

Inclusive Leadership: The Key to Fostering Belonging & Innovation In the ever-evolving landscape of corporate responsibility, Diversity, Equity, and Inclusion (DEI) continues to shape the future of work. Recently, the DEI narrative has broadened focus from representation to nurturing belonging in the workplace. One key element in forming a sense of belonging is the creation of an inclusive culture, which can only be achieved via inclusive leadership.

To help leaders unlock the benefits of inclusive leadership, this article seeks to define inclusive leadership, shedding light on how leaders can harness DEI principles in a practical way to bolster an organization's capacity for innovation.

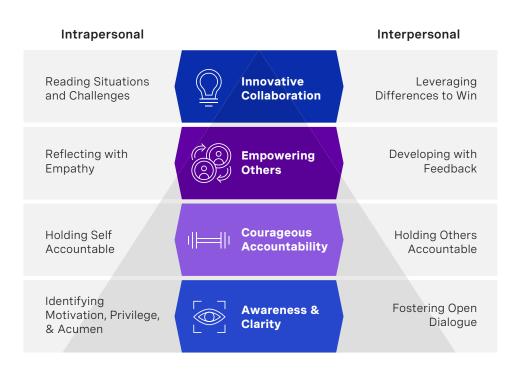
Fostering employee belonging: RRA's Inclusive Leadership Model

When employees feel they can be their authentic selves at work, they experience a greater sense of belonging and, by extension, are better able to channel their energy towards their work responsibilities.

To help leaders create a sense of belonging in their organizations, we developed RRA's Inclusive Leadership

Model. This model comprises four key competencies, beginning with a foundation of Awareness & Clarity, upon which are built more advance competencies such as Courageous Accountability, Empowering Others, and finally, Innovative Collaboration.

Figure 1: RRA's Inclusive Leadership Model



Each of these competencies operates along two dimensions—intrapersonal and interpersonal.

Intrapersonal

Pertains to personal self-regulation, in which leaders reflect on and manage their own beliefs, biases, and behaviors that enables them to be authentic role models of inclusion.

Interpersonal

Involves the leader's interaction with others, in which they engage with team members that develops a wider team culture that respects and appreciates diversity.

This multi-level, inside/out approach to inclusivity helps ensure that leaders are integrating DEI concepts into their work at every level of the organization.

Recently, RRA collaborated with Siemens China to study the implementation of inclusive leadership. Read on to learn more about each of these competencies, as well as how they're being deployed within a leading organization to develop a more inclusive culture and amplify innovation.

Awareness & Clarity

An effective DEI strategy requires a deep-rooted foundation of **awareness** and **clarity** around equity principles across all organizational levels. This goes beyond the superficial acknowledgement of DEI as a concept, and instead encompasses a clear and specific understanding of the organization's DEI priorities, what needs to be true to achieve those goals, and how those goals will shift as the organization evolves.

Leaders developing a sense of awareness and clarity should actively encourage open dialogues to enhance everyone's understanding of DEI, making it a collective responsibility and an ongoing conversation, rather than a static mandate.

<u>Intrapersonal:</u> Identify one's own motivations, privileges, and DEI acumen.

Siemens China focuses on cultivating a "growth mindset", which involves creating adaptable strategies, rather than "sticking to the old ways no matter what", in its leaders. This mindset allows leaders to mitigate prejudices to make the hiring and promotion of female employees more equitable across various lines of the company.

Interpersonal: Foster an atmosphere of open dialogue and promote discussions on DEI issues.

Every March, Siemens China hosts a Diversity, Equity, and Inclusion month, launching a variety of DEI-themed topics and activities to foster open dialogue between leaders at every level. "We need to continuously talk about DEI, giving everyone time to develop a gradual awareness. It is a process of constant effort; only through perseverance can a real impact be made."

- Helen Wang

People & Organization Lead Business Partner, Digital Industries, Siemens China





Courageous Accountability

Leaders practicing **courageous accountability** make their commitment to DEI principles publicly known, refusing to shy away from difficult conversations that confront biases and advocate for change at the individual and organizational level.

These leaders also champion personal autonomy, embracing and celebrating diverse perspectives across age groups, backgrounds, and disciplines. This includes allowing people to construct a work/life balance that works for them. This respect for individuality not only allows everyone to realize their full potential, but also maximizes the collective strength of the team.

Intrapersonal: Hold yourself accountable to challenging prejudices, embracing change and trust people to get work done in the way that's most efficient for them.

Siemens China had implemented a flexible-work system even before the COVID-19 pandemic. Employees can arrange their work according to their specific needs and priorities. This has resulted in employees taking personal ownership of their work more seriously, thereby improving efficiency.

Interpersonal: Hold others accountable by addressing situations in which people may be excluded or underrepresented.

At Siemens Research Institute, leaders make an effort to recognize ideas from young, new employees, thereby dismantling age stereotypes and allowing fresh perspectives ideas. The company culture focuses on amplifying individual strengths (versus compensating for weaknesses.)

"Flexible working increases employees' sense of belonging.
As long as the tasks are completed within the given time, it stimulates self-motivation and the desire to complete work efficiently."

- Lv Shumin

General Manager of Jiangxi Territory, Digital Industries, Siemens China



Empowering Others

The next tier of inclusive leadership competencies involves expanding equitable opportunities for others. Leaders should help team members recognize their strengths and identify development goals, while fostering broader organizational connections. For team members, this approach doesn't imply waiting passively for empowerment. Instead, it encourages individuals to proactively pursue their own development path, break through internal barriers, step outside their comfort zone, and embrace new challenges and responsibilities.

Intrapersonal: Actively reflect on and identify development opportunities that suit your personal growth and motivations, not waiting for others to initiate the opportunities for you.

Siemens China established a Women in Tech community to provide a space for women to support each other, share their stories, and encourage each other to step out of comfort zone to try new responsibilities.

Interpersonal: Expand growth and development opportunities for all team members, based on their attributes and skills.

Siemens China established a mentorship program aimed at matching leaders with experienced mentors. These mentors are usually senior leaders within the company who can share their experiences and provide guidance on career paths.

"I talked a lot with my mentor about corporate digital strategies, team management, how technical and business departments can cooperate, and how to face customers, among other issues. He gave me a lot of advice, which greatly increased my confidence."

- Zhang Yingli

Director of R&D, Siemens Research Institute



Innovative Collaboration

When a team fully embraces the diverse backgrounds of its members and actively encourages a range of development trajectories, it cultivates a wealth of perspectives and creative insights. This enriches the organization's decision-making process and drives continuous innovation.

Leaders who embrace **innovative collaboration** constantly seek new insights and challenge both their own and others' conventional thinking patterns. They foster constructive debates within the team, ensuring these discussions focus on the merits of the ideas rather than personal differences. Through persistent evaluation of a technology's commercial potential and customer value, team members demonstrate their commitment to the organization and their peers.

Intrapersonal: Recognize that each situation may require different skillsets or perspectives beyond one's own.

At the Siemens Research Institute, a new team was formed by merging two groups with consulting and technical backgrounds. During the integration process, colleagues kept an open mind, listened to others' views and ideas without prejudice, and ultimately achieved a full team integration.

Interpersonal: Leverage differences to win, creating space for a range of perspectives.

When colleagues with consulting backgrounds proposed innovative ideas that seem far-fetched at first, their technology colleagues didn't dismiss them. Instead, through ongoing dialogue, they sifted through feasible ideas, merging customer-oriented perspectives with technical research to create unique product strategies.

"Brainstorming together means there should be a storm; without it, how can it be called brainstorming? A storm should be the norm when discussing new ideas, otherwise, it just becomes a regular meeting."

- Fu Ling

Chief Research Scientist, Siemens China



Why inclusive cultures lead to better innovation

DEI is a long-term journey, and most organizations take over a decade to fully develop these programs. Developing inclusive leadership equips organizations with the "software" necessary to drive innovation. Concurrently, companies can strengthen the "hardware" mechanisms that foster innovation, such as processes and policies.

Innovation is delicate, especially in its nascent stages. To allow it to flourish, it's essential to create an environment where new ideas are nurtured, rather than overshadowed by day-to-day business operations. Organizations need to consider how to handle resource allocation for innovation, balance daily operations, ensure that innovative employees are encouraged, and support the growth of new ideas.

"Some of our colleagues are very creative, but need guidance on how to make low-cost trials and errors. What exactly is the mistake? What needs to be validated? Which should be validated first? And when should one decide to give up an idea? We should foster creativity in people, while also providing support in these growth areas."

- Fu Ling Chief Research Scientist, Siemens China



Authors

Shoon Lim leads Russell Reynolds Associates' Diversity, Equity & Inclusion practice globally. She is based in Singapore.

Laura Syn leads Russell Reynolds Associates' Asia-Pacific Knowledge team. She is based in Hong Kong.

Chensong Li is a member of Russell Reynolds Associates' Asia-Pacific Knowledge team. He is based in Shanghai.

Contributing Authors

Lucy Lei is former Russell Reynolds Associates Board & CEO advisor, now managing director & founder of Genesis Pacific Advisory. She is based in Shanghai.

Siemens China Authors

Dr. Wu Jiunyan is Siemens' Head of Talent & Leadership, Asia & Australia. He is based in Beijing.

Chen Wei is a Talent & Leadership Senior Strategic Consultant at Siemens. She is based in Shanghai.

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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led



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