Fostering a High-Performance Culture
Organizational Development @BOSCH

RACER Symposium, 25 April 2024

Dr. Lorenz Hagenmeyer

BOSCH

Fostering a High-Performance Culture
Our understanding of high performance

Delivering outstanding results that meet or exceed the expectations of our stakeholders, consistently over the long term.

- **Outstanding:** Based on benchmarks, better than competition

- **Results**: Results on EBIT, FCF and growth,
  but also results by significant progress on *Lead Work Win #LikeABosch* focus points
  (e.g., grow diverse talents, drive sustainability, foster trust, learn fast, collaborate, celebrate success, …)

- **Expectations of stakeholders**: Customers, associates, society and financial stakeholders to be considered

- **Consistently:** Not just once. High performance should be our "new normal"

BOSCH

Fostering a High-Performance Culture
There is no "one Bosch"
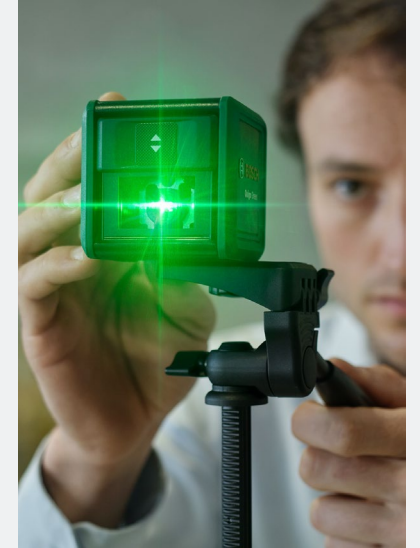

Mobility

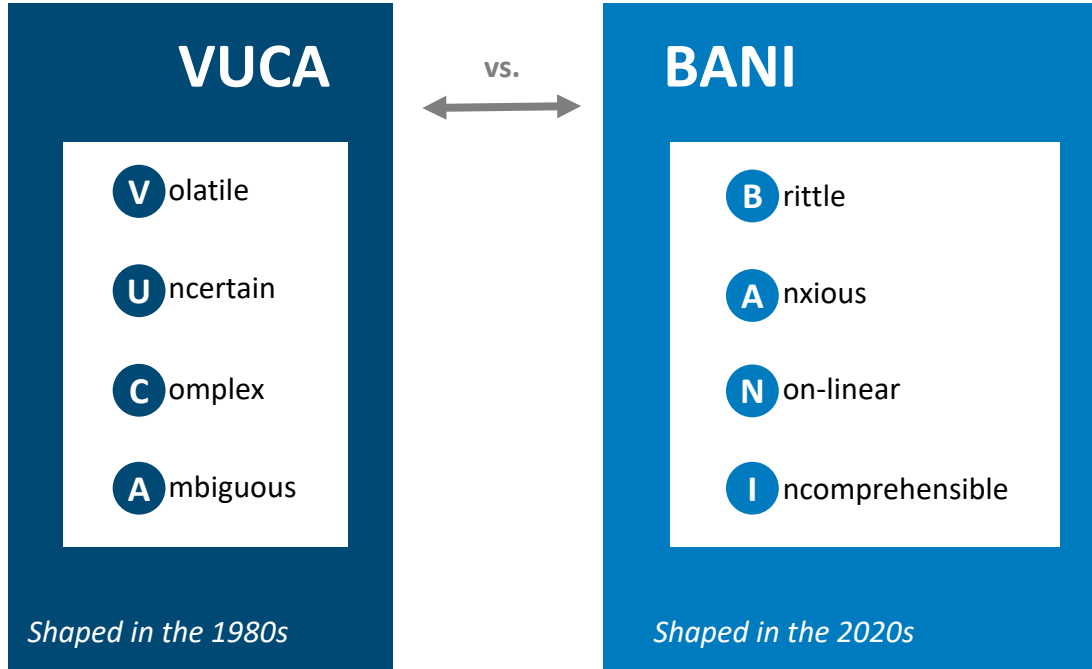**Industrial Technology**

Energy and Building Technology

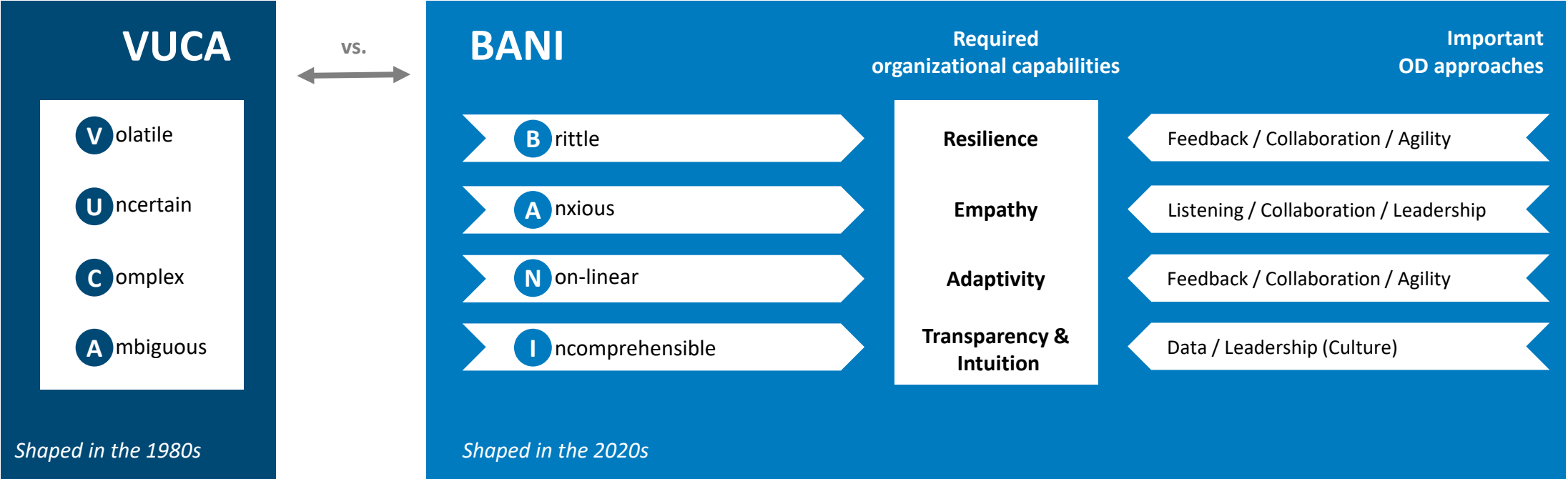**Consumer Goods**

Wide range of products & maturity levels

BOSCH

Fostering a High-Performance Culture
Our business context requires specific organizational capabilites

VUCA	vs.	**BANI**
V olatile		**B** rittle
U ncertain		**A** nxious
C omplex		**N** on-linear
A mbiguous		**I** ncomprehensible
Shaped in the 1980s		*Shaped in the 2020s*

BOSCH

Fostering a High-Performance Culture
Our business context requires specific organizational capabilites

VUCA vs. **BANI**

VUCA

- **V**olatile
- **U**ncertain
- **C**omplex
- **A**mbiguous

Shaped in the 1980s

BANI

- **B**rittle
- **A**nxious
- **N**on-linear
- **I**ncomprehensible

Shaped in the 2020s

Required organizational capabilities

- Resilience
- Empathy
- Adaptivity
- Transparency & Intuition

Important OD approaches

- Feedback / Collaboration / Agility
- Listening / Collaboration / Leadership
- Feedback / Collaboration / Agility
- Data / Leadership (Culture)

BOSCH

Feedback

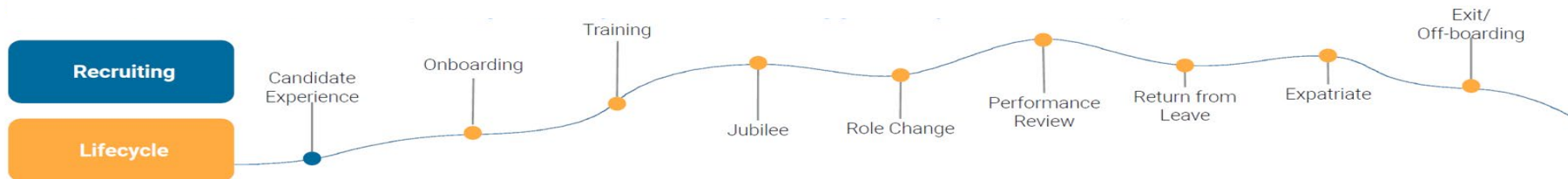- Evidence based control loop

- Personal contribution increases motivation

BOSCH

Fostering a High-Performance Culture
The *impact:x* feedback landscape

1. **Foundation:** Bosch Pulse & Executive Pulse Check

Q1	Q2	Q3	Q4
	Bosch Pulse Check		Executive Pulse Check

2. **Moments that matter:** impact:experience

Recruiting

Lifecycle

Candidate Experience — Onboarding — Training — Jubilee — Role Change — Performance Review — Return from Leave — Expatriate — Exit/Off-boarding

3. **Specific surveys:** i:leadership, i:strategy- GB-Pulses, i:wellbeing, i:team, others

BOSCH

Fostering a High-Performance Culture
Five elements facilitate deepened insights

impact:experience

Our feedback on our experience
as a Bosch associate at key moments
in the course of our career

impact:leadership

Our feedback on leadership
within our team

impact:strategy

Our feedback on strategy,
culture and transformation

impact:team

Our feedback on collaboration
within our team and its development

impact:wellbeing

Our feedback on our wellbeing

BOSCH

Collaboration

- Intra-/Interpersonal

- Systemic

Fostering a High-Performance Culture
Collaboration promotes success in complex businesses

Long-term profitability through **collaborative skills**:
Companies with collaborative corporate cultures significantly outperform those with conflict-ridden ones.

Study by J. Kotter and James Heskett on the relationship between corporate culture and success (>200 companies).

- Conflict-oriented Culture (Red Zones)
- Collaborative-Culture (Green Zone)
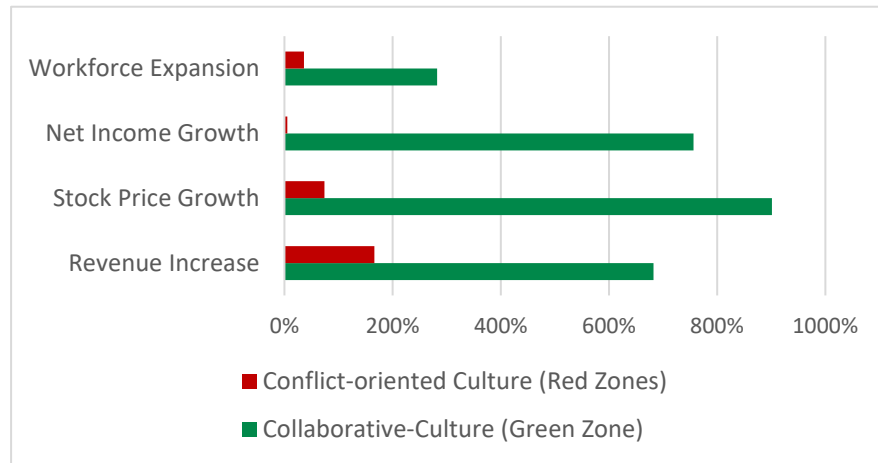
Radical Collaboration
J. Tamm

GREEN ZONE
Respect & honesty even in challenging situations

- Trust-based
- Cooperative communication style
- Seeking problem-solving
- Collaborative efforts

PINK ZONE
Pseudo-harmony, passive-aggressive behavior

RED ZONE
Open aggressive behavior

- Fear-based
- Combatant tone
- Controlling
- Defeating others

"True collaboration begins inside the individual, then moves out into […] teams and organizations." (J. Tamm)

BOSCH

Fostering a High-Performance Culture

Systemic Collaboration – Preparing the Organization
ISO 44001: Collaborative business relationship management systems

- Why collaboration?
- Business Case
- Needs & Red Lines
- SWOT
	- Expectation Matching
	- Culture Matching
	- Joint Processes
	- Exit Strategy
	- Contract
		- Regular Project Management
		- Active Relationship Management (PDCA)
		    - Communication
		    - Behaviour & Trust
		    - Maintain Exit Strategy
			- Activation of Exit Strategy
			- Follow-Up Activities

Internal Assessment	**Assessment w/ Partner**	**Active Collaboration**	**Assessment w/ Partner**

BOSCH

Fostering a High-Performance Culture
Introducing collaboration standards to strategic partnering processes
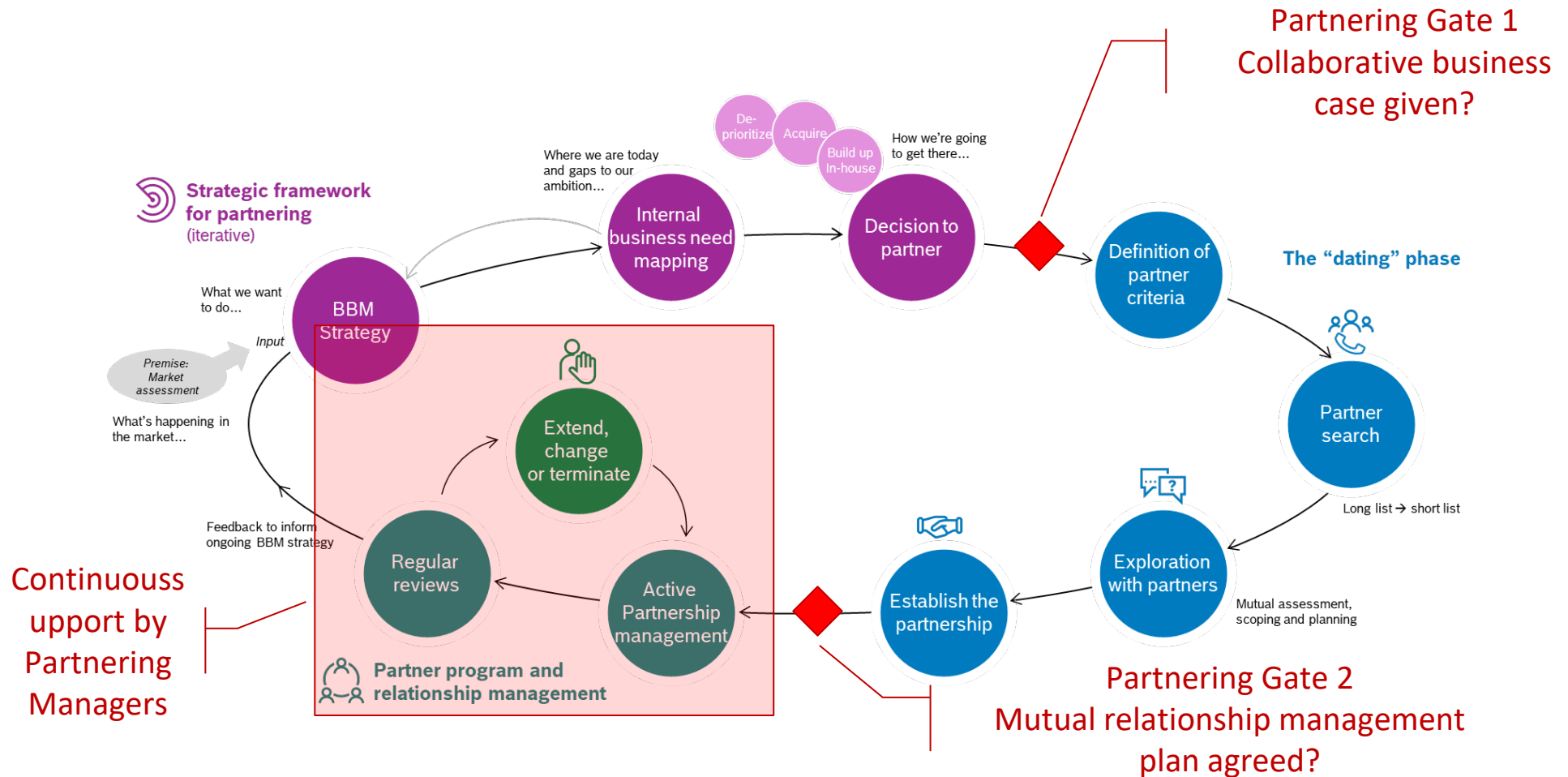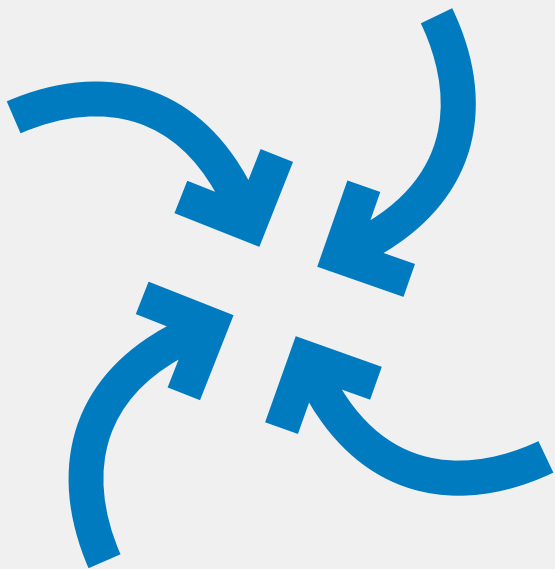
Agile organizations

- Doing or being agile?
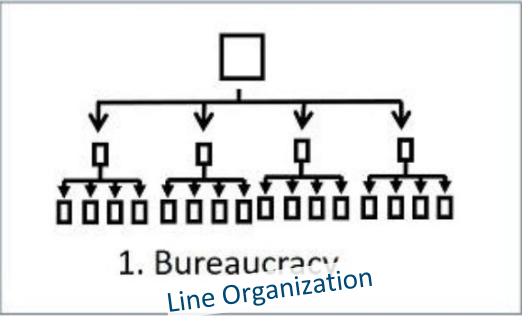- Shared Leadership

Fostering a High-Performance Culture
Doing agile is not being agile

> 12 years of experience with Agile
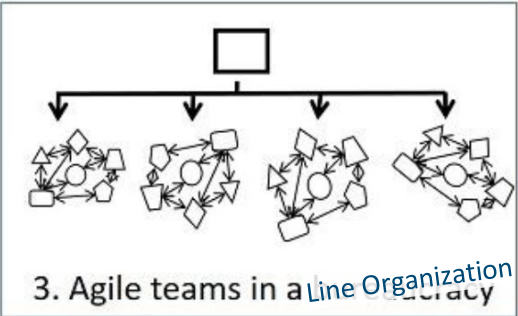> 8 years experience with scaling Agile
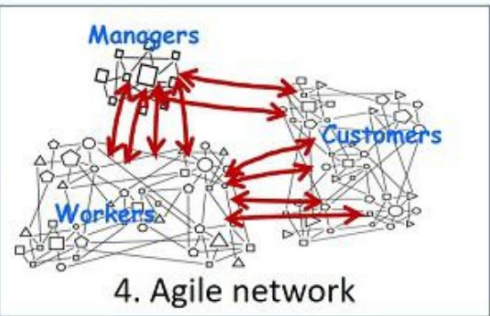> 50.000 Employees working Agile

Scaled Agility with Shared Leadership

currently

Steve Denning: Leadership Strategy – Explaining Agile, https://www.forbes.com, 2016.

target and beyond
Business Agility

Line Organization

1. Bureaucracy
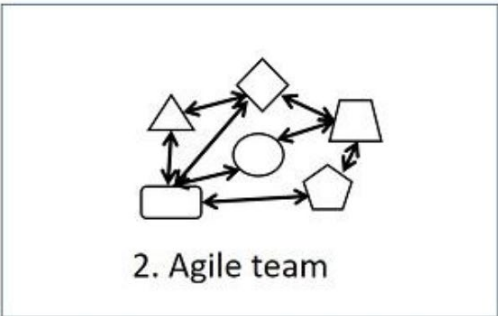
2. Agile team
self-organized agile teams

3. Agile teams in a Line Organization
agile teams within existing structures and regulations

4. Agile network
agile networks
agile organizations

Doing Agile

Being Agile

BOSCH

Fostering a High-Performance Culture
What we change – regarding People & Leadership

Need

**Leadership roles
for scaled agile organizations**

Consolidate experience
and requirements regarding shared
leadership

Provide broader development
and career opportunities

Empower and motivate people

People

GRAL – Generic Roles for Agile Leadership
Scope – Tasks – Competences

Architecture		A	B	C
Business		A	B	C
Functional Excellence		A	B	C
Organizational Development		A	B	C
Product		A	B	C

Agile Leadership Roles established 'on eye level'

Line   Agile   Project   Expert
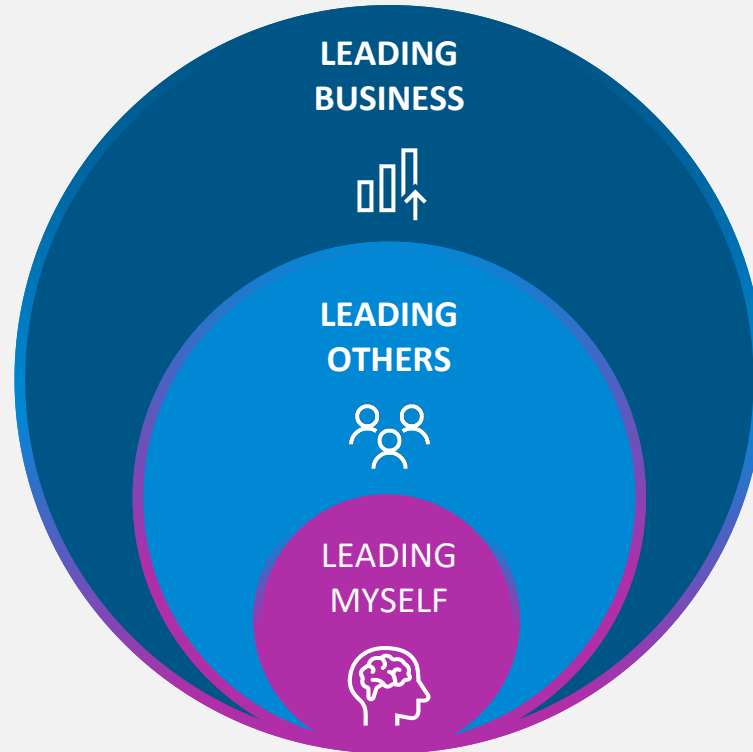
✔ Responsibility
✔ Career
✔ Grading
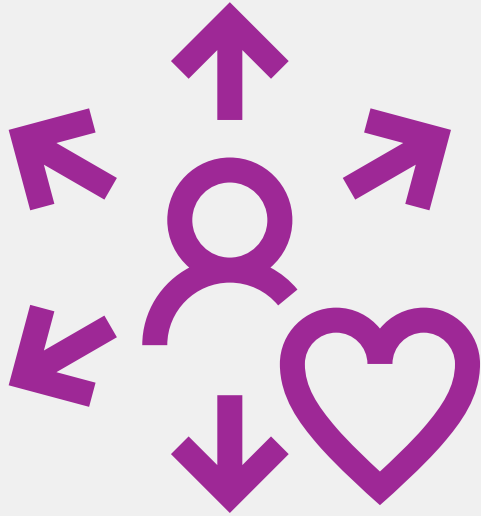
BOSCH

Leadership

From Authoritative Management to Systemic Leadership

BOSCH

Fostering a High-Performance Culture
Leaders need to excel in three dimensions

LEADING BUSINESS
- Deliver results.
- Master transformation.
- Develop Bosch.

LEADING OTHERS
- Give and earn trust.
- Foster accountability.
- Develop people.

LEADING MYSELF
- Know yourself.
- Manage yourself.
- Develop yourself.

BOSCH

Thank you!
Your questions?

Lorenz.Hagenmeyer@de.bosch.com

BOSCH