



Hamburg/Berlin, 15 May 2018

Press release

'The end of leadership?' – The changes in store for company leaders in Berlin.

On Monday 14 May 2018 at CityQuartier DomAquaree, experts discussed what influence mentality shift and digitalisation have on company leadership, under the topic 'WHY BERLIN – Managing the free Berlin spirit? – Company leadership in the capital, both a challenge and an opportunity'. After an introductory keynote by Prof. Armin Trost, Professor of Human Resource Management at Furtwangen University, experts took to the podium to examine what changes are to be expected and how companies should go about responding to them.

Prof. Armin Trost, Professor of Human Resource Management at Furtwangen University, commenced the evening with a statement about how rapidly increasing digitalisation is radically changing the working world, in addition to having considerable consequences for society and our own lived realities. Companies are experiencing an increase in complexity, insecurity and dynamism, coupled with constant change. All of this, Professor Trost believes, requires a radical change of thought in leadership and organisation. There are four key factors that he identified in this context: the number of bosses in the traditional sense will reduce, with coaches and non-hierarchical, partner-like leaders growing in number instead. Stiff hierarchies are being complemented by lateral network structures and, to a certain extent, removed. Teams require more freedoms and more self-responsibility

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based on self-organisation. Last but not least, individuality and individual conceptions of life are experiencing an increase in appreciation.

On the podium, Wilfried Beeck, Internet entrepreneur and founder of ePages, reported that his approximately 120 employees work more or less at the same level in a flat hierarchy beneath a small, three-person management team. As a result, climbing the career ladder in the classic sense to become team leader or head of division is not possible at ePages. 'If other companies offer to make our employees or new candidates head of whatever during the application process, we can't make a directly comparable counter-offer', explained Beeck. ePages has already lost competent employees on multiple occasions in such situations, so, in this regard, it is not entirely easy to implement flat hierarchies.

Dr Katharina Schiederig, Director at the national office of the Federal Association of HR Managers (BPM e.V.), explained her research that confirms that flexible models offer an opportunity for companies to find the right people for highly qualified positions. Amongst managers, there are a large number who would prefer to work more flexibly though currently do not do so. This is because employees with management duties fear greatly that there will be negative impacts on their area of responsibility and career opportunities. Dr Schiederig found in a study that 82 per cent of companies offer their managers the option to work part-time, however only 15 per cent of managers actually make use of the option. It was the same case for parental leave. Things were more balanced when it came to flexible working hours and home office options, with 65 per cent and 37 per cent of managers using these options respectively.



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Andreas Harting, Partner at Deloitte Digital, said that the digital transformation only works when the right managers actively shape it, and these managers must also be widely empowered to do that. Nevertheless, only a minority of companies have such managers, according to the study 'Digital Leadership Survival Strategy' by HR consultants Heads! and Deloitte. 'The winners will be companies that establish the paradigm shift as an internal standard and keep creating new business models', said Andreas Harting, making the situation clear.

Diana Nier, Managing Director at the Berlin office of the German Confederation of Managers (dFK e.V.), observed that employees have growing expectations of a healthy work-life balance, with many companies today not meeting those expectations. Nier believes that the rapid dynamics of digitalisation is compounding this gap. She said, 'Known tasks and work structures are being replaced by new ones. Work is done by teams scattered across the globe. What we are familiar with today won't be normal tomorrow.' As a recommendation to companies, she said, 'Management will, in the future, also mean letting go and giving employees more freedom.'

The main message of the evening was that companies, in Berlin and elsewhere, are in the middle of an upheaval. At the same time, there are differences in company management trends that are specific to each industry. What can generally be taken away is that business leaders are well-advised to take a look at the construction of new organisational structures and to be open to the changing needs of their employees.



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The 'Why Berlin' event series in CityQuartier DomAquaree is a forum arranged by Union Investment where entrepreneurs and political and academic experts discuss issues relating to the future of Berlin as a business location.

CityQuartier DomAquaree

CityQuartier DomAquaree was opened on 11 May 2004 and enjoys one of the most central addresses in the middle of Berlin, opposite the Berlin Cathedral and close to Museum Island and Alexanderplatz. The mixed-purpose project developed based on plans by the architects nps tchoban voss GbR is part of the portfolio of open-end property fund Unilmmo: Germany and possesses an overall floor space of 71,428 m². In addition to hotel, office and residential space, the precinct offers a rich selection of retail, hospitality and tourist experiences. The hotel Radisson Blu, AquaDom, Sea Life Centre Berlin and DDR Museum, in particular, are all well-known outside of Berlin.

More information at www.domaquaree.de



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