

Succession planning and personal development at Siemens

Siemens is a huge and diverse organisation. In the UK alone, the global technology giant has 21,000 employees and net sales of around €4bn a year. It pioneers electronic solutions as varied as molecular imaging, baggage handling and traffic systems, and operates in the finance and real estate markets.

Business challenges

For such a large organisation, talent management can be a real challenge. To identify and manage high-potential senior managers from across its 20 businesses, Siemens Corporate has established a Talent Management Board that reports directly to the CEO and CFO of the UK operation. One key activity for this board is a Management Development Centre (MDC), run in association with OPP[®], which aims to develop director-level capabilities across the various businesses.

Teresa Frost, Personnel Manager in charge of internal talent management across Siemens UK and OPP's provision of the MDC, explains how the MDC was conceived: "Siemens is an organisation characterised by its multiple divisions and a great deal of merger and acquisition activity. One of our key priorities is to have strong leaders who are enabling their people to give their best to the organisation."

The MDC programme aims to identify these future leaders, recognising the potential of functional and technical experts as well as those seeking a role as Finance Director, Managing Director or CEO of one of the organisation's many business units. Teresa comments: "Our work with OPP is helping us develop our leaders to deliver on the Siemens 'People Excellence Strategy'. We work on the philosophy that everyone has talent. Drawing on this pool, we are increasing the number of high potentials from an international perspective. The MDC has helped participants understand their own strengths and development needs, while at the same time giving us the information we need to provide them with suitable opportunities and career paths."

Business simulation

This description comes from a challenging business simulation, which sits at the heart of the two-and-a-half day MDC event. Ten participants each take on the role of Managing Director of a fictitious organisation, which faces similar operational and strategic issues to those they might encounter at Siemens. They must deal with their organisation's issues and meet at various points during the day to discuss a joint venture. They are observed throughout by OPP coaches and Siemens HR managers from across the business, all of whom are overseen and rigorously trained by OPP. These observers then categorise the behaviours they see using a structure based on the organisation's global competency framework.

Benefits of the programme include:

- focused development plans for high-potential managers
 - increased visibility and career mobility for participants
 - a re-energised cadre of senior managers
 - affirmation of the commitment of line management and the Board to the identification and management of talent
 - a deeper understanding of the skills, needs and management style of Siemens' future leaders
 - a partnership approach that helps up-skill Siemens' HR staff.
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A wealth of feedback for participants and the business

The information collected serves two distinct purposes. Firstly, it is fed back to the participants in a two-hour one-to-one feedback session on the third day of the event. Secondly, the key themes for each participant are fed back to the Talent Board and directly to the Group CEO and CFO.

The MDCs are high-impact, high-visibility events that include presentations from participants to the CEO, CFO and other stakeholders on their careers, both present and future. Participants also receive feedback from a variety of sources, including other participants, the Benchmarks[®] 360-degree instrument and the MBTI[®] and 16PF[™] personality questionnaires. Consequently they gain a fuller, deeper understanding of their current capabilities and what development they might need to achieve their ambitions. This feedback is entirely confidential and shared with the organisation only in an anonymous aggregate format. Thus individuals are allowed the privacy to address their inner needs and concerns, whilst the organisation gains greater insight into the personality of its senior management group.

Following the event, each participant receives their own in-depth development report integrating all these sources of information. They then meet with an OPP coach to discuss ways of taking things forward – a session that is often supplemented with a three-way discussion with their line manager. The OPP Leadership Guide, a binder designed for the MDC, offers participants a structure within which to frame their development activities.

The role of the MDC

With successors identified for 42% of business-critical jobs, a great deal has already been achieved, but there is still some way to go. Teresa comments: "The MDC programme is integral to Siemens' career planning and succession planning, including planning the route to Managing Director or Finance Director, and, in the longer term, to CEO or CFO. On several occasions we have returned to OPP's reports to supplement our decision-making around future promotions, looking at the simulation alongside a body of other evidence to help give us greater confidence that we're placing people in the right roles. The insights from

the MDC also give us a clearer idea of what we'll need to do to help the incumbent adjust to their new role."

Teresa is eager to stress that "the MDC is not a performance-management tool and we're keen to ensure participants and their managers know this well in advance. In the early days of the programme we found some managers sent their people to the event for the wrong reasons, which can be demoralising for that individual and their colleagues at the centre."

Such issues have now been resolved and benefits are already evident. Since the programme began in early 2005, Siemens has seen a significant increase in the internal mobility of its high-potential managers. Several have been promoted within their business unit, others have moved into other Siemens organisations and a few have moved internationally. Some participants have even contacted OPP afterwards to deliver similar activities within their own business units – a testament to the positive impact the event and subsequent coaching has had on them. The MDCs therefore look set to remain regular, popular fixtures in the Siemens calendar.

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