

4. DELPHI AUTOMOTIVE S.A. – DRIVE VALUES CASE STUDY

1. General information on concern

The concern of Delphi Automotive is a leading worldwide supplier of electronic solutions and systemic technologies that have numerous applications, mainly in the automotive sector. The mission of the concern is to make their products (in particular passenger cars and trucks) safer, stronger and more efficient, while also better at communication with drivers and the world by means of equipping them with advanced technologies that serve these purposes. Products and technologies are prepared and the production of electrical and electronic appliances are executed that are particularly associated with the following: petrol and diesel driver engines, systems of safety for drivers and passengers, systems controlled from the steering wheel and from a console, electrical equipment, switches and fuel steam absorbers, ventilation systems, air-conditioning, cockpit heating, theft prevention systems, while also charges (alarms, immobilizers). Advanced technologies are prepared and tested that facilitates the improvement of the technical parameters, as well as miniaturization and the extremely long product life of the elements manufactured here, which in the case of car electronics is a particularly worthy acknowledgement.

The concern possesses over 100 production plants and 15 technical centres in 33 countries that employ a combined total of 100,000 workers. The headquarters are located in the town of Gillingham in England, while there are subsidiaries in Luxembourg (Bascharage), Brazil (Sao Paulo), China (Shanghai) and in the USA (Troy, Michigan).³⁰

The modern technological solutions provided by Delphi may be found in all the leading brands of cars in the world.

As Rodney O’Neal, the Chief Executive Officer says, “Delphi is exceptionally focused on creating value for the shareholder by means of ensuring safe,

³⁰ See: <http://www.delphi.com/about/>; <http://www.delphikrakow.pl/> [27.11.2014].

ecological products that fulfil the needs of our clients via the high quality of production and operational perfection.”³¹

The data relating to the net revenue from sales and net profit have been presented in Table 1.

Table 1. Financial indicators for Delphi Automotive for the period 2011–2013

Specification	2013	2012	2011
Net revenue from sales (millions of dollars)	16.463	15.519	16.041
Net profit (millions of dollars)	89	83	78

Source: <http://investor.delphi.com/investors/financial-information/financial-overview/default.aspx> [27.11.2014].

Delphi Automotive pays particular attention to the quality and reliability of its products and this value is placed in first position among the most highly valued. Delphi is an engineering and highly innovative firm. In December 2007, the American Chamber of Commerce distinguished Delphi for its “Perfection in Innovations”.

Personnel team of Board of Concern:

- John A. Krol – Board Chairman (since 2009),
- Gary L. Cowger,
- Nicholas M. Donofrio,
- Mark P. Frissora,
- Rajiv L. Gupta,
- J. Randall MacDonald,
- Sean O. Mahoney,
- Rodney O’Neal,
- Thomas W. Sidlik,
- Bernd Wiedemann,
- Lawrence A. Zimmerman.

2. Delphi Automotive in Poland

Delphi Automotive has invested over 380 bn USD dollars in Poland both in terms of production, as well as in R & D technologies. Delphi currently employs over 4,000 workers in four manufacturing plants – in Jelesnia, Błonie, Ostrów Wielkopolski and Gdańsk, while also two modern technical centres that have been operating for over ten years in Cracow and Ostrów Wielkopol-

³¹ See: <http://www.delphi.com> [27.11.2014].

ski. Polish engineers have been listing Delphi as one of the leading employers they would like to work in for years.³²

As opposed to a multitude of foreign concerns that moved their production to Poland from the 1990s without engaging Polish engineers in the designing work, construction and technological work, Delphi creates conditions for them for this type of activity.

Delphi Poland S.A. is a laureate of the award for the Best Foreign Investor. In 2003, it was awarded with the honorary emblem of “Investor w Kapitsa Ludic” (Investor in Human Capital).

Plant in Jeleśnia

The production plant in Jeleśnia (province of Silesia) is located near the town of Żywiec in the south of Poland, which is close to the borders with the Czech Republic and Slovakia. It was established in 1994. The main activities involve the production of electric cables and wire harnesses, as well as module for fire-optic cables for the automotive industry and the medical industry, in the majority of cases for export. The plant is in possession of the ISO 14001 and ISO/TS 16949 certificates. They have received honourable distinction from Volvo for the quality of its products and the implementation of the latest technological solutions, as well as the Q1 certificate from the Ford / Volvo concern.

Plant in Błonie near Warsaw

The plant in Błonie near Warsaw has existed since 1998. Its main products are as follows: systems of powering an engine, shock absorbers, braking systems, exhaust systems, fuel power systems and fuel vapour canisters, as well as air filters.

The plant is in possession of the ISO/TS 16949 and ISO 14001 certificates, while the factory also received the Q1 quality certificate from the Ford / Volvo concern.

Plant in Ostrów Wielkopolski

The plant was established in 1997 and manufactures modules for engine cooling (CRFM), modules of air-conditioning (HVAC), coolers, capacitors, radiators, condensers and charge air coolers. The products of the plant are assembled into the car models of the leading brands. An important client is also the market of spare parts.

In the Delphi plant of Ostrów Wielkopolski, there is a group of stores of engineers that deal with the designing and testing of heat exchangers. Within

³² Research was carried out on the engineers in the period of 2005–2011 by the Databank of Engineers.

the last few years, these engineers have submitted over 25 patents. The plant which possesses both the ISO 14001 certificate, as well as the ISO/TS 16949 certificate received the Q1 quality certificate from the Ford / Volvo concern.

In 2012, the condenser prepared by the innovative team of the plant at Ostrów Wielkopolski was based on the technology of Multi-Port Folded Tube Condenser (MFTC), which was honoured as the laureate of the prestigious PACE award that is awarded by Automotive News. This new technology enabled producers to avail of the greater offer of materials for production of more reliable condensers that are light, resistant to corrosion, while also featured by better thermal properties.

Plant in Gdańsk

A plant that was built on a greenfield site that became part of the organization of Delphi in 2001, which produces a wide range of electrical and electronic appliances for vehicles, including switches for many producers of cars. The plant in Gdańsk, which within the last few years has expanded its surface area and also possesses the ISO 14001, ISO/TS 16949 and OSHAS 18001 certificates.

3. Research and Development Centre in Cracow

Cracow has long been perceived by the management of the Delphi concern as a significant scientific and academic centre, which it acknowledged was worth availing of the potential of Polish engineers. Following the opening of the centre in July 2000, the headquarters of Delphi in Warsaw, Poland were also moved to Cracow. Currently, the centre employs over 1,000 workers, mostly engineers, of which many of them have undergone training in the Delphi centres abroad.

The R & D centres are constantly expanding, while more and more new research projects are being executed. The leading field in the Cracow Centre of Delphi is advanced car electronics. In November 2000, the Centre of Software Development was established where engineers design software for the automotive industry as the car of tomorrow shall be even more computerized. This assumes a significant increase in the number of engineers and software programmers in this centre in the near future. Further areas that are being intensively developed and modernized in the Cracow R & D Centre are the engineering of wire harnesses, switches and fuel vapour canisters.

“Today we do not have to prove that it was worth moving the R & D work to Poland. Having the trademark that we have built up over the past ten years or more, we are ready to take on further projects and bring new technologies under the roof of the Cracow Centre. The Technical Centre of Delphi is in

search of both the best graduates, as well as candidates with experience from different fields” – such a statement may be read on the main website of the company.³³ However much Delphi is a firm that is deeply rooted in the automotive industry, candidates for a particular position also come from outside this sector.

3. System of quality assurance in Delphi

Producers of cars while wanting to ensure the appropriate quality of their goods, demanded the components and technologies, as well as tight qualitative norms that are characteristic for the automotive industry for many years from their suppliers. The suppliers that have many clients, gained the required certificates in the particular countries, which was a complicated process. Hence, in agreement with the world producers of the automotive industry, the technical specifications of ISO/TS 16949 were prepared, which combines the norms of the automotive sectors of particular countries in unison. Possessing the system of quality management in accordance with the aforesaid specifications certifies to the high quality of goods and prestige of the company. The Polish entities of Delphi (plants, technical centres) have implemented the system of ISO/TS 16949 over the past few years. Since 2013, the Technical Centre in Cracow has an integrated system of quality management that encompasses the requirements of ISO/TS16949 (system certified since 2002); ISO14001 (Environmental Management – system certified since 2006) and implemented in 2013 with the system of Work Safety and Hygiene according to OHSAS18001.³⁴

4. Constructive statement and less unequivocal practices

The Cracow branch of Delphi has prepared a “set of reasons”, for which it is worth commencing cooperation with them. It is possible to find the following entries in this set:

1. We are a strong, stable and prospering firm that has powerful know-how resources at its disposal, while also an experienced and talented team.
2. We run innovative projects forth leading world producers of cars.

³³ See: <http://www.delphikrakow.pl> [27.11.2014].

³⁴ Material from the website: <http://www.delphikrakow.pl/5,o-nas,71> [2.11.2014].

3. We rely on Polish technical thought – we have been investing in Polish specialists for years.
4. We offer competitive remuneration and modern working conditions.
5. We ensure ongoing contact with the latest technologies.
6. We take care of new challenges for our employees.
7. We ensure an attractive social package that includes among other aspects, additional health insurance, vouchers for cultural events and sporting activity.
8. We create a modern culture of work that is based on professional communication with employees and mutual trust (flexitime).
9. We take care of the appropriate and friendly atmosphere of work.
10. We belong to the group of firms that are “socially involved.”³⁵

In the opinions of bloggers that comment on websites, they are more differentiated in terms of their tone and purport.

5. Apprenticeships and training periods in the firm

Due to the type of activities and the location of the Cracow branch, Delphi Corporation offers special apprenticeships and training periods for students from various colleges and specializations. In the past few years, first and foremost during the summer months, apprenticeships in the Technical Centre in Cracow were participated in by scores of students and pupils. Similar programs are run each year. Every person that is accepted for apprenticeships is allocated a specific task to execute within the framework of the commercial projects or R & D projects realized. The apprentice has his/her own mentor, who assigns the tasks, supervises their execution and offers support in technical and organizational issues. The mentors are experienced employees of a given department that are well informed about the structure of the firm as a whole, as well as the characteristic managerial competences at a high level.

Examples of apprenticeships realized in the firm are as follows:

- expansion of the functionality of the low level for DPS (Digital Power Supply),
- universal tool for communicating via serial port,
- fast monitor of IIC bus,
- EMC scanner,
- universal environment for automatic generation of test scripts based on the MOST bus and CAN bus,
- application monitoring GPS parameters facilitating navigational tests while driving a car with the prototype multimedia system.

³⁵ See: <http://www.delphikrakow.pl/co-oferujemy> [27.11.2014].

Apprenticeships are offered to the following teams:

- designing software,
- designing electronics,
- designing mechanical elements in CAD system,
- testing and verification of software,
- research laboratory and product validation,
- departments relating to products,
- departments relating to quality,
- other teams when vacancies arise.

Conditions of realization of apprenticeship training are as follows:

- apprenticeships last a minimum 1 calendar month,
- the possibility exists of undergoing apprenticeship both during the academic year and during vacations,
- following completion of the apprenticeship a certificate is issued confirming its realization and references.

If a person that is searching for apprenticeship has not found a place that is appropriate and wants to undertake cooperation with a firm, then he/she may apply for the so-called “General apprenticeship”. If possible, the places are searched for which match the profile of the candidate.

Current offers of apprenticeship and training periods:³⁶

- Student apprenticeship – generally;
- Student apprenticeship – corporate function;
- Programmer – training period;
- Trainee in Software Designers team;
- Supply Chain Team Trainee;
- Purchasing Assistant;
- Trainee in team of engineers and mechanics;
- EMEA Customs Trainee;
- Trainee of DFMEA;
- Business Analyst Assistant.

6. Significance of values in management and priorities

The firm indicates the importance of economic and non-economic values in the management of an organization to an identical degree. Ethical and cultural values are acknowledged to be significant for the realization of the mission, aims and image of the firm, as well as the promoted culture; they are appreciated and sufficiently displayed in the management system of the firm. The direction of activities and procedures in business are driven by the

³⁶ See: <http://www.delphikrakow.pl/205,praktyki-i-staze> [16.12.2014].

so-called Absolute Perfection, which specifies the goal, achievement, method of activity, while also defining control, the way of activity of people and their style of work, as well as specifying the awards.

Delphi possesses the code of ethical procedure in business, which is a set of principles of honest proceedings that are binding for employees of Delphi worldwide. It is termed DRIVE; and this acronym is read as follows:

- D – Diversity: perceiving the success of a firm in terms of both the diversity of the skills of the employees, as well as the creation of various teams.
- R – Respect: trust and respect are (and are to be) maintained at every level of cooperation between the employees, clients, suppliers, the interested entities on the basis of the legislative regulations.
- I – Integrity: each task is to be realized in the spirit of the values of ethics, honesty and integrity of activities.
- V – Value: the values of a firm constitute the foundation of cooperation at various levels, both within the firm and outside.
- E – Excellence: the success of a firm in the future depends on the uncompromising adherence to the vision of a firm and pursuit of absolute perfection.³⁷

Nevertheless, although according to the declarations all the values are important, it would seem that a particular significance is attached to quality and innovativeness, as well as the chosen economic values in Delphi.

As regards quality, the priority in this sphere is confirmed by the hard facts – the certificates. The Polish entities of Delphi (factories, technical centres) have implemented the ISO/TS 16949 system over the past few years. Since 2013, the Technical Centre in Cracow possesses an integrated system of quality management encompassing the requirements of the ISO/TS16949 norm (this system has been certified since 2002); ISO14001 (Environmental Management – this system has been certified since 2006), as well as the system of Work Safety and Hygiene according to OHSAS18001, which was implemented in 2013. In addition to this, it is possible to mention the certificates from Ford and Volvo, the awards received for both quality and innovativeness. The most important confirmation of high quality is the continuation of the cooperation with the entire worldwide motoring elite.

Quality and innovativeness are placed at the top of the pile of economic, competence and managerial values. References to the perception of economic values in Delphi are presented in a few sentences below.

³⁷ See: <http://delphi.com/pdf/Delphi-Code-Of-Conduct.pdf> [27.11.2014].

7. Importance and preferred economic values

The significance of profit over both long and short periods of time is placed in a group of several of the most important values in the company, alongside customer satisfaction (in Delphi there is an indication of the purposefulness of “exceeding the expectations of clients”).

Competitiveness and innovativeness are perceived as values that are equal to the former. It is acknowledged here that they are decisive to a fundamental degree in terms of survival and development and are strongly promoted. In this firm, the improvements proposed by the employees are supported and availed of, including the field of work safety and hygiene. One of the examples of the so-called program of suggestions is where each employee may alert to the threat of accidents, as well as provide suggestions relating to the improvement of work safety and hygiene by putting them into a special box. Suggestions that are implemented lead to the employees receiving awards.

Efficiency is obviously of neuralgic significance in the automotive industry, as even the largest concerns and prospering concerns may find themselves on the verge of bankruptcy in a short period of time. This has been experienced by even General Motors of late, which for almost 70 years was the unquestioned world leader of the automotive sector, from which in fact 1998 Delphi separated in 1998.

From the viewpoint of efficiency, the concern itself is evaluated, as well as the particular plants, teams and managerial staff. It is striving towards the increase in efficiency in all the areas, which may be controversial. In the opinion of the authors, increasing the efficiency where it is already very high may not be a good idea and may pose a threat to the future. It is better to concentrate on the “narrow passages / bottlenecks” and on areas where it clearly too low.

8. Chosen non-economic values

Competence and developmental values – such as in particular professionalism, knowledge and skills, professional experience, skill of preparing and undertaking shrewd decisions, efficiency of activities, ability and propensity towards professional development are perceived as important, albeit their significance is varied for the particular groups of positions. The significance of these competences rises in the case of key specialists and managerial staff, especially in the areas of key significance. In the executive positions, particularly where work is relatively simple, they are of clearly lower significance.

In the production plants of Delphi, there is a challenge that is generally known in similar environments—counteracting the monotony of work and

ensuring the professional development of people that perform relatively simple and repetitive work, albeit frequently at a fast pace that requires skill and certain psycho-technical predisposition. In theory, people should not perform this kind of work long, but rotate in terms of positions and become oriented towards work of richer elements, while also more difficult, better paid, changing the work no less than every three years and increasing qualifications on multiple occasions. In the opinion of the authors however, in practice difficulties occur on both the side of the employers, as well as on the side of the employees. In the case of the employers, such an “ascending rotation” may be hard to fulfil due to the structure of all the work that is to be done in a factory. If a robotized or automated job is unprofitable or difficult for technical reasons, the amount of work is usually more complex than simple, which naturally speaking restricts the possibility of running such a personnel policy in the plant. Furthermore, running planned rotation requires a certain organizational effort and goodwill.

Likewise, on the part of the employees difficulties may occur as not everyone treats professional work as a primary concern, nor does everyone want to develop or participate in management, etc. There are those for whom the real and fascinating life starts from the moment of leaving the factory, in which work is merely treated as an economic necessity and do not want to devote more attention to it.

A certain compromise may be the increased share of teamwork, in which people rotate in terms of work positions, thus avoiding the constant over-exertion of the same body muscles, tendons and joints, while also breaking up monotony and developing from a professional viewpoint, at least to a certain degree. Within the framework of our project, we did not visit the production facilities of Delphi, during the course of which there would have been a possibility of running talks with the employees and leaders of the teams, or analysis of the scope of autonomy of these teams and development intentions associated with them. Hence, we do not know to what extent this direction of evolution is possible in the plants of Delphi (where teamwork is applied anyway) and how realistic the opportunities of professional development are and the execution of the concept of a learning organization on a greater scale. Undoubtedly, certain possibilities provide changes to products and technologies rather frequently, which signify the necessity of science, even without rotation in terms of the positions.

The issue of the autonomy of work and the insufficient professional development does not exist and is at least significantly less in the scientific and research centres.

The determination in terms of the sphere of environmental protection in Delphi would seem to be great, which is confirmed by the possession of the

certificate for the ISO 14001 norm. However, the issue of involvement in environmental protection was not analysed in closer detail.

9. Sustainable growth and corporate social responsibility

Sustainable growth in Delphi Polska is perceived as running business activities in a way that is not in contrast to the requirements of environmental protection and the interests of the local communities. Environmental protection is perceived in a pragmatic way as respecting the standards of the ISO 14001 norm. Such a norm was implemented together with a formal certificate, while the production plants and the R & D centres are subject to external audits.

Sustainable growth may be understood in a broader context as not only care for the good of the natural environment, but also the pursuit of greater sustainability between professional work and personal and family life of the employees and their social involvement, which in turn, requires first and foremost time and strength; whereas if the employees devote themselves to their work to an excessive degree (also in a dimension that is longer than the nominal one), then the time and strength would not suffice to practice the non-professional roles appropriately.

The scope of work in terms of overtime in Delphi is not wide, thus the threat on the part of the employer associated with the violation of this balance is generally speaking, slight at best. Another neuralgic area is that of the norm of work-temporary and efficiency-wise. We did not have the possibility of checking whether they have a technically justified norm. Several people expressed the opinion on blogs that the norms are overly strict, but not all bloggers share this view. This is of course not evidence in itself, but no more than an indication that it is worth analysing the norms of work from time to time from the viewpoint of adherence to norms that are technically justified with regard to changes in the products and technologies that are rather frequent in this sector.

Social responsibility is also involvement on behalf of the local communities, including among other aspects, people in need. Delphi company has been running operations in support of the local community for many years. In the period of 2010–2013, it was a partner of the Foundation “United Way” Polska and joined the program of Partnership for Children, whose aim is to support the development of young people coming from poor families. Thanks to the involvement of teams from the plants of Delphi company in Poland, as well as the implementation of the voluntary service, it was possible

to help scores of children that are charges of the branches of the partnership foundation.

10. Common values for employees

In the company, there are values specified which are expected of the general group of managers and employees, herein referred to as corporate values. We did not analyse to what degree they are known among the managers and employees.

The following corporate values have been adopted:

- high quality of products, processes, work, relations;
- effectiveness;
- responsibility;
- innovativeness /creativity;
- trust;
- cooperation.

No particular value has been stipulated as the most important in Delphi Polska. Surely the value which is nearest to the first position is that of quality.

In propagating the systems of values, the corporate tools of communication are of assistance, which include the following: the Intranet, newsletters and letters to employees.

11. Respected values in personnel policy of firm

The ties between values and the personnel policy in Delphi Polska look different in its various areas.

With relation to the recruitment and selection of staff, apart from competence requirements that are expected for a given position, the people running the process of recruitment and selection of candidates for work also take into consideration the values known to them that are expected in Delphi. There are no elaborated and tested tools that would be a facilitation in terms of such procedure. During the course of periodical assessment and promotion of values they are taken into consideration with reference to the majority of professional groups and employees.

The relations of value with the system of remuneration are presented depending on the values. The strongest is surely the value taken into account, which is justice. The majority of managers try to manage professionally and have a developed sense of justice, while the system of remuneration, especially the part called the tariff system is so constructed as for the relations of

payment with the type and results of work to be as objective and fair as possible. A lot depends on the appropriate system of work evaluation; it is always something which is not necessarily analytical, nor in point form, which is frequently associated with work evaluation. However, we had the possibilities of a closer view into these systems in the particular workplaces and the correctness of work qualification. This would require a separate and quite time-consuming research.

Premiums and awards are usually not (and actually should not be) associated with values, but rather mainly with the results of work and the real merits. However, sometimes rewards and penalties are influenced by critical events (particularly positive and particularly bad attitudes, behaviour and neglect), which result from the defence of the acknowledged values, or their clear violation. In such cases, the supervisors may feel discouraged or provoked to take tangible action.

Some activities of Delphi are oriented towards the promotion of added values. These are as follows:

- the annual “Week of Perfection” combines the promotion of the values of the concern with the integration of the employees; integration outings/trips take place here, various types of sporting events, entertainment events, etc.;
- events directed towards the employees and their families: a family picnic, events of the type of “Santa Claus”, etc. may be noted in terms of strengthening common values, balancing professional work and family life;
- organizing and supporting sporting events, as well as the participation in competitions are a stimulus for a healthy lifestyle and care for the psycho-physical condition;
- deliberate auxiliary action (frequently initiated separately by the employees and supported by the firm) strengthen the values, which are subsidiarity, kindness and solidarity.

12. Final comments

Delphi Poland S.A. is an interesting example of an engineering firm that respects and promotes values, while also applying their advanced operationalization. This is particularly visible in the sphere of values which is the broadly understood concept of quality, especially products and technologies, while also the organization of work, relations, competences, etc. The particular importance of quality is understandable in the automotive sector, where the safety and reliability of the operations of the products are of key importance.

High quality is associated with (and supported by) innovativeness. Numerous awards and other displays of acknowledgement from the car producers and other organizations from all around the world attest to the high level of importance of this value in Delphi – not in terms of declarations, but in reality.

A key value is also efficiency. The economic results attained confirm that it is successfully promoted and executed both in terms of the scale of the concern (albeit in the past there were certain crises), as well as in Poland.

Striving towards high quality and efficiency may be easier in conditions of the simultaneously efficient endeavours towards good working conditions and the level of satisfaction of the managers and employees. This requires the harmonization of activities in both of these spheres – in tangible and economic, as well as humanistic–psychological areas. Large concentration on the former may draw attention away from the latter. Naturally speaking, the good working conditions alone and care for people do not guarantee good tangible and economic results. It is worth viewing the former and the latter, as well as striving towards the mutual connection of both of these spheres.

The objective and great difficulty is to ensure professional development and satisfaction among employees (from work, its conditions and atmosphere, earnings) in conditions that involve a large number of work tasks that are relatively simple and repeatable in production plants in conditions of the necessity of adhering to the technological regimes. The satisfaction of the employees of course depends on a multitude of factors – both easier and more difficult to accomplish. The following are relatively easy and possible to fulfil without large outlays: the style of managing an organization, as well as the styles of running the particular line managers, which has an impact on the feeling of employees and the general vibe at work. Perhaps it would be better to evaluate the state of affairs and possibly support the managers in terms of moderation of their individual styles of leadership, where it is indicated and where they see such a need themselves. On the other hand, it is worth reinforcing the ties between the content and results of work and the earnings of the employees– thus avoiding the creation of systems that are excessively aggressive, or disintegrating for the environment.

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