Five Critical Leadership Competencies Going Forward

THOUGHT PAPER

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A few weeks back, two of our clients, a founder of a Series A startup and a senior HR leader respectively, asked us to help define competencies required for their leadership team before they recruit new members.

"Nothing prepared us for disruption at this scale. We must play by new rules in a completely new game! Before you take complete cognizance of a situation a new reality emerges. How do you deal with figuring out the impact on the business, chartering the future course of action...losses, hand out salary cuts, consider the possibility of lay-offs and be sensitive in the face of human suffering all at the same time? How do we find leaders who have the capability to do this?"

"We are living with so many unknowns! We have been pushed to manage our businesses on a daily basis. What skills should we consider to identify talent which can help lead us in these times?"

As a solution, we defined and shared five competencies that we think are critical for any leader to have now and going forward. We also went a step ahead and reached out to a group of industry leaders - Investors, Founders, and HR leaders to get their insights on these leadership traits.

The Five Critical Leadership Competencies:

1. Empathy

Today and in the future, organizations under intense scrutiny by employee's world over for their societal impact will need empathetic leaders to create an environment to which people want to belong to. This can happen if leaders:

- **Place themselves in the shoes of the team** to understand their ambitions, insecurities, and thought processes even as technology becomes more ubiquitous.
- **Combine business goal of profit generation with the human need for respect and support** through deep listening, compassion, and the willingness to make tough calls but with a humane touch.
- Become **people focused** to work with a global audience with diverse mindsets and experiences.
- Adopt a **human-centric approach** while designing and implementing disruptive systems and processes.
- **Shed the 'cut and dry' approach** in decision-making and communication by gathering and understanding different points of view.

2. Agile

Competing priorities requires leaders to take a non-sequential approach to problem-solving. As unsuspecting organizations unable to do this went into a crisis mode to deal with Covid-19, it put agility as the foremost competency for future-proof leaders to have. With agility, leaders can:

- **Cut through chaos**, quickly grasp the evolving situation, and react effectively and decisively for long-term benefits.
- **Read current trends and make forecasts** to take proactive actions for a strong future instead of being caught off-guard.
- **Unlearn and relearn new skills** to work under new circumstances. In the current times, leaders who successfully transitioned to a virtual ecosystem have been able to lead and guide their teams to be productive.
- **Display flexibility** in accommodating the changing realities and changed nature of the teams that they lead given the adjustment required from the employee's end as well.

Here, organizations can support agility by establishing decentralized leadership structures and ensure that decisions of the leadership team do not become redundant due to long drawn approvals and bureaucracy.

3. Humble

In uncertain and complex situations like the current pandemic, leaders are faced with a multitude of questions that they cannot possibly answer on their own. For optimum solutions and a holistic view, leaders need to be humble to admit that they need help and seek the best answers from others in the team. The humble leaders:

- Are **collaborators** who acknowledge that they do not have all the solutions
- Know that their credibility lies in bringing the right people with knowledge together at the right time for **inclusive decision making and effective execution.**
- These **interdependent leaders** foster an environment of **trust and co-creation** by seeking help with questions like "What are you seeing that I am missing?" or "What are the other ways to do this better?"
- To carry their organizations into the future, leaders will have to be **transparent** about lack of a plan, **providing others an opportunity** to step up and to shine.

4. Digitally Authentic

Savvy modern leaders with a digital mindset are highly proficient at using technology for a competitive advantage. However, authentic leaders will bring human integrity and individual personality traits even to digital interactions.

- They **will build connections and trust** with an increasingly remote, multigenerational, and a multicultural team by being as real in times of failures and uncertainty as they are excited in times of success.
- As they build a community of online followers, future skills require leaders to be **less formal, transparent, unscripted, and genuine** in driving external conversations.
- They will **inspire others with a digital footprint** that is reflective of their value systems, higher purpose, and in-depth relationships.
- They will engage with teams by leveraging digital platforms, not as a vanity metric but to **demonstrate genuine care for others.**

5. Ability to 'Lead as a pack'

The leaders need to have the courage to stick their necks out and stand up for a shared goal and be recognized as first among equals in a group of leaders. To 'Lead as a pack' they will:

- **Drive initiatives from behind**, prodding and nudging their team in the right direction if they veer off course. They will bet on the success of their team by **harnessing the collective genius** of its members.
- **Protect their teams with** the much-required **emotional stamina** to withstand negative feedback and build in them the ability to bounce back from constructive feedback.
- Push team members to imbibe learning as second nature and develop the neural landscape for the **integration of new technology** in a way that it adds to employee capabilities instead of replacing them.

What do the industry leaders think?

From the survey results we concluded that while the leaders were aligned on the criticality of these competencies, they had differing views on their order of preference for them.

Table 1

Competencies in Order of Preference			
	HR Leaders	Founders	Investors
1	Empathy	Empathy	Empathy
2	Agile	Agile	Agile
3	Lead as a Pack	Humble	Digitally Authentic
4	Humble	Lead as a Pack	Lead as a Pack
5	Digitally Authentic	Digitally Authentic	Humble

Additionally, it gave us some interesting insights into how industry leaders perceive the above competencies:

- We were not surprised to see 'Empathy' and 'Agile' leading the list of preference across the three groups of respondents. Given the current situation, where leaders need to make crucial decisions on the go and adapt to shifting realities on a continual basis while being mindful of their team members, these two competencies are vital for leaders to have.
- As 'humble' appeared last in the list of preference of Investors, it reflects their mindset for a leader to be decisive and focused on their goals, now more than ever.
- A growing realization that leaders do not have all the solutions and need help in decision making has made Founders place 'Humble' slightly higher in their order of preference.

Are our leaders ready?

We also asked our respondents for their assessment of current leaders on these competencies. The outcome was significantly revealing.

Table 2

% of Leaders Who Demonstrate the Competencies			
	HR Leaders	Founders	Investors
Empathy	20%	60%	30%
Agile	64%	70%	64%
Humble	46%	50%	46%
Digitally Authentic	64%	80%	64%
Lead as a Pack	54%	65%	54%

As per our survey, the percentage of leaders who demonstrate above capabilities was as low as 10-30% on Empathy, near 50% on Humility, near 60% on the ability to Lead as a pack, and above 60% on being Digitally Authentic. These findings indicate that organizations currently fall way short of the mark on

important leadership parameters to carry them into the uncertain future. It also indicates a heavy reliance on traditional leadership practices which can and have already become a serious challenge in many organizations.

End Note

The ability to lead is not a check-list of items, but a unique combination of above abilities. While the proportion of these may vary, but the presence of each element is something leaders cannot do without. The need for organizations to identify gaps in their leadership teams and to fill those gaps with proper training is urgent.

"As you start to walk on the way, the way appears." - Rumi

About the authors

Anil is a seasoned Human Resource professional with the experience of working a significant amount of his career in scaling startups ground up. He brings more than 19 years of deep hands-on and consultative experience across Human Resources. Throughout his career playing multiple roles, he has been deeply involved with VC investors, founders and executive leaders in the area of people practices which have helped organizations grow seamlessly. His key contributions have been in:

- Talent acquisition across the hierarchy and functions.
- Creation of frameworks for performance management and talent engagement.
- Develop frameworks which enable in building diverse, high potential and performing teams.

In addition to his successful stints with large organizations like GE Capital (now GENPACT) and Avaya, Anil has had impactful stints with start-ups as well where he has scripted success stories for each one and helped them scale quickly and seamlessly. His stints have been with Tavant Technologies (Software Solutions), Mu Sigma Inc (Data Analytics – Sequoia & GAP funded) and SuperProfs (EdTech – Kalaari funded). In his last role, he played the role of CHRO at Innoviti Payments (Fintech - a Catamaran, SBI & Bessemer funded company).

Anil's deep experience spans functions, industries and geographies. His first principles-based approach to problem solving and thought leadership is deeply valued by clients and leaders alike.

Mainak brings over 24 years of experience spanning business and HR roles across geographies. This has given him a unique understanding of the link between HR and business strategy. He also holds a patent for HR capability development.

Mainak's experience includes human capital strategy, culture, talent development (performance, leadership development, career pathing, competency, learning, engagement, diversity) and talent acquisition (including on-boarding and background check). He has also implemented HRIS platform and HR metrics to improve performance.

Recently he has been helping start-ups set up efficient and effective HR teams and processes. In addition, Mainak is a recognized Executive Coach and Leadership Development expert.

Mainak's previous work experience includes stints/projects with Accenture (Consulting and HR), Hewitt Associates, AbsolutData, Heidrick & Struggles, Evalueserve, Sterlite Technologies and Upstox.

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