

Leadership Skills 4.0

The new capabilities 21st-century leaders need to drive organisations forward in the fourth industrial revolution

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For businesses to survive and thrive in today's world, they need to make a fundamental shift from traditional organisational models to agile models designed for a digital economy and the fourth industrial revolution. And they need to make these changes fast.

The leaders of today and tomorrow need to herald in new forms of organisation that enable collaboration, value creation and innovation. To transform their organisations, they first need to transform the workforce and, crucially, themselves. In this article, we discuss the capabilities they need in order to do this.

"The call and need of a new era is for greatness. Tapping into the higher reaches of human genius and motivation requires leaders to have a new mindset, a new skill-set, and a new tool-set."

Stephen R. Covey

The Importance Of The Agile Organisation

Companies must become agile to compete (and even to survive) in the fourth industrial revolution. A paper by McKinsey&Company defines some of the key traits of agile organisations:

- Replacing traditional hierarchy with flexible, scalable networks of teams.
- Working in rapid cycles of decision-making, thinking and doing.
- Having a dynamic people model that engages and empowers everyone in the organisation.

Radically rethinking their underlying technologies and using new practices and tools to enable and enhance speed and agility.

Only 4% of some 2,500 companies surveyed had reached enterprise agility. Source: McKinsey&Company

Leading the agile organisation

Companies must become agile to compete (and even to survive) in the fourth industrial revolution. A paper by McKinsey&Company defines some of the key traits of agile organisations:

1. **Collaboration**
Calling for interwoven work, both internally and externally.
2. **Authenticity**
Maintaining core values and transparency that demonstrate genuineness.
3. **Personalisation**
Creating tailor-made career paths for employees.
4. **Innovation**
New thinking enables sustainability.
5. **Social connection**
Workplaces based on sharing, partnership, and the formation of community.

No longer can leaders afford to merely function in supervisory roles. According to McKinsey&Company, 21st-century leaders need to develop three major new sets of capabilities.

1. New personal behaviours and mindsets
2. Learn to help teams work in new works
3. Learn how to build enterprise agility

Let's unpack each of these in more detail...

Transforming Themselves

Leaders wishing to transform their organisations must first look to transforming themselves by developing “inner agility”. Crucially, this involves a conscious shift from a reactive to a creative mindset - thinking from the ‘inside-out’ instead of reacting from the ‘outside-in’.

This can be achieved by:

- **Going from certainty to discovery, fostering innovation**

Traditional organisations operate through detailed planning; agile organisations (led by agile leaders) build innovation into the core, continually experimenting, testing and learning.

- **Shift from a mindset of authority to one of partnership, fostering collaboration**

Instead of siloed hierarchies, agile organisations employ networks of autonomous teams. Agile leaders create an environment of trust by encouraging joint problem solving and contributions from everyone.

- **From scarcity to abundance, fostering value creation**

Today’s leaders must see their businesses and markets with a creative view that recognises unlimited resources and potential.

FranklinCovey’s poll of over 2,000 employees across multiple generations surveyed the most desired skills for 21st-century leaders. Having a collaborative mindset emerged as one of the most important capabilities; the ability to encourage a networked environment of cross-team functionality, deal across different cultures and navigate increasingly complex markets.

Making these fundamental shifts to a creative mindset allows leaders to look outward and look forward, unleashing the potential of their people and organisations.

5 PERSONAL PRACTICES TO HELP YOU SWITCH TO A DISCOVERY MINDSET

1. Pause - allow yourself space for clear judgement and original thinking.
2. Embrace your ignorance as you listen and think from a place of not knowing.
3. Unblock your existing mental mode by asking different questions.
4. Set a direction, not a destination.
5. Constantly test your solutions and innovative ways of leading with quick, cheap experiments.

Transforming The Team

After shifting their own mindsets and behaviours, leaders of agile organisations need to help their teams apply new, agile ways of working.

Helping teams work in new ways:

- Build teams that are empowered, connected and diverse.
- Encourage teams to work in rapid cycles of focused work to empower them to deliver value more quickly and efficiently.
- Keep teams focused on creating value for customers.

Design thinking and business-model innovation

- Understand and explore the entire customer experience at each stage of the customer journey.
- Pursue business-model innovation at every opportunity.
- Build business models through which everyone wins.

Workforce Development

“If [business is] not listening to the youth, they are not listening to their future competitors, employees, or customers.”

Wadia Ait Hamza,

head of the Global Shapers at the World Economic Forum (Deloitte).

Team development was also identified as a key capability by FranklinCovey, particularly since younger generations tend to consider work an integral part of their lives. They need their work to be fulfilling, and they need the promise of career development and advancement. To retain this new generation of employees, leaders will need to focus on the individual’s needs and aspirations.

A report by Deloitte suggests that 21st-century business leaders need to address four primary challenges within the larger context of youth workforce development:

1. The fourth industrial revolution should be perceived as a unique opportunity to be welcomed, rather than a problem to be confronted.
2. Disconnected programmes need to be repositioned as a systemwide, unified set of approaches.
3. Business processes need to realign in order to achieve both scale and impact.
4. Possibilities for marginalised youth (including the previously disadvantaged) must be reframed.

Addressing these three categories helps people move towards achieving a greater sense of satisfaction, alignment, and well-being in their lives, both on and off the job.

1. Working with a broader ecosystem to align stakeholders' goals, objectives and approaches.
2. Engaging strategically in public policy through advocacy, dialogue, influence and collaboration.
3. Investing in workforce training programs that align with corporate culture, skill needs, and social responsibility goals.
4. Developing talent strategies that promote innovation and inclusivity, driving economic return through diversity.

Transforming The Organisation

The third action for 21st-century leaders involves changing the organisation itself by developing new organisational leadership capabilities in three key areas:

Distil and express a compelling purpose

- People across the enterprise need a foundational element of stability and coherence; a shared aspiration that is meaningful and resonates with everyone.

Apply the principles and practices of agile organisation design

- Create a network of smaller, focused and empowered "microbusinesses".
- Design capabilities that support and enable these microbusinesses.

- Foster open innovation by designing an ecosystem of partners across the spectrum of the organisation to expand its reach and capabilities.

Form an agile organisational culture

- Become a role model by developing new mindsets and behaviours.
- Co-create the way forward by focusing on a direction (not a destination) that is evolved interactively with people across all levels of the organisation.
- Foster capability building and give everyone the opportunity to develop new mindsets and skills.
- Put different organisational design elements in place as reinforcement mechanisms so that design and culture work begin mutually reinforcing one another.

The Future Is Here

The changes and challenges of the fourth industrial revolution are rapidly transforming how, where, why, and with whom business is conducted. In this new, dynamic world, leaders who do not adapt simply will not survive. So, what enabled the leaders of today and tomorrow to make these changes?

BCX is committed to equipping a new generation of leaders with the necessary transformative skills. We do this through our holistic approach large-scale organisational digitalisation, which unlocks a wide array of human-related benefits. For example, by analysing new data and uncovering previously hidden patterns, organisations can bolster their understanding of what leadership skills are most effective in sustaining and creating value. Led by data-driven decision-making, transformative leaders will be able to adopt the changes that are working, and forgo or refine those that have proven less effective.

We believe it is digitalisation that enables the accelerated transformation of leadership activities, safeguarding and promoting an organisation's future. Is your leadership disruptive, or disrupted?

Sources:

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