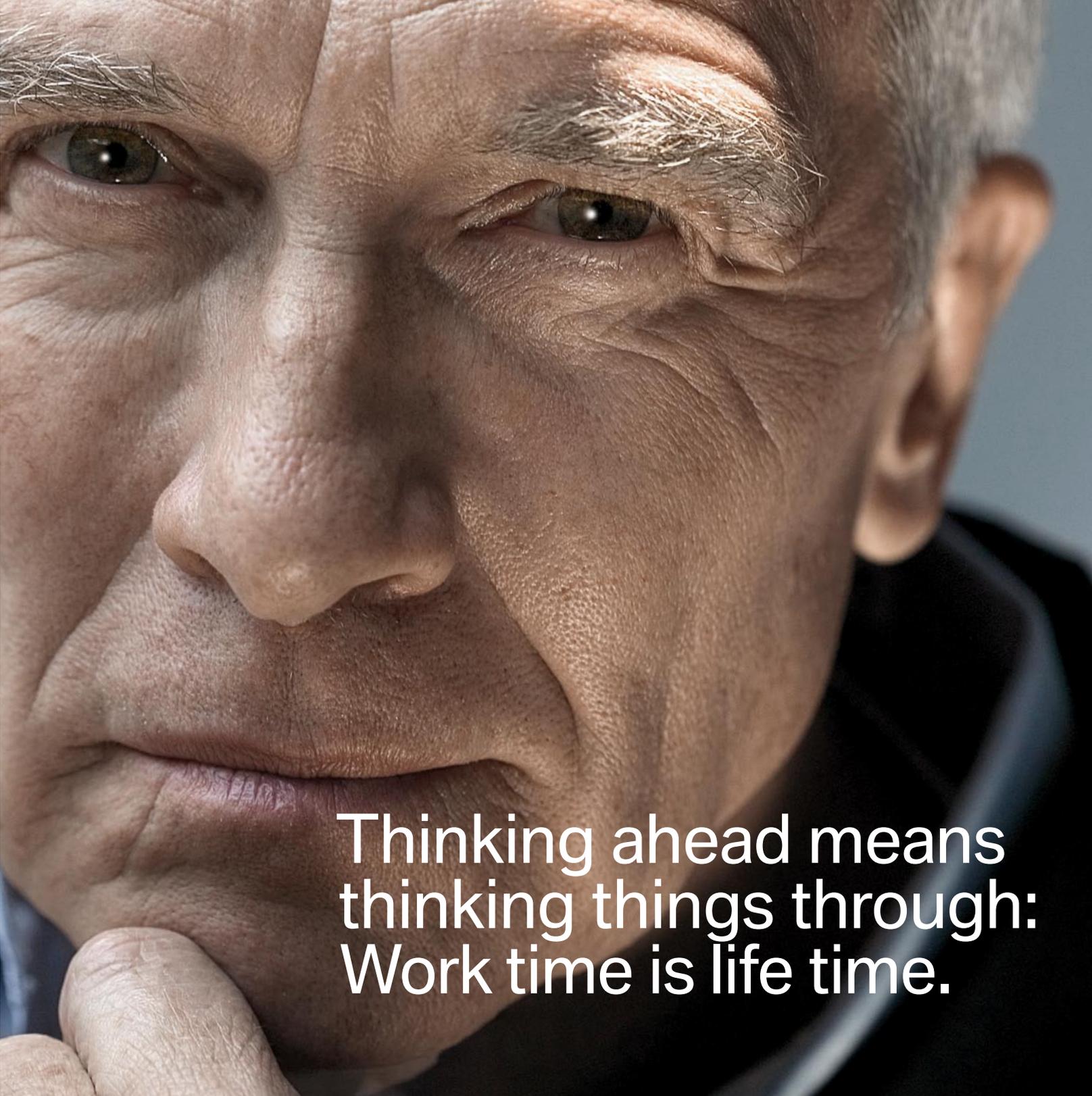


05 — Employees

- 01 Sustainability management —05
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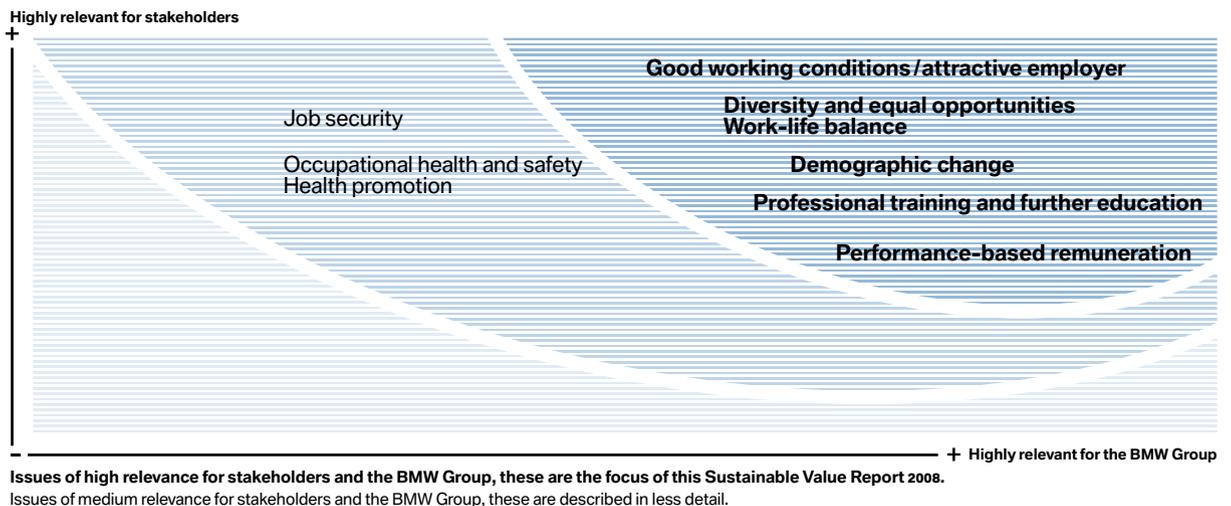
Thinking ahead means
thinking things through:
Work time is life time.

05 — Employees

The BMW Group's success is first and foremost the success of its employees. This is why human resources aspects are always considered comprehensively. While standardised procedures have been established for many human resources issues, other topics still need to be integrated into or redesigned in line with corporate processes. The BMW Group's present areas of focus are shown below on the

horizontal axis of the materiality analysis (relevant items only determine the current focus and do not make a statement about the topic's general priority). Issues which are of major importance to stakeholders have been determined through various surveys. They are depicted on the vertical axis.

Materiality analysis – Employees



28,000 employees

have participated in free health checks since the project "Forum Health" was launched in 2006.

Forum Health at the Munich site

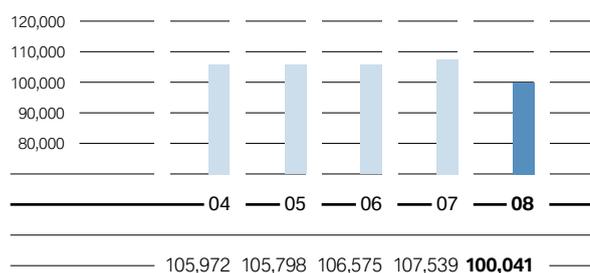


Challenges

- To maintain the leading position as an attractive employer within an increasingly fierce competitive environment in order to be able to attract new, highly qualified employees for the BMW Group and retain them in the long term
- To maintain employees' performance by strengthening required competencies and by promoting employee satisfaction, health, diversity and attractive development opportunities within the company
- To safeguard jobs also in times of economic crisis via various instruments such as measures to improve flexibility

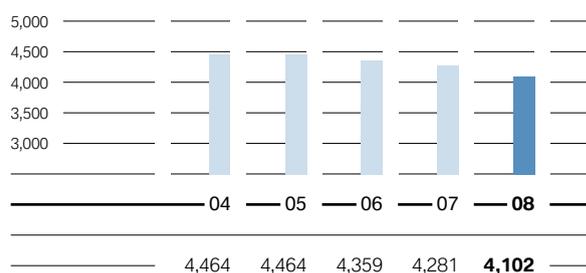
Key performance indicators (KPIs)

BMW Group Employees at end of year*

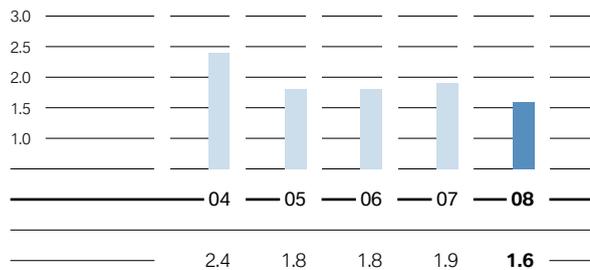


* Figures exclude suspended contracts of employment, employees in the non-work phases of pre-retirement part-time arrangements and low income earners.

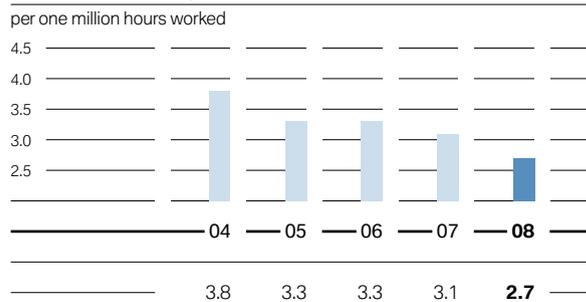
BMW Group Apprentices at 31 December



Average days of further training per BMW Group employee



Accident frequency at BMW Group



Achievements

- The BMW Group was once again named one of the top three attractive employers.
- Bachelor programme “Speed Up” developed
- Work time model “Full-Time Select” implemented
- Pilot project “KRONOS” on the ergonomic evaluation of shift schedules completed (Berlin and Steyr plants)
- Project on providing aging staff with ergonomic workplaces completed (Dingolfing plant)
- Project on fighting personal over-indebtedness set up (Rosslyn plant)
- According to the most recent staff survey, 89.2% of employees are very satisfied with working for the BMW Group.

Objectives

- Complementing training schedules with future technologies
- Setting up a systematic competence management
- Defining strategic fields of action and diversity targets
- Establishing occupational health and safety management systems at all BMW Group locations

05.1 — **Attractive employer.** Companies are made by people. The more people are encouraged to draw on their individual competencies, ideas and capabilities, the better the company performs as a whole. In turn, an efficient, staff-oriented company offers attractive workplaces for motivated, talented employees.

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www.bmwgroup.com/responsibility



www.unglobalcompact.org
www.ilo.org
www.oecd.org
www.iccwbo.org

“Employees are our number one success factor. This is why human resources decisions are among the key decisions we take.” This statement is one of the basic principles stipulated in BMW Group’s corporate Strategy Number ONE which are the foundation for the present advancement of the company’s human resources and social policies and thus of the entire field of personnel work. These policies are also based on other guidelines including the requirements detailed in the United Nations Global Compact, the ILO, the OECD, the ICC Business Charter for Sustainable Development as well as the BMW Group’s Joint Declaration of Human Rights and Working Conditions.

100,000 success factors

The BMW Group has been in a strong position with regard to the competition for specialists and executive staff for years. With a total of approximately 100,000 employees worldwide (previous year: 107,539), the BMW Group has the team it needs to stay on the road to success in the medium term. Nevertheless, the company will continue to look for and hire top professionals with specific qualifications for specific tasks. This is a major challenge, in particular in times of demographic change and an increasing lack of available professional staff. To be able to retain highly qualified staff in the long term, the BMW Group intends to further strengthen its position as an attractive employer.

Promote performance, show appreciation

But what characterises an attractive employer? A company’s ability to attract and retain employees is revealed in many different aspects that can be summarised in four main points:

Guaranteeing performance

The BMW Group promotes the expansion of skills as well as staff’s mental and physical productivity. It supports a diversity of cultures and ways of life at the company. This includes a variety of working models that help employees achieve a work-life balance.

Attractive, performance-based remuneration

Competitive, performance-based pay as well as numerous benefits are the reward for employees’ commitment.

Reliable future prospects

The flexibility of both employees and the company is a key prerequisite for safeguarding employment in the long term.

Show appreciation

Thanks to the fruitful cooperation of employees’ representatives and the management as well as the opportunity to actively shape the company by means of the change management programme, the BMW Group offers staff great room for ideas. The company encourages the motivational management of staff and thus guarantees great employee satisfaction.

The BMW Group provides the environment for employees to deliver exceptional performance on behalf of the company – to set the stage for lasting success.

In 2008

the location Goodwood was granted the “Investor in People” status that honours employers who strategically promote, support and train their employees.

Restructuring the human resources organisation

Based on the new targets established in the corporate Strategy Number ONE, the BMW Group human resources organisation was restructured in 2009. New challenges for human resources development have also arisen from the global sales and economic crisis as well as from the subsequent need to reduce costs in all areas of the company. To master these challenges, the BMW Group human resources sees itself today mainly as an innovative, efficient and effective network that assumes a global role in structuring and designing processes. Just as in other divisions, target achievement is supported by the company-wide use of the Balanced Scorecard.

Following the structural and strategic realignment, the BMW Group human resources as a business and service partner sets out to make a contribution to meeting the ambitious targets established in Strategy Number ONE. It already has the crucial success factors, namely 100,000 of them.



www.investorsinpeople.co.uk



www.bmwgroup.com/guidelines



UN Global Compact

05.2 — Perfect conditions for the number one success factor

Page 96 et seqq.

Guarantee productivity, support peak performance

Success, as automotive pioneer Henry Ford once said, “is to have exactly the skills demanded at the moment.” That basically holds true to this day. However, Ford’s success formula has to be expanded by several key questions: What exactly are these skills? Which competencies are not only in demand today but will continue to be in demand in the near or far future? And how does one guarantee that these skills are further developed and applied at the right place and time? In other words: How can a company maintain and expand its staff’s productivity?

These are the questions that drive the BMW Group’s human resources strategy. Answering these questions will help the BMW Group find the right employees, retain them and offer them the perfect environment to deliver peak performance. With regard to the employees’ competencies, three core fields of action have been defined:

- Identify the skills needed and develop the corresponding human resources planning activities
- Develop existing competencies further
- Recruit and develop new competencies

The right people at the right place

Just as customer requirements, market demands, technologies and corporate strategies change, so does the need for certain competencies in the company. One example: The development of electric mobility solutions and hybrid drives has stepped up the demand for engineers and technicians with experience and expertise in these fields.

In a first step, the BMW Group’s personnel planning determines the future demand for specific competencies in line with certain strategic focus areas. In a second step, existing staff is scrutinised with regard to employees who could provide these competencies thanks to acquired skills or completed training courses. The goals are, firstly, to provide employees with a long-term employment perspective and, secondly, to cover the company’s need for certain competencies in the most time and cost-efficient manner.

Attracting tomorrow’s high-performers

The company does not have all the competencies at its disposal today which will be in demand tomorrow. Although the headcount is likely to remain more or less unchanged in the medium term, the BMW Group will continue to hire a limited number of specialists and will cover competencies at the company by means of junior training programmes. Human resources marketing strategically targets university graduates and professionals in fields in which new talent is needed right now as well as in the short and medium term: This applies primarily to electrical and information engineering, electronics, IT, mechatronics as well as industrial and mechanical engineering. As a global corporation, the BMW Group is increasingly shifting the focus of its human resources marketing towards international target groups.

In the competition for specialists and executive staff, the BMW Group benefits from the company’s excellent reputation among students and university graduates. In 2008 and 2009 young academics in the fields of economic and engineering science named the BMW Group one of the top three employers, both in Trendence’s “German Graduates Barometer” and the European “Universum Student Survey”.

Cross-functional training

For the BMW Group, professional training means much more than providing young people with perfect professional qualifications. The company’s 4,102 apprentices in 23 professions training with the BMW Group at the end of 2008 received numerous opportunities in Germany and abroad to complement their current professional skills with further qualifications. Options include, for example, the training programme Dynamic Drive, a feedback instrument set up in 2007 to promote apprentices’ team spirit and social skills. AQua, a qualification programme for apprentices at German dealerships and service partners, prepares future mechanics for the increasing demands in the areas of technology and customer. While still in training, they can experience first-hand the dynamics and laws of the business world in their own junior companies.

A main task of the BMW Group’s apprenticeship unit is to align apprenticeship programmes with the new technological



www.trendence.com
www.universumeurope.com



www.bmwgroup.com/career

— a
The new “BMW Training Center Shanghai” opened in May 2009.

— b
The new Training Center in Shanghai offers classes for employees to help them further improve customer satisfaction.



— a



— b

requirements, such as those in the field of electric mobility. One example: In 2008, the BMW Group incorporated a new training module called “Hybrid Technology” into the professional training programme for vehicle mechatronic technicians.

Attract and convince graduates

In 2007/2008, the BMW Group employed a total of 8,844 interns, last-semester students and PhD candidates. What is new is that the BMW Group now also offers part-time and split internships as well as further models. In addition, the BMW Group is implementing the principles of fair employment conditions and opportunities for interns as stipulated in the initiative “Fair Company”.

The BMW Group’s academic young talent programmes are continuously adapted to meet changing internal and external requirements. The company reacted to the new bachelor and master structure at the universities by introducing the two programmes “Speed Up” and “Fastlane”.

Education and passion for automotive mobility

Many students do not wait for graduation and already get in contact with the BMW Group whilst still at university. Thanks to the intensive, long-term cooperation with various universities and colleges, the company does not only guarantee a continuous exchange between research and practical application as well as a more practical university training, but also attracts motivated, excellent students early on as potential BMW Group employees. It is also important to make sure that, during university studies, students acquire the skills the company considers important in the long term. Good examples for this kind of cooperation are CAR@TUM (joint project of the BMW Group and the TU Munich) as well as the collaboration with the International Center for Automotive Research at Clemson University in South Carolina (USA).

In addition to these direct collaborations, the BMW Group representatives work at and for universities. At the company’s Bavarian locations, plant and production managers are active in the respective University Councils. On the European level, the BMW Group is the employers’ representative on the “European Quality Assurance Register”, a body that intends to improve the quality of academic training at European universities.

To counter the impending lack of specialists, the BMW Group raises passion for technology and automotive mobility in many areas of the educational system.

Paying interest on brain capital

100,000 BMW Group employees – this means 100,000 opportunities to develop manifold ideas and competencies. This is what the BMW Group does by offering employees demand-driven further education programmes. The goal is to support all employees in the endeavour of lifelong learning and expanding their skills. Besides professional competencies, the BMW Group encourages staff to improve their methodological and social skills, such as leadership qualities. In 2008, for example, numerous locations offered executives classes in “Leadership and Behaviour”, “Labour Law for Executives” and “Healthy Leadership”.

In light of the challenging economic climate, last year’s further training activities were concentrated upon select target groups and key topics. At 154 million euros, the BMW Group’s training and education expenditure was down 14.9% year-on-year. On average, BMW employees took 1.6 days of training last year (previous year: 1.9 days).

The BMW Group places particular emphasis on improving the integration of learning and working environments. “Drive”, the 18 to 24-month programme for young professionals with up to three years of work experience, is the BMW Group’s way to help young professionals gain a foothold in team and work processes. The “Drive” programme currently has 100 participants.

In 2008/2009, the BMW Group set up new training centres in the two key markets China and the US, tailored specifically to the needs of sales staff. In China, the company now operates two own training centres as well as four training units at universities. With a total capacity of 50,000 training days per year, the BMW Group will help employees in the Far East improve their performance – a major prerequisite for increasing customer satisfaction. The basic training for technical staff in China, introduced last year, was expanded further. The programme concept and its modules are available to all markets worldwide. In Germany, for example, the programme complements the school training that BMW Group apprentices receive.



www.bmwgroup.com/career



www.clemson.edu/centers-institute/cu-icar



www.bmwgroup.com/science



www.eqar.eu

— c
Workplaces in transmission mounting were redesigned to make it possible for blind employees to work there.

— d
Women in technical professions: Sabine Häfelein is a master automotive technician.



— c



— d



UN Global Compact

Versatile competencies for a versatile company

Today the BMW Group is active in more than 140 markets worldwide. However, it is only possible to tap into the full potential of international business by understanding the various customer groups, cultures and requirements. Ideally, this task is handled by employees who have a deep understanding of this diversity thanks to their own biographies, life situations, experiences and interests. At the same time, it is crucial to retain staff competencies for the company throughout employees' different stages of life. This is why the BMW Group has established a wide range of possibilities, such as various assignment and work time models, that allow employees bound by different family circumstances or conditions (e.g. disabilities or age-related restrictions) to fully develop their performance potential. Because their versatile experiences and skills are much too valuable to lose. This claim is derived from the Strategy Number ONE and is promoted throughout the company under the label of "Diversity Management". Current priorities in Germany are the promotion and long-term retention of female staff as well as work-life balance.


www.bmwgroup.com/career

Attracting female staff

Women are clearly underrepresented among apprentices (23%), interns, last-semester students and PhD candidates (27.9%) as well as in managerial positions (7.8% at BMW AG). However, the share of female managers at BMW AG has risen 66% over the last six years. Overall, female employees make up 13.2% of BMW AG's workforce today. The company intends to increase the share of female staff and to support them on their way from apprenticeship to executive positions.


www.girls-day.de

With "Technology Camps for Girls" (in cooperation with the Educational Institute of Industry and Commerce in Bavaria) and "Girls' Days" (in 2008: 800 participants at the German locations), the BMW Group tries to awaken female teenagers' interest in technical professions. In addition, the company strategically supports women, e.g. by means of various mentoring programmes and internal networks.

Working time and family time

Many couples in their mid-20s to mid-40s – who are also right in the decisive phase of setting the course for their careers – ask themselves how to manage both a family and work. An increasingly large group of people takes care of elderly or sick relatives, a time-intensive task that is difficult to adapt to the requirements of working in a regular job. This is why the BMW Group offers employees a wide range of flexible work time models which help people achieve a work-life balance. These models include teleworking, part-time work and sabbaticals. Since 2008, long-term permanent staff at BMW AG and Plant Steyr can take an additional unpaid leave of absence of up to 20 days a year. In the first year, 780 BMW AG employees took advantage of this new work time model Full-Time Select. The offering also explicitly addresses male employees whose opportunities to take on the responsibilities of childcare have improved dramatically, thanks to the options of parental or family leave available in Germany. For further information on childcare offerings and family services, please refer to www.bmwgroup.com/career.

Intercultural diversity at the top

The BMW Group promotes the diversity of its staff at all locations worldwide. One of the goals is to raise awareness among executives for diversity issues and support for local junior managers.

91% of all executives

in South Africa are locals, in Great Britain the share is 90% and at US plant Spartanburg 81%.

In the future, the BMW Group intends to expand its diversity programmes and focus more strongly on aspects such as cultural diversity. Another important step will be to establish the organisational framework for Diversity Management by incorporating it into the corporate target system and by assigning responsibilities.



Healthy exercise at the workplace: a workout that strengthens the back muscles, carried out by assembly workers.

Stay healthy, be motivated at work

Large companies also reflect social trends. And today's society, at least in Western Europe, can be described by a few main demographic trends: The average age is rising. People have to work longer. It is becoming harder to find top-notch professionals. And demand for certain competencies is on the rise.

A large company that does not want to be steamrolled by certain trends but wants to benefit from them, needs to guarantee two things: It has to keep its staff healthy and productive and has to make it possible for everyone to continue to contributing to the company's success, even in the case of – maybe age-related – performance restrictions.

The following fields of action arise from these assumptions:

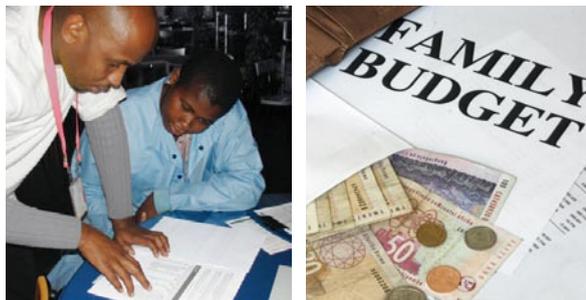
- Guaranteeing workplace safety and ergonomics to keep staff healthy and to minimise the risk of occupational accidents
- Integrating staff with performance restrictions
- Supporting staff in leading a healthy and balanced life-style

Occupational safety in line with international standards

A basic prerequisite for keeping healthy is a safe work environment. At present, the BMW Group has health and occupational safety management systems in line with OHRIS and OHSAS requirements at 12 out of 24 locations as well as corresponding systems complying with national standards at four additional locations. This means that the workplaces of approximately 80% of all employees are certified according to management systems. Additional locations are to follow by 2010.

A first measurable result of the consistent implementation of these management systems: The accident frequency decreased from 3.1 (2007) to 2.7 accidents per one million hours worked. The industry average stands at 4.0 accidents per one million hours worked.

— a/b
 “Financial Wellness Program”: Customised consulting on financial matters in South Africa



— a

— b



www.bmw.co.za

Adequate work environment for older staff

What are the implications of an aging production workforce? How can manual labour be organised in a more ergonomic and age-appropriate manner? These questions were used as the basis for a pilot project at the Dingolfing plant between October 2007 and September 2008. At a production line for rear-axle transmission assembly, the age structure forecast for 2017 is implemented already today. The result: thanks to “Work System 2017”, an older team of employees is just as efficient as production areas with considerably younger workers. Key measures are the “strain-optimised staff rotation” as well as the development of age and health-appropriate shift models based on a requirements / capacity analysis.

Joint responsibility for health issues

Employees can make a significant contribution to staying healthy by leading a healthy lifestyle and undergoing preventive check-ups. The BMW Group supports its staff with a variety of customised offerings for specific groups of employees and different health-care aspects. This includes a free health check-up at “Forum Health”, nutrition campaigns and the fitness concept “MoveUp”. In 2008, the company cooperated with the Technical University (TU) of Munich to run a “Personal Health Manager” pilot project targeted at employees at the Munich plant who had never done any sports and showed at least two risk factors for metabolic syndrome. The result: Almost all of the 100 participants improved their risk profile, some of them significantly.

The BMW Group also continued various programmes on addiction and disease prevention, e.g. “Dealing with Alcohol”, “Smoke-free” as well as flu shots. Together with the health insurer BKK BMW, the Munich plant organised classes on breast cancer early diagnosis in 2008. There were also colon cancer preventive checks at all German plants in 2009.

These comprehensive programmes help the BMW Group raise awareness among employees and enhance the staff’s personal accountability. Obviously, it is up to the employees themselves to take advantage of such offers.

Financial health

The specific concepts and activities in the area of health promotion depend to a certain extent on the requirements at the locations, which might differ from region to region. A good example in this context is the “Financial Wellness Program” in South Africa.

Studies show that many workers in South Africa have to deal with a mountain of debt, which impairs their physical and psychological well-being as well as their performance at work. Many people are unable to handle this pressure: they arrive at work late or stop coming altogether or else they are subject to the court-ordered wage garnishments. The most common reasons for massive over-indebtedness are unexpected costs, failure to plan for the long term, a lack of financial knowledge and family reasons, as well as high interest rates and the increasing number of unreliable lenders in the country.

As a prevention and aid package, the BMW Group launched the “Financial Wellness Program” two years ago. In a first step, a team of three social workers with sound knowledge of the legal and economic environment determines the debt level and a person’s “financial wellness profile”. In a second step, they develop a customised strategy to help the employee escape the debt trap. Between April 2007 and July 2008, a total of 1,130 employees were issued a confidential credit report on their financial status.

05.3 — Performance and reward.

The BMW Group can only be successful if employees apply all their productivity and knowledge to making corporate success happen. In turn, the company rewards employees' performance with fair, transparent, competitive and attractive remuneration.

The BMW Group counts on intrinsically motivated staff, i.e. high performers for whom the commitment to their work and the willingness to perform are a matter of course. In this understanding, the annual income is not the prime incentive but the expression of appreciation for services rendered. The design of the BMW Group's remuneration system is based on fairly rewarding both an individual's performance and the performance of the entire team. This is a crucial factor today as, within an increasingly fierce competitive environment, the BMW Group wants to improve efficiency not only by reducing costs but primarily by becoming more efficient.

Participation in the company's success

The BMW Group implements its philosophy of performance and reward consistently in all markets and across all hierarchical levels. Employees, executives and the Board of Management all participate in the company's success according to the same system. The performance-based remuneration element increases with the employee's hierarchical position. This is why, due to the dramatically decreased operating result, in 2009 a pay-scale employee will earn about 10 % less while department heads will receive about one-third less and Board Members about 40 % less than last year.

Comparability and transparency

The remuneration paid by the BMW Group is in the upper third of the relevant labour market and thus at a very attractive competitive level compared with other companies. In 2008, the BMW Group's remuneration system was revised to guarantee fairness and balance. Following the performance-and-reward principle, there are natural differences in income for individual employees. Nevertheless, the income of all members in a salary bracket develops rather similarly and the BMW Group can prevent the gap between lower and higher salary groups from widening.

The BMW Group also guarantees consistency and transparency among locations and plants. Each employee's remuneration package worldwide is comprised of comparable components. Country-specific differences (e.g. with regard to health insurance or retirement benefits) are taken into consideration so as to allow the BMW Group to offer an attractive overall package in each region. The salary components in detail:

1. Fixed salary

Each employee receives a fixed remuneration of 12 monthly salaries. The fixed salary is complemented with further elements according to local conditions and is assessed and adapted once a year. There is no difference in remuneration between male and female employees.

2. Company bonus

Corporate success is largely the result of successful teamwork. This is why BMW AG complements the fixed remuneration with participation in the corporate result. The amount of the company bonuses paid out is based on the overall result of the company. In 2008, for instance, the total remuneration for BMW AG's pay-scale employees amounted to 15.5 monthly salaries.

3. Individual bonus

Besides the teams' overall achievement, the BMW Group also rewards employees' individual performance via certain salary components. The amount depends on the result of the evaluation carried out by their superior.

4. Retirement benefits

In times of demographic change, the company pension plan increasingly gains in importance. The BMW Group offers its staff attractive pension models that are tailored to the specific market's structures.

5. Additional benefits

Depending on local requirements or a person's classification, the BMW Group offers employees additional benefits such as favourable conditions on vehicles, a collective accident insurance for executives in Germany or additional insurance coverage for health services in India and China.

05.4 — Shaping change flexibly. The business of individual mobility is changing. To emerge from this period of change even stronger than before, companies and their staff have to be one thing above all others: adaptable.

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For the BMW Group, adaptability means first of all to continue to offer staff reliable future perspectives also in difficult times. After all, highly qualified and committed employees are the crucial competitive advantage of tomorrow. On the other hand, a company needs to be able to react to economic downswings, fluctuations in sales and cost pressure. This can only be done if both the company and its employees adapt flexibly to any new situation.

This is why the BMW Group has cooperated with staff representatives to develop a variety of measures that allow for maximum flexibility with regard to time, place and assignment – which makes them the perfect means to guarantee reliable job security in the future. Thanks to these models, the company was able to adapt production to a global decrease in demand early on in 2008 without having to make people redundant.

Temporal flexibility

An important element is the “BMW time account”, which gives employees the possibility to save or overdraw up to 300 hours a year. At the same time, it gives the company more leeway in case of market fluctuations.

In addition, many BMW Group employees take advantage of flexible work time models such as part-time work or Full-Time Select (see Chapter 05.2). The partial retirement programme that helps people master the transition from work to retirement is taken advantage of by 85 % to 90 % of all employees in the respective age group. In 2008 alone, the BMW Group concluded approximately 1,250 new partial retirement contracts with employees. However, starting in 2010, the additional amount of benefits presently paid by the Federal Employment Office will be omitted. The BMW Group will nevertheless continue its partial retirement programme and adapt the existing company agreement based on the collective agreement “Flexible Transition into Retirement”.

In today's very difficult economic climate, in which the usual flexibility activities are not sufficient, BMW AG also applies the legal means of short-time work to safeguard employment. This happened in the first half year of 2009 when the Board of Management and the Works Council agreed to counter the volume adjustments in production with short-time work at several German plants with the goal of reducing costs as necessary while safeguarding employment.



A specifically established shuttle bus brings employees from Regensburg to Leipzig.

In motion – geographically and professionally

In 2008, BMW took advantage of natural fluctuation and mutual termination agreements to reduce the headcount by 7,498 to approximately 100,000 employees. This is the workforce with which the BMW Group wants to develop new tasks, technologies and markets.

In this endeavour, employees are also required to show local flexibility and mobility, aspects which have long been crucial competitive advantages of the BMW Group's production network. A temporary change in the place of assignment is an established, well-proven approach that does not only strengthen the exchange of knowledge but also makes a significant contribution to safeguarding jobs.

New tasks and technologies also require different or new skills. To cover certain deficiencies, an increasing number of employees need to undergo further professional training. For employees, this means remaining “employable”.

200 Regensburg staff — are supporting the Leipzig plant in 2009 to reestablish two-shift operations.

For the company it means covering required skills and expertise internally, through experienced staff (see Chapter 05.2). In this context, employees are transferred to other areas, either temporarily or permanently. In 2008, over 6,000 employees found new long-term assignments within the company this way.

05.5 — Cooperation and appreciation. In the same manner in which the BMW Group expects its staff to show full commitment to value creation, the company shows staff great appreciation.

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UN Global Compact

This aspect is most visible in the vast range of possibilities for staff to become actively involved in shaping the company – via co-determination and the improvement management system. However, appreciation is also obvious in the fruitful cooperation of the two parties, in the new, behaviour-driven leadership style and the regular staff surveys, a systematic way for the BMW Group to obtain employees' feedback.

Co-determine

The BMW Group implements the institutionalised co-determination system worldwide according to the various countries' respective regulations. At all BMW AG plants and locations, elected members of the Works Council represent staff in co-determination issues. They negotiate with the management about, for example, company agreements such as those dealing with work time models, accompany the company's development from an employee's point of view and are in constant – and critical – dialogue with the company's management. The Works Council and Board of Management attach great importance to working cooperatively.

In an international context, employees are represented by the Euro Works Council (Great Britain, Austria and Germany). The locations in Spartanburg and Rosslyn as well as the BMW Group's sales and production joint venture, BMW Brilliance Automotive Ltd. (China), have local works councils to handle the respective tasks.

Active participation

The BMW Group's innovation and improvement culture gives staff numerous opportunities to have a share in shaping the company by providing ideas and suggestions. The improvement management system "imotion" is a tool that helps staff implement suggestions for improvement. However, in 2008 the number of suggestions handed in declined significantly. Nevertheless, 60% of all processed ideas were implemented and rewarded accordingly. In 2009, the BMW Group set up an international pilot project on idea management in the marketing division, "improVe international", the next step in the company's effort to integrate improvement initiatives on a global level.



www.hewittassociates.com

Staff-oriented leadership

Last year, the BMW Group developed its understanding of leadership further and included it in the leadership model of the new "House of Management". This forms the basis for manager evaluations. The most important change: Today's executives are now more than ever expected not only to deliver excellent results but also to set a good example by leadership. Both the achievement of great results and the path executives take to get there together with their teams is crucial.

Co-evaluate

But how are all these initiatives evaluated by employees? Do they actually consider the BMW Group an attractive employer? And which needs for improvement do employees see?

Questions like these are systematically addressed every two years in the BMW Group staff survey. 74,794 employees from 41 countries – or 81.7% of the entire workforce – participated in the most recent survey, carried out between March and November 2007. 89.2% of those surveyed were very satisfied with working for the BMW Group – an excellent result compared to others in the industry, though 3% down from the satisfaction index of the 2005 staff survey. Participants saw the main need for action in the fields of work processes, learning and development opportunities as well as the leadership culture – an incitement seized by the BMW Group and included in the new "House of Management".

As the company is currently implementing Strategy Number ONE, the key questions of the staff survey are to be aligned with the new strategy as well. Therefore, the staff survey 2010 is to be accompanied by the "High Performance Organization Index" that evaluates the em-

BMW Group

is the only automotive manufacturer in the "Hewitt Top Companies for Leaders Europe" study 2007.

ployees' and the company's productivity. This is why the staff survey scheduled for 2009 has been postponed by one year.