

Corporate Citizenship

An Interview with Eric Spiegel,
President and Chief Executive Officer, Siemens Corporation

EDITORS' NOTE Eric Spiegel assumed his current post in January 2010. Before this, he was a Senior Partner at Booz & Company, where he was employed since 1986. Spiegel began his career in the early 1980s at Temple, Barker & Sloane and Brown Boveri (later ABB). He received a bachelor's degree in economics from Harvard University in 1980 before earning an M.B.A. from the Tuck School of Business at Dartmouth College.



Eric Spiegel

COMPANY BRIEF With its U.S. corporate headquarters in Washington, D.C., Siemens Corporation (www.siemens.com) employs over 60,000 people in the United States. Siemens Corporation is the U.S. subsidiary of Siemens AG. With global headquarters in Munich, Siemens AG is one of the world's largest electronics and engineering companies. Founded 161 years ago, the company has around 360,000 employees in 190 countries and is a leader in medical technology, power generation, factory automation, transportation, lighting, building technologies, and water technologies.

How critical is corporate engagement to the culture of Siemens Corporation and how do you drive that throughout the organization?

It's one of the most important things we do, because within the DNA of Siemens globally and particularly in the U.S., being a great corporate citizen is part of being a great company and also part of being a great supplier to our customers and a great partner to our constituents.

Within Siemens Corporation, we support a lot of the efforts of our employees. With Siemens Caring Hands, we aggregated the charities we want to give to across the country so we can get more scale, but that is driven by the areas where our employees not only want to give back to charities but where they also volunteer their time. We have thousands of employees who participate. We are more likely to focus on places where our employees are actively engaged as opposed to giving money randomly.

Our large customers and stakeholders want to hear what we're doing in terms of corporate responsibility. We have been ranked number one on the Dow Jones Sustainability Index for the past few years.

Having that focus, is it less critical that those areas align with your business strategy?

In some areas, we look at our business strategy to determine if it makes sense. We have one of the largest environmental portfolios of products and services of any company in the world. So to the extent that it is a part of our overall business strategy and to the extent that our employees get excited about doing things to help improve the environment, there is a natural synergy between the business strategy and what employees want to do.

With Caring Hands, we give to groups like the American Red Cross and the American Cancer Society; we have a large medical business so there is natural synergy there.

But we don't try to drive that from the top down. We look to where the employees want to give money and how we can leverage that to make those programs more successful.

Being a good corporate citizen is one of the most important aspects of our overall business strategy in the U.S.

Do you look at these efforts primarily by region or is there coordination globally?

It's largely led region by region, though we do support some of the large global organizations. This past year, we raised over \$1 million for tsunami relief in Japan; we did the same with the disaster that occurred in Haiti a few years ago.

Although a lot of it is also driven by our local organizations, the Siemens Foundation supports many foundations around the world whose focus is on promoting STEM education because science, technology, engineering, and math are so important to our businesses.

So there may be a common theme across the globe for some of these, but the programs we support in the U.S. around STEM education are different than the programs our units in other countries support.

Has there been progress in terms of exciting young people about math and science and is there a better understanding of the careers those areas offer?

There has been progress at the highest levels in corporations and government. A lot of the higher technology jobs that we want to attract to this country require more science, technology, engineering, and math backgrounds, and there is a gap out there. We need to realign the execution, obviously in the elementary and high

schools, but more importantly in the community colleges and universities, to get them refocused around these immediate opportunities because there is a mismatch between what is coming out of their programs and what we need.

On the philanthropic side, can you track impact with metrics?

The metrics we have around these things come from a corporate perspective, so there are metrics on increasing participation by making things easier and getting the message out.

We have an employee engagement survey within the company and one of the questions we ask is, to what extent is the company doing the right thing from a corporate responsibility standpoint? So we track that metric to make sure the employees are engaged and that they think we're doing the right things with our charitable organizations, volunteerism, sustainability, etc. Our scores have been improving, so we feel that we're doing some of the right things.

How critical is maintaining a diverse workforce and have you been happy with your performance?

We have a diverse workforce along a number of dimensions, including employee resource groups in the U.S., which we encourage at corporate headquarters but also at all the business units. For example, we have a new veteran's network. We joined forces with First Lady Michelle Obama and Dr. Jill Biden on a program focused on finding jobs for returning veterans and their spouses. We had 3,400 open positions and we committed 10 percent of those to veterans in 2011 and, at year end, we had 630 veterans hired. It has been a win-win because the U.S. military is very technology oriented, so a lot of them went into field technician roles. We have generated a lot of excitement with the veteran's network.

How was the company in the U.S. positioned throughout the recession and is this a time to seize opportunity or to step back?

We had a very good 2011 – orders were up 8 percent and sales were up 12 percent. One of the reasons is that a lot of our businesses are aligned with the nation's agenda.

We're a long-cycle business, so the orders we got last year typically turn into sales in about 18 months and we're mostly tied to capital investment. That means people are committing capital 18 months out, which is a really good sign for the U.S. economy. So I expect the second half of this year will be strong, although we're cautiously optimistic about where the U.S. economy is headed. ●