Pursuing Another 150 Years of Excellence by Embracing "Dynamic and Diversified" Talents and Future Leadership SIEMENS

Leadership White Paper of Siemens China

Contents

	Preface	01
	Executive Summary	03
1.	Message from CEO	04
2.	Evolution of Leadership Theories and Their Manifestation in The Business Environment	05
	2.1. Great Man Theory: Natural-born Leaders and Innate Leadership	05
	2.2. Trait and Behavior Theories: Leadership Is The Personal Traits and Behaviors of Leaders	06
	2.3. Contingency Theory: Different Situations Require Different Leadership Styles	06
	2.4. Future Leadership Model: Everyone Is a Leader in The Diverse and Dynamic Environment	07

3. Evolution of Siemens' Leadership Methodology: From Static & Solid to Dynamic & Diversity	11
3.1.Siemens Drives The Development of The 4 Industrial Revolutions and Continues to Upgrade Its Leadership along with Corporate Development	12
3.2. Exploring The Evolution of Siemens' Leadership	14
3.2.1.Evolution of Siemens Leadership Methodology: From Static and Fixed to Context-based and Diversified	14
3.2.2. Upgrading Application of Leadership Frameworks: Replace Year-end Assessments with Growth Talks to Be More Flexible and Diverse	20
3.2.3. Constants and Variables in Our Leadership Frameworks: Unchanged Focus and Evolving Conceptualization	20

4. Siemens Leadership Development Programs Cover All-level and All-talent Management Cycle: Empowering Everyone to Be a Leader at Siemens	 22
4.1. Overview of Siemens Leadership Programs: Siemens' Systematic Leadership Programs Cover All Types of Employees and The Entire Talent Management Lifecycle	 23
4.2. Siemens China ^a Top 100s: Cultivating Outstanding Talents for Key Positions in Siemens China and Globally	 26
4.3. Siemens Graduate Program: Dedicated to Developing Diverse, Internationally Minded Future Leaders of Siemens	 27
4.4. Siemens China Young Talent Day: Listen to The Voices of The Younger Generation and Promote Siemens Leadership	 29
4.5. Siemens Leadership Excellence: Provide Leaders with an Open and Inclusive Platform for Sustainable Development. Create an Excellent and Diverse Leadership Ecosystem for Siemens	 31

Conclusion and Outlook	32
Siemens in China	33
Authors	34
Special Acknowledgments	35

Preface



Judith Wiese

Chief People and Sustainability Officer (CPSO) Member of the Managing Board of Siemens AG and Labor Director

Leadership needs to come in many shapes and forms in this VUCA world. We are looking forward to seeing Chinese leaders to lead into the future under the North Star of our new Leadership Narrative.

Why does leadership need to change?

As the world is entering unchartered territory, we are facing the challenges of VUCA (volatility, uncertainty, complexity, ambiguity), and we as a company can no longer rely on what worked for us in the past. Siemens has entered a "New Chapter" as a focused technology company, along with 4 strategic priorities: Customer Impact, Technology with Purpose, Empowered People and Growth Mindset. As outlined by our CEO, Dr. Roland Busch, this can only be achieved through our people, and it is more important now than ever to empower them to be ready for whatever the future holds.

What is our response?

Well, there are different ways to approach this question – and, to put it bluntly – we decided to take an unusual one. We are moving away from static leadership frameworks and towards a new and dynamic perspective on leadership – Leadership Narrative. Rather than advocating for "the one blueprint of a perfect leader", we aim for diverse leadership, situational leadership, and leadership fit for a certain strategic business context or mandate.

How about China?

This year marks the 150th anniversary of Siemens China. To accelerate our business development further, Siemens China has launched the "Siemens China^a" Strategy, and talent is a critical part of the agenda. We aim to cultivate future leaders and to build an organization with strong adaptability and intrinsic learning capability. At this memorable moment, we are releasing the "Leadership White Paper of Siemens China". With the aspiration of our Leadership Narrative as the North Star, it is time to empower leaders, and for leaders to rise to the challenges and opportunities of our time! We are looking forward to seeing our leaders in China lead the future!

Preface

How has the Siemens leadership methodology evolved?

The development of Siemens leadership concepts and methods is closely related to the Siemens business strategy. We always believe in the power of people, and adapt our interpretation and practice of leadership to the constant changes in the world. Based on our scientific understanding of leadership in the VUCA environment, we launched the Leadership Narrative to promote more diverse, dynamic, and open leadership styles.

What are your expectations for leadership in Siemens China?

I once traveled to and worked in China several years ago. I think China is a place full of energy and potential. Siemens is facing unique challenges to win in the fast growing and highly competitive China market. It is of strategic importance for us to consider what and how Chinese leaders can support our 4 strategic priorities. It has been great to see the high level of engagement on the Leadership Narrative. I am looking forward to seeing more leaders from China stand up and hearing more leadership stories from China in the future.

Dr. Robert Neuhauser

Siemens Global Head of Talent and Leadership

Our dynamic leadership approach is based on our rapidly increasing scientific understanding of team dynamics in a complex growth environment.

Executive Summary

"Talents" are absolutely integral to the survival and operation of a company, and "leadership" is a key driver for business success. Scholars and managers have never ceased to discuss talent and leadership topics. How has leadership changed throughout history? How has Siemens adapted its philosophies and practices on leadership over the years? In this white paper, we will summarize the paradigm shifts on leadership theories, review the evolution of Siemens leadership frameworks, and share some of the key Siemens' practices in leadership development.

Based on academic research, there have been 4 stages in the evolvement of leadership theories. First, the initial **Great Man Theory** indicates that leadership is innate, and that leaders are born to be great. Moving towards the **Trait and Behavior Theory**, it is believed that successful leaders should share certain traits and abilities. As the environment became more complex, the **Contingency Theory** emphasizes that leadership should be situational, and that different leadership styles are required for different contexts. Coming to the current days, the world has become increasingly volatile. Companies have had to tackle huge challenges in business operations due to impacts from Covid-19 pandemic, geopolitics, increased competition from fast growing Chinese companies, digitalization, carbon neutrality, etc. These have led companies to enter a new stage in the competition for talents and the requirements for talents' capabilities. Therefore, **Future Leadership Model** focuses on embracing more diverse rather than static leadership styles. Anyone in the company can be a leader and everyone should be able to foster their own leadership. The academic understanding of leadership has been continuously extended, and the image of the ideal leader has gradually become rich and diverse.

Since its foundation 175 years ago, Siemens has promoted the development of 4 industrial revolutions. Effective leadership has always been at the core. During the early days, Siemens earned its first successes from the innovation and business capabilities of its founders. As the company grew bigger, Siemens adopted more systematic approaches to evaluate individual competence and leadership with an emphasis on performance and results, e.g., **Performance Review**, **Siemens Leadership Framework**. Later, in the context of globalization, Siemens introduced **Siemens Competence Model** and **Picture of a Leader** to reflect the need for contextual leadership in the increasingly complex business environment. More recently, Siemens launched a brand-new **Leadership Narrative** methodology that no longer emphasized on having "ideal leaders" but embraced the possibility for every employee to be a leader in their own way. Although the leadership frameworks have changed over the years, the leadership principles of Siemens have remained consistent. **Customer impact, technology with purpose, empowered people, and growth mindset** have always been and will always be in the heart of Siemens.

To put its leadership philosophies and frameworks into practice, Siemens offers a range of unique and influential leadership programs for potential leaders across job levels and along the full talent management cycle. These programs aim to provide all employees with opportunities to grow and create value.

Moving forward, Siemens will keep having "people" as the key driver for business growth. We believe that with our dedication in creating customer impacts, innovating with purpose, empowering people, and continuous growth, we will succeed in being a focused and sustainable technology company.



1. Message from CEO

2022 marks the 150th anniversary of Siemens China. Over the past 150 years, we have sailed through a lot of ups and downs, yet we have never lost faith in transforming the everyday with our technology and people.

Ever since Siemens first entered China with our pointer telegraph in 1872, we have gradually become part of China' s economic and social development. Today we have footprint and business all over China, continuously creating value for the Chinese society. For example, we co-create digital ecosystems with millions of customers in industry, infrastructure, mobility, and healthcare. We develop digital talents for China' s industrial sector – around 77,000 innovative engineering talents over the past 16 years via the "Siemens Cup" China Intelligent Manufacturing Challenge. We help hundreds of Chinese companies achieve digital transformation and decarbonization via cutting edge innovation and enabling centers. We are dedicated and committed to take responsibilities and be a trusted partner for China's development.

Coming to the present days, our environment has turned increasingly volatile and uncertain in China and globally. According to the 2022 World Economic Forum in Davos, Covid-19, geopolitical tension, climate change, and global economic recovery are the top 4 challenges to the world. It is also phenomenal to see the sprouting of disruptive technologies and the fast development and innovation in China. However, we at Siemens believe that we will lead the future just like how we have made history. To achieve that, we launched the "Siemens China^a" Strategy with concrete action plans. By continuing to be resilient and tenacious, we will keep sailing against the headwind to become a top influential technology company and a bridge connecting China and the world.

From the foundation of Siemens in 1872 to becoming one of the most successful companies in digital transformation nowadays, "talents" have always been the essence to our business, the "power of people" has always been part of our core belief, and "leadership" is no longer exclusive to the management team but engrained in each individual Siemens employee. We encourage them to drive their own growths. We no longer treat our people as "human resources" but respect and promote the value of unique individuals. We no longer hold any "ideal picture of a leader" but advocate everyone to form their own leadership stories. We also have leadership programs across all career levels and the entire talent management cycle to support the development of our people and organization. It is our mission to create a platform for everyone at Siemens to show their talents and create value.

Looking ahead, "talents" will only become more critical to Siemens China and "Siemens China^a" Strategy. We will continue to update our leadership frameworks and practices, empower people, embrace the growth mindset, and provide opportunities for them to contribute and develop.

We believe that with everyone at Siemens joining together, we will for sure make a difference!



Xiao Song

Global Executive Vice President President and CEO Siemens Greater China Chairman, President and CEO Siemens Ltd., China

04



2.1 Great Man Theory Natural-born Leaders and Innate Leadership

Leadership was seen as innate in the early days due to influences from mythologies and Darwin' s Theory of Evolution. By the 1st Industrial Revolution (Industry 1.0), machine production started to replace human labor, giving rise to many of the world' s famous companies such as Siemens, and inspiring the early studies on modern leadership theories. In the 1840s, the Scottish philosopher and historian Thomas Carlyle introduced the **Great Man Theory**, arguing that great leaders are often gifted and born with the necessary traits to be successful. Therefore, leadership is innate and cannot be developed.



2 Evolution of Leadership Theories and Their Manifestation in The Business Environment

Throughout the human history, heroes and leaders have always been looked up to in different cultures and societies. In modern times, scholars and managers have increasingly explored the relationship between successful leaders and their leadership, as business excellence becomes more intimately coupled with exceptional leadership styles. What makes a good leader? What composite effective leadership? There have been a few paradigm shifts in leadership theories – from the Great Man Theory which believes in the innate differences between leaders and non-leaders, the Trait and Behavior Theory which focuses on a static set of characteristics that leaders should have, the Contingency Theory that emphasizes that leadership should be contextual, to the future leadership model that embraces diversity and dynamic. In this chapter, we will elaborate on how the conceptualization on leadership has evolved along with the changes in the business and social environment. As we can see in the early entrepreneurs who built the future top companies from scratch, a lot of them were versatile individuals who were both great inventors and wise businessmen, such as Werner von Siemens for Siemens and electrification, Carl Benz for Mercedes-Benz and the automobile industry, and Herbert Henry Dow for Dow Chemical. They were able to steer the company and lead to success with their own capabilities and caliber, without thinking much about the meaning of leadership and people development. To reflect this, Thomas Carlyle summarized in his book *On Heroes, Hero-Worship and the Heroic in History*, "the history of the world is but the biography of great men".

2.2 Trait and Behavior Theories Leadership Is The Personal Traits and Behaviors of Leaders





Entering Industry 2.0, technological advancement made it possible for mass production and specialization. Business leaders were now required to manage more complex organizations, and a static set of traits, personalities, and competence/individual capabilities have been captured for effective leadership. According to the **Trait Theory**, successful leaders differentiate from the others by being smart, confident, trustworthy, and visionary, with an emphasis on the relationship between leadership traits and performance. Companies then often focused on what characteristics were essential for business excellence and selecting leaders that have those characteristics.

In mid-20th century, **Behavior Theory** was introduced to focus on the behavior of leaders. In contrast to the Trait Theory that zoomed in on the "what" aspect of leadership, Behavior Theory elaborated more on the "how" especially the behaviors, skills, and styles of leaders. Although overlooking the root causes of leadership behaviors, Behavior Theory at least believed that leadership can be nurtured, and that people can become leaders by observing and learning the appropriate leadership behaviors, skills, and styles. This has revolutionary implications to the selection and development of leaders.

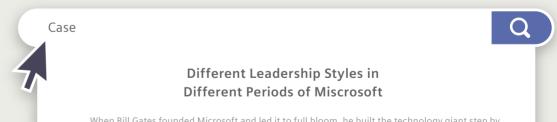


2.3 Contingency Theory Different Situations Require Different Leadership Styles

Coming to Industry 3.0, leading companies were able to further expand their product portfolio and global footprint thanks to the development of information technology, product automation, and globalization. Leaders had to be able to handle more complex situations as their organizations grew bigger. Companies at varied stages of development would also pose different requirements to their leaders depending on the specific functions and scenarios.

As a result, the **Contingency Theory** that focused on contextual leadership became more popular from the 1960s. Many studies from this period showed that there was no one-size-fit-all leadership style but only context-dependent leadership that best fit the situation at hand. It was believed that companies should select and develop different leaders based on specific environmental and situational requirements, because a specific leadership style that, in an appropriate context, will drive employees to achieve goals. Although the Contingency Theory built upon the Trait and Behavior Theory and made it situational, it still defined leadership in a relatively static framework, and that certain sets of characteristics and leadership styles would be more effective for certain categories of contexts.

With the time goes on, the current and future leadership and the picture of leader will continue to evolve iteratively with the changes of business and social environment.

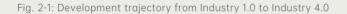


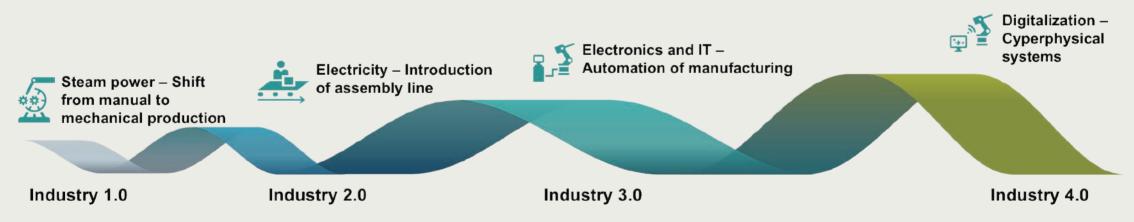
When Bill Gates founded Microsoft and led it to full bloom, he built the technology giant step by step with stunning vision and drive. He was known for his entrepreneurship, can-do spirit, and uncompromising approach in bringing a microcomputer on every desk and in every home running Microsoft software.

As Microsoft stopped growing with criticisms on being a monopoly, Satya Nadella took over as the 3rd CEO and changed the picture. With his gentle, open, and empathetic approach, the first thing Satya did was rebuild the company culture and redefine the company mission and vision. By reinventing the company mission into "to empower every person and every organization on the planet to achieve more", Satya redefined Microsoft's business strategy and portfolio, implemented a series of follow-up measures, and brought the company back to its peak.

2.4 Future Leadership Model Everyone Is a Leader in The Diverse and Dynamic Environment

Looking at the evolution of technology over the past 250 years, advances have not only created more possibilities, but also brought fast-changing innovation to business models (Fig. 2-1). In the phase of Industry 1.0, the invention of the steam engine vastly increased productivity from manual work. In Industry 2.0, mass production became possible due to electrification. In Industry 3.0, information technology made production automation a reality. Now, in Industry 4.0, with internet technology and digitalization, companies are not only growing but also becoming smarter.





On top of technological development, drastic changes in the external environment are also bringing unprecedented challenges to companies and leaders. Covid-19 completely overturned the enterprises' operation models. The intensifying geopolitical conflicts in 2022 pushed businesses to consider how they should adapt under the trend of anti-globalization. The exacerbating climate issues are also forcing companies to take actions on decarbonization.

With these in mind, we cannot help but think: what would be the implications to leadership? Will leaders have to adapt their mindset and styles accordingly as well? The answer would be a definite "yes". So, what exactly impact do these challenges have on leadership? What do the future leaders look like?

Here we summarize some of the key changes leaders may wish to consider in their interactions with customers, employees, the market and the social environment.

Increasingly segmented needs from the market and customers (users)

In the era of VUCA (volatility, uncertainty, complexity and ambiguity), customer needs are becoming more and more segmented, diverse and changeable. There has been an increasing focus on issues such as sustainability. Competition has also intensified. Leaders now need to be more sensitive to changes in the market and in customers and quickly develop effective responses in product, service, process, regulations, business models, etc.

Growing challenges in attracting and retaining talents

Talent is the core requirement of any company that wishes to flourish. Given this, as business competition becomes ever fiercer, the rivalry in attracting talent becomes just as fierce. How to attract talent and retain it is thus critical if a company is aimed to achieving sustainable growth and continued success. Leaders need to work with their People & Organization department and staff to find and retain critical talents for the company.

Diversifying needs from employees .

The ways in which employees obtain adequate information that helps them formulate views about their company come in many different forms. Technological empowerment makes collaboration easier than ever, and telecommuting has become a norm that frees individuals from workplace restrictions. With such changes, the persona of the employee now far transcends that of someone whose sole purpose is to generate financial profit, and whose outlook is heavily organization centric. As shown in Fig. 2-2, they seek to do the meaningful work, achieve work goals and self-fulfillment, and work in a positive working environment. Leaders must deal with the challenges produced by the evolving needs of employees and learn to build a leadership culture that encourages openness, trust and empowers employees.



Increasingly agile working model ·

The top-down model of organizing results in a lack of appreciation of market trends, a lack of agility in facing external circumstances, and a diminished ability to work with others. Of paramount importance to companies is having agile teams who can nimbly deal across borders and are able to concentrate on quickly implementing important company initiatives. Besides, as a result of the Covid-19 pandemic, telecommuting and teleconferencing have become norms, and it is incumbent on leaders to figure out how to use this technology in the most efficient way.

Shift from commercial to social companies

Today companies are gradually transforming themselves from commercial to social entities. The outside world evaluates companies not only by traditional measures such as finance, products and services, but by their impact on employees, customers and society at large. This has led to a shift in focus from the internal to the entire ecosystem. How to consider and balance the benefits of the entire ecosystem to all stakeholders has become a challenge for which leaders need to find solutions.



With the increasingly volatile environment, faster innovation, increasingly intense industry competition and more flattened organizational structure, a one-size-fits-all approach to leadership has vanished. This will lead to more diversified development of leadership and dynamic adjustment appropriate to the times. However, one thing remains unchanged: Successful leaders will continue to be judged on their ability to empower growth and embrace diversity.

Embracing growth

In an environment featuring a fragmented market & customer demand and ever faster change, leaders should no longer define success and failure by how they comply with traditional measures, but rather by their encouraging trial and error among team members and emphasizing growth through review and feedback (Fig. 2-3). In addition, leaders and their teams should continue to acquire and improve their ability to conduct data-driven decision analysis and promote low-carbon initiatives for sustainable growth. Exploring innovation, learning from failure, keeping up with the times and life-long learning are all part of the growth mindset. Only those with such an outlook can be expected to build a team that successfully pursues continuous improvement.





Employee-centered +

The tasks that leaders face are no longer restricted to fulfilling organizational requirements. To better attract and retain talent and create a self-driven team culture, leaders need to be employee-centered and find a balance between organizational needs and employee needs. Organizations should create an inverted pyramid structure, listen to employees' suggestions while meeting organizational interests and values, and create a work environment and organizational culture that meet their expectations. Leaders should value each employee, take time to acquaint themselves with employees, and give them effective feedback and assistance.

Empowering boldly +

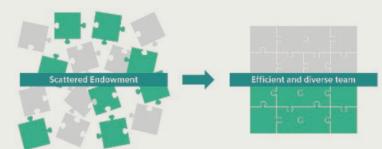
To accommodate increasingly diverse employee needs and agile team operations, and to give play to the unique value of talent, leaders must be bold in empowering people. In fact, they need to be much more than mere distributors of individual tasks, they need also to give employees the responsibilities and authority, and be the solid backing of them. With responsibilities and rights distributed thoughtfully and appropriately, employees will be inspired to give their best. To this end, leaders need to be adept at coming up with the right people and putting them in the right posts. They must also be willing to invest time and effort in guiding and supporting their employees.

Creating a diverse and efficient environment

Many tasks now require the collaboration of people from different fields or disciplines. These people may come from different parts of the organization or even from outside. As shown in Fig. 2-4, to facilitate effective collaboration among these people from different backgrounds, leaders need to see and organically integrate their talents and differences, and to coach their team members to see the benefits they bring to the team, thus creating a truly diverse team in which people can work together, contributing expertise that works to the benefit of all.

In the post-pandemic era in which teams have to work remotely, leaders face a challenge to efficiently manage and ensure team dynamics. As telecommuting makes it impossible to monitor employees' working hours physically and directly, leaders must abandon the notion that time equals performance and instead build trust with employees. Leaders should work with their teams and employees to set clear work goals and plans, and manage their employees' progress within the realms of this consensus. In addi-

Fig. 2-4: Creating a diverse team by integrating internal and external resources



tion, in terms of communication, leaders should plan virtual meetings and information sharing mechanisms to promote team collaboration and work management, and guide participation in those meetings. To have a better command of everyone's working status, leaders also need to communicate one on one with employees, be attentive to their concerns and build team consensus.

Cultivating a holistic view in business and "leadership for all" in management

As companies gradually transform into social enterprises, leaders must take into account the impact of the company on employees, customers and society as a whole. This also means leaders need to develop a holistic view of business, abandon the concept of focusing only on fixed performance targets, and adequately consider the needs of all stake-holders. This includes accommodating the wishes and needs of employees, ensuring every-thing is arranged on a people-oriented basis, taking account of the need to reduce carbon emissions and so on.

In terms of management, social companies have shifted their functional, individual management model to a symphony group-style team network model. As a result, in addition to formal leaders in the organization, there will be an increasing number of informal leaders such as task leaders or project leaders. This is a world in which the individual defines his or her own idea of leadership. In short, everyone can be a leader and everyone needs leadership.

Case

Netflix's Freedom and Responsibility

Netflix started as a DVD rental company and has grown into a technology giant with a market value of \$100 billion in 10 years. What is the secret behind its global success? In addition to its ability to satisfy user demand and its devotion to research and innovation, its highly successful corporate culture puts a premium on freedom and responsibility.

The core and most critical part of Netflix's corporate culture is the way it manages people. Netflix recruits only mature adults and empowers them to act autonomously and responsibly. Management needs to create an environment and culture in which people can gather and contribute. With no rules and full delegation of authority, employees can get a sense of satisfaction and belonging by making decisions on their own while also being able to take responsibility for their own actions and results. At the same time, in an environment that encourages trial and error, and frank feedback, employees' leadership and potential are fully inspired. In such a highly self-driven atmosphere, everyone is a leader.

While we have seen that the academic world continues to better understand leadership based on the evolution of leadership theory, how has Siemens promoted its exploration of leadership in the real world of business? Let's take a look at the evolution of its leadership.



3 Evolution of Siemens' Leadership Methodology 3. From Static & Solid to Dynamic & Diversity

Siemens was founded 175 years ago, and over that time has become an integral part of industrial development. It drove the Industrial Revolution and has led the way as corporate management and leadership have been transformed. From Industry 1.0 to 4.0, Siemens has undergone tremendous changes in business strategy, from mechanization, electrification and informatization to digitalization, and Siemens' leadership methodology has evolved from the great man theory, personalization, contextualization to diversification. Its business strategies are inseparable from the development of leadership concepts and methods.

Throughout the years, Siemens has always given priority to talent and put great store by the power of people. Our understanding of leadership has evolved with the times and resulted in fresh leadership methodologies. Today the Siemens leadership methodology is no longer characterized by a fixed evaluation criteria that are top-down and framework-based. Instead, it values diversity, flexibility and user friendliness. We put our faith in people, and we empower individuals to bring out the best in themselves. We foster a culture of growth and encourage employees to continuously practice, share and provide timely feedback.



3.1 Siemens Drives The Development of The 4 Industrial Revolutions and Continues to Upgrade Its Leadership along with Corporate Development

Mechanization and Leadership 1.0 Period

1.0

2.0

3.0

From the 1760s to 1850s, the invention of steam engine promoted the popularization of mechanized production and brought human society into the Industrial 1.0 era. It was then that Siemens entered the industrial world with the invention of the pointer telegraph.

Due to limited technology, Siemens, like most companies of the time, adopted a small-scale single product line. Business owners managed production and distribution, and business growth largely depended on owners' personal abilities and resources. All this was in line with the characteristics of the great man theory. At this stage, Siemens' business and corporate strategy relied heavily on the personal abilities as well as the resources of its founder Werner von Siemens. He gained orders for the company from his contacts. And in order to counter the risks to the company from a single product and market, and to ensure the business would continue to grow, he proposed a forward-looking diversification strategy, whereby Siemens would act in all electrical areas, launch multiple products and enter more markets.

Electrification and Leadership 2.0 Period

From the second half of the 19th century to the middle and late 20th century, with the development of technology, simple mechanized production could no longer meet people's needs for industrial production. In 1866, Siemens proposed the working principle of generators, invented practical generators to bring electricity into people's daily lives, and drove the global industry into the 2.0 power penetration era. As electrification greatly increased production efficiency, Siemens and other leading companies realized large-scale, standardized production and gradually diversified product lines. This made corporate management more complex and brought the understanding and implementation of leadership from 1.0 to the 2.0 period – that is, the introduction of professional managerial roles in management. At the time, in response to the increasing complexity of corporate management, Siemens broke the family-centered tradition set by the founder and welcomed Gerd Tacke, Siemens' first professional chief executive. With the introduction of the professional manager, Siemens transformed the idea of leadership. Instead of relying on the great man theory, it saw good leaders as cultivated and talented. So, it began to construct a clear definition of the personal competencies required of leaders, evaluate leadership based on fixed dimensions of characteristics and emphasize the assessment of results.

Informatization and Leadership 3.0 Period

In the late 20th century, with the widespread application of electronics and information technology and the continuous automation of manufacturing, human civilization took another major leap forward. Information technology marked the entry of Industrial 3.0 era. Siemens followed the footsteps and made significant progress in automation, direct current transmission, nuclear magnetic resonance imaging, etc. In the information age, Siemens, like many leading companies, gradually grew into a conglomerate with diverse and complex business lines, and opened up to global development. However, the size of organization greatly challenges the way a business is managed. At this stage, the leadership was upgraded to 3.0. Companies evolved their understanding of leadership accordingly and started to make context as one of the criteria for evaluating leadership. At the same time, it made the leadership description leaner and better adapted to complex management scenarios. With the change of corporate strategy and business needs, Siemens started to apply the contingency theory in its leadership and devised the Siemens Competency Model and Picture of a Leader methodologies to define appropriate evaluation dimensions for different work situations and employees at different levels.

Digitalization and Leadership 4.0 Period

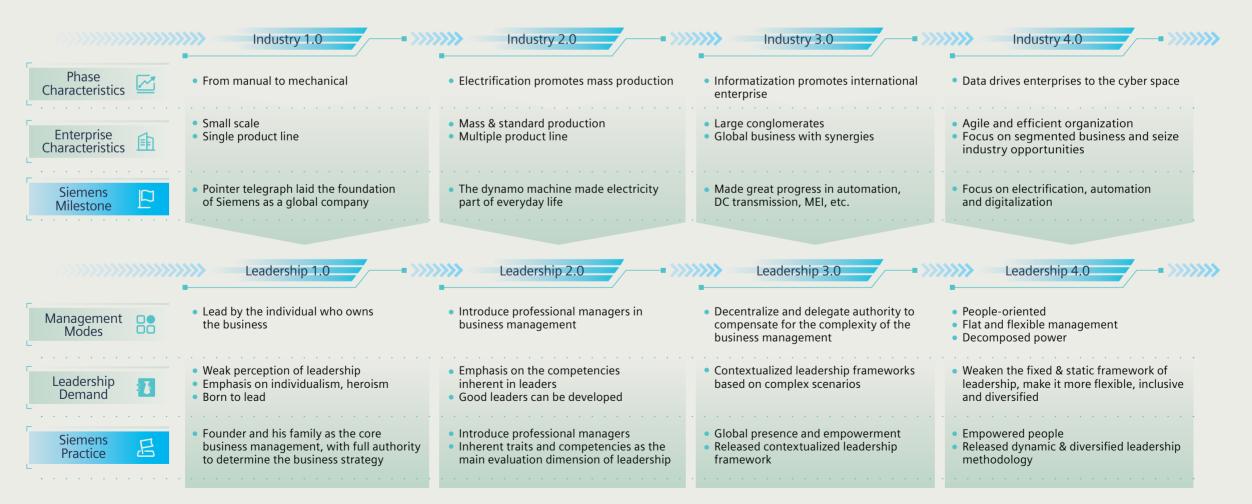
In the 21st century, with the deep integration of new technologies such as the internet of things, big data and cloud computing with industry, industry has entered the 4.0 digital era, in which factories produce in response to consumer demand and achieved intelligent production. Siemens, as one of the initiators of Industry 4.0, has introduced this concept into the development and application of its industrial software and production control systems, and has created the IoT operating system MindSphere.

Industry 4.0 also places higher demands on management. Emerging terms such as internet and platform-based enterprise have gradually become signs of the times. As to company scale, the company will be transformed from a conglomerate to an agile and efficient organization and seize industrial opportunities, gaining revenue in niche markets with new technologies. It will become more people-oriented in its management, build trust with customers and employees, and emphasize the flat, flexible management and decomposition of power. Entering the stage of Leadership 4.0, it gradually shifts from contextualization to diversification, no longer limited to a fixed framework, but focusing on inclusion and diversity. In this phase, Siemens started to divest non-focused businesses to focus on electrification, automation and digitalization. Siemens launches Leadership Narrative methodology, which breaks the static framework and emphasizes scenarios in business management, takes the Siemens leadership methodology into the future by presenting each individual's leadership story through a dynamic and diverse perspective and a flexible approach.



As shown in Fig. 3-1, from Industry 1.0 to 4.0, Siemens has been a witness, a beneficiary and an indispensable driver of industrial revolutions. As the business grew, Siemens became a conglomerate, but faced increasing difficulty in corporate management and thus upgraded leadership from 1.0 to 4.0. Siemens has always oriented the way it upgrades its leadership toward stability and continuity, but at the same time identifying, cultivating and empowering leaders who can readily adapt to external change and become expert in executing their plans internally.

Fig. 3-1: Industrial revolution and leadership development stage characteristics



3.2 Exploring The Evolution of Siemens' Leadership

Over the past 175 years, it has been clear that, for Siemens, effective leadership has always been an integral lever for business development and a key foundation for Siemens to be sustainable and successful. With that said, the concepts and frameworks for leadership at Siemens have not stayed constant but have been evolving along with our business and the external environment. In this chapter, we will elaborate on how Siemens has adapted our leadership methodology, application scenarios, and focuses.

3.2.1 Evolution of Siemens Leadership Methodology From Static and Fixed to Context-based and Diversified

Driven by the changing business environment and the updating needs on leadership, the Siemens leadership methodology has experienced several paradigm shifts. At first, the Siemens business also relied on the capabilities of the leaders, such as Werner von Siemens, much alike the Great Man Theory. As our business expanded, we started to have a more systematic approach to leadership with a relatively static conceptualization of a "perfect leader". Recently, we have moved towards embracing a more dynamic and diversified Leadership Narrative. How our leadership methodology has changed is largely in line with the leadership theories that we reviewed in Chapter 2 (Fig. 3-2), from a single and fixed context towards a more complex and expanded context.

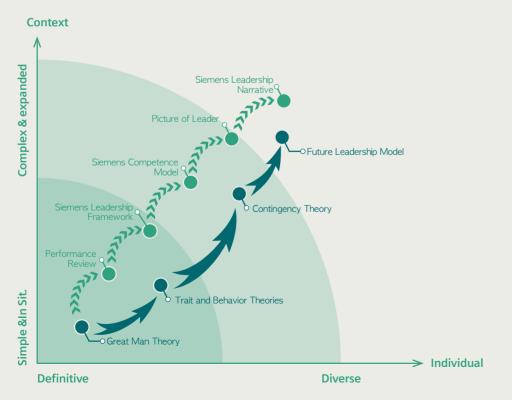


Fig. 3-2: Similar development paths between the Siemens leadership methodology and the leadership theories

Leadership 1.0: Driven by core members and their interests

The Siemens family was the first founders and leaders of the Siemens business. Werner von Siemens started the company with his own inventions, such as the telegraph and the DC generator. He led and participated in all business operations, from product design, order intake, to the planning of future strategies. For a long time, Siemens' conceptualization of "leaders" orientated around the core members and their capabilities, similar to the Great Man Theory. The management team mainly constituted of family members. Business decisions were also driven primarily by the interests of the Siemens family.



Leadership 2.0: Clear and static leadership framework with emphases on individual capabilities, professional experience, and performance

Industry 2.0 and mass production allowed the Siemens business to rapidly expand and scale. The Great Man Theory no longer fit the business needs as leadership requirements became more complex. Siemens started to adopt a more systematic approach to leadership and introduced professional managers to the management team.

While having professional managers run the business and its operations, Siemens focused on whether they are capable and can perform. Therefore, we introduced **Performance Review** (Fig. 3-3) to evaluate individual competence and results generated along 8-9 dimensions. There were four levels of ratings along each dimension – unsatisfactory, needs improvement, meets expectations, and exceptional. In general, Performance Review led Siemens enter the stage of Leadership 2.0.

Fig. 3-3: Siemens Performance Review (example)



As the business evolved, Siemens elaborated on the original Performance Review and introduced **Siemens Leadership Framework** (SLF; Fig. 3-4, Fig. 3-5). The SLF provided more detailed evaluation criteria and clearer rating scales. Regarding the evaluation criteria, in addition to individual competence and performance, the SLF also considered professional experience, such as market and international experience. For the rating scale, SLF defined 7 levels for each dimension with corresponding descriptions to create finer differentiations and guidance for development. SLF is a fixed and static framework, it was still in the stage of Leadership 2.0.

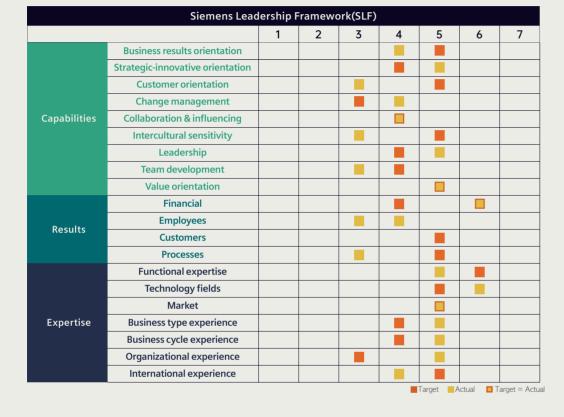
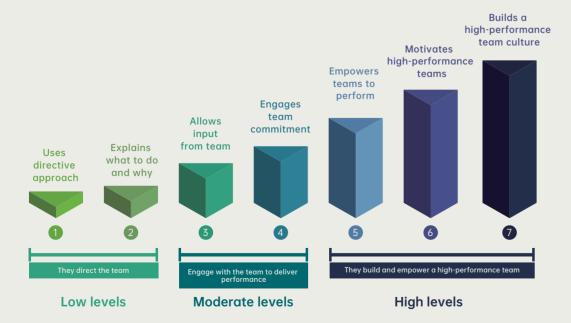


Fig. 3-4: Siemens Leadership Framework (example)

Fig. 3-5: Example rating scale for the "Leadership" dimension in "Capabilities" indicators



Leadership 3.0: Moving towards more contextualized leadership

Since 2015, Siemens introduced the "Siemens Competence Model" and "Picture of a Leader" to better adapt to the growing complexity in business environment and organizational setup, and led us to the stage of Leadership 3.0. The rising up of the Internet and platform mindsets, more flexible organizational boundaries, and increasingly decentralized organizational structures are only some of the challenges for business management. Leadership hence needs to be more context-driven to best handle different situations.

The **Siemens Competence Model** was our first attempt at promoting more contextualized and diversified leadership styles. Here we assessed our employees by knowledge and competence, experiences, and educational background. "Leadership" was one dimension of knowledge and competence. Our understanding of leadership differed from our previous leadership frameworks in 3 main areas:

1. Clearly stated that "leadership" no longer only applied to line managers, but everyone in the company who demonstrated leadership behaviors, including professional contributors.

2. Streamlined the original 20 evaluation dimensions from the SLF to 15 (Fig. 3-6), focusing on strategic focus, operational focus, culture & environment, organizational, and personal proficiency.

3. Defined different leadership requirements for different seniority levels, ranging from professional contributors, first level leaders, middle managers, and senior managers. These requirements can be adjusted based on specific work contexts and applicability, indicating an important move towards contextualized leadership. For example, one leadership role may require "first level leader" level in "strategic direction" but "middle manager" level in "Driving for results".

Fig. 3-6: Definition of Leadership in the Siemens Competency Model (example)



Following the Siemens Competence Model, we Fig. 3-7: Siemens Picture of a Leader (example)

launched Picture of a Leader based on Ownership Culture. By building an Ownership Culture, we hoped that our employees can "always act as if it is your own company". To further illustrate how ideal leaders with ownership should be like, our "Picture of a Leader" defined 8 fixed dimensions with detailed explanations (Fig. 3-7). For example, in the "empowerment and trust" dimension, a perfect leader should fully empower, trust, and develop their employees. These dimensions can be flexibly used to describe how leadership is applied in different scenarios, making the "picture" more vivid and concrete.



In 2017, we further introduced the **Digital Picture of a Leader** in the context of digital transformation (Fig. 3-8). We believe that digital leaders should be coaches in agile teams, entrepreneurs, ecosystem coordinators, talent scouts, cultural architects, and vision translators. As the initiator of digital transformation, some of the ideas from the Siemens Digital Picture of a Leader remain relevant. For example, back in 2017, we sensed the potential impact of digitalization on workplace and talent and proposed our initial virtual working scheme as part of "coach of agile teams". By 2020, due to the global pandemic, a lot of our workforce was forced to work from home or find alternative solutions. Siemens was one of the first companies to announce the **"New Normal Working Model"**, making remote working a permanent option whenever and wherever possible. As part of this new model, we redefined our approach to leadership and culture, workplace setup, IT tools, employee benefits, etc. to help our people work more flexible and effective both onsite and offsite.

Fig. 3-8: Siemens Digital Picture of a Leader (example)

					CHANGE A	(j)
	Coach of Agile Teams	Entrepreneur	Coordinator of Ecosystems	Talent Scout	Cultural Architect	Vision Translator
Description	 Agile mindset Comfortable with uncertainty Virtual working Open mindedness 	 Creative thinking Customer centricity Active networking Risk taking Co-Design skills 	 Rapid information processing Matrix management Network Thinking Collaboration 	 Hiring for attitude Allocating talent Promoting life-long learning Appreciating diversity 	 Staying up to date with digital trends Facilitating change Role-modeling Perseverance 	 Willingness to learn Credible mindset Self-reflection Ensuring strategic alignment
WHAT	Agility	Innovation	Mastering Complexity	Leading Individuals	Digital Behavior	Authenticity
мон	Embedding new Ways of Working	Spreading the Digital Vision	Establishing Digital Structures	Anchoring Autonomous Learning	Boosting Digital Engagement	Putting the Digital Vision into Practice

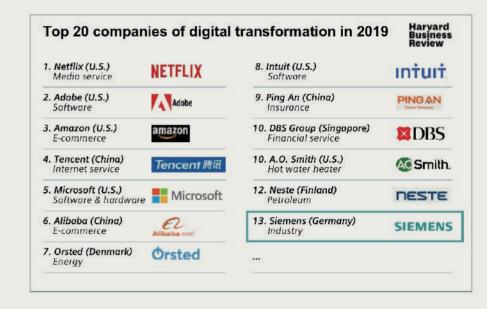




Leadership 4.0: No more fixed "ideal leaders" , but embracing more dynamic and diverse leadership

In 2019, Harvard Business Review rated Siemens as **Top 20 most successful companies in digital transformation** (Fig. 3-9) along with other top Internet and Technology companies. Our people are no doubt a key factor in helping us achieve this. To address external challenges such as geopolitical conflicts, Covid-19, local competition, and **as a focused and sustainable technology company**, we have upgraded our leadership methodology yet again in 2021. Since then, we have incorporated people empowerment and growth mindset into our leadership culture and business management. We no longer appraised leaders based on static frameworks but allow them to develop their own leadership stories based on their strengths and aspirations.

Fig. 3-9: Top 20 companies of digital transformation in 2019



From the business and strategy perspectives, we proposed 4 global strategic priorities for digitalization:

- Customer impact: co-create an ecosystem with our customers and help them create value and grow.
 Technology with purpose: embrace and lead technological innovation to create customer, social, and environmental values.
- 3. Empowered people: encourage the employees to be at their best with trust and empowerment.4. Growth mindset: never stop learning and innovating.

To succeed in the fast-growing Chinese market with intensifying competition from local champions, we launched our "Siemens China^a" Strategy, aiming for Siemens China to become a top influential technology company in China by 2025. "Talents" are again an integral part of our strategy with 5 key levers: build and upskill our strategic workforce, build future leaders, become a learning and adaptive organization, implement motivating and performance-driven compensation and benefits schemes, and become the employer of choice and form strong internal and external "People Narrative". These 5 levers cover the whole talent management cycle, and highlight the pivotal position of talents.

When it comes to people and organizational development, Siemens officially changed "Human Resources" to "People and Organization" in 2021, signifying that we no longer view our employees as "resources", but treat them as unique individuals with uncapped potential. It is important to allow our employees to maximize their values and grow to their aspirations. Our company will then become an organic organization that brings together the strengths of valuable individuals and achieve 1+1>2. Along with the name change, we also defined 4 primary focuses of the new People and Organization department:

1. Help employees improve their adaptability and expertise in a fast-changing and unpredictable environment. Encourage them to drive their own growth.

2. Create employee-centered and unparalleled employee experience. Collect sufficient input from employees when making relevant policies, processes and selecting tools. Build a work experience that fits with employee's expectations based on agile, availability, and results-orientation principles.

3. Nurture an "empowering people" leadership culture with "growth mindset". Guided by the 4 strategic priorities, Siemens' people and organization department will build an open and inclusive environment for our talents to learn, grow and enhance their sense of belonging to the organization.

4. Establish a highly adaptive organization and talent ecosystem. As the boundaries continue to blur between the company and the external world, we need to keep strengthening our adaptability, agility, and flexibility to best cope with possible changes and challenges. Therefore, we need to be highly open to the external talent market while making ourselves the employer of choice.

A corporate culture that drives inclusive growth and continuous innovation allows our employees to achieve sustainable business success and competitive employability.

Judith Wiese

Chief People and Sustainability Officer (CPSO), Member of the Managing Board of Siemens AG and Labor Director



Dr. Roland Busch Chairman of the Managing Board, President and Chief Executive Officer of Siemens AG Previously, we created a leadership model, an image by design. Now we no longer have a predetermined model of leadership. Instead, we focus on promoting diversity of cultures, backgrounds, and

experiences – the diversity of a team is the key.

Inspired by the above focuses of People and Organization, we once again reflected on our leadership framework and introduced the more disruptive and innovative Leadership Narrative (Fig. 3-10). Based on our strategic priorities (i.e., customer impact, technology with purpose, empowered people, and growth mindset), we redefined how "ideal leaders" should look like at Siemens. Its pioneering value lies in:

We have completely forfeited the existing static frameworks of leadership but built a dynamic and diverse leadership profile. In the VUCA environment, there will be no universal leadership characteristics or behaviors that can ensure business success. Rather, leadership in the new era must be highly contextual given the market, business, or team environments. Therefore, we now no longer chase for the perfect "clones" of leaders, no longer use static and fixed leadership frameworks. We now strive to build a leadership team that is flexible and diverse enough to lead us through different varieties of challenges.

Fig. 3-10: Siemens Leadership Narrative (example)



?

How to understand Siemens Leadership Narrative

Siemens Leadership Narrative is inspired by our strategic priorities: customer impact, technology with purpose, empowered people, and growth mindset. Employees are encouraged to build their unique narrative around these priorities based on their own interpretations. Take "customer impact" as an example, there can be different ways to achieve this under different circumstances. For mature businesses, creating customer impact should focus on exploring customer values and co-create customer ecosystems for win-win solutions. For new businesses, bringing customer impact requires keen insights into customer needs, thinking and acting head of the customers, and hence building trustful customer relationships.

We are now encouraging eye-level exchanges between leaders and employees via reflection, sharing, dialogue, and co-creation, instead of the traditional top-down communication. We hope that this more conversational and storytelling approach can be more effective in helping people explore their own leadership potentials and bring everyone closer together in the company. Therefore, at Siemens, you will no longer see leadership slogans or exhibits around work but living stories of leadership behaviors. We believe that these powerful stories will be told, spread, and remembered.

Case Study – Leadership Narrative at Siemens China DI PA OEC

Q

The Operations Engineering Center team, in the Process Automation business unit of the Siemens Digital Industries (DI PA OEC) created their interpretation of the 4 strategic priorities under the Leadership Narrative and their specific business scenarios (Fig. 3-11).

Fig. 3-11: Leadership Narrative from Siemens China DI PA OEC



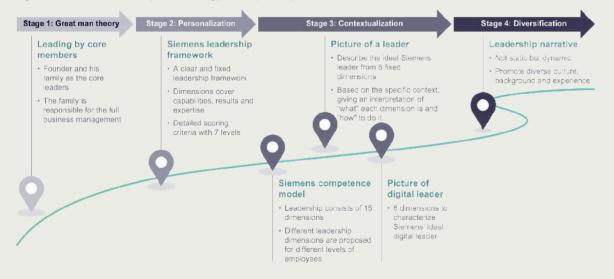
As the team was undergoing organizational restructuring, DI PA OEC hoped to build a new team culture and enhance the team spirit with a workshop on their Leadership Narrative. In the workshop, members were invited to discuss and share the OEC stories around the strategic priorities, which were then synthesized into the OEC Leadership Narrative.

During the discussion, a story around "technology with purpose" caught everyone's attention. "Although we have always pursued advanced technologies, we should never forget about the simple ones in the meantime. Our purpose is to help customers solve real problems, and the most basic thing may do the trick as well. For example, one of our customers had some issues in their production process and started producing empty boxes without actual products inside. To solve this, several colleagues mentioned that we could develop some complex software to detect whether the boxes were empty. However, another colleague brought up a brilliant idea – use a fan to blow against the production line. Since the empty boxes were light weighted, the wind could easily blow them to the ground and only keep the qualified products on the line. This way, we would be able to screen out defects quicker and easier." With this, the team believed that "the greatest truth always manifests in the simplest forms", and that they should always "use technology to benefit the others".

Co-developing the Leadership Narrative allowed the OEC team to tighten the bond between team members and create a basis for team culture. The keywords and stories discussed at the Leadership Narrative workshop became the beacon to guide their day-to-day work and future development.

In summary, as shown in Fig. 3-12, the concepts and frameworks of leadership have gone through a few paradigm shifts at Siemens. The company first thrived on the individual caliber of the core members (much alike the Great Man Theory), before developing a more systematic approach to leadership with professional managers (Trait and Behavior Theory). As the business expanded into a more complex business environment, we started to realize that leadership should be more contextual (Contingency Theory), and that we should embrace more dynamic and diverse leadership styles through our new Leadership Narrative. In the future, we will keep updating our approach to leadership along with the needs of our businesses, while maintaining our sensitivity to changes and our focus on people.

Fig. 3-12: Siemens leadership methodology development path and characteristics



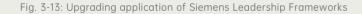


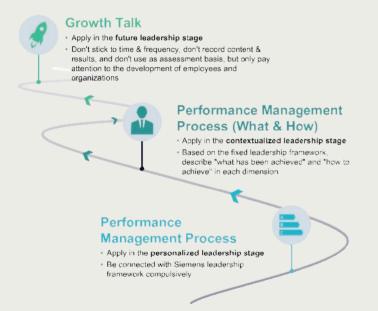
3.2.2 Upgrading Application of Leadership Frameworks Replace Year-end Assessments with Growth Talks to Be More Flexible and Diverse

Along with the paradigm shifts in the Leadership Frameworks, Siemens has also been adapting how we apply these frameworks into business operations (Fig. 3-13).

During Leadership 2.0, we linked the leadership frameworks (e.g., SLF) with our **Perfor**mance Management Process (PMP)¹, a relatively static evaluation system to assess employees' performance annually. How leaders fit with the SLF would be an important input to the results of their PMP.

Coming to Leadership 3.0, we used "What & How" to replace the original rating scales when assessing leadership as part of PMP. Instead of scoring employees on different dimensions, we asked them to descript "what they have achieved" and "how they have done it" to make their performance more concrete and vivid. Furthermore, by introducing the Siemens Competence Model, we decoupled PMP from leadership frameworks – to only have it as a reference than as part of the assessment.





Today, Growth Talk has completely replaced PMP with the launching of Siemens Leadership Narrative - instead of having periodic performance reviews, we now adopt a more "agile performance" ²approach that encourages leaders and employees to communicate and exchange feedback whenever in need. Like in many high-tech companies, we no longer keep a formal record of the content or results from the Growth Talks, nor use it as a basis for performance evaluations. Rather, we emphasize on exploring the potential of our employees and how to help them develop. We hope that our leaders

and employees can incorporate Growth Talks into their day-to-day work to promote a feedback culture and to continuously improve the work experience in our organization. With Growth Talk and the Leadership Narrative, we hope to put "growth mindset" into practice across the company. We believe that by helping our people develop, our business will grow as well.

¹ PMP is consisting of 4 steps: performance planning, performance evaluation, roundtable discussion and follow-up.
² Agile performance refers to replacing "once-and-for-all" periodic evaluations with flexible dialogues and feedback exchanges

3.2.3 Constants and Variables in Our Leadership Frameworks Unchanged Focus and Evolving Conceptualization

As a century-old company rooted in China, Siemens always adheres to the values and culture of innovation, excellence and responsibilities, which reflect the entrepreneurial spirit and origin of our founder, Mr. Werner von Siemens. Based on our core values, Siemens put forward 4 strategic priorities under the "new chapter", which further strengthens our pursuit of customer impact, the exploration of advanced technology and its value, the belief in empowering people, and the continued practice of growth mindset. Besides, Siemens always sticks to the concept of sustainability and never sacrifices the future for the short-term interest.

As time goes on, our strategies and key tasks, our approaches to embracing changes, as well as our understanding of business and leadership have changed. Siemens has always kept customers, technology, people, and growth at the core of our business and organizational development. These are also the key to our leadership frameworks. With the evolving leadership frameworks and applications over the year, our interpretations on these keywords have also developed. Unchanged beliefs and changed approaches complement each other, and become one of the most important features of Siemens' leadership development.



Regarding customers, what has remained constant is the importance of customers as critical partners; what has changed is the increasing focus on creating customer impact and value. In the Siemens Leadership Framework, one of the evaluation dimensions was "customer orientation". In the seller's market, we encouraged businesses to take customer needs into account when defining and designing new products. Then, we used "customer focus" as one of the dimensions in the Siemens Competency Model, that is, entering the buyer's market, we aimed to provide customized products and services for our customers. Moving on to the recent Leadership Narrative, we are emphasizing the "customer impact". As part of a social enterprise, we need to co-create an ecosystem with the customers and jointly bring value to the society rather than just treating them as business partners. We need to be able to put ourselves into our customer's shoes, empower them, and grow with them. As for technology, what have remained constant are our pursuit of advanced technology and our dedication in leading innovation; what has evolved is our vision on creating value with technology and being a sustainable technology company. Over the years, we have always encouraged our employees to be entrepreneurial, experimental, and innovative. With the aspiration of being a top influential technology company, we strive to provide as much support and resources as possible to our employees. It is our priority to create a more open, flexible, and failure-tolerant environment for everyone at Siemens to explore new ideas and bring plausible ones to live.

Siemens was rated as the **"World-Changing Company of 2022"** by Fast Company, an American business magazine. We will continue to "transform the everyday" with our innovative technologies and solutions under the leadership culture of "technology with purpose".

Coming to the employees, what has remained constant is our focus on people; what has changed is our mindset to be more open to individuality and diversity. Forbes has listed Siemens amongst top employers worldwide for many years, as we care about the development of our employees throughout their career trajectory. We continuously upgrade our understanding of leadership from static & fixed to dynamic & diverse with the business development. Believing in the power of people and empowering them to allow each employee to be at their best and develop their own growth stories. Meanwhile, our approach to people development has also changed from "giving a man fish" to "teaching a man fish" . We used to mainly provide trainings on professional skills due to our focus on competence and results. Now we have realized that enhancing adaptability and continuous learning is more important to surviving and leading in the VUCA environment. Therefore, we have increased our investment in learning tools and platforms and encouraged employees to drive their own growths.

Siemens has been ranked amongst the **Global Top 20 Employers** by Forbes in 2021. We always believe in the power of people and will continue to support our employees regardless of internal or external changes.

Finally for growth, what has remained constant is our forward-looking mindset in strategic planning; what has changed is to extend this growth mindset beyond the management and engrain it in every team and employee. At the beginning, the vision of our founder Werner von Siemens helped expand and diversify our business. Nowadays, we rely on the creativity and innovation in every employee to reflect and improve our business strategies and operations. It is only with this growth mindset and lifelong learning can we keep revolutionizing ourselves and stay ahead of the curve.

Over the course of the Siemens development in the past 175 years, we have always strived to create customer impact, explore advanced technologies and their values, empower people, and practice a growth mindset. In the future, we will continue to embrace changes and proactively adapt leadership frameworks and practices to support business growth!

"

With the support of the leadership frameworks and applications, how has Siemens implemented them in the actual business management? How are leaders continuously developed at Siemens? We will elaborate on these in Chapter 4.

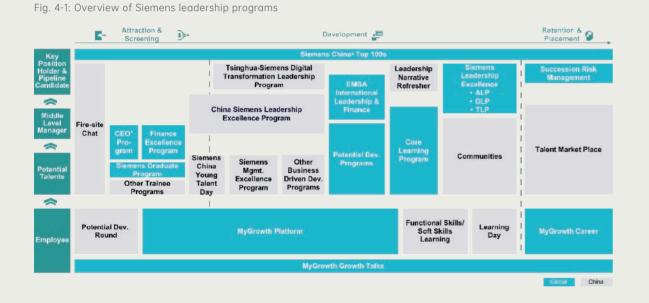


From conception to implementation, from methodology to leadership programs, Siemens cultivates talent and leadership not only at the ideological level, but backed by dozens of leadership programs worldwide, and practiced by over 300,000 Siemens employees. We help new graduates find their way in practice, support middle managers to advance through continuous learning, and assist senior managers and functional experts to explore new roles and create new value on a global scale. We adhere to our strategic priorities of customer impact, technology with purpose, empowered people and growth mindset to help everyone at Siemens become a leader.



Overview of Siemens Leadership Programs Siemens' Systematic Leadership Programs Cover All Types of Employees and The Entire Talent Management Lifecycle

In Leadership 4.0, Siemens deems talented people not only as company resources but also as independent individuals who gain personal satisfaction by shining in all they do. The Leadership Narrative methodology also breaks the shackles of the old static and fixed leadership framework and advocates that each individual should tell his or her own leadership story. Driven by the new talent concept and methodology, Siemens has explored and created a series of distinctive and effective leadership programs that do not neglect any employee group and provide supports for employees at all stages of their careers (Fig. 4-1).



Siemens' leadership programs cover all levels of employee. The leadership program includes the MyGrowth platform for all employees, in which they can communicate career development related topics, take part in activities and look for internal job opportunities. Besides, The Siemens Graduate Program is designed specifically for college graduates, the China Siemens Leadership Excellence Program supports mid-level managers to become senior management candidates, and the Siemens China^a Top 100s program provides mid-level to senior managers and experts with growth support to help them take on key roles in Siemens China and globally. In particular, based on the requirements of the new transformation objectives, Siemens is developing an empowering program for all leaders worldwide, focusing on the common core (the most critical capabilities to accelerate the transformation based on existing content and platforms) and curating small but powerful learning and practices resources, in order to activate the leaders to take actions right where they are. Critical topics such as "Customer Centricity & Agility", "Business Ecosystems & Platforms" and "Entrepreneur Thinking" are all included as important levers for transformation.

The focus on all employees reflects Siemens' belief in empowered people, providing leadership programs that are appropriate and diverse for each individual, giving each person the opportunity to challenge himself or herself and developing through practice and learning. The leadership program covers all employee levels and makes optimum use of the Leadership Narrative methodology, which no longer confines leaders to a static framework but treats them in a diverse and dynamic way. In the leadership program everyone can tell their own leadership story in their own job, whether they are recent graduates or managers with extensive work experience.

Siemens' leadership development covers the entire talent management cycle. The talent management cycle covers four stages: attracting, screening, developing and retaining. From talent attraction to screening, Siemens has set up programs such as the CEO* Program to attract mid-level and senior management candidates, the Finance Excellence Program to attract finance professionals, and the Siemens Graduate Program to attract young talent with great potential. These programs help Siemens maintain its external attractiveness to talent, and internally we select the most diverse talent to support our business growth. From talent development to retention, Siemens Potential Development Programs offer international rota-

tions for those with great potential in a variety of fields, and the Siemens Leadership Excellence program invites renowned companies and universities as partners to provide a platform for continuous learning and practice for mid-level and senior managers. These programs provide hands-on learning opportunities for employees to grow and diverse development opportunities for Siemens to better retain talent.



From attracting, screening, developing to retaining talent, Siemens has leadership programs to support and assist at all stages of talent development, which reflects our growth mindset. Siemens advocates continuous growth and welcomes diversity. The Siemens leadership program promotes our talents to abstain self-driven and lifelong learning ability, helps companies develop international & diverse leaders, and ensures sustainable performance and job competitiveness of our talents.

As a leading technology company, Siemens is happy to turn the traditional corporate approach on its head, exploring the fresh perspectives of employees, and providing opportunities for each employee to grow. At the same time, Siemens will continue to empower people, focus on exploring individual potential and help develop future leaders. Among all leadership programs, Siemens China^a Top 100s, Siemens Graduate Program, Siemens China Young Talent Day and Siemens Leadership Excellence are representative and influential. Indeed, they are shining examples of how Siemens values talent.

More internal practice

In addition to leadership programs at the corporate level, each business unit has launched a series of learning and development practices from a business perspective, and these have yielded significant results, exemplifying the concept of building diverse leadership teams.

For example, as sales management is transformed to match current needs, Siemens Smart Infrastructure has launched a series of development programs such as TLC (Sales Team Leader Circle), PSM (Professional Sales Management) and SI LP (SI Leadership Program), covering front-line managers who are transforming from individual sales elites to team players, office managers who need to further strengthen their strategic thinking, and general manager candidates who will be entrusted with important responsibilities in the future. These will help SI leaders develop through targeted learning, practice and coaching. To build a learning organization, SI has set up the Friday Classroom (Fig. 4-2), which provides a training and sharing platform for all SI employees every two weeks, and fosters a self-driven learning culture and improves business competitiveness. "Everyone can be an instructor", the staff member in charge said, "and the sharing of colleagues in sales, digitalization, commercial and other departments has greatly inspired us."

Fig. 4-2: Introduction of Siemens SI "Friday Classroom"



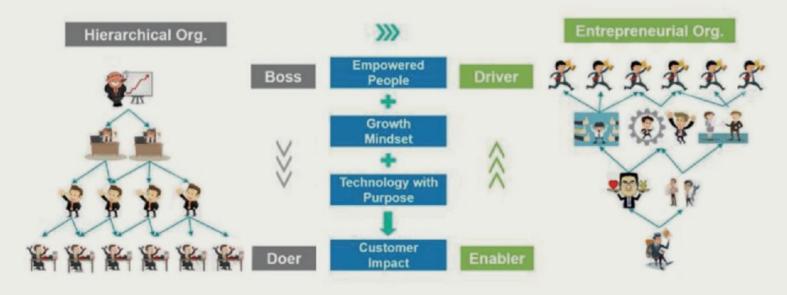
Lin Bin

Executive Vice President of Siemens Ltd., China General Manager of Smart Infrastructure, Siemens Greater China

Learning is a lifelong adventure, and only by applying what we have learned in practice, making bold attempts and ensuring continuous growth can we stay ahead in the VUCA era. Another example, Siemens Digital Industries is also aware of the inverted pyramid organizational model caused by the great changes in business environment, and the urgent need to transform managers and frontline employees from boss to enabler and from doer to driver. DI is thus committed to empowering frontline employees and energizing the organization (Fig. 4-3). On a practical level we have seen a series of practices to encourage empowerment of frontline employees, strengthen Growth Talk and encourage growth mindset within the organization. Besides, DI has built a unique Open Job Market that no longer ranks based on seniority but allows all employees to apply for key positions, so as to truly open up unlimited possibilities for all.

Fig. 4-3: Siemens Digital Industries' Concept of empowering frontline employees

What we can do to transform our people and organization?



Wang Haibin

Executive Vice President Siemens Ltd., China General Manager, Digital Industries Siemens Greater China

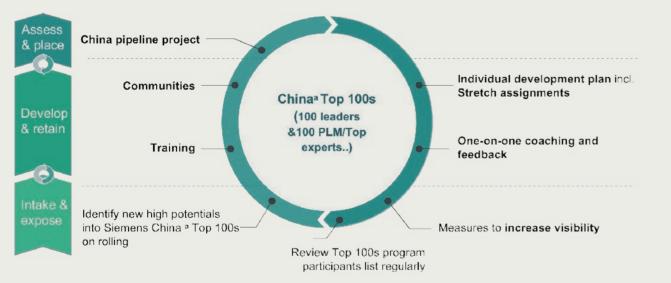
We firmly believe that employees who are deeply involved in the frontline can quickly and keenly see the subtle changes in customer needs and market environment. So, we strive to build our organization into an empowering platform where frontline employees become the "CEOs" of his or her business and managers at all levels become the "resources" for supporting them.

4. Siemens China^a Top 100s Cultivating Outstanding Talents for Key Positions in Siemens China and Globally

The Siemens China^a Top 100s program is designed to develop talent with high potential for key positions in the company. For Siemens, developing talent in China now faces two big challenges. Internally, the growth targets set by the "Siemens China^a" Strategy need to be supported by effective People & Organization strategy. As China continues to demonstrate its unlimited market potential, more and more Siemens headquarters functions and global key roles will be located in China, and this will be a challenge for Chinese talent pool. Externally, the impact of the pandemic, the geopolitical conflict and carbon neutrality on China's market will place new demands on leaders and digital experts. China's fast-emerging local companies and other multinational companies are aggressively working to attract and develop young and digital talent, posing a stiff challenge to Siemens China in its quest to attract the most talented people. Therefore, Siemens has established the Siemens China^a Top 100s program. It is dedicated to cultivating the next generation of leaders and functional experts (such as experts in R&D and Product Lifecycle Management) and creating a systematic talent pool training system for key positions.

"Siemens China^a Top 100s" program is an essential part of our systematic talent development framework. It creates a solid supporting environment and an effective "combination of blows" for cultivating the self-driven and high-potential talents, which includes the systematic talent review, regular growth evaluation and screening, as well as the learning, developing, communities and incentive mechanisms. It aims to provide high-potential talents with a broader development platform and resources, which truly reflects Siemens' value of focusing on personal development. As shown in Fig. 4-4, for Siemens China^a Top 100s members to continue to grow so as to achieve higher development goals, the program provides them with all-round support. Based on Growth Talks, the program works with members to formulate their own development plans, which include challenging on-the-job tasks, cross-business or cross-region assignments, one-on-one coaching and feedback, and opportunities for them to have dialogue with internal & external prominent leaders.

Fig. 4-4 Introduction of Siemens Chinaª Top 100s



The program is a practice of growth mindset, a demonstration of Siemens' commitment to take root in China and Siemens' determination to be an innovation leader. The program is committed to cultivating the next generation of global, regional and Chinese leaders. And it takes a long-term view to nurturing our seeds of leadership to "germinate, bloom and fruit". Siemens China^a Top 100s program not only leads the development and implementation of our "Siemens China^a" Strategy, but also will further enhance the role of high potential talents from China in key positions of Siemens globally and regionally. And we firmly believe that it will strengthen our employer branding in China.



4.3 Siemens Graduate Program Dedicated to Developing Diverse, Internationally Minded Future Leaders of Siemens

Siemens Graduate Program (SGP) is the company's oldest leadership program, having been founded 100 years ago. Siemens has always focused on the growth of talents through forward-looking talent development strategies. The SGP, originally for engineers, has extended to all functions and businesses, and it has been extended from Germany to 31 countries all around the world, including China in 2011.

SGP, a management training program for fresh graduate students, is designed to attract diverse and international talent and to develop future leaders for Siemens. Qualified SGPers spend the first two years of their career on cross-functional and cross-country rotations. This rotational experience is meant to be challenging, with the SGPer being fully empowered to take on key roles and complete difficult assignments. SGPers are not alone, because individual mentors and the SGP Alumni support them as they learn and grow (Fig. 4-5). The mentors work with SGPers to develop a rotation plan and goals, and support SGPers' personal development. The Alumni helps SGPers make connections and expand their network. In addition, Siemens' rich and diverse training programs are there to help SGPers grow. These programs help SGPers in business-related hard skills and leadership-related soft skills, helping them stay competitive in their professional abilities, build a growth mindset in leadership, and develop self-driven learning abilities, so as to lay the foundation for them to grow into future Siemens leaders.

Fig. 4-5: SGP 2021 gathering

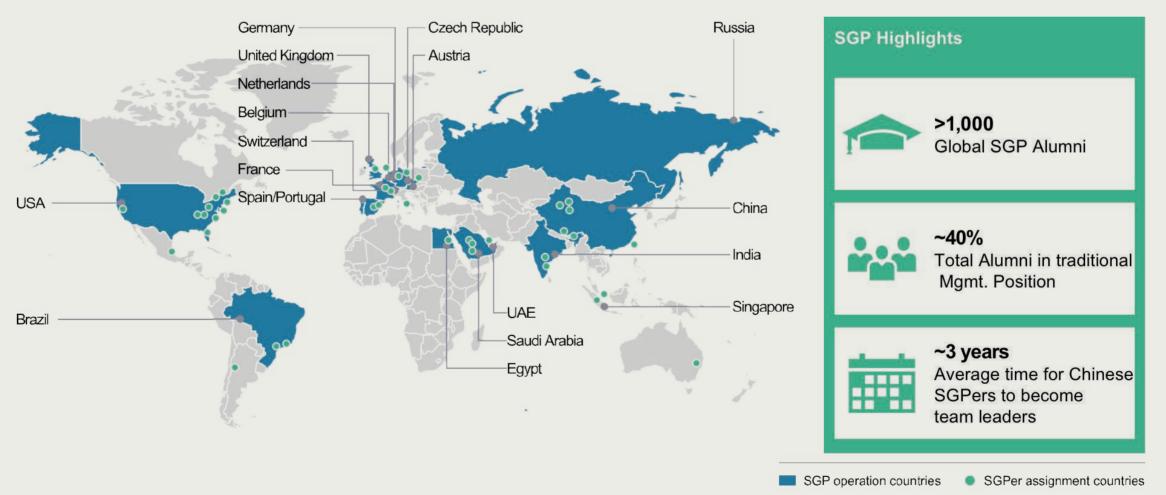


In terms of development, many SGPers have become Siemens leaders. According to figures from recent years (Fig. 4-6), about 40% of the more than 1,000 SGP alumni worldwide have positioned in managerial roles at Siemens. SGPers in China also shine, as they have become team leaders on average 3 years after they complete the program. This is a testament to the success of the SGP in developing leaders and promoting a leadership culture at Siemens.

In China in response to a fast-changing market and increasingly fierce competition, and to achieve the goal of our "Siemens China^a" Strategy and ensure the execution of Siemens China^a Top 100s program, SGP becomes the "building blocks" for Siemens China and "fast track" for our fresh blood. It provides a further development platform for SGP's outstanding graduates and help them quickly become leaders. Looking ahead, Siemens China will increase the headcounts of SGP candidates to attract more outstanding and promising talents. In addition, Siemens China will reinforce the positioning of SGP as a strategic talent program. SGP will deeply involve the company' s senior management, invite executives to take part in development path planning and feedback of SGPers, create more opportunities for SGPers to communicate with senior management, and gain more support from them. In addition, SGPers will have the opportunity to enter the fast track after they graduate and be directly or preferentially selected for higher-level leadership programs, creating more opportunities for SGPers' growth.

It is obvious that the Siemens Graduate Program also represents successful implementation of our leadership culture: for empowered people, we do not limit the development trajectory of outstanding employees, but instead give them more autonomy and development space; for inclusiveness and diversity, we are committed to attracting talent from diverse backgrounds, expanding their horizons in multinational work experience, cultivating a growth mindset, and helping them grow rapidly.

Fig. 4-6: SGP global operations



28

4.4 Siemens China Young Talent Day Listen to The Voices of The Younger Generation and Promote Siemens Leadership

With 43% of Siemens China employees aged under 35, young people provide strong support for Siemens China's continued growth. The youth is the fresh blood of our company and represents our future. To further promote business model innovation and build up the discourse field of Siemens' young talents, Siemens China established Young Talent Day in 2013 to create an equal dialogue platform between outstanding young talents and Siemens, and to listen to their views and suggestions on hot topics every year.

The Siemens China Young Talent Day is a 1–2 day forum to which young people from inside and outside the company are invited. They come from different business groups, functions and leadership programs within the company, as well as some of the winners of Siemens' external events. Participants work in teams to brainstorm, analyze cases and present their results on hot topics. The winning team is given the opportunity to take part in the Siemens Business Conference China.

This year Siemens China Young Talent Day marks its 10th anniversary. Over the past 10 years, we have kept exploring and progressing, making it a festival for the youth and promoting Siemens' leadership culture. More than 600 outstanding young talents were invited to take part in Siemens China Young Talent Day to discuss business strategies and provide youth vision and youth strategies for the company. We have discussed "Leadership in my view", "Take ownership, shape the future" and "My Siemens China new strategy", contributing to development and driving future innovation with young talents (Fig. 4-7). This year, the 10th Siemens China Young Talent Day will also come as scheduled, and we will continue to explore the future with our young talents.



Fig. 4-7: Siemens China Young Talent Day Topics (partial)

For outstanding participants, Siemens China Young Talent Day provides an opportunity for them to have cross-functional communications and a platform for direct dialogue with executives. In the process, outstanding young talent can experience the collision of diverse ideas, learn about Siemens' practices and feel the culture of Siemens leadership.



I believe I can contribute to Siemens' development in China with my creativity, self-driven ability and passion. I believe choosing Siemens is the best decision in my career, and I will move forward hand in hand with Siemens and dedicate my youth to Siemens.

—— Siemens China Young Talent Day participant

For Siemens, Siemens China Young Talent Day provides a platform for us to listen to young talent's ideas, a channel to promote the Siemens' brand image and leadership culture, and an opportunity to attract outstanding young talents.

We believe that the youth of Siemens together, can achieve extraordinary things.

Dr. Xiao Song

Global Executive Vice President President and CEO Siemens Greater China Chairman, President and CEO Siemens Ltd., China



Siemens China Young Talent Day spreads and practices Siemens leadership culture. Through the forum, we have created an open, egalitarian communications culture, allowing young people to speak up, establishing ownership and allowing the Siemens leadership culture to take root in their hearts.

Siemens China Young Talent Day is a diversified communication event. Participants from different backgrounds are all passionate about Siemens and the future, and set out to provide their own perspectives on key topics and bring their strengths to bear.

Siemens China Young Talent Day demonstrates Siemens' belief in empowering people. Although the young lack of experience, they represent the present and the future. It gives them a chance to interact with management, inspire new ideas and ensure their voices are heard, fully reflecting Siemens' focus on the individual.

Siemens Leadership Excellence Provide Leaders with an Open and Inclusive Platform for Sustainable Development. Create an Excellent and Diverse Leadership Ecosystem for Siemens

We connect and enable leaders to make real what matters. ——The purpose of SLE at Siemens

Siemens Leadership Excellence (SLE) offers state-of-the-art pipeline programs & Top Management Leadership programs aiming at top managers and our most promising top leadership talent, with the goal of strategically strengthening our succession pipeline as well as promoting our leadership culture. (Fig. 4-8)

Participants of SLE programs are nominated by the businesses and regions, following clear criteria. In its global leadership programs, SLE brings together diverse cohorts of excellent peers that result in trusted networks across Siemens. For them to gain an outside perspective, SLE program participants take part in Learning Expeditions, meeting with leaders from other organizations all over the world. SLE invites external thought leaders from academia, such as INSEAD and Boston University to provide the most advanced developments. In addition, the SLE alums network, with around 5000 members, connects Siemens' most promising global talents and provides them with continuous development as well as a platform for alignment on critical strategic transformation topics at Siemens.

SLE programs offer a dynamic and modern leadership approach with strong self-reflection elements, peer and professional coaching, as well as experiential, out of the comfort zone learning. Working on real Siemens cases, SLE participants address complex decision making and real-life leadership challenges. In a 'Leaders develop leaders' approach, SLE alumnus are invited to share their own leadership experiences, especially how they handle critical transitions on their induvial growth journey to help SLE participants build strong adaptability in the context of transformation.

Figure 4-8: Overview of Siemens Leadership Excellence programs





Dr. Matthias Reuter Head of Siemens Leadership Excellence

Leaders don't need to be perfect - the best ones don't try to be! They are continuously honing their strengths and create a trustful space for people where inspiration and growth can happen.

SLE pays attention to the growth of leaders, which is the practice of growth mindset in Siemens' leadership culture. SLE also openly absorbs external advanced leadership concepts to help leaders keep pace with the times and continue to progress. In addition, SLE brings outstanding leaders together to work for the company's growth.

In leadership practice, Siemens always adheres to the belief of trusting and empowering people, respects everyone's value and accompanies everyone as they grow. Siemens believes that learning never ends, and we will always support the development of every employee at different stages.

Conclusion and Outlook

Looking ahead, as a focused technology company, we need all Siemens members to work together to promote digitalization and sustainable development, to unleash the power and to create excellence every day. With the core concept of "talents" as the driving force for our sustainable organizational development, we iterate the interpretation of leadership in the ever-changing external environment and internal strategies, and provide continuous organizational vitality for Siemens. Under the guidance of "Siemens China^a" Strategy, we will fully implement the leadership culture of empowered people and growth mindset to develop self-driven and adaptable future leaders for Siemens China and globally.

This year marks the 150th anniversary of Siemens China. How will Siemens further integrate into China's development and how will leadership be more organically integrated with the characteristics of the Chinese market? Let's look forward to the next 150 years of Siemens China!



Ma Qing

Executive Vice President Siemens Ltd., China Head of People & Organization Sustainability Lead Siemens Greater China

Siemens in China

Siemens AG (Berlin and Munich) is a technology company focused on industry, infrastructure, transport, and healthcare. 175 years since its establishment, Siemens has distinguished itself through engineering excellence, relentless innovation, quality, reliability and international reach.

From more resource-efficient factories, resilient supply chains, and smarter buildings and grids, to cleaner and more comfortable transportation as well as advanced healthcare, the company creates technology with purpose adding real value for customers. By combining the real and the digital worlds, Siemens empowers its customers to transform their industries and markets, helping them to transform the everyday for billions of people. Siemens also owns a majority stake in the publicly listed company Siemens Healthineers, a globally leading medical technology provider shaping the future of healthcare. In addition, Siemens holds a minority stake in Siemens Energy, a global leader in the transmission and generation of electrical power.

The history of Siemens in China dates back to 1872, when the company delivered the first pointer telegraph to China. The company manufactured the first steam generator and built the country's first tram line by the end of the 19th century. In 1985, Siemens entered a cooperation agreement with the Chinese government, becoming the first foreign company to participate in such a comprehensive cooperation scheme. From the past to the present, Siemens has been pioneering cooperation with the country with its solutions, technologies and products.

Siemens has taken roots in China for over a century. Adhering to the 150-year-long spirit of cooperation and innovation, Siemens has become an integral part of the Chinese economy and society, and will continue to actively integrate into China's new development pattern and make new contributions to the sustainable development of the country's economy and society. Siemens lives up to "being responsible, excellent and innovative" as its company values and focuses on four strategic priorities: customer impact, growth mindset, technology with purpose and empowered people. With technology to transform the everyday, Siemens is committed to becoming an influential technology company in China.

For more information, please visit www.siemens.com.cn.





Authors



Ma Qing

Executive Vice President Siemens Ltd., China Head of People & Organization Sustainability Lead Siemens Greater China

ma.qing@siemens.com



Wu Jiunyan

Head of Talent & Leadership, Siemens China

jiunyan.wu@siemens.com



Wang Tao Senior Strategic Consultant of Talent &Leadership, Siemens China

taotwwang@siemens.com



Guo Yuhua

Senior Consultant of Siemens Advanta Consulting

yuhua.guo@siemens.com



Xu Yutong

Assistant Consultant of Siemens Advanta Consulting

yutong.xu@siemens.com

Special Acknowledgments

We thank DDI for its contribution to the second chapter of this white paper, The Evolution of Leadership Theory and Its Representation in The Business Environment.

About DDI

As an international leadership consulting firm, DDI has been dedicated to providing leadership strategy, leader selection, leadership development, and succession management services to leading companies around the world since 1970, helping them achieve excellence and success. Under the leadership of founders William C. Byham and Douglas W. Bray, who were the first psychologists to introduce talent assessment technology to the business world, DDI has developed leadership assessment and development products based on half a century of leadership research, scholarly publications, and practical experience, and now has a global footprint in 26 countries. In recent years, DDI has been actively developing online assessment and training products by integrating its huge database and research results, and has continuously launched leadership and enterprise digital transformation solutions for the digital age, which have won numerous awards and received wide recognition from clients.

About the Author

Mindy Yeh, Senior Vice President of DDI Asia and Managing Director of Greater China, is responsible for strategy implementation and operational management of DDI Southeast Asia and Greater China. She has been actively involved in leadership development and talent management consulting for over 20 years with passion and vision, and has extensive experience in talent management. Over the years, she has provided consulting services to clients in the areas of organizational talent strategy planning, executive assessment and development, high potential talent pool building, talent assessment and talent development. In order to share more advanced leadership knowledge and experience, Ms. Yeh has published numerous articles on leadership development and selection in recent years, and is an active and popular speaker at HR business summits and forums.



Mindy Yeh

We appreciate all those who contributed their time and insight to this article. Copyright©Siemens Ltd. China