are fully aware of the human dimension of their decisions and activities.

Johan Deschuyffeleer gave a presentation outlining the challenges faced by Hewlett Packard in the context of a number of mergers and acquisitions.

It is acknowledged that a company takeover may be granularly achieved in terms of figures but no watertight or ready-made strategies are available in the case of the human dimension. Respect for the distinctiveness of a working community and the related values and culture is crucial for ensuring permanent integration.

Lastly, Jean-François Heris shared with the public a number of personal observations that he as CEO of AGC Glass Europe has made at a specific point in his life. They boil down to the question of what is the ultimate purpose of a company. His answer was crystal clear: to improve people's lives. His commitment to the people in his own company was therefore nothing less than that. He is set to join forces with his executive committee in examining how AGC can put this philosophy into practice. The way he has tackled this issue in practice is considered elsewhere in this magazine. However, one thing was certain: as far as Heris is concerned, people governance is not something that can be delegated to a HR department, as it constitutes the very essence of the company. People governance offers guidance and content to underpin an entity's values, vision and strategy.

