Leadership Development for the Fourth Industrial Revolution

tations, and the skill of effective communication has never been so great. Is it, therefore, time to throw away the old leadership succession program or, perhaps, realign it to the new future?

Getting young professionals ready to lead and establishing them in leadership positions is something organizations can do to better compete in today's marketplace. Without training and development, more than half of these fledgling leaders will underperform or fail, organizations will risk high employee turnover (people leave managers not companies) and low employee engagement. Kruse (2020) identifies some leadership development trends as an answer to the Fourth Industrial Revolution:

▶ Focus on applying and sustaining behaviors
▶ Utilize mobile learning for millennial managers
▶ Practice group coaching & democratization of leadership development
▶ Ensure that Artificial Intelligence (AI) becomes "invisible"

"Leadership development programs must transform to stay relevant in the decade ahead. We're in the midst of a Fourth Industrial Revolution, yet most leadership development has remained stagnant: what is trained, how it is trained, and who is trained is much the same today as it was 10 or even 20 years ago." (Kruse 2020)

ASSESSING LEADERSHIP

Our world is changing rapidly and to compete effectively in today's marketplace, strong next generation leadership is required. Most often, it is a manager, who is transitioned into a leadership role. There is, however, a vast contrast between a manager and a leader, as shown in Figure 1.

QUALITIES OF A TRUE LEADER

It is crucial to develop both leader (the person) and leadership skills. The beauty of leadership is that anyone can be a leader as long as they, at their core, understand that leadership is about developing people and helping others become better versions of themselves. Leadership is first being, then doing; everything the leader does reflects what he or she is. A leader is, by definition, an innovator doing things other people don't do. Self-knowledge is the most important ingredient of a good leader; honesty in thought and action stems from self-knowledge and maturity instills trust. Curiosity and risk-taking are other ingredients that make up a great leader – leaders possess a constant appetite for knowledge and experience (Bennis 2009).

Trust is the underlying issue in not only getting people on your side, but keeping them there. Leaders always have faith in themselves, their abilities, their co-workers, and the mutual possibilities; leaders who trust their co-workers are, in turn, trusted by them. Further ingredients leaders have are consistency, i.e., "walking the talk", reliability, and integrity.

Leaders have a vision to guide them; they know what they want, both professionally and personally, and they possess the tenacity to follow through no matter what setbacks they may endeavor. A good leader has passion and can communicate it to others, giving them hope and inspiration. Without passion, leaders cannot inspire others to follow their vision. Visionaries like Steve Jobs and Jeff Bezos possess a host of innate qualities that make them extraordinary, but what truly sets them apart is their ability to turn vision into action. Entrepreneurial talent, imagination, perseverance, and steadfastness of purpose would round up a great leader. When these factors are in place, people will be on your side (Bennis 2009).

IDENTIFYING LEADERS IN THE WORKPLACE

Millennials are bringing a wave of change to conventional leadership. Carroll (2019) predicts that by 2025 this bright, dynamic generation will dominate the workforce with many of them already in leadership positions. They have a fierce determination and a fast mindset when seeking solutions and are determined to make a difference to the world while, at the same time, seeking to have a good life. Millennials expect a new leadership style, which encompasses empathy, vision, transparency, and more accountability; a workplace where they see the manager as directing the team instead of commanding. Carroll points out that a Work Place Trend survey indicated that many millennials feel very confident that they possess the leadership skills required to communicate and build relationships, but their leadership approach differs tremendously from that of their predecessors. They believe that everyone in the corporation should be accessible regardless of rank. Their ideal workplace is one of flat hierarchy with a collaborative leadership style where everyone can

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speak their mind creating a place of trust, loyalty, and dedication. Millennials are more willing to make changes, questioning old policies and, utilizing their empowerment, adjusting them to enhance the business. Carroll believes that the age-old custom that requires the new workforce to fit in and follow the rules has become obsolete.

Emerging leaders are strong performers who have the potential, ability, and aspiration for higher-level management roles. They show commitment to the organization, exert influence, and demonstrate a willingness to step up and take on more responsibility. Strong leaders are key to organizational success, and organizations should understand who their emerging leaders are and commit resources to develop them (Parkhill 2021).

THE ROLE OF LEADERSHIP DEVELOPMENT

The business environment is quickly evolving and the need for strong leadership is becoming more important than ever. Companies must inevitably invest in future

Millennials are aware of their opportunities to learn and improve themselves in order to develop their careers, or even create a start-up. HR and management need to keep an eye on this young talented workforce since not meeting their needs and expectations could lead to them quitting. Carroll advises companies to teach them as much as possible and to allow them ever more autonomy. Great in-place development opportunities for where they are now, as well as opportunities to prepare for future roles are ways to retain emerging leaders (Carroll 2019).

Without training and development, more than half of the leaders of tomorrow will underperform or fail, organizations will risk high employee turnover and low employee engagement.

leaders by building a pipeline for continued success and retain the leaders that will be critical components of that success (Parkhill 2021).

CULTURAL CONSIDERATIONS Many of the Management Development packages were developed in the USA in the mid-20th century. These management

and organizational ideas and theories were being exported without regard for the cultural values context in which they were developed (Hofstede et al. 2010). The authors believe there is no single formula for successful leadership development that can be used in all cultures because success is differently defined in different cultures and education systems and training on the job are also very different. They agree that developing managers across cultural barriers seems an impossible task but concede that the programs do bring people from different cultures together thus broadening their outlook.

BUILDING A LEADERSHIP PIPELINE WITH THE RIGHT DEVELOPMENT MIX

Career management is important for employees, but not all employees are good at it. Recruitment company Hays has warned of "clear signs" of skills shortage worldwide as companies face the issue of finding suitable talent to hire (Tirard / Harbour 2017). Many large companies fail to pay enough attention to their leadership pipelines and succession practices, thus most firms are ill-prepared for succession (Harrell 2016). Without a plan, a company may resort to hiring from outside to find the next leader; besides being very expensive (Roberts 2018), they don't necessarily successfully assimilate into the new culture (Davis 2017). Fernández-Aráoz et al. (2021) identified that large companies' excessive tendency to hire leaders from outside is one of the biggest problems with succession practices. Their analysis on CEOs in public U.S. firms shows that only 2.8 percent of cases have a 90 percent chance of outperforming an insider.

GREAT LEADERS DEVELOP FUTURE MANAGERS AND LEADERS Beyond building mighty companies, great leaders groom their managers to become, in turn, successful leaders. Finkelstein (2016) argues that what sets great leaders apart is a range of personality traits, such as high confidence, competitiveness, and imagination, while acting with integrity. Some key practices shared by "super bosses" in developing talent include out-of-the-box hiring, looking for certain traits in the company's workforce, and valuing people who exhibit unconventional thinking. Tapping into manager talent by assigning tasks with autonomy, embracing challenging projects to accelerate learning and development, and instilling a culture of excellence to allow talent to strive beyond their limits are also ways of developing future managers.

The Right Development Mix Succession planning and leadership development are natural allies because they share a vital fundamental goal: getting the right skills in the right place (Charan et al. 2011). Incorporating key elements of leadership development programs for each of the three levels of a leader can ensure customized development in targeted skills (Mugavin 2021). Following Skidmore (2018), these programs should include the following aspects:

Emerging leaders are just starting out on their leadership journey; so the first steps, after identifying the high potentials, are to increase their self-awareness, build relational skills, and focus on evidence-based leadership skills to prepare for the shift from managing self to managing others in the future. These early-level leaders are becoming acquainted with the organizational leadership style and common language as they grow and form their leadership plan. Middle management typically supervisors, managers, or director-level leaders need learn-

ing designed around deepening current skills, engaging and influencing others to amplify results, leading other leaders, and establishing teams. C-suite leaders no longer just manage groups of leaders, but are expected to strategically manage the business as a whole and / or specific business units acting as forward-looking visionaries, driving action through others. The most critical part of development programs is reinforcement. Technological options may

DIFFERENCES BETWEEN MANAGERS AND LEADERS	
THE MANAGER	**THE LEADER**
administers	innovates
is a copy	is an original
maintains	develops
focuses on systems and structure	focuses on people
relies on control	inspires trust
has a short-range view	has a long-range perspective
asks how and when	asks what and why
always has his eye on the bottom line	has his eye on the horizon
imitates	originates
accepts the status quo	challenges the status quo
is the classic good soldier	is his own person
does things right	does the right thing

Source: Bennis 2009, 42   *fig. 1*

help bridge the gap between the leader's day-to-day actions and the skills and development gained in sessions. Roberts has identified a "10 Best Practices for Succession Planning" (fig. 2).

THE FUTURE OF WORK AND LEADERSHIP

Leadership development has not trained leaders for leading in a more complex environment (Uhl-Bien 2021). As part of the leaders' adaptation to the emerging market, they will be part of the change in the way that leaders operate in this rapidly changing world. They must adapt to the changing culture as young workers enter the job market with expectations strikingly different from the ones that leaders traditionally have encountered (see "millennials" above).

EMERGENCE OF THE BLUE OCEAN STRATEGY Future leaders will be required to stay up-to-date with every new management and corporate strategy development. One such strategy is the Blue Ocean Strategy, which offers a systematic approach for making the competition irrelevant by creating uncontested market space. Fundamentally, instead of fighting over existing customers, they seek out non-customers and build on powerful commonalities that people

ural development of employees such as planning, privileges, departments, supervision, and bonuses. Beta organizations flourish on values and principles since everyone leads and acts in a value-driven manner with the value-based leader acting as a catalyst for transformation and employee development, ensuring that all contribute their values and sense of purpose to society: a work environment millennials would thrive in.

They will need to master the roles of motivator, innovator, facilitator, and assimilator and will have to focus on shaping their team's trust in new technologies and rid their fears of changing job requirements and potential job loss.

Marketers, data analysts, customer service representatives, even doctors, are seeing AI perform tasks they currently do. AI stands to enhance the abilities of not only low-skill, but middle- and high-skill workers and will disrupt jobs all the way up to the C-level of management, as companies will turn to AI to perform many tasks currently associated with upper-level management positions. If leaders do not prepare themselves for the encroachment of AI on their positions, many will find themselves as much at risk as the low- and middle-skill workers. As a consequence, Marr (2020) derives ten specific leadership qualities for the age of AI: agility, emotional intelligence, cultural intelligence, humility, accountability, vision, courage, intuition, authenticity, and focus.

10 BEST PRACTICES FOR SUCCESSION PLANNING

Source: Roberts 2018, online

fig. 2

truly value. It will require "tipping point leaders" to get all members of an organization motivated to support such a strategy and it will be critical to build a culture of trust and commitment that motivates people to execute it (Kettner 2020).

THE END OF MANAGEMENT AS WE KNOW IT – THE EMERGENCE OF "BETA ORGANIZATIONS" Ultimately, the most significant long-term trend that executives need to prepare for is the increasing need for organizations to respond quickly and effectively to rapid changes in the marketplace, which requires significant changes in the way things have always been done. One model, the "beta organization", has shown dramatic improvement in results. Pfläging (2009) explains that "beta companies" are close to the customer and market since they eliminate everything that inhibits the nat-

LEADERSHIP IN THE AGE OF AI

Ivezic and Ivezic (2020) warn that it would be foolish to ignore AI as nothing more than yet another new technology. It will require dramatic changes in how leadership and management operate – it will be a career-changer not only for blue-collar workers, but all the way up to the C-level. AI, together with other technologies driving the Fourth Industrial Revolution, will change our workplace and our lives even more than any of the past three revolutions did.

Leaders of tomorrow will be the game changers charting their organization's and their workforce's way through the Fourth Industrial Revolution by embracing disruptive change while encouraging and enabling their employees to do the same.

People are, and will remain, the most important asset for any organization. Tapping into your own humanity, staying authentic, appointing people who are better than you in their respective roles, allowing for measured risk taking, and not feeling the pressure to "know it all" are qualities Quist (2019) identifies for leading business in the 21st century. Leaders will need to be much more aware of the impact of their actions on every stakeholder. Social awareness must become a reality embedded in the organization at every level.

FROM VUCA TO D-VUCAD

In the 21st century, business, politics, and society are now well beyond the acronym VUCA (Volatility, Uncertainty, Complexity, Ambiguity). We need to add two Ds to the acronym to reflect the broader context of the journey ahead. Now, everyone's leadership journey will be in the "D-VUCAD"

world. The first D is for Disruption, in the form of technology, above all AI, social change, and industry configuration which overshadows everything, and secondly, D for Diversity including gender, cross-cultural and intergenerational. (Woodward 2017).

Diversity is one of the best ways to unleash the full potential of the workforce because a diverse workforce better understands and better reflects the consumer population. With up to five generations in the workforce, it is only natural that leadership will reflect generational diversity as well. The presence of different backgrounds, experiences, and perspectives in the leadership suite helps everyone think outside their own point of view, which is great for problem-solving and innovation (John Mattone Global 2019).

IMPLICATIONS AND OUTLOOK

Leadership is a journey, not a destination. In today's complex and rapidly changing environment and business demands, no leader will ever be fully prepared for that new role – promoting leaders who are fully ready is stunting the growth potential of those leaders and their organizations. The best time to promote a leader is when they are ready "enough" and able to learn on the job while still having an impact (Parkhill 2021).

The future will require executive leaders to commit to succession planning as part of "business as usual", and view top-level leadership as something that is dynamic, not static. Strategies for building talent should include a long-term Leadership Development Journey Roadmap, which allows organizations to design a leader's development and avoids gaps at different levels in the organization or at different points in an individual's career (Davis 2017).

In the age of automation, digitization, and AI, leadership becomes even more challenging: "Leadership will not become eas-ier in 2020 and beyond, though technology and automation may make certain processes faster. Today, more than ever, effective and engaged leaders have to stay on top of current trends influencing their company, industry, employees, and the world at large, if they are to continue to produce results. It's never been easy to identify and develop talent in next-generation leaders, but today it's more challenging than ever due to a worldwide market where competition for talent is fierce." (John Mattone Global 2019) ●

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