

## **Leadership 5.0: An Agile Mindset for a Digital Future**

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**Abstract**—This article is about a program aimed at fostering an agile mindset in young corporate leaders (under 40 years old) working in the energy sector, who are expected to be effective leaders in an ever more digitalized world; the program has been co-designed with Eni Corporate University (Milan and Rome, Italy) on behalf of the World Economic Forum (Davos and Geneva, Switzerland). Digital transformation is not only about technology. It is also mainly enabled by leadership that is grounded in 3 pillars: teamwork, start-up culture, and matrix management. Hot topics and key activities include: a business game for launching a new cryptocurrency; scenario analysis and immersive simulation within a mixed reality environment (e-REAL); online keynotes by seasoned faculty from Harvard, MIT and Stanford with moderated Q&A sessions to facilitate an interactive dialogue; a collaborative platform to enhance online learning and bridge between modules.

**Keywords**—Leadership Development, Agile Mindset, Digital Revolution

### **1 The Vision Behind the Program, Its Architecture and Main Pillars**

“Leadership 5.0: An Agile Mindset for a Digital Future” is a program co-designed with the corporate university of Eni (Milan and Rome, Italy) on behalf of the World Economic Forum (Davos and Geneva, Switzerland) and in collaboration with select corporations in the energy sector. The kick-off is imminent.

Leadership 5.0 is intended to be a one-of-a-kind program aimed at young leaders from the participating companies, and designed to provide a transformative experience based on tailored activities.

Young leaders are intended to be persons with managerial responsibilities, both in core business units and staff functions. They are:

- High potential leaders aged 40 or under.
- Currently in a managerial role – i.e., they have direct supervisory responsibility.
- Located in the core business area or a staff/support function.

- Qualified by a strong performance record – likely to be in the top 15% of their peer group.
- Strong potential to progress into a larger and/or more complex role within the next three years.
- Fluent in English, likely to be degree-level educated.

Figure 1 features the program’s overall architecture. Figure 2 summarizes the key topics and pillars around which the program was designed.



**Fig. 1.** Program’s architecture

INDUSTRY 4.0	AGILE AND PEOPLE MANAGEMENT	SMART DECISION WITH DATA
How organizations, competences and processes change.	The role of a young leader in an increasingly complex and digitalized context.  Agile models to organize work, motivate and engage coworkers.	Analytics and big data for decision-making in business processes.  Collect data in the best way, understand them and make decisions.

**Fig. 2.** Program’s key topics and pillars

In particular, the key topics are: industry 4.0; agile management models for organizing work, as well as motivating and engaging coworkers; analytics and big data for decision making. These are key topics because, according to the vision that leads the instructional design process, digital transformation is not only about

technology but also largely about a specific mindset. If people lack the right mindset to change, and the current organizational practices are flawed, then digital transformation will simply magnify those flaws [2].

Industry 4.0 is the technology revolution that is changing the way we live, work and relate to one another. Billions of people are connected by mobile devices, with unprecedented processing power, storage capabilities and access to knowledge. Ubiquitous super-computing, intelligent robots and “cobots” are enabling a new era of human-machine cooperation, self-driving cars, neuro-technological brain enhancements, genetic editing, the confluence of artificial intelligence, robotics and the Internet of (every-)things with quantum computing and a new 5.0 world. The evidence of dramatic change is all around us and it’s happening at exponential speed. (Figure 3)[3][4].

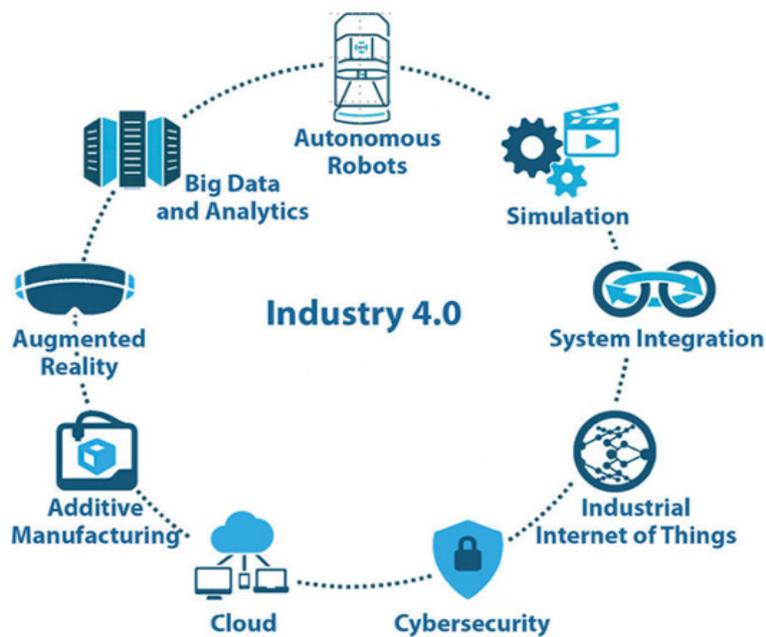


Fig. 3. Industry 4.0 in a nutshell

Digital transformation is not just about technology, but also a digital mindset. According to the program’s vision, a digital mindset is mainly enabled by leadership that is grounded in 3 pillars: Teamwork, Start-up culture, Matrix management.

- a) Teamwork is more and more diverse, dispersed, digital, and dynamic—with frequent changes in membership and contributors with multiple affiliations, from within the corporation or from different companies of the same group or, moreover, from the “outside” world as providers, partners, external experts [5].

The diverse tools, data repositories and workflows across disparate functions exacerbate enterprise disorganization, resulting in a work ecosystem that is largely analog and siloed. Young leaders are expected to rethink how teams work together across their corporations and apply a modern approach to work with new systems and models, enabled by innovative digital tools.

- b) Growing a start-up culture within a corporation is very challenging, but well worth the effort: it inspires people to contribute their talent and enthusiasm, and fosters a sense of deep connection and mutual purpose. As long as this spirit persists, engagement is high and organizational dynamics remain agile and innovative, spurring growth [6].

The process of digital transformation is inherently uncertain: changes need to be made provisionally and then adjusted; decisions need to be made quickly; and groups from all over the organization need to get involved. As a result, traditional hierarchies get in the way. It's best to adopt a flat organizational structure that is kept somewhat separate from the rest of the organization. Silicon Valley start-ups are known for their agile decision making, rapid prototyping and flat structures. Ideally, they have to merge with a matrix management frame of mind.

- c) Matrix management is perhaps the main issue today. Top-level executives in many of today's leading corporations are losing control of their companies. The problem is that their companies are organizationally incapable of carrying out the sophisticated strategies they have developed. Over the past 30 years, strategic thinking has far outdistanced organizational capabilities. The matrix has proven to be all but unmanageable, especially in the international context that is VUCA (Volatile, Uncertain, Complex and Ambiguous). Dual reporting has led to conflict and confusion; the proliferation of channels has created informational logjams as proliferation of committees and reports bogged down the organization; and overlapping responsibilities produced turf battles and a loss of accountability. Separated by barriers of distance, language, time, and culture, managers found it virtually impossible to clarify the confusion and resolve the conflicts. Paradoxically, as strategies and organizations become more complex and sophisticated, top-level general managers are beginning to replace their historical concentration on the grand issues of strategy and structure with a focus on the details of managing people and processes. This critical strategic requirement is not focused on devising the most ingenious and well-coordinated plan, but instead on building the most viable and flexible strategic process; the key organizational task is not to design the most elegant structure, but to capture individual capabilities and motivate the entire organization to respond cooperatively to a complicated and dynamic environment [7].

Vertical silos of functions, geographies and business units are very strong and difficult to bypass. However, it is networks, communities, teams and groups, and how they work together in the matrix, that are far more important. Matrix organizations

will increasingly rely on the way people work together to give them the flexibility they need to respond quickly to change and innovation challenges.

## 2 The Vision

The main activities to be included in the program are the following:

1. A business game which facilitates a direct understanding of the key aspects related to the digital revolution: cloud computing and virtualized servers, Blockchain, Bitcoin and Ethereum, Etherscan, MetaMask, Smart Contracts, etc., to launch a new cryptocurrency, while cooperating with a team and competing with other teams.
2. Immersive simulations on decision making within a portable e-REAL® escape room. e-REAL is an immersive simulation of enhanced reality. It uses projectors and touch-tracking cameras to turn blank walls and empty spaces into immersive and interactive environments. e-REAL is a system where physical and digital objects co-exist and interact in real time (mixed or hybrid reality), in a real place and not within a virtual or augmented reality headset. It helps create interactive virtual and augmented reality environments for use in business, industry and education. The e-REAL immersive setting is fully interactive with 3-D holographic visualization, talking avatars, electronically writable surfaces and much more (Figure 4)[8][9].



**Fig. 4.** Portable e-REAL® pop-up custom designed for Eni Corporate University and the World Economic Forum

This virtualized escape room within the e-REAL setting has been designed to foster collaborative analysis, knowledge sharing, effective teamwork, and dynamic decision making. Cognitive biases, fixation errors and other obstacles to overcome are assured... and evitable!

3. Interactive scenario analysis—within the same e-REAL portable pop-up—to learn from other industries that have been through digital transformation (Figures 5, 6, 7).
4. Online synchronous keynote speeches by faculty from Harvard, MIT and Stanford, with moderated Q&A sessions to facilitate an interactive dialogue (Figure 6).

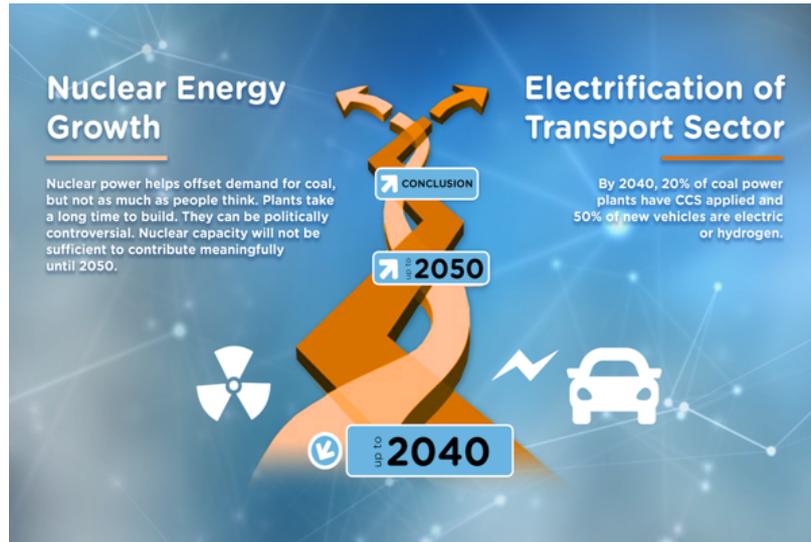


Fig. 5. e-REAL® representative interactive scenarios

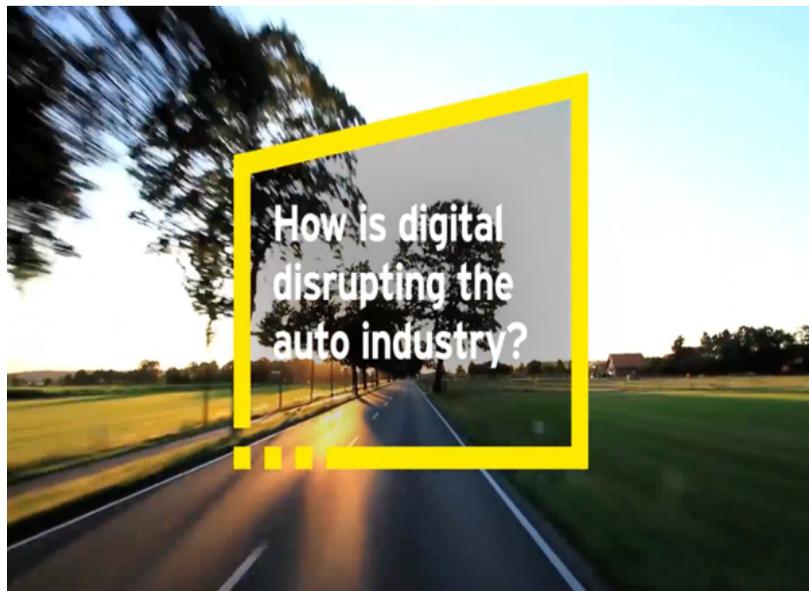


Fig. 6. e-REAL® representative interactive scenarios



Fig. 7. e-REAL® representative interactive infographic



Fig. 8. Representative e-REAL® interactive scenario

5. A collaborative platform to enhance online learning that is very easy to use: whether on desktop or mobile, morning or night, learners can easily access training on their schedule - no matter the device, operating system, or connection stability. The platform allows for training people, measuring results, driving growth, and bridging different modules (blended learning) (Figure 7).

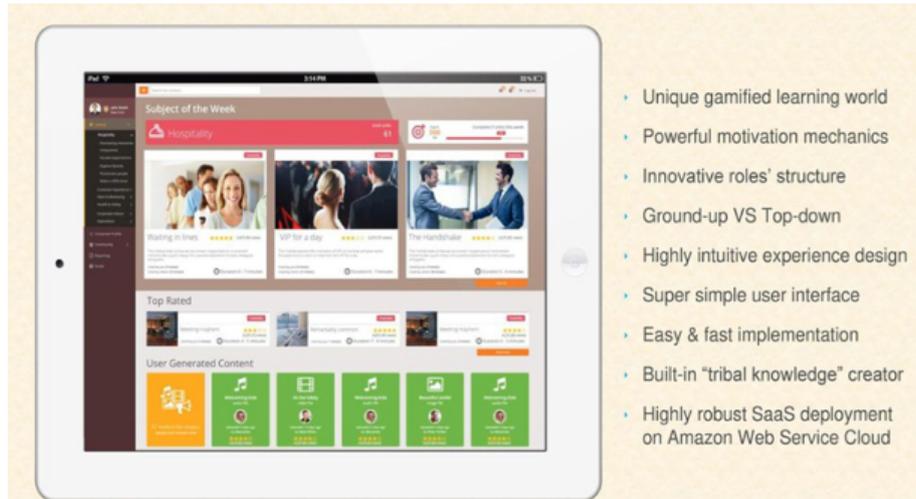


Fig. 9. Ubiquitous online learning

### 3 Leadership 5.0

Leaders are confronted by a constantly changing, complex, and challenging business environment. To lead effectively in today's world, they need to upgrade their understanding and practice of leadership in order to meet the new challenges that confront them from every direction at dizzying speeds.

Leadership 5.0 integrates four integral principles: mastering context; aligning competencies; constructing character; creating connection.

Mastering context: contextual elements include environmental factors (industry, legal and regulatory constraints, and public expectations), internal organizational drivers (business targets/metrics, prevailing culture and values, norms and practices, and working paradigms and mental models), and individual factors (personal knowledge and skills, as well as worldviews, assumptions, and perceptions). All factors affect and are affected by the entire team, organization, and external stakeholders.

Aligning competencies focuses on conceptual, technical, interpersonal and relational competencies. Conceptual competencies refer to the ability to devise constructs, paradigms, and mental models. The stronger the alignment between models and experience, the more effective leaders are. Technical competencies relate to the level of personal knowledge, skill, and experience leaders have within a given

field. Interpersonal and relational competencies involve the skills of observation, listening and communication as they relate to interacting and working with others in a mutually productive manner.

Constructing character focuses on a commitment to continuing evolution as a person, to growth in the ability to think, feel and act out of a grounded, centered self.

Creating connection relates to discovering, displaying, and conveying the passion leaders bring to their mission and people.

5.0 leadership in a 4.0 industrial and digital society is a key perspective in understanding our business world [10], as well as 5.0 society, which is a very interesting trend mainly discussed in Japan [11]. With our program, Eni Corporate University and the World Economic Forum are pioneering a crucial area of development and launching a very innovative learning program.

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