# Development of Leadership Institute and Personnel Landscape in conditions of Digital Transformation

Vasilieva E.V. [1][0000-0002-0054-832X]

[1] Financial University under the Government of the Russian Federation, Moscow 125993, Russia

evvasileva@fa.ru

**Abstract.** Changing the culture of the organization, effective talent management, creating successful teams and focusing on cooperation and diversity, the search for new mechanisms of interaction with the digital generation – these and other tasks should be a priority in the development of a new strategy of personnel management. For a Manager, combinations of hard and soft skills, integrative thinking, the ability to think outside the box and quickly adapt to constantly changing conditions are important. The article presents the results of a survey of University graduates, which allowed to map the values of respondents in terms of spiral dynamics and determine the readiness of young people to the turquoise management system, to identify the most characteristic leadership style in the 4D measurement system, to assess the level of emotional intelligence and to see the main points of growth for improving the set of soft skills. The possibilities of applying the approach of design thinking and technologies of collective intelligence management for the effective formation of soft skills and social competencies of the personnel of the organization are shown.

**Keywords:** Digital Economy, Digital Transformation, Soft Skills, Spiral Dynamics, Emotional Intelligence, Organization Management, Turquoise Organizations, 4D Leaders, Emotional Intelligence, Design Thinking.

## 1 Introduction

In the era of rapidly developing technologies, globalization, changing business models, most companies are changing attitudes in the workplace. The trend today is to transform the company into a digital ecosystem-a community that emerges from the combination of everyday uses of the platform and its applications by customers, developers, participants and agents, with the skills and competencies acquired through this use. Ecosystem platform thinking comes to the aid of a customer-centric approach in order to build working processes and solutions. But it is important to understand that in the conditions of transformation it is necessary to change not only business processes, but also the metaphor on the basis of which the organizational model is built, which also requires qualitative changes in the competence of the personnel of companies and new forms of

management, with a predominance in this set of "Soft Skills". The introduction of the principle of formation and development of corporate culture as a management tool implies a focus on the creation of a culture and environment of a special kind in the organization, where people's qualification compliance with their work is maintained, their involvement in solving common problems is initiated, certain behavioral patterns are created.

## 2      Trends in the Personnel Landscape of the Organization

For the organization of a new digital type, it is important to develop a strategy based on competence, adaptability to change, predicativity, new formats of training and communication. The report of the world economic forum [2] among the basic professional skills named cognitive flexibility, creativity, sensitivity to problems, the ability to actively listen, critical thinking, emotional intelligence, be able to reason logically, coordinate and educate others. Today, creative and interpersonal skills of employees, the ability to manage a multidisciplinary and multidisciplinary team, to build communications with business or government clients are in demand. The overall goal of HR management is to follow a talent management strategy that builds knowledgeable, skilled, flexible and network staff. Organizations should systematically analyze the future supply and demand for different jobs under different scenarios, and then implement Strategic Workforce Planning. This approach provides organizations with a guarantee that they will have enough people with the appropriate skills [3].

Projected demographic shifts will force companies to develop entirely new ways to attract, retain and develop talent across locations and age groups. Therefore, it is already important to understand that the Manager and ordinary employees in the digital world need to learn to work with young digital talents , "digital natives of generation Z" (Digital Natives Generation Z) [4], who are entering the global workforce with new expectations and orientations. For example, Bosch has launched an initiative in which older and younger employees from different departments (with a difference of at least ten years) meet regularly to learn from each other. Young employees learn best practices and receive career advice, while older employees gain insight into new technologies and the use of social media [4, 5].

Implementation of the principles of diverse management, as a key driver, affects the growth of productivity of the organization. Diverse talent management implies, inter alia, such HR trend as gender balance in positions, especially at the managerial level, ensuring equal access to the rights and responsibilities of women; geographical and national diversity in the workforce; inclusive talent management [1] with the creation of conditions for reasonable accommodation and accessibility of premises, ensuring equal access to rights and responsibilities for employees with disabilities. To attract staff in accordance with the principle of diversity, some Western companies use information services and online communities. Apple uses a specialized blind recruiting app that hides the names, photos, and dates of candidates to mitigate unconscious bias in hiring decisions. Pinterest and American Express use Jopwell, a career platform for black, Hispanic, and American students and professionals [4]. In the practice of global

companies, the introduction of the principle of personnel diversity is aimed at improving both productivity and is used to better understand the needs of customers in different demographic segments [4, 6, 7].

Two of the megatrend — the digitalization and focus on service make the transformation of the business model key strategic priority for many leaders. However, the basis for change is a comprehensive program of organizational change [8, 9]. Organizational complexity imposes huge costs, both in terms of ability to achieve business goals and in terms of employee engagement and productivity. That is why managers need to understand new directions of organization management without adding new layers and processes. Such a trend in management is the "Smart Simplicity" approach [6], in which instead of adding organizational elements, managers need to understand the desired behavior of employees, and then change the context in which employees work so that they can make the right decisions on their own.

## 3 Assessment of Readiness of Young Specialists for New Forms of Management: Survey Results

As early as the 1960s, Dr. Graves, an American psychologist, author of the concept of spiral dynamics, changed the way people understand human values. In terms of the "double helix", he reflected the dynamics of the development not only of the organization as a system, but also stressed the importance of changing the range of values of each of its employees. cmems (target memes), like DNA codes, form a worldview, a certain level of psychological existence, a belief structure, a person's way of thinking [10, 11]. More recently, Ken Wilber researched a series of similar models and came to the conclusion that people's worldview is based on all basic worldviews [12]. The value systems questionnaire or VSQ measures how much you identify with elements of these different worldviews. According to Graves (1965): "The Value System of managers determines many of the decisions that management will make, and the value system of employees largely determines the reaction that management decisions will take" [10].

In his book Frederick Laloux [13] drew attention to a fundamentally new type of organization of enterprises in which meaningful work is of great importance, taking into account the interests of all employees, not one Manager. Laloux called them "turquoise" enterprises. Turquoise management style was chosen in the West by Buurtzorg, Patagonia, Google, Zappos, we have a trading network "VkusVille", services "Button", Mindbox, the company "Window Factory", "Ascona", applied in some branches of Sberbank.

We conducted a survey of a group of 33 University graduates aged 20 to 22 years, who are currently studying for a master's degree in different courses. The first questionnaire they were asked to complete allowed them to map the value system in terms of graves' spiral dynamics and the model for understanding cultural diversity created by Talcott Parsons: the Value Systems Questionnaire (VSQ: JobEQ.net). Most of the respondents (84%) have the type of value orientation of Turquoise holistic thinker (see Fig. 1). 69% have a dominant also in the orange type (with a strongly developed sense of materialism, with a focus on goals, KPI, career). Also, the majority of respondents

(59%) as the third leading type there is a pattern of yellow system thinker. Note that 15% were high indicators of beige value system ("Survival"), and 7% - red ("Power: War & Conquest").
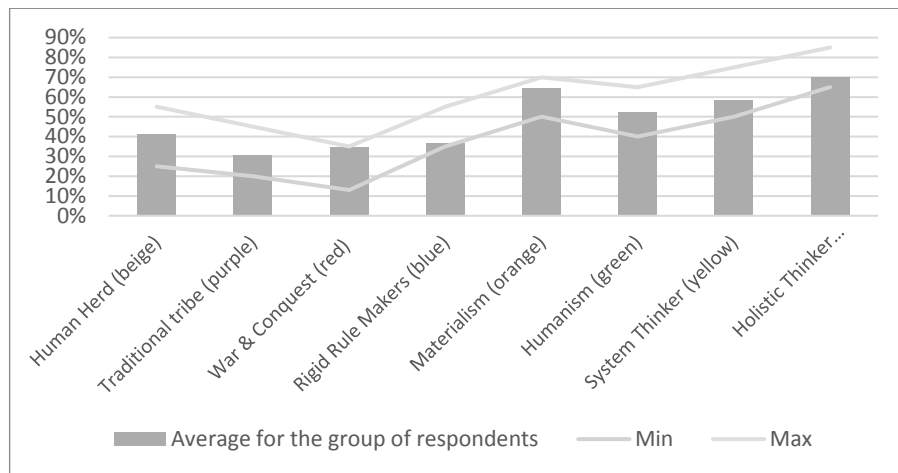


**Fig. 1.** Results of measurement of graduates by VSQ value system (spiral model)

In the work of Charles J. Pellerin's "How NASA Builds Teams" [14] emphasizes that an organization needs high-performance teams to be competitive and succeed. He distinguished the styles of "4-D" leaders through four dimensions between the vectors of emotion, intuition, logic, and feeling in the system: green (Cultivating), yellow (Including), blue (Visioning), and orange (Directing). Each style has its own pattern of behavior. The strength of each dimension manifests itself with due respect for its leadership style, represented by its innate personality type, and at the same time in a comprehensive and balanced development in all 4 dimensions and improvement of 8 types of 4-D behaviors. Only then does a person become an effective 4-D leader. Pellerin, Ch., the author of the theory of 4D-leadership, an assessment of innate preferences in decision-making and the way information. The test showed that most of our respondents have a style of thinking including (yellow) and cultivating (green) leader. That is, today the survey participants are open to the paradigm of turquoise organizations.

Emotional competence questionnaire, also available on the website jobeq.net, serves as a proof-of-concept 360° feedback tool based on COMET methodology. This questionnaire is based on years of research by Patrick Merlevede, Denis Bridoux, and others that lead to the book "7 Steps to Emotional Intelligence" [15]. The results of the survey of University graduates showed that their level of empathy, self-confidence and intuition was close to the lower limits, which are compiled according to the average estimates of the qualities of people who also participated in this survey (see Fig. 2).
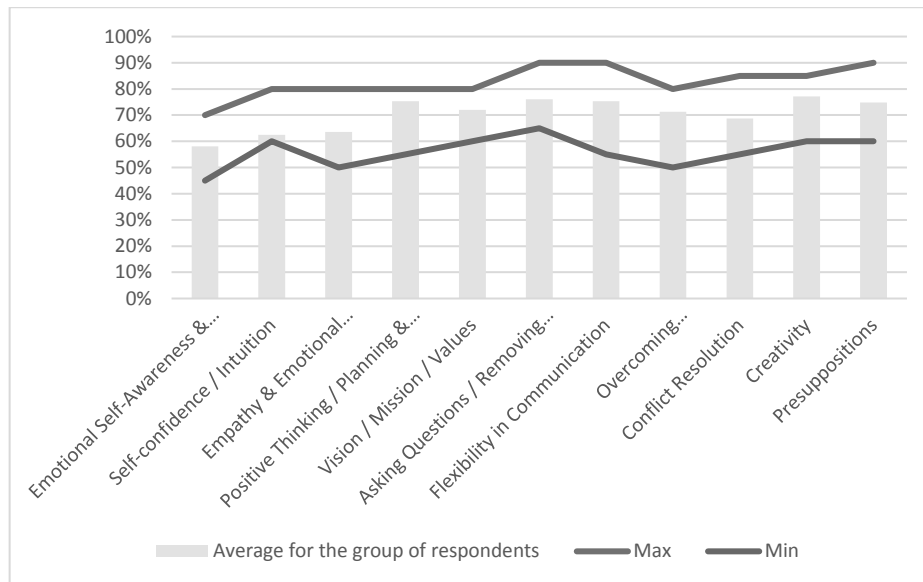
**Fig. 2.** Results of measurement of graduates by VSQ value system (The Spiral Model)

Also low was the level of awareness of their own emotions and emotional choices. A person with this competence can name the emotions he is experiencing, can deal with that emotion (for example, figure out what the message of a negative emotion is and deal with it), and even consciously choose what emotional state to be in. Also, respondents underestimated self-confidence and confidence in their intuition. People with a high level of this competence are better aware of their strengths and weaknesses, can manage them competently.

## 4 Design Thinking Approach in Developing Soft Skills

One of the goals of the turquoise organization is to help each employee develop his personality, implement his project. Therefore, a person who came to the company with the level of instinct of strength and power, will not remain on it for anything. So, this" void " in the chain will be closed by someone else. There is no recipe that clearly States how many people and at what levels must work in an evolutionary company in order for it to be successful. One thing remains true: the team must have the ability to develop behavioral patterns and thinking styles to ensure the success of the common cause.

It is important for the team leader to develop Soft skills, including emotional intelligence, creativity and communication skills, the ability to effectively build relationships with colleagues, customers and partners. For the development of soft skills is important basis in the form of so-called meta-competencies, which include awareness of their thoughts and emotions, empathy, flexibility of behavior, integral thinking, attention to detail, tolerance for differences. Such skills are necessary both in the business environment and in everyday life.

In order to develop meta skills and soft skills there are a number of popular approaches. Among them-one of the most discussed today Design Thinking [16, 17]. In 2004, David Kelly, founder of IDEO design Agency, and Hasso Plattner, co-founder of SAP, formulated the philosophy of creating innovative Design Thinking solutions, which combined various developments in the field of human creative skills development, customer behavior study, idea generation, visualization [16, 18]. Design thinking processes are based on the principles of human-Centered Design (HCD). Currently, design thinking is developing in three directions:

1. Design thinking for products and services (Design research).
2. Design thinking for organizational development (Coachdesignthinking).
3. Design thinking for creativity development (Neurodesignthinking).

The key steps of design thinking are built through the following processes: empathy, focus, generation, selection, prototyping, and testing. Each of the stages is supported by a set of tools and techniques that allow you to analyze the problem in a multidisciplinary team of specialists. The main core of design thinking is empathy: towards people, oneself and social intelligence. According to Daniel Goleman, "as humans, we have evolved to have a strong sense of empathy: ...the more we succumb to our own emotions, the more knowledgeable we will be about reading other people's feelings". In support of his words in his book [19].

Creative leaders can turn problems into opportunities. "People should be able to discuss controversial, contradictory problems, identify relationships and uncover the underlying causes-to have a systematic thinking and be aware of the natural dynamics of development. Actions by management alone are a poor alternative to involving employees in the transformation process" [9].

Diverse multi-disciplinary teams are fraught with the risks of misunderstandings, rejection of other people's opinions and conflicts. Design thinking allows you to master the principle of "Alignment", when in the process of teamwork, the team learns to combine their different points of view and appreciate the idea of each. The process creates an atmosphere of openness, which generates trust, develops a state of agreement and understanding with respect to the group decision.

Since 2015, we have been actively introducing design thinking techniques into the educational process and to solve adaptive problems both in the field of education for the departments of the Financial University and its partners, and conducting design seminars at the invitation of organizations of various industries. In the format of the training, employees of the organization first get acquainted with the methodology of developing integrative thinking skills and meta-skills, participate in the study of customer experience of interaction with their product or service, study the process through the eyes of customers. This allows them to look at the workflow from a completely different perspective. Ultimately, the participation of the staff of the organization in design seminars allows you to develop skills of teamwork and cooperation, strengthen mutual understanding and involvement in the problem of personnel. Identifying complex problems and finding solutions to them, participants of design trainings also feel responsible for changes, can assess the contribution they make to the overall process. If a policy is imposed on a team unprepared for innovation, it can be expected with a high degree of confidence that transformative processes will fail. When the staff

through design sessions becomes involved in changes, the organization can count on success.

## 5    Conclusion

The digital transformation of organizations is becoming a reality, the management of which requires the formation of new skills from the head.  It is he who has a special role in the processes of digital transformation as the main carrier of possible technological changes, the competent implementation of which should provide quality, positive changes in the organization. The importance of employee capacity development requires a review and expansion of support for staff development through training, mentoring, coaching, transparency of career opportunities requirements, as well as through a well-structured organization of regular seminars and events to promote knowledge sharing, corporate culture development, team collaboration, improvement of key leadership and management skills of employees. The strengthening of the vocational guidance system, together with the new training and development strategy, will contribute to the development of staff skills. In this regard, it is necessary to revise the policy of personnel management, introducing new various components that have been successfully tested in advanced domestic and foreign companies, public administration of various countries. Such components include the following.

- Gap reduction strategy: workforce planning and the diversity principle of talent management through gender balance and inclusion;
- Ecosystem platform thinking, digital mentality of the Manager and personnel, informal leadership;
- Smart Simplicity of organization through change of context, the behavioral patterns of the staff;
- Collaborative organization: staff engagement and focus on team management;
New formats of competence improvement of personnel and communications.

For the organization of a new digital type, it is important to develop a strategy on competence, flexibility, predicativity, new learning formats: competency-based learning, learning in different ways [7] and new communication formats.

Learning in different ways involves formal and non-formal education, internships of public administration professionals for exchange and best practices or their training as fellows to the best universities in the world for a semester or a year working on research projects, conducting trainings on participatory or participatory leadership practices, analyzing results based on feedback, consulting on processes, mid-level rotation exercise.

Staff training and development is not limited to training activities or classroom courses, it takes many different forms. In order to improve the efficiency of joint work and create a favorable atmosphere within the organization, as a rule, today in advanced organizations, including in Russia, regular seminars, meetings are organized, with the involvement of consultants and coaches, own teams of internal consultants, facilitators, coaches are created. The introduction of design thinking methodology will increase the

satisfaction and involvement of employees in the process, their responsibility for decisions, expand the capabilities of Autonomous teams.

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