Leading in Society5.0,
The 5Co Leadership Concept

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Abstract

In this text, the authors present for the first time the new 5Co Leadership Concept, which they have developed for the demanding leadership work in Society5.0 and which includes 5 interlinked ways of acting for competent team leadership.

Keywords: Leadership, human needs, work, team, leader, employee

Introduction

If we look at the objectives and effects of the first three industrial revolutions in relation to human labour, it is striking that the increase in the efficiency of processes, the so-called "rationalisation", was above all a disembodiment. Not only did the proportion of physical work done by people gradually decrease, but also their physical effort and physical wear and tear diminished, and as an interesting side effect, the use of animals was completely rationalised out of industrial production. The shift in the share of labour between man and machine began with mechanisation, with machines and technical aids supporting human labour in the production process, followed by machinisation, in which the entire production process is managed and controlled by man, and finally automation, in which man is limited to a supervisory function of the autonomously controlled production process.

In the fusion of the analogue world with the cyber world, i.e. the fourth industrial revolution that characterises Society 5.0, production processes are no longer only controlled autonomously by artificial intelligence, but also designed and developed, monitored and optimised. This has far-reaching consequences for the role and function of the human workforce. Whereas until now it was mainly the physical aspect that disappeared from production processes, the emergence of AI in many work processes has now also affected the mental level. <Rationalisation> has truly become rationalisation, the human part in the process has often become obsolete (Acemeoglu & Restrepo, 2017; Brynjolfsson & McAfee, 2012).

The second finding in this matter is that the previous industrial revolutions have replaced manual labour. With each epochal technological advance, however, the level of qualification of the workers

affected by the rationalisation measures increased. With the advent of artificial intelligence in the world of work, even people with high professional qualifications are now at risk of being replaced[1].

Expertise and specialisation are no longer guarantees for job security. In the VUCA world[2] (short for volatility, uncertainty, complexity, and ambiguity), the certainties of previous generations that a good education equals a secure job, good earnings and good career opportunities are dissolving into thin air[3].

Interestingly, however, even in the VUCA world and despite AI, the labour factor is not disappearing from people's lives; even the fourth industrial revolution is not a liberation from the normative constraints of capitalist systemic contexts, but rather primarily means a reorganisation and redistribution of fields of work and activities. In Society 5.0, too, people will work hard and a lot (Morgan, 2019). The demands on employees will be different, but not less, the challenges will be more diverse, and the same applies to leaders. Leading in Society 5.0, for example, is characterised by a variety of technical aids which are available to the manager (Salgues, 2018) and which, as one of many examples, allow the constant performance control of the employees via predefined key figures both in real time and in comparison to the past. This newly added information and knowledge advantage on the one hand is contrasted on the other hand, and thus on the level of human sensitivities, by a greater challenge for the manager through often virtual teams and the demand to do justice to its members individually and in their cooperation as a group. Such diverse requirements of the new working worlds lead to the fact that especially leaders are not less, but rather more and differently burdened in their leadership activities than their predecessors in the history of previous industrial societies. Taking this circumstance into account, the authors want to present a Leadership Concept for the first time to a broader public, which was developed by them on the basis of many years of scientific and empirical study of leadership issues and meetings and conversations with leaders with the aim of improving leadership competence.

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[1] The OECD adopted a recommendation in 2019 calling for social dialogue to play a role about the introduction and use of artificial intelligence at work. (OECD, 2019)

[2] The first mention of the acronym VUCA apparently dates back to an American army training course: "Cited in Army War College documents extant as far back as 1987, the USAHEC has endeavoured to determine the exact date of incorporation of the acronym "VUCA" into the USAWC curriculum and learning environment." (https://usawc. libanswers.com)

[3] According to a Global Workforce Hopes and Fears Survey 2022 conducted by PwC in 44 countries, 38 per cent of Generation Z workers surveyed fear that their jobs will be taken over by technology in the next three years. (pwc.ch, 2022, slide 12)

The 5Co Leadership Concept

The 5Co Leadership Concept consists of the following elements, called ways of acting:
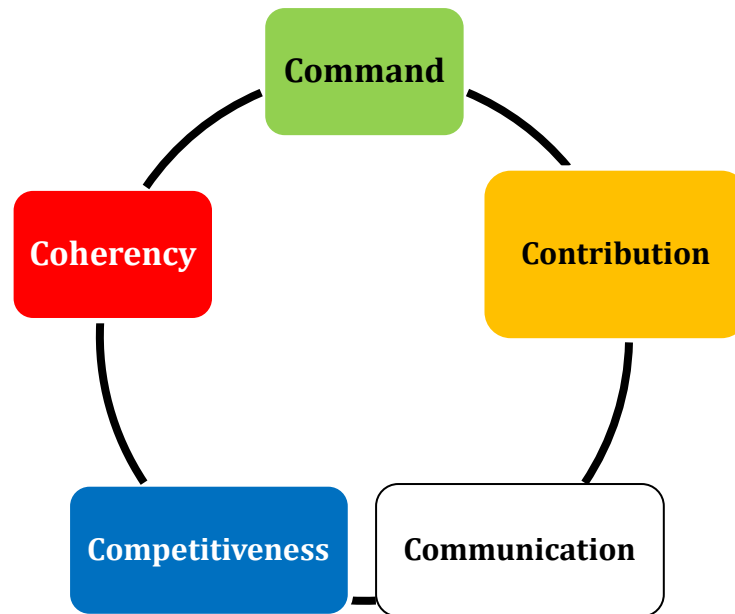
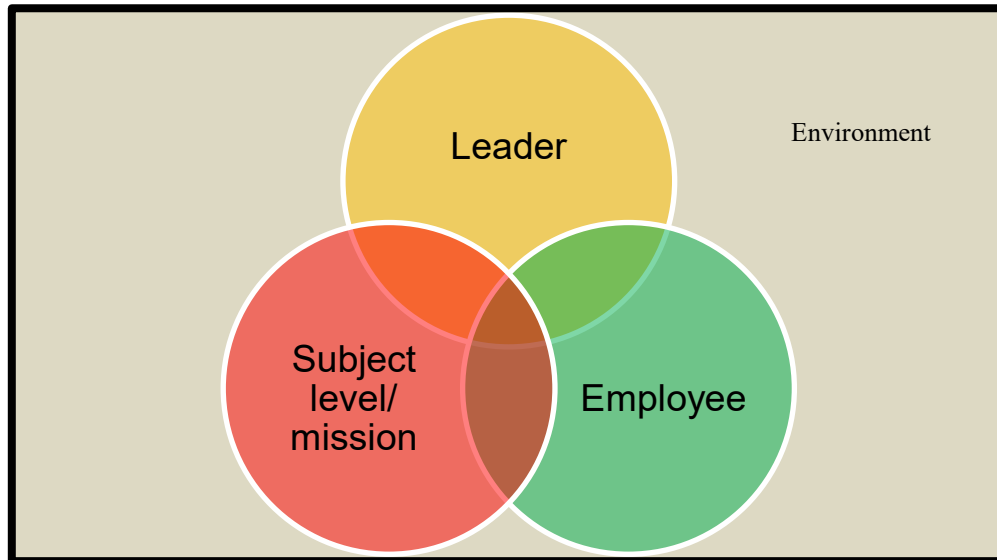**Figure 1:** The 5 ways of acting of the 5Co Leadership Concept

Before going into more detail on the individual ways of acting of the 5Co Leadership Concept, the focus of the concept should be considered at this point:

Based on the needs of those being led as well as the requirements that leaders see for themselves in order to be able to lead successfully in a VUCA world, the creators of the 5Co Leadership Concept defined the following basic requirements in accordance with the findings of neuroleadership research:
- • Leaders are able to meet the basic human needs of their employees (Grawe, 2004 and 2007)[4],
- • Leaders are able to lead in a resource-oriented and self-reflective way,
- • Leaders are able to lead in a goal-oriented and purposeful way.

These basic prerequisites for successful leadership thus unite the persons involved and affected in the work and leadership process or organisational levels as well as the environment.

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[4] Klaus Grawe's theory is based on the following basic human needs: "Attachment", "Orientation & Control"; "Pleasure / Pain Avoidance"; "Self-Enhancement" and on a different level: "Striving for Consistency".

Figure 2: The action references of leadership

The 5Co ways of acting are defined in such a way that they integrate these action-guiding basic prerequisites in a networked and complementary way, thus taking into account the complexity of the task of leadership in Society5.0.

The 5Co ways of acting

Coherency

Leadership, which is described under the "Coherency" way of acting, suggests the concept of the team as a clan. In this view, the leader becomes the clan chief, who in this role presides over a group of employees that has become a community through the common task. This coherence covers the basic human need for attachment as well as for orientation and control. Especially during the Covid pandemic, it became clear how much people long for community and need common orientation. Leaders must always take into account this need to create and work together. Just as a clan needs jointly defined values that strengthen its cohesion, a work team needs a unifying foundation that must be defined by the entire group in a collective process of discovery. The team's rules and rituals are based on this foundation of values [5], whose supreme guarantor, defender and person responsible for further development is the leader. What is interesting about this specific approach is the supra-temporal interweaving of something very archaic on the one hand - the leader as a kind of clan chief embodies the common direction and vision in his or her person, the goals and the clan interests - with something very modern: employees in the era of volatility, uncertainty and ambiguity long for certainty and

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[5] Already in the 7 S Framework by Mc Kinsey, which is based on the book *In Search of Excellence*, by former McKinsey consultants Thomas J. Peters and Robert H. Waterman, published in 1982, the factor Shared values was given the central place in the system.

security, which the leader guarantees, at least within the team. This also makes it clear how important it is in the 5Co Leadership Concept to link the individual ways of acting. One way of acting cannot be considered separately from the other four. This creation of community is an uninterrupted communicative act and thus automatically belongs to the "communication" way of acting as well as, of course, to the contribution that leaders have to make.

Not only are the ways of acting interlinked, but they also complement each other in terms of covering the basic prerequisites, as will be shown in this example:

By assuming the role of a guarantor of the normative group code, the leader is at the same time resource-oriented and goal-oriented as well as self-reflective on a meta-level. In this case, "resource-oriented" means the targeted containment of conflict potential within the team in favour of an optimised team spirit, which benefits not only the team and its individual members, but also the leader in his or her daily leadership activities, and at the same time serves to improve the economic achievement of goals by minimising conflict events. The self-reflective part is to grasp this cognitively, to derive the appropriate conclusions from it with regard to one's own role and to interpret it accordingly.

While the role of the leader in the 5Co Leadership Concept has been examined in more detail, the role of the employees must also be examined a little under the concept of coherence within the framework of the possibilities of a short essay: If the leader of a team is to be understood as a kind of clan chief, then it can be said of the employees that they are the clan members. This supposedly hierarchically irrevocable model must, however, be seen in such a way that this membership is not content with mere following, but that the employees are assigned various tasks which contribute not only to the success of the team in an interpersonal and group-related way, but also in a substantially economic way. On the one hand - and with this we link the ways of acting "Contribution", "Coherency" and "Competitiveness" - the employees make an essential contribution to the competitive success of the team and thus, of course, also of the company, thus motivating the other members at the same time, which in turn strengthens identification with and cohesion within the team. Leaders have the opportunity to exert a positive influence on the regulation of the self-esteem of their subordinates in their leadership practice.

They thus correspond to the need for self-esteem and self-protection already defined by Alfred Adler in 1920 (Adler, 1920), which is also named by Klaus Grawe as one of the basic human needs.

Communication

The basis of successful leadership is always communication. In this approach, too, the leader acts as primus inter pares. The active participation of all in the flow of communication and information is one of the prerequisites for social organisms to meet the needs of all members and to achieve a balance of interests for the benefit of society as a whole and its sub-groups as well as individuals, this also applies to the micro-economic area of the individual company. For the 5Co Leadership Concept, this means that the leader has the task of institutionalising the communication processes with the team and ensuring the uninterrupted transfer of information top down, bottom up and at the equal level. However, this alone is no longer sufficient in the world of Society 5.0. In contrast to earlier times, in which organisations represented self-contained entities and behaved accordingly, today's companies have become transparent organisms that are permeable to the environment and surroundings, both virtually and analogue. Today, organisations have to take this into account, right down to the lowest organisational level. Communication is the key to a goal-oriented and purposeful leadership culture, to which everyone contributes and in which everyone plays a part. Corporate communication in Society5.0 has to be thought, planned and executed comprehensively. All members of the team are actors, representatives and responsible for this osmotic process, which functions globally in a digital age.

Contribution

This in turn means building a new understanding of what contribution means for everyone. Contribution has long since ceased to be exclusively about working for the economic success of one's own organisation, but also consists of taking responsibility at every level for social, economic and ecological concerns, as declared, for example, in the Sustainable Development Goals of the United Nations. This universal mandate to all of us obliges us to act in a way that has evolved from the original core idea of economic profitability to the larger context. This also makes it clear that, analogous to communication, which becomes an interaction with all interested and affected parties, the contribution we make both as employees and as leaders must also be understood holistically. This new commitment does away with the classic exclusively economic purpose of companies in favour of a more comprehensive, resource-saving goal orientation of the organisation and its employees as well as the hierarchical-functional understanding of the leadership relationship between the superior and the subordinate. The 5Co Leadership Concept defines a leadership philosophy in which the leader is able to meet the situational requirements of a team and its individual members in a self-reflective manner, detached from the question of whether it is a virtual team, whether all team members work together in an analogous physical presence or whether it is a matter of human-AI interaction processes (van Amselvoort & Mohr, 2016). In this way, it also reflects the diverse realities and challenges of the Society5.0 present.

Competitiveness

Innovation and entrepreneurship are driving forces and characteristics of Society5.0. Research is dependent on the capital generated by the market, which in turn requires research to further develop its productive forces. In capitalist societies, this linking of market forces with innovation tends to lead to strongly innovation-driven companies, which can only assert themselves as market players in constant competition with each other. This competition should be lived out at all levels and in all areas of organisations. Every team therefore needs to be willing, ready and eager to compete. It is the task of the leader to ignite this special motivation spark. It is their responsibility to communicate a vision and goals to the team. The team goals are broken down into performance goals, which the team receives from the next higher management level, and a social goal, which the leader defines together with the team. This social goal offers the leader the possibility to satisfy the basic needs for pleasure and avoidance of pain, for self-esteem and self-protection, for orientation and control as well as the need for bonding. As a by-product of the common social goal and the performance goals, the 5Co Leadership Concept not only concludes the classic individual Management by Objectives target agreements with each individual employee, but also determines personal development goals and defines individual benefit evaluations. It is precisely through the clarification of personal profit - and this does not mean monetary or capital-equivalent incentives, whose motivational power is highly doubtful - that the relationship between leader and staff deepens immensely, because this individualised, specific answer to the question of what meaning and benefit the individual person can derive from his or her commitment is on the one hand the motivating factor par excellence, and on the other hand the key to team loyalty and attachment to the leader. Intrinsic motivation is the driver of competitiveness.

The prerequisite for employees to want to contribute, perform and enjoy competition is the well-fulfilled psychological contract between the leader and the team as well as all individual employees. This is based on appreciation, fairness, consistency in leadership, tolerance and respect. All these elements of a fulfilled psychological contract contribute to coherence, are part of the contribution to be made by all team members and are guaranteed by a conscious communication committed to these factors. Competitiveness can only come about if the members of a team are at peace with each other, if the cooperation is based on a foundation of values shared by all and if the team has a clear vision and

goals that are accepted by all and pursued together. The responsibility for this optimisation and the team-building processes on which it is based lies with the leader, who is responsible for initiating, implementing, steering, correcting and constantly maintaining them. But then, and this is a result of these efforts, normal teams gradually develop into high efficiency teams. There can be no better qualification for leadership work.

Command

The term "command" expresses the fact that despite all tendencies towards flat hierarchies, virtual teams and self-management models, leadership is nevertheless provided, even when task-related role assignments and thus changing leadership functions can be assumed, as in holacracy: «One former manager at ARCA said, "Leadership might be even more important in a holacracy than in a traditional management structure. You have to lead by example and round up the troops rather than rely on authority." Members of self-managing teams have been saying similar things for decades» (Bernstein et al., 2016).

The meaning of leadership in the 5Co Leadership Concept provides for a new understanding of this function and the exercise of this role. Leaders are:

- Protectors and leaders, we have called them clan leaders elsewhere, because they put the well-being of their team and its members at the centre of their own actions and they strengthen cohesion and integration as well as identification with the team,
- Visionaries and leaders because they set the strategy, goals and contributions or develop them together with the team and ensure that the team lives up to them and strives to fulfil them,
- Preservers and ambassadors, because they create, strengthen and continue the clan's own narrative and spread its message inside and outside the organisation,
- Arbitrators and guarantors, because they ensure compliance with the jointly defined values and rules and punish violations of them,
- Coaches and communicators, because they convey the desire for competition to the team and motivate it, as well as maintain the flow of general and all-round communication and information and keep it rolling.

This understanding of the new tasks, functions and roles of a leader is itself not at all new; Peter Senge already talks about the diverse tasks that a leader has to fulfil and which he or she can only do justice to if he or she also builds up the corresponding skills in accordance with these roles: «In a learning organization, leaders' roles differ dramatically from that of the charismatic decision maker. Leaders are designers, teachers, and stewards. These roles require new skills: the ability to build shared vision, to bring to the surface and challenge prevailing mental models, and to foster more systemic patterns of thinking. In short, leaders in learning organizations are responsible for building organizations where people are continually expanding their capabilities to shape their future – that is, leaders are responsible for learning" (Senge, 1990).

What is new is that this responsibility of fulfilling diverse and kaleidoscopically interacting roles has become important at every level of leadership and no longer just at the top of the company.

"Command" as a 5Co way of acting includes Contribution, Communication, Coherency and Competitiveness and rounds off the system of the 5Co Leadership Concept for Society5.0. What is special about this concept is, on the one hand, the supracultural approach, which takes into account the fact that leaders in a global world often lead culturally diverse teams, which is why reference is made to basic human needs, and, on the other hand, the inclusion of the latest findings from neuroscience, the incorporation of empirical experience and scientific research, and the will to create a practice-oriented, action-guiding concept, which leaders from beginners to experienced leaders can integrate into their

everyday leadership. Publication in book form is planned for autumn 2024. Initial plans for training courses and workshops based on the 5Co Leadership Concept are underway.

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