

# Case Study: Training, Development – Siemens AG, Germany

## A. Organisational background

The Siemens AG is one of Germany's leading technology companies. The company is economically successful in the fields of information and communications, automation and control, power, transportation, medical and lighting. The company employs a total of 460,800 people worldwide. In Germany, the firm has 165,000 employees. Around 27 percent (124,000) of the worldwide employees are women. Siemens is still an attractive employer and therefore attracts qualified young professionals.

Siemens is very active in the training of young people and in the competence development of its staff. More than 60 % of the worldwide employees have a qualified vocational education: 34 percent (158,300) have an university degree, 26 percent (117,000) of the workforce consists of engineers and natural scientists. Thirty-five percent (160,000) of the staff served an apprenticeship or completed a vocational school. Just under a third (142,500) of the employees have an unrelated or no vocational training at all.

Siemens is a German company of long-standing tradition and has already in the past set great store by a high employee retention. Siemens relies on an excellent workforce and offers a wide range of possibilities of individual further development. Professional careers often proceed within the company until the retirement of the employees.

The age structure of the Siemens AG reveals a set-up centred around the middle-age group. There are relatively few employees who are well above 55 years of age except for some isolated cases (also of employees aged above 60). The average retirement age correspondingly lies between 57 and 60 years of age, at present many staff members still make use of partial retirement.

Siemens has a works council that is actively involved in personnel development processes.

## B. Description of the original initiative

The compass-process was introduced as a personnel development instrument. The background was that in the mid-1990s, the staff members of the department of research and development were called on to look for research projects within the company and their respective funding on their own initiative. Special introductory and support courses with a focus on business economics and personality development for employees aged between 30 and 40 years were to aid them. After an introductory phase in research and development, these younger employees were expected to move on to a job in the managing sector. Thus one hoped to avoid an one-sided specialisation and to allow the researches to become acquainted with the operational business. The researchers were not only supposed to do research but also to become acquainted with their clients and their business.

It soon appeared that older staff members (aged above 40) of these departments were irritated that they were not made comparable offers by the management, as they often felt trapped in a career dead end although they were mostly highly qualified.

On reflection of this criticism, it also became apparent that the company-wide personnel development as a whole had so far primarily focused on younger staff members. This more „felt“ conclusion was most notably backed up by an employee survey of the 2000 employees of the central department „technology“ in Munich and Erlangen, that showed that especially the group of the over-40-year-olds was very dissatisfied with its situation

because of lacking development opportunities, an insufficient attention to individual capabilities and too little scope for development.

This situation, which was also economically problematic for the company due to the lacking motivation and the suboptimal deployment of older employees, lead to the development of the compass-process in collaboration with the consulting firm „Compass Team Consulting“. A major objective of this personnel development measure is, in particular, to motivate the employees and to prepare them for continuing to work dedicatedly for 20 more years, as the enterprise is interested in benefiting from the resources of the expensive and highly qualified employees.

This further education offer comprises a workshop for a first individual and professional orientation. After approximately four months, this workshop is followed up by a seminar that aims at reflecting and focusing the goals. The overall objective is to make the employee the „driver of his own development“, to let him ascertain his individual competence profile and define the concrete implementation steps for his professional future himself and to give him more responsibility for organising his work tasks. The thus resulting goals/projects of the staff members range from individual competence development to undertaking new tasks in their previous fields of activity to a change of job within the company or without or even to changes in the private life circumstances.

In detail, the compass-process consists of the following modules:

The process begins with an introductory phase, in which the participants reflect their life and professional biography and obtain a „360°-feedback“ about personal strengths and weaknesses from colleagues, executives and clients. Then a potential analysis is performed in a three day workshop. At the end of the course, each employee – supported by ideas, suggestions and feedbacks from the other participants – formulates a „personal development plan“ with concrete steps of action for its realisation. Following the workshop, the company-related projects are examined in co-ordination meetings with executives and the personnel management with respect to their realisability. The special implementation strength is based on the fact that the employee bears the responsibility for the realisation of the agreed measures. As these goals are very important to him personally, he will effectively pursue them. Furthermore, a central element of the measure is a two day follow-up seminar after approximately four months, in which the state of the project, problems that have arisen and the progress are reflected and, if necessary, further action alternatives are developed.

In the meantime, the compass-process applies to all staff members of the Siemens AG Germany aged above 40 years.

This offer is made by the Siemens-internal further education provider „Learning Campus“. The offer is promoted by advertising the measure for „employees with several years of professional experience “ in order to avoid age stigmatisation. All costs for the training that takes place in external seminar hotels during working time are borne by the company.

### **C. Development of the initiative**

Due to its success, the compass-training was incorporated into the regular program of the Siemens -internal further education provider. In the meantime, approx. 8-11 workshops (at the beginning, in 1999, four workshops) with respectively approx. 10 participants take place every year. Especially executives take part in these workshops. However, although the primary target group of the compass-process are project managers and executives, employees without executive functions are also admitted.

While at the beginning only older employees from the central department research and development were addressed, the measure has in the meantime been extended to all the staff members of the Siemens AG Germany. The employees of the Siemens AG can

book the workshop Germany-wide via the central further education provider „Learning Campus“. The workshop takes place in selected seminar hotels and is financed by the company.

The high esteem in which the compass-process is held by Siemens is also made apparent by the fact that despite a reduction of the seminar offers, the offer of compass-workshops was not curtailed.

A circumstance that is furthermore particularly conducive to the compass-process is the fact that in a globally positioned enterprise there are almost always internal possibilities for further development. Thus the company can often comply with the wishes of the participants.

In the course of the years, the workshop concept has been updated and further developed by the consulting firm „Compass Team Consulting“. Thus, since one year ago, an experienced executive is invited to the first module to give the participants of the workshops a feedback to their „personal development plans“ in individual coaching sessions.

The compass-trainers are licensed by the consulting firm „Compass Team Consulting“ as well as audited by the further education provider at regular intervals.

So far, the following experience has been gained:

- The realised projects range from individual competence development right up to venturing on self-employment. The feedback of the participants is very positive. The employees are more motivated and in a few cases they have also re-orientated themselves within the company. In a few isolated cases, the employees have started their own business or have taken up teaching at an university.
- It can also be regarded as a success that former participants have formed groups by themselves to further pursue the idea of the compass-process, to exchange experiences and to profit from this network privately and professionally.
- Naturally, such a re-orientation process also requires the support of the executives. Very often the employees succeed in winning over their own managers for their own project, sometimes, however, the support is only insufficient. Insofar, experience has shown that it is very helpful to integrate the executives intensively in the implementation process. All in all, however, there are and were no important conflicts between employees, works council and management during the compass-process. Today the programme is generally accepted and implemented.

## **D. Summary of the development of the original initiative**

The compass-process was primarily developed due to an employee survey on job satisfaction in 1998. This survey helped to sensitise the personnel department for the situation of the employees aged above 40. Too often, this situation was characterised by a lack of orientation and perspective and a thus resulting demotivation.

Therefore, the target group of the compass-process are employees with several years of professional experience, who want to define their positions and to accept new challenges. One of the main objectives of the compass-process is to make good use of the achievement potentials of the employees with the most experience and to achieve a high degree of agreement between the personal goals of the employees and the business objectives. In this process, the achievement potentials of the employees are the criterion for finding the ideal tasks and fields of activity. Central elements of this measure are a longer-term monitoring and the required binding character of the formulated aims and arrangements. Both the employees and the personnel management are integrated into this process.

The compass-process consists of an introductory phase, in which the participants reflect their life and professional biography and obtain a „360°-feedback“ about personal strengths and weaknesses from colleagues, executives and clients. In a three day external workshop a potential analysis is then performed. At the end of the course, each employee formulates a „personal development plan“ with concrete steps of action for its realisation. Following the workshop, the company-related projects are examined in co-ordination meetings with executives and the personnel management with respect to their realisability. Furthermore, a central element of the measure is a two day follow-up seminar after approximately four months, in which the state of the project, problems that have arisen and the progress are reflected and, if necessary, further action alternatives are developed.

## **E. Good practice today**

The compass-process has in the meantime successfully been implemented in the Siemens AG and is an integral part of the further education programme of the central further education provider „Learning Campus“. Each year, this measure is offered up to 11 times. By means of defined standards it is ensured that a high standard of quality is consistently achieved. A comparable offer for under 40-year-olds is likewise being continued. Furthermore, the consulting firm „Compass Team Consulting“ has, in co-operation with „Learning Campus“, updated and certified the concept.

In addition, the company management and the general works council have planned further projects on this issue. Moreover, at some production plants special health protection measures have been implemented.

In future, the human resources strategy will more strongly concentrate on facilitating horizontal careers. It is hoped that measures such as job rotation, resp. systematic job changes will keep the employees motivated and free from health impairments for a longer time. Here too the objective is to assure a fit between individual and company interests.

To achieve this, however, a new form of management culture is needed. It must become clear that there must be a high fit between the employee and his tasks, resp. his position. If this is not ensured, the employee will not achieve the desired job performance due to lacking motivation. Therefore, it must be the task of management to guide the employee so that he can position himself in the company in such a way that both profit.

## **F. Further information**

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