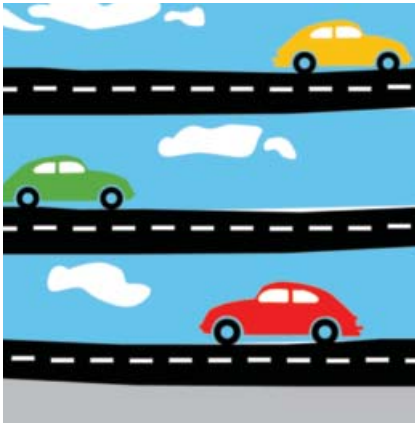


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THE PEOPLE'S PLANT

*Volkswagen Chattanooga Revs Up Selection
for Its Plant Start-up*



Chattanooga

GREAT ORGANIZATIONS



THE PEOPLE'S





PLANT

"Only people can design cars.

Only people can build up a plant.

Only people can ensure the quality of parts."

Hans-Herbert Jagla, executive vice president,
human resources

Volkswagen Chattanooga Revs Up Selection for Its Plant Start-up

"It's all about people. That's our philosophy at Volkswagen Chattanooga," says Hans-Herbert Jagla. He's executive vice president of human resources for Volkswagen (which translates to "the people's car" in German). Jagla is in charge of staffing the company's new plant in Chattanooga, Tenn.

"Eighty percent of the success of the people you hire is determined by the selection and recruitment process. Only 20 percent you can train. You can train and change behavior, but it is very difficult to change a mindset. That is determined in the selection and recruitment process," Jagla says. "The impact is huge—if you get the wrong workforce, you will fail in the market."

Failure is, of course, neither an option nor a likely outcome. Volkswagen is a dominant force in the global automotive industry, posting record-breaking revenues of €126.9 billion (\$180 billion USD) in 2010. It is the world's third-largest auto manufacturer and a recognized innovator, from the iconic economy-sized Beetle to clean diesel technology to its widely admired brand and advertising. Volkswagen Chattanooga extends this spirit of innovation to its hiring and selection processes to hire workers manufacturing a completely redesigned Passat. The new mid-size sedan recently hit showrooms. The selection of the more than 2,000 workers to build it draws from processes that are field-tested in plants around the world. But this plant

utilizes a new approach to pre-hire simulation that, like Volkswagen's cars, is a beautiful blend of know-how and technology. And, it's the result of industry-leading innovators working together.

A WORLD-CLASS SELECTION PROCESS

"We always have a structured selection and recruitment process," says Jagla. "It is different [from plant to plant] due to the country and their needs." To localize the process for its first-ever plant in Chattanooga, Volkswagen partnered with DDI to provide resources and support for every step in the process.

For the start-up, Volkswagen Chattanooga needed to hire workers in four job areas: production, maintenance, professional, and management associates. For each family, the process has four similar steps: sourcing, screening, assessment, and interviews.

The majority of new hires would become production workers—the people who will build the new cars. Their direct effect on the quality of cars makes hiring them paramount to Volkswagen Chattanooga's success. "The focus was to hire locally and we did not anticipate finding people with automotive experience. We wanted a system that picked the best people who would be most successful, and we wanted the process to give them a realistic preview of what the job would be like since for most of these people, this isn't something they've done before," says Ron Pankratz, manager of recruiting and planning.

The process to meet these needs has four intense steps.



Potential hires take direction on the automated production simulation.

1. Sourcing

Jobs were posted with a number of outlets to reach the most people and "fill the funnel" with a diverse pool of candidates. Because applications are only accepted online, special care was taken to connect with state and community resources and job centers so applicants without internet access were not excluded.

2. Screening

Volkswagen Chattanooga realized that gauging motivational fit—that is, a person's inclination and affinity for the work and the workplace culture—is critical to selecting production team members in Chattanooga. "There is no workforce in Chattanooga and Hamilton County that's done this kind of work before," says Pankratz. "We needed to offer a realistic job preview of what the work is like: the repetition, the pace, passion for detail. There are a lot of things that the average person in this area has not done before. Getting them to understand that is key." Besides the repetitive and physically demanding tasks that are part of this job, those selected also must possess a penchant for quality and customer satisfaction. These two attributes are part of the "Volkswagen Way" (which incorporates principles of Lean Manufacturing) and hallmarks of the company's culture.

Volkswagen Chattanooga screens for motivational fit, but also empowers candidates to make the decision about fit themselves. Those who apply view a video detailing the production jobs available. Screening continues in the next step of the process, with a realistic job preview that is, literally, hands on.

3. Testing and Assessment

"If there's one thing that stands out about Volkswagen Chattanooga's selection process, it's their best-practice use of testing and assessment," says Mac Tefft, senior consultant for DDI. Production applicants spend a full day on-site at a Volkswagen Chattanooga assessment facility. The morning starts with two computer-based tests. One evaluates process and quality orientation. Another, called a Team Member Career Battery, evaluates job-related personal qualities, judgment, background, and experience.

Many companies stop with tests, but Volkswagen Chattanooga applicants still have three-quarters of the day ahead of them. They move on to an automated production simulation of manufacturing work—a three-part re-creation of the tasks workers perform, which lasts for four hours. This never-before-deployed assessment is tough, by design (see sidebar—pg. 8). It enables Volkswagen Chattanooga to monitor how well applicants are able to sustain key attributes related to attention to detail. But it also gives applicants insight into the life on the job, and another chance for them to discern if the job is a fit.

The day ends with a "Kaizen" exercise, a short computer-based test that asks



Plant executives at Volkswagen Chattanooga in August 2010, with the orientation class that included the 1,000th employee hired.

applicants to offer improvement suggestions based on the simulation they just completed. All the data collected is synthesized into one overall score that determines who advances to the interviewing stage.

4. Interviewing

Volkswagen Chattanooga utilizes behavioral interviewing techniques as the final step before extending job offers conditional on medical and drug screens. Hiring managers and HR staff conduct the interviews using DDI's Targeted Selection®. Interviewers check knowledge, skills, and motivations related to the critical competencies for each job family. DDI generates guides to ensure fairness, and also trains interviewers to integrate the information they collect to make decisions together.


"It's really the whole system," Jagla says. "You have to be clear and decide if you want a selection process just to get résumés, or if you want to have a really neutral process where you first decide on the criteria of the workers you want, and then design the steps to get them." Clearly Jagla and his team chose the latter approach. Each criterion is measured in at least two steps of the Volkswagen Chattanooga process. Some, like Teamwork or Affinity for the Work, are measured in every step.

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Ron Pankratz, manager of recruiting and planning

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Industry Leaders Unite to Make an Innovative Simulation

Volkswagen Chattanooga strives to be a leader in every aspect of its business. Selection is no exception. For its model hiring process, use of testing and assessment is extensive. And one of the evaluation tools, a production simulation, is unrivaled in the manufacturing industry. Like a flight simulator for aviators, the production simulation enables those who will be making cars to try on the job. Instead of flying, applicants progress through three hands-on, experiential exercises. They install bolts inside a car frame, mount heavy parts according to a strict set of procedures, and follow detailed instructions to install wiring harnesses under tight time constraints. Applicants experience “a day in the life” on the job. Volkswagen Chattanooga evaluates three important attributes: quality orientation, safety orientation, and ability to maintain an appropriate pace of work over time.

Simulations like this are not new to the manufacturing hiring process. But how it's scored is an entirely new innovation. “You [used to] have to hand score it by having [trained

assessors] watch candidates and record what they did. That introduces the opportunity for error,” says Ron Pankratz. “Here we use a computer to score it, which provides better measures with less human error in the process.” Jagla adds, “The score is very fair. It is not related to [how well you watched the applicants].”

To design the simulation, DDI industrial/organizational psychologists began by engaging an industrial electric-supply firm that identified the right hardware and fabricated the frame to house the parts. The electricians suggested engineers from Eaton Corporation's Electrical Group to create the software. Eaton's Jason Hill and Matt Landers (both application engineers) reprogrammed its industrial technology to create this ambitious and unique assessment system. The end result is bolting, mounting and wiring devices, embedded in a car frame, and decked out with switches, sensors, operator interfaces, and computers that collect information about what a candidate does. The software also tracks each candidate's actions to produce an automated report on his or her performance. The approach dramatically improves the accuracy and efficiency of an already proven method.



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Hans-Herbert Jagla



RESULTS, ON A SCALE OF ONE TO FIVE...

“We have a dedicated system that fits the company,” says Jagla. Since hiring began in November 2009, more than 85,000 people have applied for all positions, enabling Volkswagen Chattanooga to meet its staffing goals with high-quality workers. Evaluations from candidates who took part in the selection process are also a testament to its quality. They were asked to rate different aspects of the process on a scale of 1 to 5, with 5 being the most positive.

- **4.6 out of 5:** I felt that I was treated fairly by people during this assessment.

- **4.3 out of 5:** I found [the manufacturing simulation] to be engaging (that is, it held my interest and attention).
- **4.15 out of 5:** This assessment measured skills and capabilities relevant to the job in question.

Comments on the evaluation forms that provide feedback on the hiring process are also positive. “I felt it gave us a clear view on what to expect. I appreciate the opportunity and if given the chance I would make a great employee at Volkswagen. Thank you,” said one. “This was a very unique approach to measuring a person's capabilities...I enjoyed it!” said another. And someone else said a lot with just a few words: “Ready to start today!”

“The first flow chart for this project was really simple. It was the whole human thing that made it much more complicated,” says Hill. “I never deal with how people react; it’s always machinery. And people’s ability—or rather, inability—to follow directions caused all sorts of technology issues.” The irony is, of course, it’s this very fact of human nature that provides the impetus for designing such an assessment for prospective employees. Matt Landers agrees. “We ended up using every piece of software related to an automated production line that we can possibly use,” he says.

The challenge the team uncovered was how to account for what happens when a direction is not followed by a candidate. When the computer noted the first mistake, it often saw each subsequent action as another error because the actions no longer matched the script. Previously this kind of technology was almost always deployed on production lines, where the circumstances are controlled and predictable. But this team re-imagined its design so the technology not only accounts for everything a person might do wrong, but gives credit when he or she gets back on track.

When computers take the place of assessors, simulations are faster, cheaper, and more accurate. The Volkswagen Chattanooga team brought considerable expertise and embraced the vision and

impetus for this innovative work, but they couldn’t do it alone. “DDI was very willing to work together,” says Hans-Herbert Jagla, noting collaboration with everyone from vendors such as Eaton to community leaders involved in sourcing Volkswagen Chattanooga’s jobs. “Eaton brought a way to score the simulation that was not available previously,” says Pankratz. “Together, we learned and advanced it.... We worked together to be the best on the market,” says Jagla.

“After six hours, the people learn if they are right for the company,” Jagla says of the value of this new approach to simulation. “And we see if they have the capability to do the job.” The simulation has prompted some candidates to withdraw from the selection process. “That’s good fallout,” says Pankratz. “They fall out before they get to the end, and we understand they’ve decided this job is not for them.”



Volkswagen car frames house the automated production simulation, used to evaluate candidates for employment at the new Volkswagen plant in Chattanooga, Tennessee.



Candidates must choose then install the correct bolt in this step of the simulation. Computer sensors track errors. Climbing in and out of the frame is tiring, providing a realistic preview of work on a production line.

“The need is to get the folks who will be the best fit and offer an understanding of what the jobs would be like,” says Pankratz. “We needed both those pieces to attract the best people, and we think it’s been very successful on both accounts.”



[View a video about the VolkswagenChattanooga selection system.](#)



ABOUT DEVELOPMENT DIMENSIONS INTERNATIONAL:

For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there.

Our areas of expertise span every level, from individual contributors to the executive suite:

- Success Profile Management
- Selection & Assessment
- Leadership & Workforce Development
- Succession Management
- Performance Management

DDI's comprehensive, yet practical approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require.

You'll find that DDI is an essential partner wherever you are on your journey to building extraordinary talent.



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