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Published

January 6, 2016

In Critical Thinking

# 12 Critical Competencies For Leadership in the Future

The rate of change in the business world today is greater than our ability to respond. In a world that is often described as VUCA (Volatile, Uncertain, Complex and ambiguous), there are major tectonic shifts that demand a new mindset of leadership. First, let us look at these shifts.

In recent years, we have seen disruption of market leaders like Kodak and Nokia amongst many others. The average lifespan of an S&P 500 company has gone down from 67 years in 1937 to 18 years in 2011. With advances in technology, mobiles are becoming more of a convergence device that replaces so many utilities (calculators, alarm clocks, small digital cameras etc.) that we used otherwise. Generations at workplace are changing and new generations bring different values, expectations and mindsets at work. Rise in automation is resulting in heavy disruption. Right from purchasing stuff to booking taxis and filing tax returns, everything is increasingly being automated. The agents, middlemen and the whole supply chain related to these

services is being disrupted. And, we are not even talking about automated cars yet – the next big frontier for the technology battle!

With a hyper connected workforce, organization cultures have become transparent. With opportunities abound, employees are “volunteers” who have global choices. In this world, having a compelling purpose is a mandatory pre-requisite for profits to follow. Traditional hierarchical structures are fading away to give way to purposeful networks and communities of people working together to achieve a shared purpose. The cumulative impact of these forces demands a new mindset and competences for leaders to be able to stay relevant and make a positive difference to people and hence, business.

*Having a compelling purpose is a mandatory pre-requisite for profits to follow*

If you are a leader at any level in a modern organization or aspiring to be one, here are some of the critical competencies and skills you need to thrive in a VUCA world.

**1. Develop an Adaptive Mindset:** To navigate successfully through the maze of VUCA, leaders will need to be comfortable with unclear situations and travel into unexplored paths. This means leaders will encounter “first time” situations more often and they need to build their muscle to still deliver results. With “rapid prototyping” approach, leaders will need to constantly experiment to get early and frequent feedback that enables constant realignment.

**2. Have a Vision:** Vision is a perpetual force, a critical anchor that drives decisions, actions and judgments. With a younger workforce that is purpose driven, having a compelling vision for the future is also a key driver of engaging and retaining high performing team members. In fact, a compelling vision is an important pre-requisite for any community or network to succeed. Leaders who will thrive in future are the ones who have a clear vision of where they want their organizations and teams to be.

**3. Embrace Abundance Mindset:** Abundance mindset sees possibilities where a constraint mindset sees challenges. A leader’s ability to spot the white spaces, unique problems and interdisciplinary intersections is as critical in the new world as their ability to “do something about it.” In VUCA world, leaders have to listen to the future by virtue of constantly scanning the horizon, being future

minded and having strategic foresight without losing the sight of the current reality. When they do this, leaders build a unique ability to see through contradictions towards a future others cannot see.

**4. Weave Ecosystems for Human Engagement:** One of the biggest leadership challenges is to create an environment that taps into intrinsic motivation of people. Deloitte's Human Capital Trends 2015 reports that softer areas such as culture, engagement, leadership and development have become urgent priorities on a CEO's desk. An ecosystem of human engagement is created when leaders understand the basic drivers of human engagement – the need for trust, the need to have a hope, the need to feel a sense of worth and the need to feel competent. At a time when most “engagement initiatives” are aimed at providing external motivation, we need leaders who can build trust through integrity and results, who can mentor and coach others, who can clarify the meaning of the work people do and build a positive influence.

**5. Anticipate and Create Change:** When changes around us are constant and rapid, leaders have to use the wisdom from their future mindedness and strategic foresight to “create change” before an external change forces them to react. When leaders ride the wave of changes, they have to involve people in the change process, prioritize what's important and execute changes in smaller iterations. Leaders nurture change by maintaining balance between the needs of the context, needs of others and their own needs.

**6. Self-Awareness:** Leaders cannot succeed unless their personal vision and values overlap with organization's vision and values. It is only when leaders are aware of their preferences, ways of working and possible blind spots that they can really bring their true authentic selves into the game and bring about a significant difference to the team, organization and hence the industry.

**7. Be an Agile Learner:** Rapidly changing context is like a treadmill that compels leaders to learn constantly in a self-directed mode. Leaders have to be constantly curious and carry a “beginners mind” which is also willing to give up on familiar approaches (unlearning). Leaders need meta-cognition and awareness of the bigger picture. When thrown into unfamiliar situations, leaders need to learn immersively from those experiences.

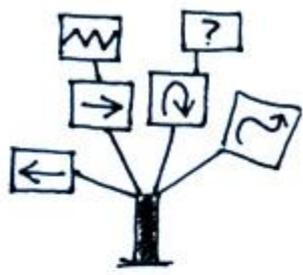
**8. Network and Collaborate:** To make the sense of changing trends, practices and expectations, leaders in today's world need to collaborate relentlessly within and outside the organization. A social mindset enables leaders to create, engage with and nurture purposeful business and social networks through social media and in-person communication.

**9. Relentlessly Focus on Customer:** Customer centricity is and will remain at the heart of effective leadership. Helping customers navigate through the changes is as critical for leaders as it is to steer their own organizations effectively. Customer centric leaders truly "listen" to the voice of their customers, engage deeply and build long term relationship by adding substantial value to the customers.

**10. Develop People:** Leadership in the new world is beyond external tags and titles. It is about serving effectively to the needs of the stakeholders – the most important ones being the people who make things work. Leaders, in this world, have to model the behaviors they seek, help people in building their skill set and attitude, create learning forums, design work to tap into potential and most importantly, lead through their influence and not through their authority. The primary task (and an obligation) of a leader is to build more leaders.

**11. Design for the Future:** Leaders are designers of the systems for the future. They do so by building an emotional infrastructure, organization structures, methods and processes. If organizations are purposeful networks of people, leaders need a compelling purpose that people in the organization share. Leaders will have to pay equal attention to leveraging diversity and draw on multiple points of views and experiences.

**12. Constantly Clarify and Communicate:** When working with global work force, leaders will need an ability to communicate effectively across cultures. Like a location pointer on a GPS map, leaders have to constantly clarify the current situation with respect to changing external demands. Equally important for leaders is to re-iterate and reinforce vision, values and strategies. Finally, leaders have to help others in clarifying the meaning of their work. Communication and clarity are the currencies of effective leadership.



# LEADERSHIP IN A VUCA WORLD

**NOKIA** MARKET LEADERS DISRUPTED

**V**OLATILE RATE OF CHANGE

**U**NCERTAIN LACK OF PREDICTABILITY

**C**OMPLEX ISSUES & CHAOS

**A**MBIGUOUS HAZINESS OF REALITY

AVERAGE LIFESPAN S&P 500 CO: 75 (1937) vs 18 (2011)

AGE OF CONVERGENCE

GENERATIONAL SHIFTS AT WORK

RISE IN AUTOMATION & GLOBALIZATION

## MINDSET/SKILLS TO THRIVE IN A VUCA WORLD

- DEVELOP an ADAPTIVE MINDSET
- HAVE A VISION
- EMBRACE ABUNDANCE MINDSET
- WEAVE ECOSYSTEMS FOR HUMAN ENGAGEMENT
- ANTICIPATE & CREATE CHANGE
- BE SELF AWARE
- BE AN AGILE LEARNER
- NETWORK & COLLABORATE
- RELENTLESSLY FOCUS ON CUSTOMER
- DEVELOP PEOPLE
- DESIGN FOR THE FUTURE
- CONSTANTLY CLARIFY & COMMUNICATE

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The hallmark of VUCA world is that there are no silver bullets. Successful leaders have always been adaptive to the context they find themselves in. The future is not a distant dream, it is here and now. Leadership today is all about shifting our mindset, values and organizations to a better place.

*(This article originally appeared in People Matters Magazine, Dec 2015 issue)*