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Executive summary:

Organisational culture influences Siemens structure, how decisions are made, and overall performance. It applies contemporary cultural frameworks; this report critically examines how culture shapes Siemens structures and decisions making, it identifies and discusses the types of culture within Siemens using framework like Johnson and Scholes cultural web, Schein's three levels of organisational culture, Hofstede's cultural dimension, Deal and

Kennedy's corporate cultures, and Handy's four types of culture. It explains how the company uses culture to respond to external conditions, whether culture acts as a barrier to effective functioning, evaluate culture impact on performance and offer actionable improvement, and recommendation.

Introduction:

Siemens is a major German tech conglomerate, founded in 1847, the company has grown into a diversified multinational with activities across industry operating in a rapidly evolving and highly competitive global landscapes. Siemens excels globally in industrial automation, smart infrastructure, mobility, and healthcare, merging digital and real worlds to drive efficiency, sustainability, and technological transformation across industries and cities



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According to Zhao (2004) Siemens has diligently worked to attain top business performance and increase its financial worth.

In the global, technology driven environment in which Siemens operates, organizational culture sits at the heart of how work gets done. This report analyses how shared values, beliefs, and norms collectively organizational culture shape Siemens organizational design, decision making processes, and overall performance. By drawing on both established theories and contemporary insights, the analysis tackles five core questions, how does culture affect Siemens structure and decision-making, which cultural typologies best capture Siemens culture and how can they be used to diagnose its current state, how does Siemens exploit cultural dynamics to respond to external drive such as globalization, digital transformation, and regulatory demands? Is organisational culture a barrier to effective functioning, and under what circumstances, what is the impact of culture on Siemens

performance and what practical recommendations can align culture more closely with strategic aims.

The principal frameworks integrated are: (1) Johnson and Scholes cultural web, shared assumptions, signs and symbols, rituals, routines, stories, power structures, organizational structure and control system.

(2) Hofstede's cultural dimension to interpret cross cultural differences relevant to Siemens multinational workforce and international operations.

(3) Deal and Kennedys corporate cultures: work hard, play hard, process and tough determination to assess risk tolerance and decision making.

(4) Schen's three levels of organizational culture: artifacts, espoused values, and basic underlying assumptions to interpret observable culture in depth.

(5) Handy's four cultural archetypes: power, role, task, and person cultures to classify internal norms and leadership approaches.

They present an exploration of Siemens organisational culture, detailing the aims, boundaries, and it identifies the theoretical perspectives approach base on publicly available sources such as corporate disclosures, annual reports, sustainability, and management communications. The analysis also identifies barriers to effectiveness and offers evidence-based recommendations aimed at maintaining competitive advantage through cultural alignment.

Organisational Culture and decision-making:

A powerful organisational culture is fundamental to achieving outstanding results (Peters and Waterman 1982)

Siemens expensive global footprint requires a balance between centralised control for scale and local autonomy to Taylor operations to regional markets. The organisation employs a

traditional holding company framework complemented by business units or segments organised around key demands. Mobility, digital industries, smart infrastructures, Siemens healthiness and Siemens energy.

The largely matrix driven arrangements support both products centric and market centric coordination enabling resource sharing, standardisation of procedures and accelerated innovation.

Organisational Structure:

According to Ahmady, Mehrpour, and Nikooravesh (2016) Organisational structure is how a company divides task, arranges resources and ensures all efforts work together effectively.

Global business units: each major area is led by dedicated management, with strategic plans and responsibility, fostering accountability, clear performance indications, and specialised know how in area like automation, digitalization, electrification on medica imaging.

Functional Functions: Across global business units, centralised corporate functions e.g. finance, human resources, Leger, compliance, and procurement promotes economies of scale, global risk management and consistent governance.

Regional and local presence: Regional hubs and local of subsidiaries address country specific regulations, market needs and customer relationship. Regional leadership enables localisation while upholding global standards.

Decision Making Style:

Cultural background influences how individuals make decisions (Yales and De Oliveira 2016).

Siemens employs a hybrid decision-making approach suited to its size complexity and risk profile:

Strategic decisions: typically steered by the executive leadership, the supervisory board, and global business units' major investments, mergers and acquisitions, capital allocations reflect a long-term plans, financial targets and risk assessments.

Operational decisions: usually delegated to global business units' leaders and regional managers within the bounds of global governance policies and standard operating procedures.

Governance and compliance: Emphasis on risk management and adherence to international standards like ISO and ICH for healthcare and regulatory requirements across markets.

Digital and data driven decisions: increasing use of data analytics, digital platforms and KPIs to monitor performance optimise operations and support agile decision making in unit such as digital industries and smart infrastructure.

Relation to Theoretical Perspectives:

Johnson on Scholes cultural web: Siemens signs, symbols, rituals, and stories such as a storied history of engineering excellence, a focus on reliability and technical rigor and leadership messaging around engineering for life shared understanding of quality, safety and customer focus. The organisational design reinforces control mechanism aligned with risk management, global standards and accountability.

Hofstede's dimensions: cross cultural proficiency is essential in Siemens multinational setting. Dimensions such as uncertainty avoidance high in Germany and parts of Europe and power distance moderate to high within hierarchical contexts influence decisions rights, formal approvals and emphasis on documentation.

Deal and Kennedy: Siemens emphasis on process discipline and structured decision-making aligns with a process culture predictable future in moderate to slow feedback loops but strong consistency and reliability.

Schein's levels: artefacts include standardised processes, corporate branding, workplace arrangements, and format policies. Espoused values emphasise technical excellence, reliability, integrity and customer centricity. Foundational assumptions likely centred on the belief that skill and standardisation drive efficiency and risk reduction with innovation pursued within a discipline risk managed framework.

Types of culture:

According to Pheysey (2002) Culture is uniquely applied to consolidate and clarify key topics within organisational behaviour

Siemens culture can be mapped onto several established topologies:

(1) Johnson and Scholes cultural web:

Rituals and routines: systematic projects reviews stage gate processes for product development and standardise safety protocols. Regular performance reviews and compliance training reinforce accountability.

Stories and myths narratives of resilience, long term stewardship, and engineering prowess, stories highlights delivering complex system safely and reliably.

Organisational structure: A matrix like global design with centralised governance and local execution emphasis on standardisation and risk management is visible in organisational architecture.

Symbols corporate branding centred on ingenuity for life and the symbolism of engineering milestones, for example landmark installations and major project completions. (London Elizabeth line).

Control systems: key performance indicator, risk dashboards, compliance cheques, and audit trails, performance management emphasises safety, quality and reliability.

Power structures: Strong presence of this C- suit and supervisory boards, with substantial influence head by engineering and technical to experts.

(2) Schein's three levels of organizational culture:

Artefacts (visible): corporate offices, standardised processes, business attires, documentation, emphasis on safety and quality.

Basic underline assumptions: The believe that standardise processes and rigorous risk management are essential for reliability in critical industries, confidence that scale global integration and shock competitiveness.

Beliefs and values: Commitment to engineering, excellence customer safety, sustainability on ethical standards, emphasis on reliability and long-term value creation.

(3) Hofstede's cultural dimensions:

Power distance: moderate to high in several regions, reflected in formal hierarchies, clear reporting lines and structured decision approvals.

Uncertainty avoidance: High in Germany and many European contests, translating into rigorous standards risk opposition behaviour, and meticulous planning.

Long term orientations: A clear long-term orientation consistent with heavy investments in research and development, sustainability and strategic infrastructure projects.

Masculinity versus femininity: A blend prioritising achievements, efficiency and performance (masculine). While also valuing cooperation, quality, and stakeholders care (feminine).

Individualism and collectivism: Siemens tend towards collectivist norms within teams and departments, balance with individual accountability in performance evaluations.

(4) Deal and Kennedy's Corporate Cultures:

Work hard, play hard, Moderate presence in teams focused on safety and process discipline, project-based teams may experience bursts of intensity followed by steadier phases.

Tough guy: Less prominent given the focus on safety, risk controls and long-term performance rather than high speed risk taking.

Process: Strong emphasis on routine quality assurance, risk management align with German manufacturing traditions and a compliance-oriented culture.

Bet your company: Evidence in major long term strategic investments on large scale infrastructure ventures where outcomes are uncertain and consequences significant.

(5) Handy's Four Types of Culture:

Power culture: A few central individuals wield considerable influence; in Siemens this is reflected in the decisive role of top leadership for strategic direction.

Person culture: Less dominant, as collective objectives takes precedence though there are niches around the labs where individual expertise is highly valued.

Role culture: Strong presence due to defined processes, rules and hierarchy, responsibilities and authority are clearly defined.

Task culture: project-based work especially in complex engineering and digitalisation initiatives that require cross functional collaboration.

Organisational Culture and the External

Environment:

According to Voiculet (2010): The behaviour and performance of an organisation is influenced by its external environment direct or indirect.

Siemens operates within a setting marked by rapid technological change, political risk, regulatory complexity, evolving energy and healthcare landscape. The external environment both influences and is influenced by Siemens culture in several ways:

Sustainability an energy transition: Siemens emphasis sustainable infrastructure and digitalization aligning with global climate goals and rising demand for green technologies the culture prioritised long term values creation and responsible innovation

Global talent and diversity: A diverse workforce across regions calls for inclusive leadership, cross cultural communication and standardise processes that enable local teams the contributes when maintaining global coherence.

Regulatory compliance: Global operations require adherence to diverse standards like ISO, IEC, ICH a culture centred on meticulous compliance and risk management, support regulatory alignments, minimise penalties and project delays.

Digital transformation: The move towards industry 4.0 and data enabled service demands a culture that embraces change collaboration and continuous learning while preserving reliability and security.

Customer centric delivery: Serving customers across sectors like healthcare, energy, mobility, and buildings require a culture oriented towards safety reliability and quality to sustain trust and long-term partnership.

Geopolitical political and economic volatility: The ability to adjust to supply chain disruptions currency fluctuation and political risk is embedded in Siemens and risk management mindset and scenario planning.

Siemens culture is designed to be robust and scalable supporting operations across various regulatory regimes and cultural contests while maintaining high standards of excellence.

Barriers to Effective Functioning:

People are influenced by different levels of culture: (Onea 2013)

Bureaucracy and slow decision making: The focus on risk management, compliance and process rigor can lengthen decision cycles particularly for incremental changes or disruptive innovations that fall outside standard procedures.

Cooperation function across global business unit: Although the matrix design encourages cross functional work, cooperation can persist hindering knowledge sharing on end-to-end value chain optimization.

Resistance to change: Long tenured terms and units with strong safety norms may resist disruptive innovations or new digital platforms.

Cultural and regulatory misalignments: operating in many jurisdictions requires harmonising diverse cultural expectations and regulatory requirements, misalignment can lead to miscommunications and noncompliance risk.

Talent management and succession planning: The company's size necessitates robust leadership development and mobility. Gaps can affect continuity and fresh thinking.

Global local tensions: Balancing centralised governance with regional autonomy can impede swift adaptation to local market conditions.

Division velocity and regular processes: The need to promote rapid experimentation within a strong governance framework can create tension for agile initiatives.

Addressing these barriers typically requires deliberate cultural interventions such as fostering physiological safety, encouraging intrapreneurship within control risk, streamlining governance for strategic ventures and investing in digital collaboration to reduce friction across regions and units.

Organisational Culture and Performance:

The link between Siemens culture and organisational performance can be understood through several interrelated mechanisms.

Innovation within a risk management framework: why the culture can be risk averse in some contexts, Siemens invests heavily in research and development, digitalization and advanced manufacturing. The challenge lies in preserving entrepreneurial energy within a discipline governance framework.

Sustainability as a strategic asset: A long-term orientation aligns with sustainability goals and regulatory expectations, contributing to resilience and shareholder value.

Reliability and quality as a performance driver: The emphasis on safety, reliability and quality supports Siemens brand reputation and customer trust, underpinning long term contracts and recurring digital service revenue.

Customer focused delivery: Aligning culture with customer outcomes safety, reliability, and value facilitates successful project delivery and enduring client relationships.

Talent attraction and retention: A culture that supports learning, professional development and meaningful work helps attract top engineers and technology professionals, fuelling performance.

Global efficiency via standardisation: Process standardisation and global procurement generates economies of scale, cost control and consistent products quality across markets.

Based on empirical research, performance hangs on how cultural norms translate into daily decisions, project execution and strategic alignment. Siemens balance between process discipline and selective agility appears critical for sustaining competitive advantage in sectors characterised by large complex projects and rapid technological evolution.

Recommendations:

Based on the cultural analysis and its implications for structure, decision making and performance, the following recommendation aimed to strengthen Siemens organisational effectiveness:

(1) Accelerate decision-making Without compromising safety

and compliance:

Implement escalation threshold and pre-approved templates for common project types to speed approvals.

Develop decision rights maps clarifying who approves what at each level to reduce bottleneck in routine strategic initiatives.

Enable parallel due diligence where feasible and imposed time bound decision commitments.

(2) Cultivate greater agility within a control risk framework.

Establish define innovation corridors within global business units where intrapreneurial teams can experiment with digital solutions, internet of things platforms, and service models.

Adopt a fail- fast, learn fast mindset for non-critical projects while maintaining safety and reliability standards.

Form small cross functional squads with short, repeated cycles and clear risk, quality and compliance guardrails.

(3) Enhance organisational learning and leadership

development:

Launch leadership programme focus on adaptive leadership, cross cultural communication and change management.

Implement physiological safety initiative to encourage experimentation and constructive feedback.

Provide mobility opportunities to rotate talent across regions and units to broaden organisational understanding and reduce non-cooperation.

(4) Strengthening cross unit collaboration a knowledge sharing:

Create formal communities of practise across global business units for exchanging best practises in digitalisation, automation, and sustainability.

Harmonise performance metrics across units to reward collaboration not just unit level results.

Invest in integrated digital platforms like data lakes, common dashboards to provide real time visibility and alignment across regions and functions.

(5) Deepen emphasis on sustainability and long-term value

creation:

Integrate environmental, social and government framework metrics into executive compensation and performance reviews.

Clearly communicates long term strategic visions to all employees to sustain alignment and motivation.

Invest in sustainable innovation initiatives align with market's needs and regulatory trajectory.

(6) Align cultural with elements with performance objectives:

Use Johnson and Scholes's cultural web to periodically refresh symbols, stories and rituals that reinforce desired behaviour for instant customer centric innovation safe experimentation.

Monitor Hofstede's dimensions within global teams to tailor management approaches that respect cultural variation in decision making and communication.

Apply Schein's three levels to actively manage underlying assumptions through ongoing dialogue, experimental learning and leadership messaging.

Conclusion:

Siemens embodies mature globally integrated organisation that prioritises reliability, safety and long-term value creation. The combined insights from the cultural web Schein's levels Handy's analysis and Deal and Kennedy archetypes reveal how Siemens culture both enables and constrains organisational performance. The company structure centralised governance with global scale, complemented by regional execution and a strong risk management, supports consistency, quality and accountability essential for large scale engineering and digital infrastructure initiatives.

In a landscape marked by rapid digital disruption, sustainability imperatives and geopolitical uncertainty, Siemens must continually adapt its culture to preserve competitive advantage. The proposed recommendations balancing A discipline process culture with purpose driven agility, simplifying decision-making enhance cross unit

collaboration and investing in leadership and learning are designed to leverage cultural strengths while mitigating barriers to effectiveness.

Ultimately Siemens capacity to harmonise its robust culture with adductive organisational practises will determine its ability to innovate responsibly, deliver complex solutions reliably and maintain leadership in the competitive global marketplace.

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