Dynamics of Competency Roadmap for Agile Leaders in Industry 5.0 Era

Amiya Kumar Mohapatra[1], Anil Subbarao Paila[2] and Nandeesh V. Hiremath[3*]

[1]*Deputy Director, FOSTIIMA Business School, New Delhi. E-mail: amiyaeco125@gmail.com*
[2]*Senior Dean & Director, S.P. Mandali's Prin. L. N. Welingkar Institute of Management Development & Research (WeSchool), Bangalore, Karnataka. E-mail: anilsraopaila@gmail.com*
[3]*Professor & Dean, NSB Academy, Bangalore, Karnataka. E-mail: drnandeeshvh@gmail.com*
[*]*Corresponding Author*

Abstract: The world has grown more volatile, unpredictable, complex, and ambiguous (VUCA) and leading by example has been encouraging transformation in organizations. The 3W (Work, Workspaces and Workforce) are transforming, thereby changing the landscape of how organizations build work structures, people management systems and drive the business models & productivity parameters. The key leadership competency profile have to be developed and practiced, which are enumerated with competency models of three categories of competencies of OECD competency framework, ARC competency framework, Korn Ferry's 38 competency framework, and Finning values & competency framework. Subsequently the practical application of the competencies in various organizations like Bosch, Microlabs, Manjushree, Mercedes Benz, along with digital learning & development competencies in 10 corporates, have been explained and illustrated. Subsequently, the paper concludes with agile leadership strategies for ensuring business continuity plans (BCPs) by mentioning the 'AGILE' and 'HAVE' models of agile leaders, ultimately culminating with 'LEIRA Mindset' and 'LUR Mantra' models, to make organisations viable, profitable and sustainable in competitive global business context today in industry 5.0 era.

1.   Introduction and Context to the Competency Building

The organizations go through five (5) stages of growth viz., establishment, stabilization, consolidation, expansion and diversification. The development of competencies of people who manage the business is an ongoing phenomenon. However, it is known fact that extreme difficulties are faced by businesses everywhere in the world in order to compete, endure, and expand in the modern business environment. The organizations have been pushed to alter how they run their operations as a result of the technology revolution, market volatility, economic uncertainty, and the entry of millennials into the workforce. During and after Covid-19, the world has grown more volatile, unpredictable, complex, and ambiguous (VUCA). Leading by example encourages digital transformation. Organizational development processes

are mostly driven and led by the values, abilities, and behaviours of leaders. The responsiveness and creativity seem to be crucial components for the long-term development and success of any firm in the critical managerial function of agile leadership. As a foremost illustration, the '*key leadership competency profile*' for federal public service executives and senior leaders was revised in March 2015 by Government of Canada (Figure 1), which illustrates the competencies the leaders should possess.

Figure 1: The Key Leadership Competency Profile

Source: https://www.canada.ca/

As it is known to the business world today in 2022, *the 3W (Work, Workspaces and Workforce) are transforming, thereby changing the landscape of how organizations build work structures, people management systems and drive the business models & productivity parameters.* Simply stated the organizations and business enterprises are fast-migrating from '*Industry 4.0 into Industry 5.0*', almost in a seamless manner.

The most effective transitions to organisational agility combine both structural and cultural improvements at the same time. Among these two, generally, it is '*culture first*' i.e., the agility is a mind-set for the people, wherein the transformation will remain skin-deep if the transformation is not changed at the levels of minds and hearts of the employees and leaders. Simply stated, building an enabling culture for people to perform with some semi-flexible structures produces great results. At the same time, agility is about achieving results, which may not become a reality unless some serious '*structural changes*' are embraced. Thus, the true potential of individuals and leaders can be better harnessed, when we adopt the change and/or transformation in both at cultural and structural levels (cutter.com, 2017).

2.   Concept and Framework of Competencies

The recent studies by Mckinsey (2018) and Accenture (2022) have found that there are 5 key characteristics of building and nurturing a '*winning organizational culture*' include enabling the growth-oriented mind-set at all levels, agility in thinking and doing to pivot towards outcome, purposeful-

driven processes and systems to connect people with organizations, openness to experimentation, collaboration and innovation, and inclusive people-centric and customer-driven focused strategies.

Similarly, one of the IBM study (2019) with CEO Perspectives 19th Edition – Global C Suite Study – 2019 has found that there are four key takeaways, viz., (a) dancing with disruption, meaning on-going disruption is the order of the day; (b) Trust in the journey, with the path to personalization to employees and customers to be ensured by leaders; (c) Orchestrating the future, by leveraging the pull of platforms to break conventional & traditional approaches thus harnessing innovation; and (d) embracing and building innovation in motion or '*agility across the enterprise*' by both entrepreneurial and intrapreneurial cultural transformation.

In addition to the above findings, many researchers have found that competency building is of the people by leaders is one of the most critical aspects for ensuring the survival, growth and sustainability of the organizations and business enterprises. This can be illustrated through a '*Competency Framework*' in 3 categories viz., *leading self, leading teams and leading business* (Figure 2). The sub-components in each of these categories play a pivotal role to march seamlessly into industry 5.0 era.

This is also illustrated by one of the studies by dCode Economic & Financial Consulting (2020) that the '*potential winning business sectors*' were medical supply & services, followed by food processing & retail, personal & healthcare, ICT, e-commerce and agriculture; while the '*potential losing business sectors*' included tourism & leisure followed by aviation & maritime, automotive, construction and real estate, manufacturing (especially of non-essential products); whereas the financial services, education and oil & natural gas sectors had mixed impact. It is amply clear from this study that continuous and sustainable nurturing of competencies at all 3-levels viz., self, team and business level are critically important to ensure the success of organizations and business continuity plans (BCPs).
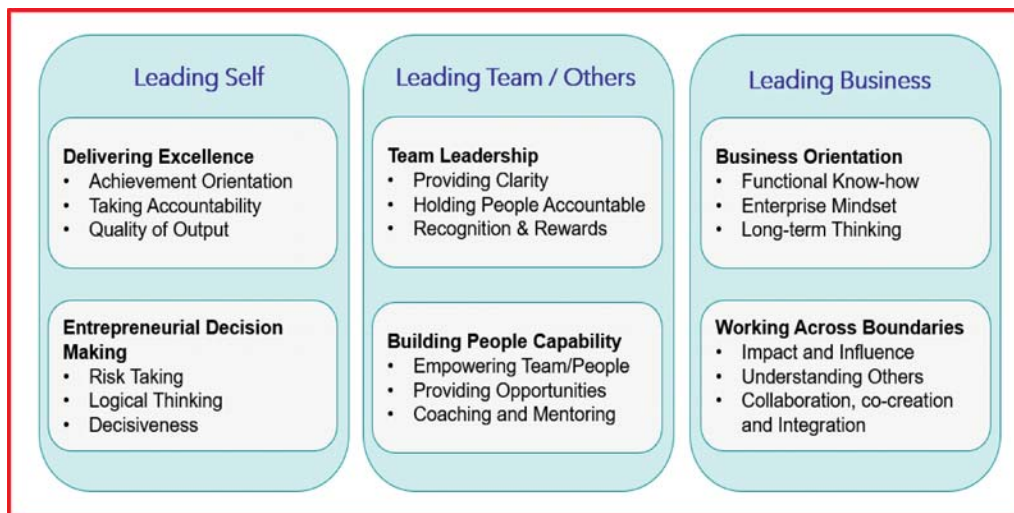

Figure 2: Framework of Competencies under 3 Categories

Source: Compiled by Prof. Subhash Khare, Leadership Coach, Bangalore.

3. Competency Building Models and their Significance

The competency is a combination of knowledge, skill and attitude (KSA) in action for producing results in organizations. This KSA framework has transformed into 'ASK (attitude, skill and knowledge) model' thus emphasizing the significance of attitude and skill in real-time action by almost 80%, when compared to knowledge (20%) among the employees, managers & leaders etc.

There are various types of competency frameworks given by various researchers and the leading consulting agencies. Few of the important competency frameworks are being enumerated herein below:

3.1. OECD Competency Framework

The '*OECD Competency Framework*' lists three groups of fifteen (15) core competencies, which are broadly classified & grouped in 3 categories:

- a) Delivery-related competencies (6): *for achieving results*
  - Analytical thinking, achievement focus, drafting skills, flexible thinking, managing resources, teamwork & team leadership.
- b) Interpersonal related competencies (5): *for building relationships*
  - Client focus, diplomatic sensitivity, influencing, negotiating & organizational knowledge.
- c) Strategic competences (4): *for planning the future*
  - Developing talent, organizational alignment, strategic networking & strategic thinking.

3.2. ARC of the Modern Leadership

The recent competency framework by Accenture (2022) under caption '*ARC of the modern leadership*' includes and predominantly focuses upon '*A*'*gile,* '*R*'*esponsible and* '*C*'*onnected leaders, who create the 'winning cultures' for a sustainable growth, expansion and diversification of the organizations.* It has been found that modern leaders should embrace and adopt the new skill-sets and behaviours by being authentic, empowering, visionary & collaborative, creating a human-centered, growth-oriented, innovative and purposeful cultures. And in doing so, they live up to their promises and bring out the best in their teams, for the good of the business as such.

This ARC of the modern leadership further emphasizes upon 6 key approaches viz., (a) *Leading with agility*, from top-down & by leading with example; (b) *Leading with empathy* for employees, teams & customers; (c) *Leading with innovation* by leveraging technology, AI, ML, Automation etc. which strengthen the leadership competencies; (d) *Leading with sense of purpose*, in long-term connectedness and short-term motivational drivers; (e) *Leading with energy*, to harness the collaborative partnerships with a shared conviction of purpose & identity, while negating energy burnouts; and (f) *Leading with edge*, in decision-making at all levels with adoptive learning, so that everyone in organization gains edge to deliver the results.

3.3. Leadership Architect Legacy Competency Mapping

Competencies are more about cluster of related behaviours and based on certain skillsets, and especially imperative for agile and strategic leaders (Ferry, 2014). The broader scope yields more flexibility and adaptability because competencies can easily translate across roles. The Korn Ferry

Leadership Architect Legacy Competency Mapping has enlisted 38 competencies, which are presented in Table 1.

Table 1: Korn Ferry's 38 Competencies

1. Ensures accountability	14. Values differences	27. Resourcefulness
2. Action oriented	15. Directs work	28. Drives results
3. Manages ambiguity	16. Drives engagement	29. Demonstrates self-awareness
4. Attracts top talent	17. Financial acumen	30. Self-development
5. Business insight	18. Global perspective	31. Situational adaptability
6. Collaborates	19. Cultivates innovation	32. Balances stakeholders
7. Communicates effectively	20. Interpersonal savvy	33. Strategic mindset
8. Manages complexity	21. Builds networks	34. Builds effective teams
9. Manages conflict	22. Nimble learning	35. Tech savvy
10. Courage	23. Organizational savvy	36. Instils trust
11. Customer focus	24. Persuades	37. Drives vision and purpose
12. Decision quality	25. Plans and aligns	38. Optimizes work processes
13. Develops talent	26. Being resilient	

Source: Korn Ferry, 2014

3.4. Finning: Transforming Culture to Nurture the Competencies

The Finning case of Korn Ferry, 2014, indicated that with right values in action, the *competency framework gave 3 times of higher performance*; the challenges could be easily dealt with teams & leaders; effective implementation of competency framework enabled to meet company vision for 3-5 years; which was to be realized with training development & competency enrichment calendars at all the levels of employees/leaders across the organization.

The *'values'* involved in Finning's competencies are: *trusted, collaborative, innovative and passionate*. These are further connected and closely interlinked to eight (8) competencies, which contribute for the success of business, which include: i) commercial mind-set; ii) decision quality; iii) situational adaptability; iv) developing talent; v) being courageous; vi) driving the results; vii) cultivates innovation, and viii) customer focus. In other words, when the competencies are embedded with values of individuals, leaders and organizations it is much easier to imbibe the transformation in competencies.

4.   Practical Applications of Competencies in Organizational Growth

To drive the utility of competencies in real-time business context, the authors have used few illustrative cases of different industry sectors. (Note: These are practically implemented as most successful Management Development Programs for leaders in organizations, front-ended by the 2nd author of this paper, as the advisor of the Management Development Centre, working closely with many corporates).

In Bosch Home Appliances, lower level to mid-level team were imparted training on leading self, leading people and managing tasks/outcomes across the domains for Hi-potential leaders for over 3-months. These interventions could enable the outcome mindset, with science of execution, having growth mindset and skills for collaborating with people.

In Microlabs Ltd., one of the leading pharma companies, the middle level managers were imparted 6-month training with 4 days/month and coupled with mentoring support. This training focussed upon strategic & result orientation, optimising resources/stakeholders, understanding the customers & markets, thereby leading & developing people.

The senior level executives at *Manjushree Technopack Ltd.* were given Executive Development Program (EDP) over 9 months, with 5 days/month coupled with mentorship. The competencies in focus were result-driven, customer-orientation, people-orientation, managing the change, and leadership (having accountability, delegation & strategic thinking)

Similarly, the *HR Team of Mercedes Benz R&D* were put through 2-days rigorous domain knowledge to acquire skills on 'HR Analytics & their usage'. This enabled and equipped HR team to realize the need for connecting people & technology. It also drew insights from data, measuring employee attitude, creating dashboards, encouraging self-based training and embracing the future-ready L&D skills to the trainees.

In addition, Hiremath et al. (2021) have studied the application of competencies related to digital learning and development in 10 different corporates viz., Genpact, Nexval, Airbus, Siemens, AstraZeneca Pharma, HPCL, HGS (BPM), HP, Flipkart and IBM. Further, Bhaduri (2019) has illustrated the massive competency building in Airbus, across 90+ countries. In summary, the above examples and illustrations clearly indicate that the comprehensive and structured competency development for employees &/or leaders will make significant positive contributions to the development, growth, expansion and diversification of the organizations and business enterprises.

5. Agile Leadership Strategies for Ensuring Business Continuity Plans

Joiner & Josephs (2008) have proposed five levels of agile leadership, after evaluating the maturity of the agile leaders: *'expert, achiever, catalyst, co-creator and synergist'* which are the focus of leadership competency. Further, it can be noted that agile leaders are:

a) Humble: They are able to accept criticism and admit that others are more knowledgeable than they are.

b) Resilient: They recognise that change is a constant and that having the flexibility to modify one's viewpoint in response to new facts is a strength rather than a weakness.

c) Visionary: Despite uncertainty in the short term, they have a strong sense of long-term direction.

d) Engaged: They have a great sense of interest in and curiosity about new trends, as well as a willingness to listen to and connect with various stakeholder.

Horney *et al.* (2010) have analysed and illustrated the need for leadership agility, especially in the VUCA World, in which the *'AGILE' Model (Anticipate change, Generate confidence, Initiate actions, Liberate thinking, & Evaluate results)* has been explained with leadership agility skills (15 skillsets) required, along with the leaders being embodied with *3Fs (Flexible, Fast & Focussed)*. In another perspective, the *HAVE (Humility, Adaptibility, Visionary and Engagement)* comptencies of agile leaders makes them what they are suceessful for andd these *'4 HAVEs'* inform the business-focused actions or behaviours, which translate directly into 'what they do' – something that is worthy for self, teams & business.

Further, the agile leaders practice the fast execution i.e., they are willing to move quickly often valuing speed over perfection. The speed is relevant in the current context of disruption, volatile and evolving business systems &/or organizational cultures. The employees and leaders in organizations

should choose to change their mindset and behaviours through different methods like (a) role modelling of the best leaders in or across the industry, locally / regionally/nationally or globally; (b) fostering understanding and conviction across the various layers of organizations and with all stakeholders; (c) developing the talent and skills on continuous basis, based on the relevance and need of the sitaution and (d) ensuring and installing the reinforcement mechanisms to avoid barriers and to inbulit the enabling systems/ process/culture.

In other words, the '*competency development as a strategy for designing the competency roadmap - the way forward for leaders* – shall broadly consist of: (a) *leading the self*, with enhanced resilience, self-trust and continuous development; (b) *leading teams* with motivation/ inspiration, setting right expectations along with constructive feedback, and enabling collaboration with all stakeholders; (c) *having deep domain expertise* to understand the industry, market, customers, employees, technology usage & emerging trends; and (d) *facilitating the 1st order and 2nd order learning* among all the people in organizations at all the levels with *LUR (Learning, Unlearning & Relearning)* principle. Hiremath *et al.* (2020) have illustrated the necessity of business continuity plans, which are mission critical for the today's organizations in VUCA world.

Figure 3: Models of 'LEIRA Mindset' & 'LUR Mantra' for Competency Culture

Source: Compiled and Designed by the Authors.

Keeping the above discussion in context, the authors have proposed 'LEIRA Mindset' and 'LUR Mantra' in Figure 3 as frameworks to stay relevant, viable, profitable and sustainable.

In summary, it can be summarized that competency development is the key in evolving organizations today on one hand, while developing & nurturing the agility among leaders to drive self, teams & business are most essential, so that growth is perennial and can be sustained, despite the globally competitive business context.

6.   Summary and Conclusions

From the foregoing discussion, it is amply clear that the competency building is core basis of organization's existence or growth or sustainability. This can be better enhanced by adopting *Golden*

Circle Principle of Simon Serek: where the leaders should start & work with WHY i.e., they ask 7 times 'WHY', then go ahead to ask 'HOW', then go ahead to implement the plans, strategies and policies with 'WHAT' to be done.

When the various competency frameworks, as discussed in this article, are aptly designed, carefully implemented with needed customization, it is almost sure to embrace, enroll and engage the teams to drive the business for the planned output or results or outcomes, the leader's desire, dream and aspire. In short, in today's, agile leadership is one of the most feasible approaches of style that can be adopted to ensure the required change and transformation occurs in building organization culture, through a defined structure, already illustrated in the foregoing discussion.

In brief, it can summarised that agile leadership strategies should be able to adopt and practice the models or frameworks of 'AGILE', 'HAVE', practicing the fast execution with 'LEIRA Mindset' and 'LUR Mantra' to inculcate the competency culture in organizations, thereby accomplishing the desired business outcomes by leading the change at 3 levels viz., leading self, leading teams and leading the business.

References

Accenture (2022). The ARC of Modern Leadership by Simon Hayward and Tanarra Schneider, pp. 1-23, www.accenture.com.

Bhaduri, A. (2019). Reskilling at Scale, available at: https://www.shrm.org/shrm-india/Pages/Reskillingat-Scale.aspx (accessed 2 December 2019).

Cutter.com (2017). Two Sides of the Same Coin: Using Culture and Structure to Build Agile Organizations by Jesse Fewell, *Cutter Business Technology Journal*, Vol. 30, Issue 8. pp. 12-20.

Hiremath N.V., Mohapatra, T., Hemanth S. K., & Gireesh Y. M. (2020). A Study on Business Continuity Plans and Economic Sustainability Practices adopted by Business Leaders during COVID-19 Pandemic, *Empirical Economics Letters*, Vol. 19 (Special Issue) (October 2020), pp. 35-49.

Hiremath, N.V., Paila, A. S., Kansal, R., & Mohapatra, A. K. (2021). Evolving Models and Integrated Virtual Learning Environment for Effective Blended Learning in Education 4.0 Era, N*ew Paradigms in Management*, 2021 (Book Chapter) Bloomsbury Publishing, pp. 34-53.

Hiremath, N.V., Mohapatra, A.K., & Paila, A.S. (2020b). A study on digital learning, learning and development interventions and learnability of working executives in corporates, *American Journal of Business*, Volume 36, Issue 1, pp. 35-61. doi: 10.1108/AJB-09-2020-0141.

Horney, N., Pasmore, B., & O'Shea, T. (2010). Leadership agility: A business imperative for the VUCA world, *People & Strategy*, Vol. 33, Issue 4, pp. 32-38.

Joiner, B. & Josephs, S. (2008). Leadership agility. *Insight - The Journal of the American Society of Ophthalmic Registered Nurses,* 33(3): 32-7.

Korn Ferry (2014). Leadership Architect Legacy Competency Mapping, https://www.kornferry.com/.

Mckinsey (2018). Leading agile transformation: The new capabilities leaders need to build 21st-century organizations, pp. 11-27, McKinsey & Company, www.mckinsey.com.

https://www.canada.ca/en/treasury-board-secretariat/services/professional-development/key-leadership-competency-profile.html

https://www.ibm.com/thought-leadership/institute-business-value/en-us/c-suite-study