

# GEOGRAPHIC DIVERSITY

enhancing geographic diversity  
throughout the MAERSK company

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**MAERSK**

# PURPOSE

DEFINES ALL THAT WE

STRIVE TO **ACHIEVE.**

# CRUX | WHAT'S OUR PURPOSE?

overview | remix | goals | strategies | measurement | cost | summary | appendix



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The Maersk Group must sustain a culture of **UNITY** and **INTERACTION** between all employees.

“OUR MENTALITY WAS **DANISH**,  
OUR WAY OF THINKING WAS  
**DANISH**, OUR LEADERSHIP TEAM  
WAS **DANISH**, OUR TALENT  
PROGRAMS WERE ONLY **DANES**,  
OUR TRAINEE PROGRAM WAS  
ONLY **DANES.**”

- BREUM

# CURRENT AREAS FOR IMPROVEMENT



## I) DIVERSITY

- lack of geographic diversity
- pursuit & definition of diversity

## II) TURNOVER RATE

- expectations
- lack of passion

**DIVERSITY** IS IMPORTANT.

BUT HOW DO YOU

**DEFINE**

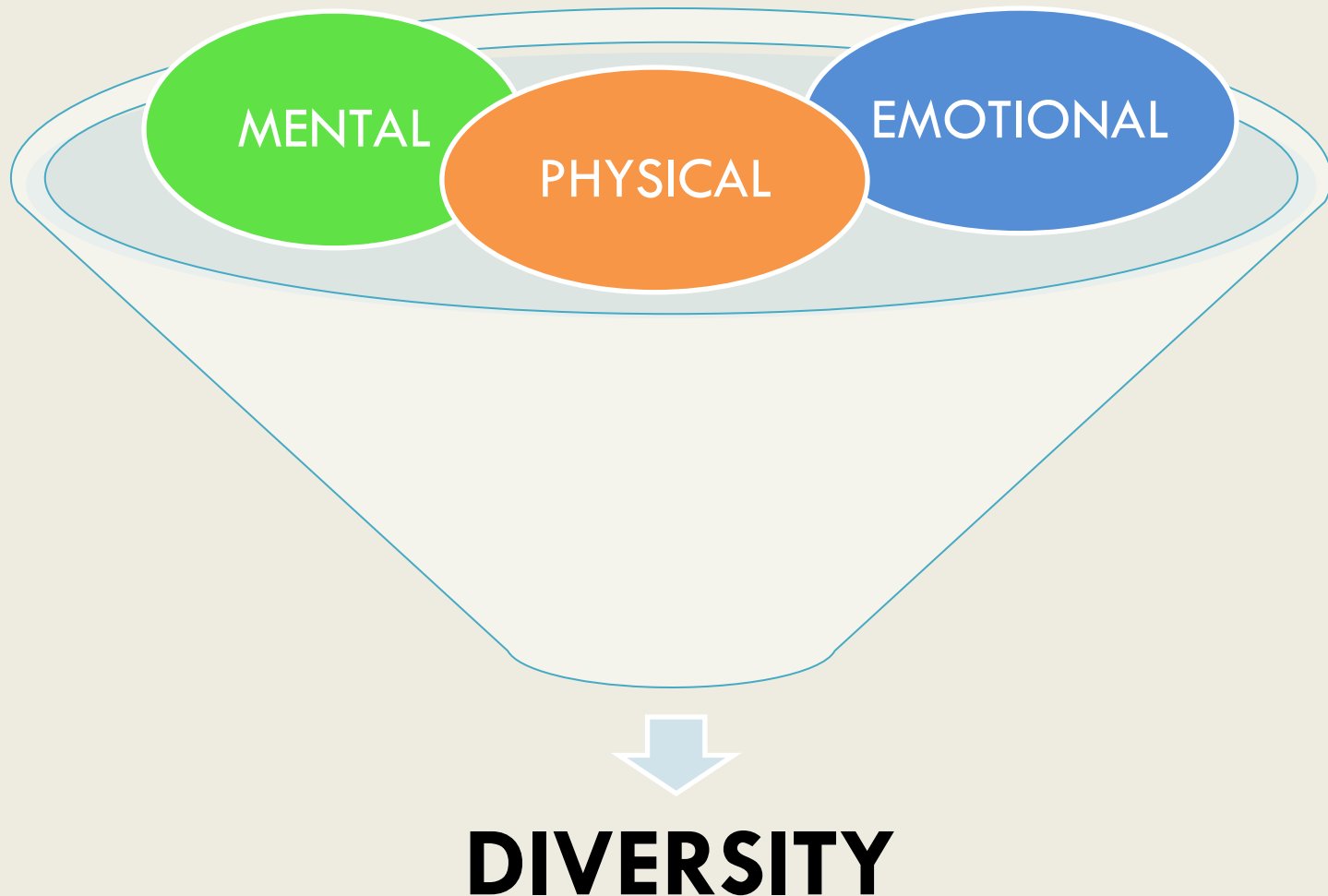
THE CONCEPT?

# WHAT IS DIVERSITY? | P.E.M.

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# WHAT IS DIVERSITY? | P.E.M.

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## PHYSICAL

- Race/Color
- Sex/Age
- Location

## EMOTIONAL

- Personality
- Values
- Relationships

## MENTAL

- Thought
- Education
- Goals



WE MUST CONSISTENTLY

**REMIX** OUR STYLE TO KEEP UP

WITH INDUSTRY &

ENVIRONMENTAL

**CHANGE.**

# REMIX | EXCEEDING THE EXPECTATION

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**DIVERSITY**

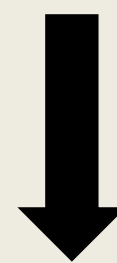
**TURNOVER**

# REMIX | EXCEEDING THE EXPECTATION



**DIVERSITY**

**TURNOVER**



**RECRUIT**

**RECOGNIZE**

**RETAIN**

# REMIX | EXCEEDING THE EXPECTATION



RECRUIT



RECOGNIZE



RETAIN

physical

emotional

mental

The Key Markets

IAP

The Maersk Reunion

diversity

diversity/turnover

turnover

# GOALS



## RECRUIT

employees in underrepresented demographics by targeting booming markets that are key to the growth of the company as a whole.

# GOALS



## RECOGNIZE

the importance of diversity across the company by instilling programs that foster self-growth and cultural awareness.

# GOALS



## RETAIN

high performing employees  
by creating opportunities to  
expand their networks and  
climb the corporate ladder.

# GOALS



## RECRUIT

employees in underrepresented demographics by targeting booming markets that are key to the growth of the company as a whole.

## RECOGNIZE

the importance of diversity across the company by instilling programs that foster self-growth and cultural awareness.

## RETAIN

high performing employees by creating opportunities to expand their networks and climb the corporate ladder.



START FROM THE BEGINNING.

**RECRUIT**

EMPLOYEES THAT ARE

**DIVERSE.**



## BIG 5 COUNTRIES IN WORLD TRADE

**CHINA**

**U.S.**

**GERMANY**

**JAPAN**

**FRANCE/UK**

# RECRUIT | SELECTED GROWTH MARKETS



## CHARACTERISTICS

- Low labor cost
- Resource rich
- Growth-motivated
- First-mover advantage



## MARKETS

BRAZIL

RUSSIA

INDIA

LATIN AMERICA

AFRICA

BUT WHY SHOULD WE

**RECRUIT**

FROM THESE **MARKETS?**

# RECRUIT | THE REASONS

overview | remix | goals | **strategies** | measurement | cost | summary | appendix



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Building  
foreign  
relationships



Integration &  
appreciation of  
market diversity

# RECRUIT | PROJECTIONS

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78,300

total number of employees from  
OIL + LINE + SVITZER + APM +  
DAMCO + TANKERS

~4%

average expected growth rate  
across all MAERSK subsidiaries  
through 2020

153,821

expected TOTAL number of  
employees by 2020

# RECRUIT | PROJECTIONS



percent of upper divisional employees from “Big 5”

**10%**

**32,821**

expected number of NEW employees by 2020

percent of new hires from selected key MARKETS

**25%**

HOW DOES MAERSK

**RECOGNIZE**

DIVERSE EMPLOYEES DESPITE

**DIFFERENCES?**



# RECOGNIZE | THE NUMBERS



# 70%

find that “Leadership in my company is genuinely committed to attracting, developing, & keeping a **diverse** work force.”

# RECOGNIZE | 21<sup>ST</sup> CENTURY

overview | remix | goals | strategies | **measurement** | cost | summary | appendix

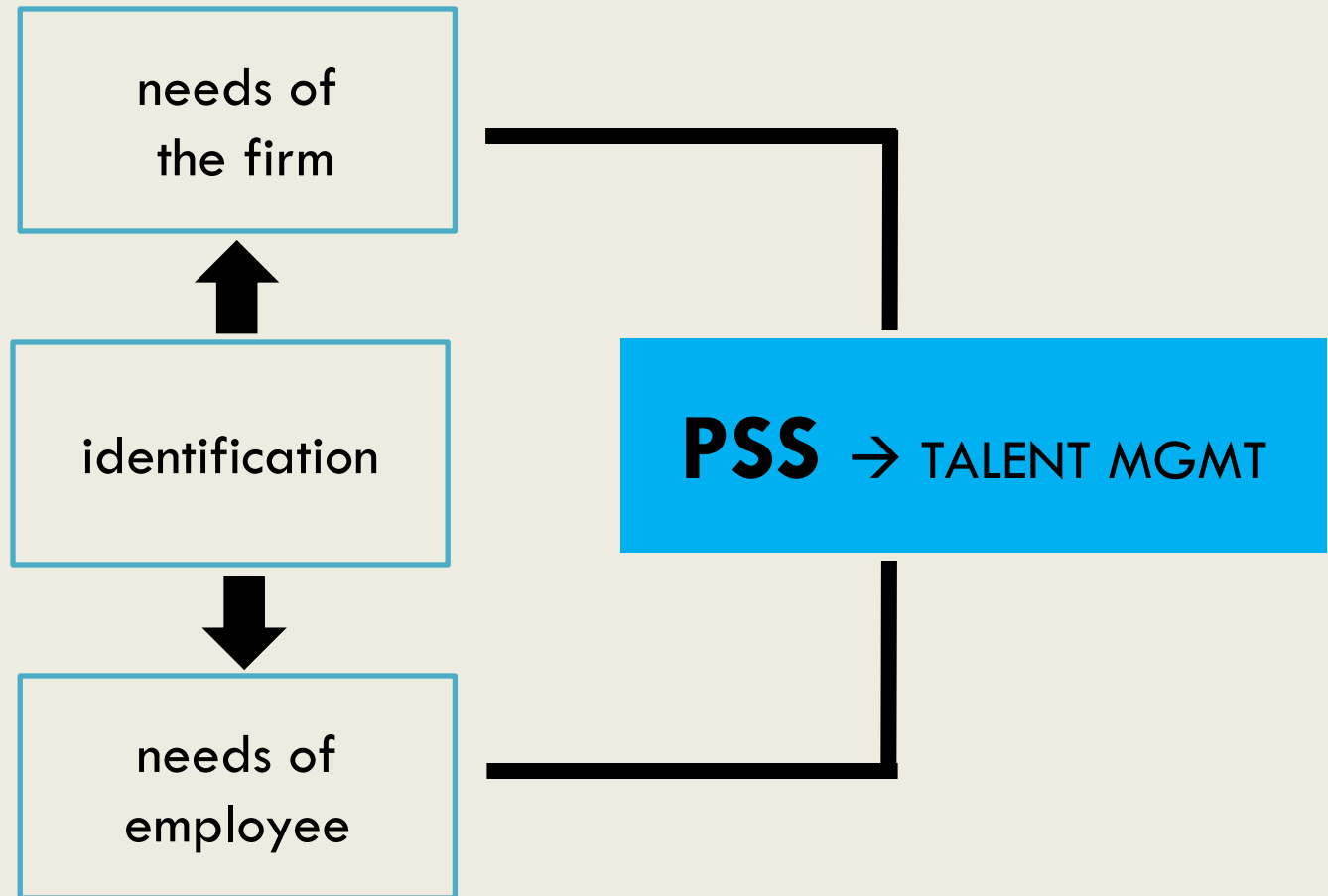


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**GLOBALIZATION + LOCALIZATION =**

**“GLOCALIZATION”**

# RECOGNIZE | PSS + LOCALIZATION



# RECOGNIZE | IAP + GLOBALIZATION

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**I**nternational

**A**cceleration

**P**rogram

# RECOGNIZE | IAP + GLOBALIZATION

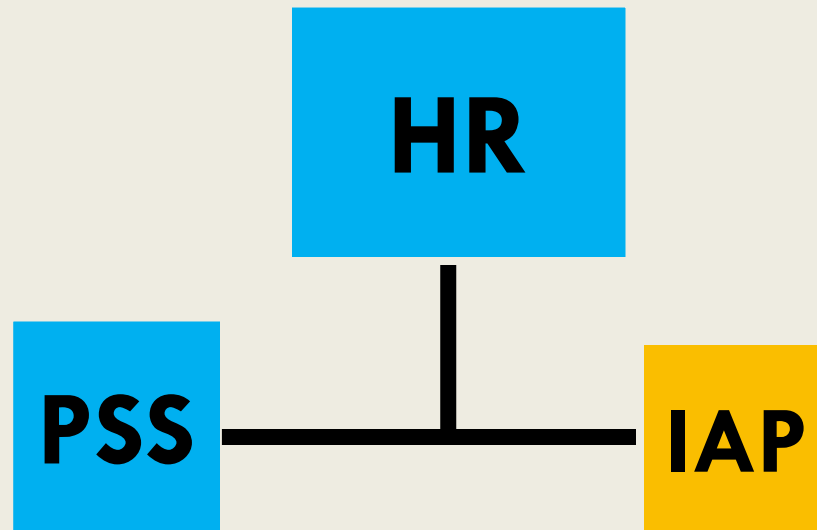
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# RECOGNIZE | STRUCTURE



- Talent management
- Employee emplacement
- Scenario planning

- Mentoring
- Small teams
- Single department
- Medium to High Performance Employees

THE MAERSK GROUP IS  
**GROWING.** HOW DO WE

**RETAIN**

OUR SENSE OF **FAMILY?**

# RETAIN | THE MAERSK REUNION

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# MAERSK

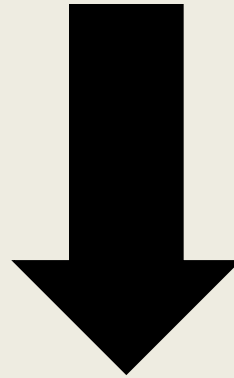
## THE REUNION



# RETAIN | THE MAERSK REUNION



35-40 diverse workshops



2,500 employee large event

# RETAIN | THE MAERSK REUNION



## WHAT

- Annual 7-day event
- Intensive training and cultural education
- Unite high-performing leaders across units

## WHO

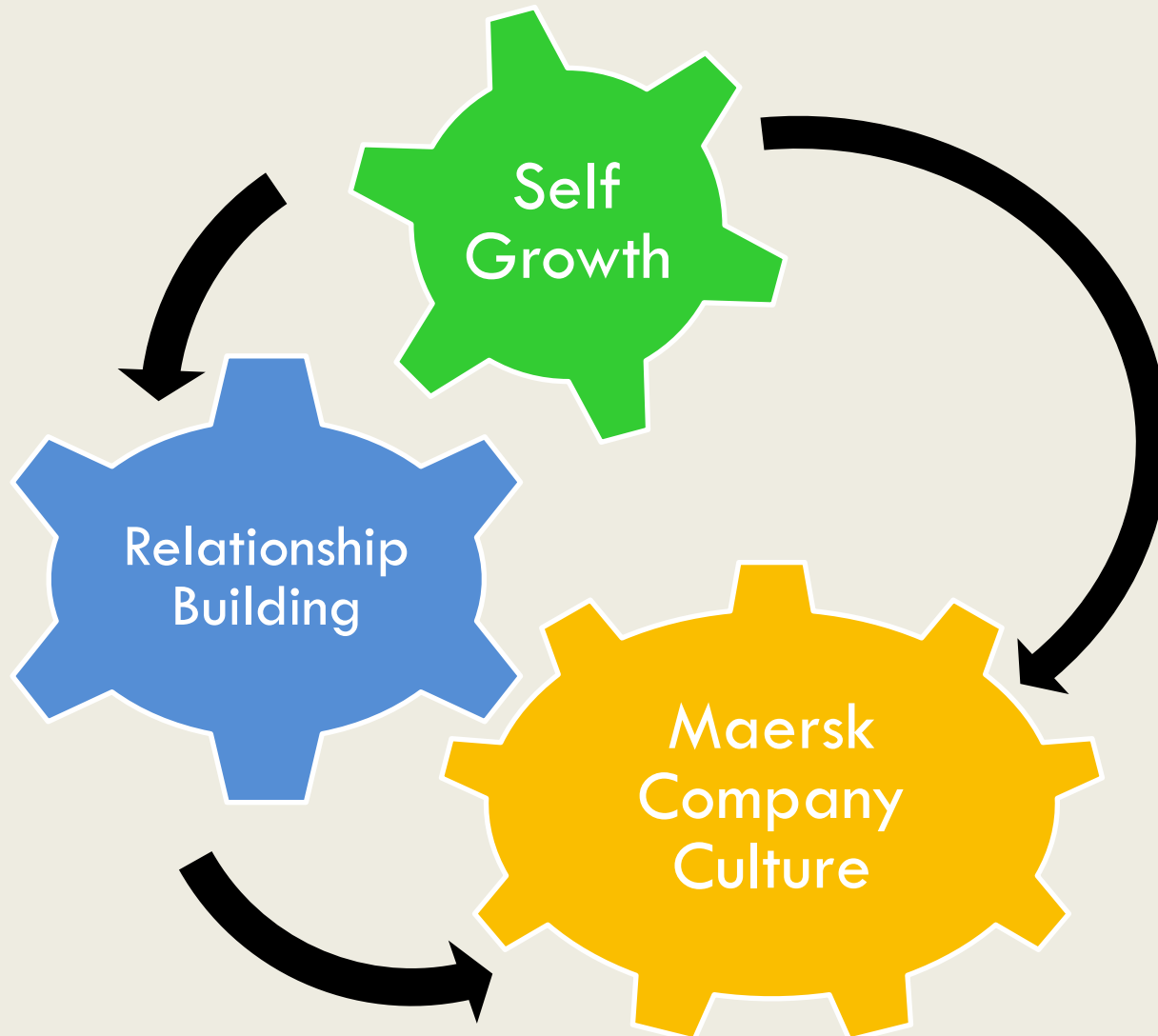
- Rotation of high-performers
- % quota from every level
  - Larger % quota from new employees

# RETAIN | THE MAERSK REUNION

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“WE EXPECT 3 THINGS OF OUR  
**LEADERS.**

ONE IS TO DELIVER **RESULTS.**

TWO IS TO BE A GOOD &

**INSPIRING** LEADER.

THREE IS TO LIVE THE

**VALUES** OF THE

ORGANIZATION.”

- ALLEN



HOW DO YOU **MEASURE**

THE **IMPACT**

OF **INNOVATION?**

# KEY PERFORMANCE INDICATOR | RECRUIT


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By **2020:**

 **25%** of new hires are from key markets

 **10%** of corporate MAERSK  
is from the “Big 5” markets



By **2025:**

 **5%** expatriate rate

 **20%** of “attracting, developing,  
& keeping a **diverse** work force.”



# KEY PERFORMANCE INDICATOR | RECRUIT


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By **2025:**

 **x2** retention rate of high performers

 **20%** of 1<sup>st</sup>, 2<sup>nd</sup>, & 3<sup>rd</sup> degree connections to diverse employees

HOW DO WE

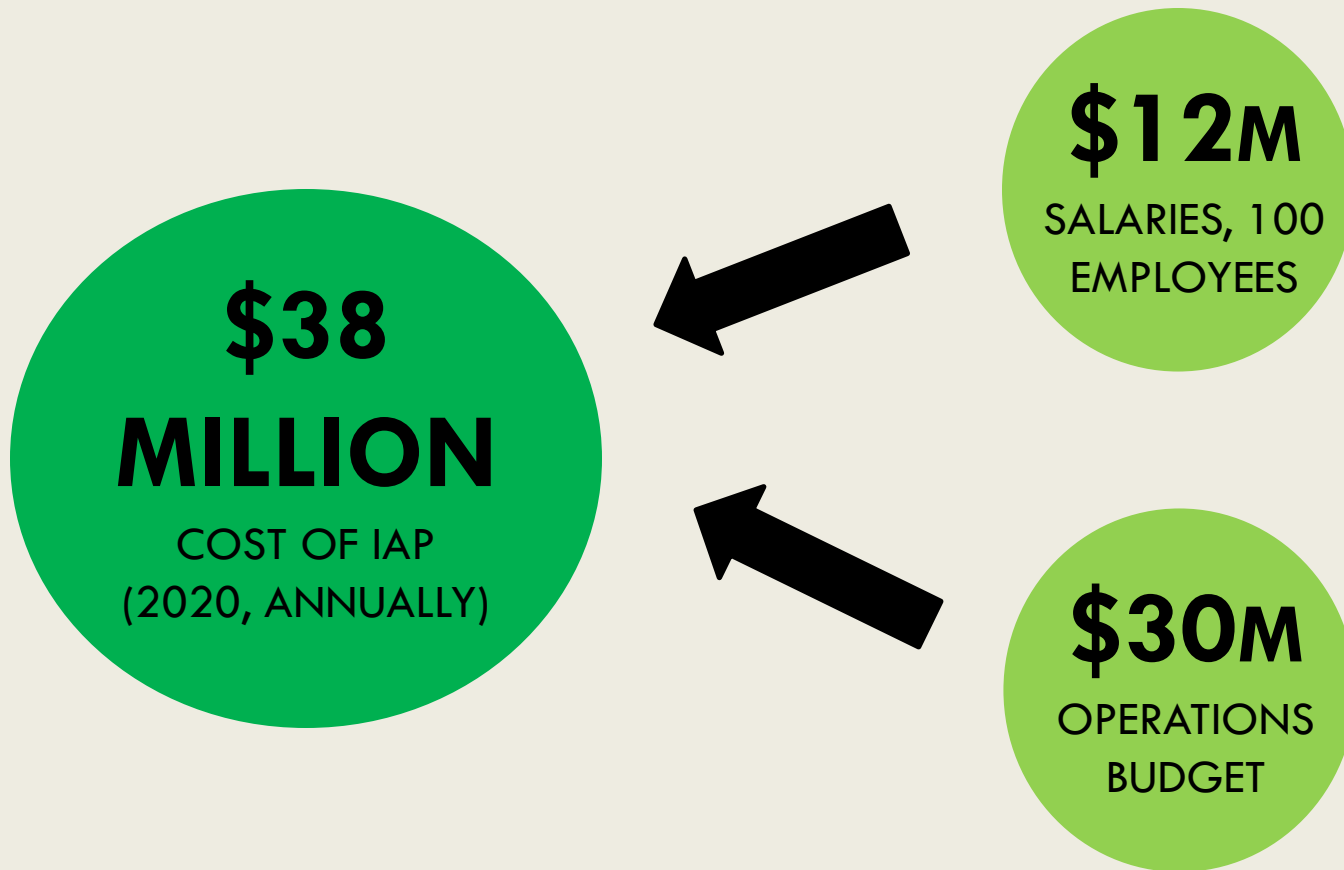
**REVITALIZE**

OUR **PROGRAMS?**

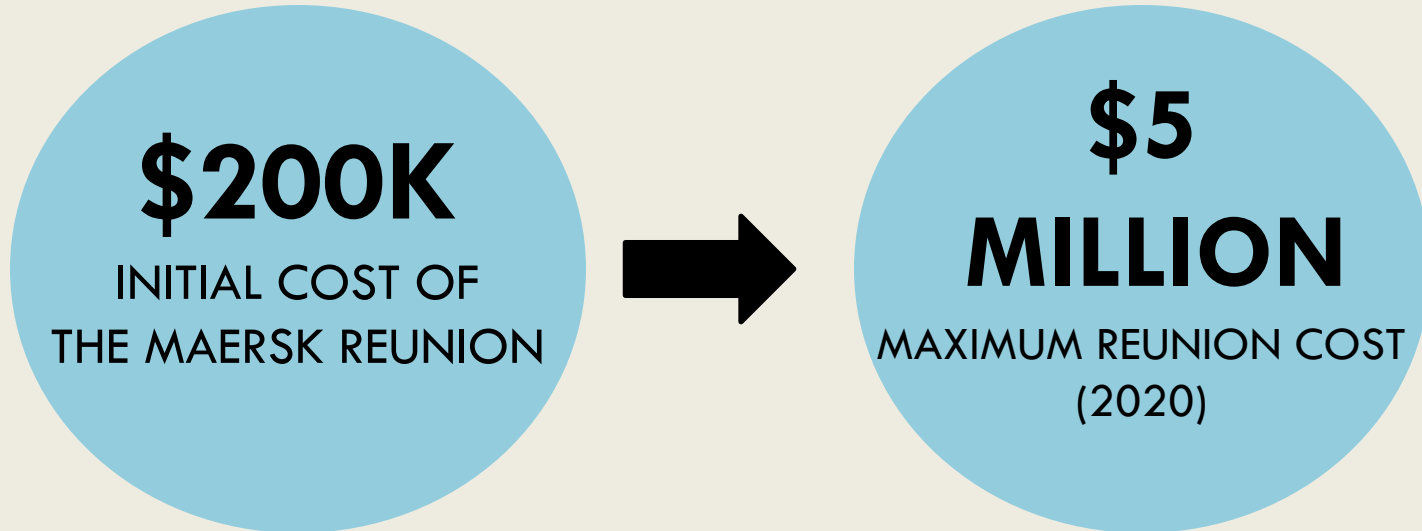
**“REFLOATING A 125,339  
TON BULK CARRIER COSTS  
TIME AND MONEY. NOT AS  
MUCH AS BUILDING A NEW  
VESSEL, THOUGH.”**

- SVITZER

# FINANCIAL ANALYSIS | IAP



# PROJECTION | MAERSK REUNION



**MAERSK**

IS EVOLVING.

LET'S TAKE A MOMENT TO

**RECAP.**

# RECAP | RECRUIT



## RECRUIT

PHYSICAL DIVERSITY  
GROWING MARKETS  
THE BIG 5

### **GOAL:**

- recruit diverse employee from key markets

### **STRATEGY:**

- place recruiters in key markets
- anticipate creation of MAERSK infrastructure in said markets

### **KEY PERFORMANCE INDICATORS:**

- 25% of new hires by 2020 are from key markets
- 10% of corporate MAERSK is from the “Big 5”

### **PROBLEM SOLVED:**

- lack geographic diversity

# RECAP | RECOGNIZE



## RECOGNIZE

EMOTIONAL DIVERSITY  
IAP

### GOAL:

- promote self-growth and cultural awareness

### STRATEGY:

- International Acceleration Program (IAP)

### KEY PERFORMANCE INDICATORS:

- 5% increase expatriate rate
- 20% increase in feelings of “attracting, developing, & keeping a diverse work force.”

### PROBLEM SOLVED:

- lack geographic diversity
- high turnover rate



# RECAP | RETAIN



## RETAIN

MENTAL DIVERSITY  
THE MAERSK REUNION

### **GOAL:**

- retain high performing employees

### **STRATEGY:**

- The Maersk Reunion

### **KEY PERFORMANCE INDICATORS:**

- x2 retention rate of high-performing employees by 2025
- 20% increase 1<sup>st</sup>, 2<sup>nd</sup>, & 3<sup>rd</sup> degree connections to diverse Maersk employees

### **PROBLEM SOLVED:**

- high turnover rate

FAMILY.

**DIVERSITY.**

**MAERSK.**

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employees in underrepresented demographics by targeting booming markets that are key to the growth of the company as a whole.

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the importance of diversity across the company by instilling programs that foster self-growth and cultural awareness.

## RETAIN

high performing employees by creating opportunities to expand their networks and climb the corporate ladder.

# APPENDIX | STP ANALYSIS (recruit)

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## RECRUIT

**physical diversity, the big 5 markets**

**Situation:** Not enough effort in recruiting a diverse population

**Target:** Underrepresented demographics in booming markets

**Proposal:** *Based on size of markets, hire x% (#) member of those to be*

*Maersk employees*

# APPENDIX | STP ANALYSIS (recognize)

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## RECOGNIZE

**mental diversity, ELC & "glocalization"**

**Situation:** Understanding that diversity is important but nothing reflects it (externally they have a value, internally upper division doesn't reflect it)

**Target:** Value of a multi-cultural diverse environment & those who promote it

**Proposal:** *Instill programs that foster self-growth & cultural awareness*

# APPENDIX | STP ANALYSIS (retain)

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## RETAIN

**emotional diversity, the group event**

**Situation:** Increased turnover rate, who stays v. who goes, family culture

**Target:** High performing employees & inter-organization relationships through expanded opportunities

**Proposal:** *"7 ways to improve" (online article, appendix);*

*Set system of promotion up corporate ladder for exemplifying "diversity"*

*(clients vs. company)*

# APPENDIX | MAERSK GROUP VALUES

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## **Constant Care**

take care of today, actively prepare for tomorrow

## **Humbleness**

listen, learn, share, and give space to others

## **Uprightness**

our word is our bond

## **Our Employees**

the right environment for the right people

## **Our Name**

the sum of our values: passionately striving higher



# APPENDIX | MAERSK PROGRAMS

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- People Strategy Sessions (PSS)
- Damco International Workshops
- Scenario Planning
  
- Emerging Leaders Program
- Executive Acceleration Program
- MISE Programme

**programs as of 2013**  
**green** = presently existing

# APPENDIX | BARRIERS TO DIVERSITY

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1. Inaccurate **stereotypes & prejudice**
2. **Ethnocentrism**
3. Poor career **planning**
4. An unsupportive & hostile **working environment** for diverse employees
5. **Lack of political savvy** on the part of diverse employees
6. Difficulty in **balancing career & family** issues
7. Fears of **reverse discrimination**
8. Diversity is **not** seen as **an organizational priority**
9. The need to **revamp** the organization's performance **appraisal & reward system**
10. **Resistance to change**

# APPENDIX | MANAGING DIVERSITY

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## R ROOSEVELT THOMAS JR'S GENERIC ACTION OPTIONS

#1 – Include/Exclude

#2 – Deny

#3 – Assimilate

#4 – Suppress

#5 – Isolate

#6 – Tolerate

**#7 – Build Relationships**

**#8 – Foster Mutual Adaption**

# APPENDIX | TOP TRADING COUNTRIES

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## BIG 5 COUNTRIES IN WORLD TRADE

	IMPORT %	EXPORT %
<b>CHINA</b>	9.6	12.2
<b>U.S.</b>	12.8	8.9
<b>GERMANY</b>	6.8	8.2
<b>JAPAN</b>	4.6	4.4
<b>FRANCE/UK</b>	3.6	3.2

# APPENDIX | $P = Pe^{(rt)}$ ANALYSIS

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key divisions of MAERSK	current # of employees in 2014	approx. rate of growth (%)	projected # of employees by 2020
Oil and Drilling	9700	8	15676
Tankers	4300	1	4566
Svitzer	4500	4	5721
APM	24000	5	33746
Damco	10800	3.2	13086
Line	25000	5	33746
TOTAL:	78300	---	106823

# APPENDIX | PROJECTED COMPANY GROWTH

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<b>Current # of employees in 2014</b>	<b>Estimated rate of growth (%)</b>	<b>Projected # of employees by 2020</b>
121000	4.7 (average of 7 "key" divisions)	106419
121000	4 (minimum growth rate of largest division of Maersk)	153821

# APPENDIX | PROJECTED COMPANY GROWTH

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\*This data does not take into account that the world economy is coming out of a recession. The percentages are based off of 2013 market growth rates which are likely to increase as we emerge from our economic recession.

Additional Data to Consider:

Global GDP Growth Rate: 2.7%/year

Average GDP in Emerging Markets: 5%/year

[www.dallasfed.org/assets/documents/institute/global.pdf](http://www.dallasfed.org/assets/documents/institute/global.pdf)

# APPENDIX | BRIC + GROWING MARKETS

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## BRIC

Brazil  
Russia  
India  
China

## EMERGING

Saudi Arabia  
Indonesia  
United Arab Emirates  
Malaysia  
Bangladesh  
Thailand

## NEW

Kazakhstan  
Argentina  
Morocco  
Ukraine  
Latin America  
Africa

\* According to Emerging Markets Logistics Index, 2013



# APPENDIX | IAP CRITERIA

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## People who are...

Linguistically  
talented

Desire to gain  
cultural  
perspective

Strong  
interpersonal  
skills

Committed;  
5-year  
contract

# APPENDIX | IAP CRITERIA

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## Sample Agenda: November 15, 2016



# APPENDIX | ORGANIZATIONAL STRUCTURE

