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Aspire to Lead in Industry 4.0? Hone Your Soft Skills

The Fourth Industrial Revolution may require organizations not just to adopt advanced technologies, but also to develop ethical, inclusive leaders.

As global business, government, and nonprofit leaders gather this week for the annual World Economic Forum meeting in Davos, Switzerland, they will discuss, among other topics, the impact the Fourth Industrial Revolution—Industry 4.0—is having on people and organizations all over the world. What effect will emerging digital technologies such as AI, the internet of things, robotics, cloud computing, and advanced analytics have on life as we know it?



Janet Foutty

For business leaders, these technologies hold tremendous potential to transform business models and create new value in an increasingly competitive world. But the proliferation of Industry 4.0 technologies also demands that organizations rethink the roles that humans and machines play. As businesses embrace automation, many are coming to realize that advanced technologies complement—rather than replace—human skills and often require human oversight. Indeed, with the rise of Industry 4.0, uniquely human traits like curiosity, creativity, empathy, problem-solving, and communication are more important than ever. In a continually changing landscape, workers who possess these soft skills can help their

organizations adapt and compete in ways that machines can't.

The Soft Skills Gap

Unfortunately, research suggests that while millennial workers understand this, many business leaders may not yet. In Deloitte Global's 2018 Millennial Survey, young workers indicate that the

top four skills employers need to ensure long-term success are interpersonal skills, confidence/motivation, ethics/integrity, and critical thinking. Yet according to Deloitte's 2019 Industry 4.0 readiness study, two-thirds of CXOs favor stronger technical capabilities (STEM skills) over soft skills such as sociability and critical thinking (33 percent)—even though they are working to develop both areas.

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Resolving this disconnect likely will be an important endeavor for organizations seeking to embrace Industry 4.0. Advanced technologies can have complex societal and ethical implications, requiring business leaders to make difficult decisions about how to use these tools responsibly. A recent Deloitte survey, for example, finds that 32 percent of responding business leaders rank ethical issues as one of the top three risks of AI. As organizations consider their talent needs for the coming years, developing leaders who can ask and answer tough questions about the impact of AI and other advanced technologies on society will be critical.

Inclusion in the Industry 4.0 Era

Fostering inclusive leaders is likely to be equally fundamental to organizations' success in this new era. Today, diversity and inclusion can increasingly affect brand, corporate purpose, and performance. Indeed, inclusion is emerging as a key point of differentiation for organizations looking to attract and retain top talent. In a 2017 Deloitte report, 80 percent of workers surveyed indicate inclusion is important when choosing an employer and 39 percent report they would leave their current organization for a more inclusive one.

Inclusive leaders draw on uniquely human traits—such as empathy, curiosity, and courage—and see the value that a diverse environment can bring. These leaders hear their employees and support them—attributes that today's workers increasingly are seeking in their leaders. A survey conducted by Deloitte and The Female Quotient finds that respondents from a range of organizations and industries are looking for leaders to be more transparent (47 percent) and authentic (50 percent), recognize their own weaknesses (53 percent), create a sense of camaraderie (67 percent), foster strong company values (65 percent), and promote a shared vision across the organization (63 percent).

Fostering inclusive future leaders and an inclusive culture typically requires organizations to implement structured development, sponsorship, and measurement programs. CIOs and their C-suite counterparts can also strive to:

- Address unconscious biases at individual and organizational levels by providing unconscious-bias training, for example.
- Embrace authenticity, stressing the value of all employees bringing their authentic selves to work.
- Lead by listening, demonstrating a real interest in colleagues by taking the time to understand what matters to them and absorbing what they have to say.

Industry 4.0 calls for leaders who possess strong interpersonal skills and an understanding of the complex interplay between people and advanced technologies. As organizations increasingly adopt these tools, business leaders would do well to rethink their talent and leadership development strategies. By prioritizing the development and advancement of ethical, inclusive leaders—and fostering technical *and* human skills across the enterprise—organizations can better position themselves for the challenges and opportunities this new era is likely to present.

—by Janet Foutty, chair and CEO, Deloitte Consulting LLP

Next up in this series focused on issues being discussed at the World Economic Forum: “The Rise of the Socially Responsible Business.”

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