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“New Way of Working” at Siemens: internal social responsibility and positioning a firm as employer of choice

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Abstract. *Siemens, a successful international company, is investing great sums to deal with increased competition, reinforced cost pressure as well as the need for increasing efficiency in its business. The company developed and edited a sustainability program that connects business orientations, resources and management and the companies' interest groups.*

Only with satisfied and motivated employees, Siemens is able to meet its corporate objectives more successfully within a rapidly changing business environment. For that reason, Siemens tries to achieve sustainable working conditions, whereby working culture and working environment play a paramount role. On this account, Siemens felt compelled to establish a changing working culture by developing a new project “Siemens Office – New way of working” in order to enhance employee satisfaction that will strengthen Siemens' rank as an excellent employer.

This case study is aimed to figure out how far the positioning as an employer of choice could be attributed to an enhanced attractiveness of Siemens as an employer that results from an increased satisfaction of employees due to the establishment of a mobile working environment.

Keywords: corporate social responsibility, employer of choice, human resources management, mobile working

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Introduction

Engagements in corporate social responsibility (CSR) activities may be motivated by, among other factors, the search for competitive advantage and enhanced reputation. Increased worldwide competition with immense cost pressure and changing working and environmental conditions lead major firms to increase a broadly understood sustainability across their business fields and stronger links to their stakeholders. Siemens provides a good case study in the field of employee relations. For the fiscal

year 2012/2013, Siemens launched a modified sustainability program focusing on employee satisfaction (Siemens, 2012). A fundamental aspect that influences whether employees are satisfied or not, is, among other things, a creative working environment where employees benefit from a wide scope of flexibility.

Siemens strives to be an employer of choice, one which is attractive to qualified workers who have and value that choice. Toward that objective, Siemens established an open and creative working landscape, “Siemens Office,” which reflects the company's values in being “responsible”, “excellent” and “innovative” (Siemens, 2012). This case study offers an analysis of how the “new way of working” promotes internal corporate social responsibility and justifies the company's image as an employer of choice. First, the employer of choice concept will be presented. It will be evaluated further how far the company's set of interests goes along with the utility of the flexible Siemens Office for the employees and could result in an increased employee satisfaction, and therefore in an enhanced attractiveness of an employer. Recommendations in respect to the mobile working environment are made in order to secure that the employer of choice concept could be sustained.

A skilled workers shortage

Siemens is still spared from skilled workers shortage, but the firm assumes it will be affected well into the coming decades (Focus, 2012). The problem lies not only in global competition governing day-to-day operations, but that availability of highly qualified personnel is decreasing. That is the main reason why the attractiveness of an employer becomes steadily important for Siemens and why its positioning as an excellent employer becomes more significant.

For clarification, Table 1 demonstrates that Siemens still has a strong position as a favored employer out of 100 evaluated firms. 23,666 German students were interviewed in a 2012 survey according to their major field of study; they were asked for the attractiveness of 100 different employers. Within the scope of business, management and economics studies (top left corner), Siemens defended its rank eight position in contrast to the previ-

ous year, whereas its position as an excellent employer is significantly stronger in the field of engineering (top right corner). The positions within the fields of IT and natural sciences are similar to its standing with business students (Universum, 2012).

Table 1: Exemplary employer ranking among German university students, Universum (2012) survey	
Field of study: Business 1. Audi 2. BMW Group 3. Porsche 4. Deutsche Lufthansa 5. Volkswagen 6. Google 7. Daimler/Mercedes-Benz 8. Siemens	Field of study: Engineering 1. Audi 2. BMW Group 3. Siemens 4. Porsche 5. Daimler/Mercedes-Benz 6. Volkswagen 7. Lufthansa Technik 8. Fraunhofer-Gesellschaft
Field of study: Information technology 1. Google 2. Microsoft 3. Apple 4. IBM Deutschland 5. SAP 6. Audi 7. Siemens 8. Electronics Arts	Field of study: Natural sciences 1. Max-Planck-Gesellschaft 2. Fraunhofer-Gesellschaft 3. Bayer 4. BASF 5. DLR 6. Merck 7. Novartis Pharma 8. Siemens

Table 1: Universum (2012) German employer ranking

Being an employer of choice

The concept employer of choice is a broad term, and it is used with an all-embracing context. It is usually not defined explicitly and lacks a sound base of consensus by practitioners and academics. The term is subject to debate and rather applied randomly as firms create their own definitions. The Employer of Choice, Inc. website defines the concept as one by which “workers – employees and contractors – choose to work for that employer... when presented with other choices of employment” (Employer of Choice, 2012), reflecting that individual decisions of working for an employer are made. Table 2 shows other exemplary definitions from practice sources.

Table 2: Examples of definitions from practice
Recruiter.com “Being an ‘Employer of Choice’ means that you have created a great working environment within your business, which means that the best people want to work for you.” (Larsen, 2012).
Employers of Choice (Discover Tourism, Canada) “An Employer of Choice is one where employees’ actions align with its business goals, they feel appreciated and valued and their contributions are acknowledged and rewarded. That’s why more people want to JOIN an Employer of Choice and great employees want to STAY with them. It’s also why their employees strive to PERFORM and are more willing to ADAPT to change.” (Employer of Choice, 2008).
Work and Family Researchers Network “Any employer of any size in the public, private, or not-for-profit sector that attracts, optimizes, and holds top talent for long tenure ... because the employees choose to be there.” (Herman & Gioia, 2000).

Table 2: Employer of choice concepts from a practical view

The Larsen (2012) definition focusing on the creation of a working environment will be taken into account when examining the project of Siemens Office. The term “working environment” is, naturally, itself not very precise; it can mean everything associated with the employer and subjective impressions of very broad economic, technical, social, and cultural context, or be used in a more specific way, anchored in the setup of the individual’s workplace and workspace, and immediate, personal framework for routine working conditions on an everyday basis. It is, specifically, the office with its formative and supportive design, a structured and social environment where employees take to their tasks, individually or in groups.

I will utilize that latter understanding here. At Siemens, the development of a mobile working environment is categorized into the field of working conditions as one crucial aspect why employees choose to work for an employer. A potential employee’s question, “how will I work at Siemens?”, can be answered concretely.

The employer of choice concept tends to be a firm’s self-appraisal based on its own evaluation of how good working conditions are and how intensive the firms’ engagement in favor of their employees is. The question is, is there a gap between the label employer of choice created by a firm, based on internal concepts, and the recognition and perceived value of an excellent employer by outsiders? There may be a gap, even a serious one. The former aspect refers to a companies’ internal legitimacy through enhancing that employees are motivated, whereas the latter one is designed to improve a company’s reputation as an external objective (Liu & Ko, 2011).

I propose that an employer of choice seeks to increase its internal social responsibility activities steadily by providing excellent working conditions in order to meet the needs of the employees and in this way, increases the satisfaction of the employees. A key component is flexibility – not flexibility that primarily suits the employer, but flexibility that is valued by the employee: flexibility that is based on the employee’s choice and preferences.

Relevant criteria for this are a flexible working environment, flexible working hours, and an equilibrated work-life-balance. As a result from full recognition of these activities, employees choose a company to work there. There are quite obviously many other criteria that determine what an employer of choice may be, but for my purpose the above mentioned aspects are decisive.

The “Siemens Office” project

“Siemens Office” has been established in accordance with the corporate values to be a “responsible”, “excellent” and “innovative” firm. The project was initiated to restructure internal working concepts in order to enhance motivation and creativity of the employees within the company. Main drivers for increasing ambitions and inventiveness are associated with free choice of workplaces and different types of workplaces, the use of modern information technology and an improved work-life-balance (Siemens, 2012).

“Siemens Office” includes different functional elements of a mobile working environment: standard workstations, concentrated workplaces, creativity stations, communication areas as well as service fields, under which employees can choose from depending on the daily tasks to be performed and the skills involved. Each workplace consists of a table, a chair and a personal filing cabinet and each employee is provided with a laptop and a mobile phone. Workplaces are assigned according to the principle “first come – first serve” and cannot be reserved in advance in general. The mobile aspect of the project also refers to the

possibility that employees could work outside the office: at home, during business trips and at any other places associated with a workplace (Eder-Kornfeld, 2010).

Stakeholder overview

Siemens is confronted with a changing business environment that can be characterized by a growing complexity, increased competition as well as higher requirements in order to preserve its competitive advantage. From the point of view of the management board, the highest priority is to adapt to the growing requirements whereas the acquisition and retention of highly qualified, innovative staff becomes even more critical. Efficiency and effectiveness in its corporate processes and concepts play a paramount role.

The idea behind the concept demonstrates two main issues: an increased awareness for internal social responsibilities taking into account employees' needs on the one hand and increased savings from optimizing existing working concepts on the other. The main cause for establishing a new working environment was the recognition that office usages can be optimized because employees are seldom present in the office every day. In this vein, costs can be reduced by exploiting areas more efficiently that emphasizes the companies understanding of sustainability.

Table 3: Stakeholders in the Siemens Office project	
Supporting stakeholders	
Proponent	Reasons
Management board	Representation of values Sustainability, diversity, health, safety Cost reduction Image enhancement
Line managers	Increased motivation and creativity of employees Increased employees' satisfaction
Employees	Improved work-life-balance Open corporate culture Increased flexibility and autonomy Higher involvement in decision-making
Skeptical stakeholders	
Proponent	Reasons
Works council	Data privacy and information security could not be ensured Critical change management process Compliance with Working Hours Act and collective agreements Assumption that actual reason for implementing the project is the reduction of costs not the needs of employees Integration of severely disabled employees Critical worker protection

Table 3: Stakeholders in the Siemens Office project

A variety of different stakeholders exist who have an interest in the project and could benefit from it, but in contrast, there are opponents, considering "Siemens Office" as critical and perhaps loaded with a potential of negative impacts. Table 3 presents stakeholders supporting the project. By contrast, the introduction of a mobile working environment implies critical issues that justify the skeptical attitude of the works council (Betriebsrat). The works council, which represents the main interests of the

employees, is concerned with the issues listed in the bottom section of Table 3 in terms of the mobile working environment.

A main driver for attracting employees?

At first view, the introduction of the new mobile working environment shows clear advantages. Nevertheless, when examining the role "Siemens Office" plays in the scope of the employers' attractiveness, hidden weak points must be illustrated. The following SWOT analysis provides indications for positioning the firm as an employer of choice with regard to working conditions.

Table 4: SWOT analysis of the project "Siemens Office"	
Strengths	Weaknesses
<ul style="list-style-type: none"> Promotion of trust and mutual respect Promotion of mobile working Improved work-life integration for employees through increased flexibility Excellent IT equipment Increased employees' satisfaction through: Autonomous working atmosphere with more decision-making power Modern working environment Consideration of individual needs Promotion of skills and abilities High technology standard 	<ul style="list-style-type: none"> No consistent willingness to adopt to new working environment Aggravated cooperation between employees and line managers Loose of control – laissez-faire culture High acoustic level – concentration deficit Home-office leads to bad conscience of employees due to self-determined working time Flexible working concept demonstrates a cover-up of long working hours due to a permanent accessibility
Opportunities	Threats
<ul style="list-style-type: none"> Costs savings due to efficient use of office areas Optimization of workflows, increased productivity Increased attractiveness for new employees Coincidental representation of corporate values (especially sustainability) Enhanced reputation through increased internal corporate social responsibility activities New leadership and corporate culture tailored to changing conditions 	<ul style="list-style-type: none"> High implementation costs Complex change management process No consistent willingness to adopt to new working environment Risk management Changing leadership styles – high requirements for line managers "Siemens Office" is no uniqueness – other firms implemented a mobile working environment as well Detailed concept is not visible and promoted to externals

Table 4: SWOT analysis of the mobile working environment

Main targets of the project seem to be young professionals being more flexible and open-minded to deal with challenges and to adapt to new concepts and processes. Older employees may be more likely to stick to habits and customs that make the change management process somehow more difficult. In this case, Siemens Office rather addresses job newcomers, recently graduated or having few professional experiences, that would build up a long-term relationship with the employer who will take higher benefits from an ongoing contractual relationship as long as the needs of the employee are satisfied.

From the point of view of young talent, Siemens Office implies more individual advantages than disadvantages. Thus it increases the degree to which internal corporate social responsibility activities are carried out in favor of the employees. It can be stated that the mobile working environment is a fundamental

element for an improved working atmospheres and enhances the quality of working conditions. The listed weaknesses refer more to internal obstacles that are not visible for externals and therefore do not (or not much) influence the position as an employer of choice.

Consequences: current discussions and demands

Before an employee chooses an employer, he or she is assumed to acquire extensive knowledge about what the employer does, what the conditions would be, where the company is engaged in, what the employee could most benefit from, and whether the individual's identification with the company's values and vision seems probable. The potential job-seeker and future Siemens worker must be able to find this relevant information and interpret it. Thus, the firm's presentation of such information – particularly on its websites, the first stop and highly influential source – and the firm's public image is a highly important condition for making the concept work. When examining the provided information on the Siemens corporate website, priority is given to training and continuing education, diversity and work-life balance that refers, for example, to childcare.

I would emphasize learning opportunities as a key aspect for attracting younger job-seekers: They are strongly interested in how they and their career can develop further once they have entered the company's ranks. They will want to know whether the employer is interested in their personal growth, and how that transfers into expressions of firm philosophy and concrete action. Snider, Hill and Martin (2003) underline training and continuing education as a key aspect in a firms' engagement for internal CSR activities, i.e. "how organizations concentrate attention on continuous improvement of employees for their own good and so that the company may compete more vigorously in the marketplace. [...] Learning is the key to continuous improvement." (p.181). If that is so – I believe it is – then Siemens is wise to promote the idea publicly on its website.

However, not all Siemens Office components are promoted profoundly and extensively on the company's online media, and the concept's design is not specifically laid out and advertised. This deficit stems from the originally internal character of Siemens Office. Not surprisingly, external CSR activities are emphasized more insistently in media directed toward the general public. For example, the global corporate website siemens.com contains the section "family and career", and a link leads to a discussion of flexible organization of working time. Siemens Office as a specific concept is not directly mentioned, with the result that an external person would neither take note of Siemens Office in general, nor of its utility and benefits. He or she can then also not put specific questions to the company, or raise the subject in a job interview. On the national German website, Siemens Office is presented but not in detail.

As a potentially persuasive plan to win over interested job-seekers, external project communication seems to be underutilized. Visibility is low, and the company foregoes the opportunity to discuss a strong, potentially very relevant CSR component in the recruitment process. Marketing Siemens Office has obviously not been pushed to the maximum capacity possible.

Conclusions

The Siemens Office project is, in principle, strongly promoted internally. This is not matched by external communications. In my evaluation, there is an immediate need to publicize the project to all external stakeholders so that the main project objectives could be achieved. Only if potential employees are fully

aware of which internal CSR activities are carried out, the position of being an employer of choice could be tracked and in this vein, become more visible. Potential employees could more clearly validate that Siemens takes concrete action with real positive feedback by staff, rather than just declare a philosophy.

A higher degree of publicity for the internal project would be a great chance to clarify how attractive Siemens is as an employer of choice. In terms of Siemens Office, it seems certain that the establishment of a mobile working environment contributes to the improvement of working conditions. If under-communicated, the indication of being an employer of choice is more or less related only to the employers' own perception of what is done in favor of the employees.

To address the problem described above, the following improvement proposal is made: The corporate webpage contains the section "Employees – Management Approach". A subcategory called "Mobile working concept" could be integrated where Siemens Office is presented in detail, main benefits are listed and future project ideas are suggested.

Furthermore, Siemens is also engaged in using different social media sites (e.g. Facebook, YouTube, Xing, Twitter, etc.), where on the one hand, the firm is presented as an attractive employer, and on the other hand, the target-oriented acquisition of talent is possible. Siemens has introduced different campaigns for promoting its employer representation, using the concept of employer branding on a dedicated YouTube channel (youtube.com/siemens), a "Dare to Ask" campaign (Siemens, 2012), etc. These are further targets where the publication of Siemens Office and the employees' evaluation of the project, underlying their individual gains, could be of great benefit.

Another option for increasing the public degree to which Siemens Office is promoted, is writing newspaper and magazine articles. It would make sense to invest in marketing media that are available rapidly for a many people around the world.

Another very important issue is reporting on existing CSR practices. Only with comprehensive reporting, the efficiency and effectiveness of CSR activities can be measured and evaluated. Comprehensive reporting demands different items: visions and goals, management approach, and performance indicators (Bouten, Everaert, Van Liedekerke, De Moor & Christiaens, 2011). Since Siemens pursues a clear vision and goal, and has a concrete management approach with its mobile working environment, it needs to publish precisely information of its annual employee survey in terms of employee satisfaction within its annual Sustainability Report. Primary published data gives a more visible and realistic view on internal CSR activities and its immediate effects on its employees that coincidentally increases the degree of information transparency.

I suggest that the department which is responsible for external communication and corporate representation, in combination with project managers, should be the main driver for the marketing activities. As Siemens Office is still implemented, promotion must be a substantial part of the project post-processing and be integrated in future implementations from the beginning.

Since Siemens Office is established in all new constructed or refurbished buildings, the promotion of the project becomes even more important. For that reason, the improvement proposal seems realistic because no additional measures have to be developed. Instead, existing practices and concepts must be regenerated in terms of contents. The firms' chances of success are high because the mobile working concept goes towards positioning Siemens as an employer of choice, even if other criteria determine the individuals' choice for an employer as well. The problematic issue is that a mobile working environment has to become more popular in general and that there are several employers pursuing that concept – and communicating it. For this reason and in order to defend, or even improve Siemens position as an

employer of choice, the marketing process needs to be extended externally.

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