



Talent and Leadership Development

In The Fourth Industrial Revolution Era

A "Leading with a Smile" Grooa White Paper

Laura Lozza
Managing Partner, Grooa AS

Talent And Leadership Development In The Fourth Industrial Revolution Era

PREFACE

The Fourth Industrial Revolution is happening and it is rapidly changing the way we live and work.

The 2016 Report about “The Future of Jobs” issued by the World Economic Forum outlines how the Industrial Revolution period that has just begun will impact the skills requirement for employment.

Two mega-trends are already evident:

1. The Disappearance of Purely Executorial Functions will open **limitless opportunities to liberate workers from routine tasks**, and to unleash their creativity, leading to significant improvements in both output and job satisfaction.
2. On the other side, with traditional jobs and functions disappearing and new ones fast appearing, workers will need to **acquire the ability to quickly adapt, learn new skills and build resilience to change, as well as resilience to ambiguity**.

This will place an **enormous emphasis on the role of people development**: it is unimaginable to address the development needs of the future workforce in such a fast changing context by using the current approach; formal centralized training courses, yearly performance discussions and irregular behavioral feedback will no longer suffice. Actually, not focusing on a more comprehensive and frequent set of learning and development strategies might well be the kiss of death for many organizations.

The Fourth Industrial Revolution carries with itself the paramount need to change the way we think about both Performance Management and Talent Development.

We are transitioning to a **new Era in which we need to reassess and redefine the role of humans** in a world of advanced and fast-changing technologies, which are able not only to control, but also to learn. The new Era will need a **human workforce able to make critical decisions fast, collaborate effectively, and co-create**.

The Disappearance Of Purely Executional Functions Calls For A New Definition Of Leadership

Organizational structures are changing. Classical hierarchies - built on the assumption that only a few must decide, the majority must execute and those in the middle must help discipline and control - start to crumble everywhere.

Purely executional jobs are rapidly disappearing, while every single job nowadays requires at least some degrees of discretion, the ability to adapt to frequent changes, and the interpersonal skills that were in the past only expected of high-level executives. Further, with execution and control functions eased by advanced technologies, middle management functions are becoming redundant and self-serving, resulting in bureaucracy and job dissatisfaction. The entire business model based on classical leadership principles need to be quickly revised.

The concept of a “hero-leader heading a troop of followers” no longer makes sense in today’s world.

The first three Industrial Revolutions monetized human skills (just think of the outdated performance appraisals with ratings and rankings that suggested people were seen as commodities); the Fourth Industrial Revolution Era opens the road to emancipation of each individual as a unique valuable contributor. Once networks of intelligent machines take over the repetitive complexity of many tasks, humans will be required to keep an eye on the choices, design, supervise, create, and collaborate in an unprecedented way. Those who fear that this will cause unemployment are still thinking in terms of humans having to earn a living by the hour, within the efficiency philosophy of the past; discretion workers are not - by definition - compensated by production hours, but by value adding in flexible settings. As long as there is willingness to adapt and learn, everybody should be able to apply their own unique talents to the new situation, providing that appropriate opportunities to be valued, uniquely coached and supported, are made available to them.

In this new scenario, leadership will no longer be elitist, but will belong to everyone; everybody in a position to influence at least one other person will require to learn and apply “leadership skills”; nobody can remove themselves from the responsibility to lead, yet no one is required to lead all of the time. Collaboration and Trust will need to be at the top of our new work ethic priorities.

We propose to a new definition of Leadership for the new Era that is just starting, the Fourth Industrial Revolution (FIR) Era.

A NEW DEFINITION OF LEADERSHIP

Leadership in the FIR Era is:

The ability to positively influence, within a collaborative context, in order to co-create meaningful progress

Our proposed definition includes five key aspects:

1. **We substitute the traditional concept of “guiding” with the concept of “influencing”**; a leader is no longer the one who feels the need and obligation to always be in charge, guide and command others; a leader is everyone who feels the responsibility to contribute and therefore does not hesitate to **taking the lead, sharing opinions, encouraging, urging, challenging, driving, designing, solving, without holding back**, while not assuming to be “the only god in the room”.
2. **We add a concept of “positive” influence**, to stress that anyone feeling the responsibility to contribute, choosing to take the lead and to influence, must be **clear about their motives**, and must be able to express their intentions as **a choice made in the best interest of the shared cause**, rather than an automatic reaction determined by instinctive self-preservation reflexes.
3. **We also stress the “collaborative context”**; the complexity and interdependency that characterize the “FIR Era” require a change in the way we think performance, from individuals to teams; **collaboration and interpersonal relationships need to change from top-down to adult-to-adult, with trust replacing controls, and team performance replacing individual goals**.
4. An essential aspect of emancipating humans from purely executional roles is the opportunity to **unleash human creativity in critical areas like problem solving and decision making**; given the collaborative nature of all future jobs, a critically important skill is the **ability to innovate together or “co-create”**.
5. Finally, the modern concept of leadership is strictly linked with a higher appreciation of each human contribution as unique, original and impactful. In a collaborative context with team goals, **individuals’ fulfillment and engagement can only derive from clearly seeing the meaningfulness of own impact within the big picture** (aligning individual purpose to the global purpose)

Learning & Development Needs in the FIR Era

The FIR Era is already significantly changing the job environment, affecting all aspects of human life, including the business world. It has specifically begun to destabilize the traditional business approach in four main areas:

- **Customer Expectations;** better informed customers means more demanding customers, which means that no sector will be able to survive on production-oriented and inner-focus business models; everything will more and more revolve around how to best serve customers.
- **Product Enhancements;** competition on products and services will be highly dominated by measurable added value enhancement made possible by digital capabilities.
- **Collaborative Innovation;** the huge amount of info-data (e.g. on customer experience, asset performance, socio-economic trends and available technologies) will call for new forms of collaboration to allow for a sustainable pace of innovation and disruption.
- **Organizational Forms;** given all of the above, it is becoming increasingly clear that we need to re-think how we view and treat talent, culture and organizational structures, to support the new reality. We need to entirely re-design our Human Capital Strategies.

The latest point is the one that poses the biggest challenges yet it is the one most often shoved aside by most businesses. **It might feel quite daunting to start to prepare on how to evolve, when the future is so unclear.** Predictions are numerous and **conflicting**, projecting both utopian and dystopian scenarios, e.g.

- “Many jobs will disappear, creating pockets of poverty, thus the economic divide will grow bigger causing social conflicts” vs. “Routine jobs will disappear and technology will give us a fair world with universal basic incomes and opportunities to contribute according to our unique talents”
- “Hierarchies, earlier established to monitor and control, will disappear, thus removing career incentives and causing many of our best educated people, currently in management jobs, to feel undervalued and even useless” vs. “Hierarchies have done their time and our best educated people will no longer be treated like commodities needing to perform according to pre-established criteria, which will unleash initiative, innovation, team collaboration and entrepreneurship.”

- “The academic world – typically slow and conservative - is no longer able to provide adequate preparation for the new world, making internet the new universal resource for quick and dirty training about anything, leading to a shallow and arrogant individualistic culture” vs. “The unprecedented availability of fast communication will help us create collaborative learning platforms where academics, scholars, practitioners and private thinkers will be eager and able to sustain a fertile learning society of reference”.
- “There will be no way to pay for retirement pensions in an aging world” vs. “Retirement pensions will go out of fashion in connection with universal incomes and new more humane job functions will require most everybody to stay actively involved and contribute even at older ages”

The above are just a few examples of the conflicting views about critical drivers of change and their ultimate impact on our society. A more realistic outlook would probably fall somewhere in between these overly pessimistic and over optimistic scenarios. The only thing we can be sure of is that everything will happen much faster than anything we have ever seen before, hence the need to keep an open mind and develop the skills to rapidly respond with a clear (non biased) mindset.

One of the few “sure things” that we can bank on is that education will transform itself from being highly focused on acquiring functional skills and mainly taught early in an individual life, **to a continuous process of social skills training and on-the-job education updates.**

Today it is already evident that professional certifications, or university degrees do not “per se”, and not by a long shot, guarantee top on-the-job performance, let alone career success or the ability to make truly influential contributions. It is also already quite evident that in a fast moving world it is unrealistic to restrict choices of personal interests and aspirations to what is available today; it is also unrealistic to make definitive choices about a career at the age of 20, when a healthy septuagenarian of the future may still be fully employed or engaged in activities that do not yet exist today.

Every Industrial Revolution brought unprecedented and generalized educational needs:

- The First Industrial Revolution brought the need to learn specialized skills in order to cope with new mechanical innovations
- The Second Industrial Revolution fueled a global increase in literacy
- The Third Industrial Revolution fueled a global increase of computer literacy
- The Fourth Industrial Revolution is now calling for increased resilience and emotional literacy, i.e. the ability to resourcefully adapt, continuously learn and productively interact with diverse stakeholders.

All this brings the issue of **Continuous Skill Training**, as well as **Resilience and Emotional Literacy Training** to the forefront of business attention, not only within HR.

Although it is difficult to predict the future job environment in any detail, there are a few general considerations that we can consider as certainties:

- ✓ Certainty Number 1: Adult Learning will no longer be the exception, but the norm. The concept of basic education as restricted to children or youth will be revolutionized. Education and Skills Training will be required (and hopefully broadly supplied) within a lifelong perspective. This clearly means an increased demand of (continuously trained) educators able to interactively work with adults.
- ✓ Certainty Number 2: With routine functions being overtaken by technology, the ability to diligently execute or to perform simple repetitive tasks will no longer be required. Instead, the entry ticket Basic Abilities for any jobs will increasingly include: Cognitive Flexibility, Logical Reasoning, Mathematical Reasoning, Problem Sensitivity, Problem Visualization, Analytical Skills, and Effective Communication Skills.
- ✓ Certainty Number 3: Classical Cross-Functional Skills like Resource Management (i.e. financial, material and people management) as well as Specific Technical Skills (i.e. equipment maintenance and repair, equipment operation and control, programming, quality control) will continue to be necessary for specific functions, but will need to be complemented by Basic Abilities as well as by a minimum literacy of Core Leadership Skills.
- ✓ Certainty Number 4: A major consequence of the disappearing of purely executorial routine functions is that many Interpersonal Skills like Negotiation and Decision Making (once delegated to higher management) as well as several Modern Skills like Emotional Intelligence and People Skills (once considered “soft” i.e. less important than the “hard” functional skills) will be in high demand and constitute the necessary Core Skills of any but the most basic jobs.

The Core work-related Skills that will continue to be in high and continuously growing demand across all industries (listed in the order of importance as reported by the 2016 World Economic Forum) are:

1. Complex Problem Solving Skills (including creative problem solving and learning from critical disagreements)
2. Critical Thinking and Self-Awareness (including ability to understand and control/correct emotional reflexes and instinctive biases)
3. Creativity (including the confidence and courage skills necessary to challenge the status quo and to tolerate the ambiguities/uncertainties of the creation process)
4. People Skills (including fact-based and consequence-focused feedback exchange, driving engagement, awareness and respect of diversities, cultivating high ethical standards and coherence)
5. Coordinating with Others (including personal influence skills, purpose-based intentional and rotational leadership, ability to hold clear mutual accountability in a collaborative, often virtual, context)
6. Emotional Intelligence (including self-awareness, active listening, effective two-way open communication, empathy, authenticity and courage of transparency)
7. Judgment and Decision Making (including proactive initiative, system analysis and learning on the fly)
8. Service orientation (including humble self confidence and open dialogue)
9. Negotiation (including positive orientation, mastering of both push and pull communication skills and multicultural/multifunctional fluency)
10. Cognitive Flexibility during Critical Situations (keep in calm, open to learn and generally resilient in front of uncertainties, ambiguities, disagreements and major change)

WHAT DOES ADULT LIFELONG EDUCATION LOOK LIKE?

Needless to say that the way we shall provide and receive education in the future is bound to dramatically change, like everything else is changing.

The most modern approaches to Leadership Training currently provide the best reference to designing future “Continuous Adult Learning”. There are five specific trends that we are not likely going to successfully capitalize on:

1. **Distance Learning:** in a global economy, where the workspace is becoming more and more flexible and increasingly more virtual, classical classroom teaching is gradually being replaced by virtual learning platforms.
2. **Customized and Flexible Learning:** with the need to be swiftly adaptable and the multiplication of new emerging needs, centralized standard training programs (often repeated for generations) are and will continue to be going out of fashion; the new reality will call for more adaptable, locally or even individually customized portfolios of training programs. Also the traditional one-size-fits all assessments and high-performance measures (based on standard competences and general criteria) will give way to one-size-fits-one opportunities for self-reflection and strengthening of individual talents.
3. **Interactive Learning:** with the support of cognitive neuroscience we are today able to design training programs that maximize learning. A modern training approach is very far away from the classical academic tradition of teaching as “a lecture given by the one who knows to those who do not know”; it rather is an interactive opportunity to learn together, an exchange where both teacher and scholar have equal status and responsibilities, and where multiple learning forms are used (e.g. experiential, theoretical, visual, kinesthetic, etc.)
4. **On-the-job skills embedding:** the traditional mentor role (the arbitrarily selected “old-wise-experienced” as advisor and role model to the “young-immature-inexperienced”) is gradually being replaced by the professional role of trained coaches who establish a peer relationship with another adult, with the objective of helping self-reflection and self-development of skills within a personalized embedding of the learning into the specific job situation of each specific individual.

5. Team facilitation of on-the-job learning: self-directed and flexible teams are increasingly becoming the most effective organizational model and any effective training must take into account the need of team members to learn, or at least exchange, embed, readapt the individual learning, within the team itself in their day-to-day; team facilitation must be continuously provided at every stage of team creation, operation, delivery and closure / reassignment.

Note: Empowered teams are much better suited to deal with frequent changes than traditional hierarchies: unencumbered from control and bureaucracy, they can promptly learn and respond to changed situations, they can fast develop innovative alternatives and they can more easily remain open, flexible and alert to detect any further changes.

WHO WILL BE THE BEST EDUCATORS OF THE FUTURE?

As a final note, a consequence of the above is that the educators of the future must not only have a desire and commitment to their own continuous learning and development, they must also be fully aware of the new challenges and willing to distance themselves to the “well known / this has always worked before” teaching approaches and techniques.

In order to produce sustainable value, the choice of Adult Educators must fall on those who are able and willing to coach, deliver customized designs and learn together with their clients, along with being able to demonstrate competence in the Core Skill described above.