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# **Challenges Of Leadership Development Planning** In Society 5.0

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Abstract: Leadership plays an important role in realizing digital transformation in the Era of Society 5.0. Leaders must have the ability to lead and make good use of technology. The development of information technology, artificial intelligence and the use of big data in the government and private sectors will help in improving services and accelerating work activities. This study aims to determine the readiness and challenges in planning the development of leaders in the era of Society 5.0. The research method used is a qualitative method with a literature study approach. The results of the study indicate that there have been several efforts made by the government in order to prepare or develop leaders in the era of Society 5.0. such as the Digital Leadership Academy (DLA). The challenges that will be faced are that Indonesia will experience a demographic bonus in 2030, so it must be balanced with improving the quality of education, adequate employment opportunities, quality and qualified human resources. This can be achieved if the leader is able to carry out his duties and utilize technology properly.

**Keywords**: digital transformation, society 5.0, leaders development planning.

### INTRODUCTION

The rapid development of information and communication technology has brought drastic changes to aspects of people's lives and industry. Accelerating digital transformation is one of the main focuses of the Indonesian government through four strategic sectors, namely infrastructure, government, economy and digital society.

In terms of ICT infrastructure, Indonesia has deployed a fiber optic cable network of 342,000 kilometers, nine communication satellites, microwave links and fiber-link networks. In addition, more than 500,000 Base Transceiver Stations (BTS) have also been built to enable 4G signal coverage [1]. This infrastructure acts as the backbone of digital infrastructure, in order to accelerate digital transformation.

In addition, Indonesia is predicted to experience a demographic bonus period in 2020-2035 and its peak in 2028-2030 [2]. The millennial generation has a dominant role in the demographic bonus era. This generation will determine the direction and wheels of development. The superior and quality millennial generation that can compete with the outside world is a national asset that is able to bring the Indonesian nation towards a more advanced and dynamic development direction.













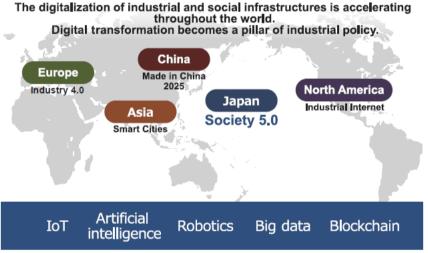
HR and business leaders must keep up with all the changes that are happening in the Society 5.0 era. Leaders must also forge ahead by adapting proven processes, letting go of processes that don't fit the demands of the times, becoming more agile, and acquiring the digital and cultural intelligence to meet these challenges. Most importantly, leaders must not forget about employees and the next generation of leaders who want to be equipped to meet the challenges ahead.

# LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT Digital Transformation

Digital transformation is the combined effect of several digital innovations and technologies that form new structures, practices, values, settings, and beliefs that change, replace or complement existing rules in organizations, ecosystems, and industries [1]. Today all companies and government sectors are highly dependent on systems, IT, strategy and human resources. Digital transformation is marked by the emergence of the Internet of Things (IoT), Artificial Intelligence (AI), robotics and other information technologies.

At the same time, the world is also facing challenges on a global scale, such as global warming, depletion of natural resources, growing economic inequality and terrorism. With so much uncertainty and complexity of the problems that occur, ICT has become a very important element to gain new knowledge and create new values by making connections between the real world and the virtual world as an effective and efficient way to solve people's problems [2].

The United Nations adopted the 2030 Agenda for Sustainable Development, with the Sustainable Development Goals (SDGs) at its core. To make it happen, it is necessary to involve various stakeholders such as the government, the private sector, digital economy players and the community at various levels to realize the same vision of the future.



Source: Society 5.0: Aiming for a New Human-Centered Society by Mayumi

Fukuyama [1]

**Figure 1. Digital Transformation** 

#### Society 5.0

Human history can be grouped into several stages of society. Society 1.0 is defined as a group of people who hunt and gather in coexistence in harmony with nature; Society 2.0 is a group based on agricultural cultivation, organizational improvement and nation building; Society 3.0 is a society that promotes industrialization through an industrial revolution that enables mass production; and Society 4.0 is an information society that realizes increased added value by connecting intangible assets as an information network, Society 5.0 is an information society built on Society 4.0 with the aim of a prosperous human-centered society.

The concept of society 5.0 was first put forward by the Japanese government which was drafted in the 5th Science and Technology Basic Plan by the Council for Science,







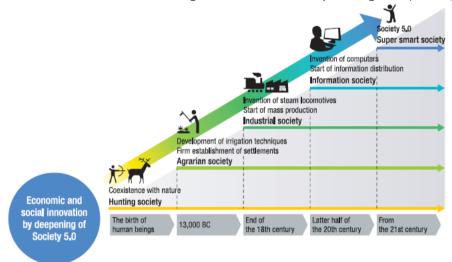






Technology and Innovation, and approved by Cabinet decision in January 2016 [1]. Society 5.0 aims to create a people-centered society in which economic development and the resolution of societal challenges are achieved, and people can enjoy a high quality of life and be fully active and comfortable. These societies fulfill various human needs regardless of region, age, gender, language, etc. by providing the necessary goods and services. This society combines cyberspace and the real world to produce quality data, and create value and new solutions to solve challenges.

Society 5.0 is not only limited to Japan, but also to other countries that have the same challenges and in the context of achieving sustainable development goals (SDGs).



Source: Society 5.0: Aiming for a New Human-Centered Society by Mayumi Fukuyama [1]

Figure 2. Society 5.0

#### **Leaders Development Planning**

Leaders are the main commodity in the organization. Leader skills and abilities are seen as essential for modern organizations to adapt, innovate, and attract and retain key talents and abilities to survive in a complex and competitive environment [2]. So many organizations invest a lot of time and resources in identifying and developing leaders.

In the practitioner literature, leader development means the development of individuals who are in managerial roles or are expected to soon take on managerial roles. In the research literature, individuals in outstanding managerial roles make up the sample in leader development studies.

Leader development can generally be defined as the expansion of a person's capacity to be effective in formal and informal leadership roles and processes—that is, roles and processes that facilitate direction setting, creation, alignment, and maintenance of commitment within groups of people who share the same work. This leader development consists of developing leadership skills and abilities. These skills and abilities are often called leader competencies and many organizations develop competency models that include and describe assessments of the abilities needed to lead effectively in organizations.

Lombardo and Eichinger (2000) explain that there are 67 competencies that need to be mastered by a leader. Meanwhile, SuccessFactors stated that there are 51 basic competencies that must be met. This suggests that leaders thrive on multiple dimensions – at one point in time an individual leader can be highly developed in some dimensions and underdeveloped in others. Leader competence is a framework for leader development, adult learning theory and behavior change and tools such as goal setting, experiential learning, feedback, and rewards are central to leader development.

According to Lord and Hall (2005), the development of leadership skills occurs over an extended period of time, beginning with the use of several loosely connected skills in a manner consistent with the leader's implicit leadership theory, with skills becoming



development results in an expert and unique way of leading.











increasingly procedural, contextual, and value-driven. leader's internal values. Adequate



Source: 7 Steps to Create a Leadership Development Plan [3] Figure 3 Type of Leadership Development Plan

There are six types of leader development interventions in terms of development programs, multisource feedback, developmental assessment centers, executive coaching, action learning and mentoring [2].

# 1. Development programs

A structured leader development program, an off-the-job event that brings individuals together to share learning and development experiences. They vary widely in content, pedagogical techniques, goals, and targeted outcomes. In the literature, such programs are often referred to as training programs.

#### Multisource feedback

Multisource feedback, also known as 360-degree feedback, is a method of collecting perceptions of a leader's performance from subordinates, coworkers, bosses, and customers. Typically, the leader selects a number of coworkers who individually complete a survey designed to gather information about the leader's behaviors, skills, or abilities that are considered important to leader effectiveness. Ratings are summarized to maintain the anonymity of co-workers and reports are generated for leaders.

# 3. Developmental assessment centers

Assessment centers are used to evaluate individuals on a number of dimensions or competencies that have proven important in the job. Participants take part in a series of exercises or simulations that elicit behaviors related to the dimensions being assessed. Trained assessors observe behavior and evaluate participants' proficiency on each dimension. Assessment centers have traditionally been used for selection and promotion decisions, especially at the upper middle management level; however, it is now being used more and more for development purposes. One of the reasons why assessment centers are used for development is that they generate a lot of data and are thus a source of in-depth feedback for individuals.

# 4. Executive coaching

Executive coaching is a helpful relationship that forms between a client who has managerial authority and responsibility within an organization and a consultant who uses a variety of behavioral techniques and methods to help the client achieve a set of mutually identified goals to improve his or her professional performance and personal satisfaction and, consequently, to increase effectiveness. client organization in formally established coaching agreements.

# 5. Action learning

Action learning is an educational approach that encourages people to generate and apply knowledge from real-world situations. While there are many ways in which action learning is practiced, this approach has three main components: the problem or issue for which there is no clear solution, the people who will take responsibility for action on the problem. When one of the goals of action learning is leader development, groups often take on team projects that focus on complex organizational challenges that involve















multiple stakeholders, such as movements into new markets, introduction of new technologies, and integration of organizational groups or processes.

#### 6. Mentoring

Mentoring is an intense and committed relationship in which the senior person (mentor) stimulates and supports the personal and career development of the junior person (the protégé). This literature focuses on the role or function of mentors (eg, sponsorship, coaching, protection, role models, and counselling), the phases of the mentoring relationship, the influence of mentor and protégé characteristics on the formation and quality of relationships and the impact of mentoring on work attitudes and career advancement.

#### **METHODS**

This study aims to determine the readiness and challenges of human resource management in facing digital transformation in order to accelerate sustainable development in the era of digital society 5.0 revolution. This study uses qualitative research methods [3] with a literature study approach. That is by researching and understanding books, documents or other relevant written sources. This study examines journals related to human resource management in dealing with society 5.0. The results of this literature review are used to identify the readiness and challenges of human resources in facing society 5.0.

### **RESULT AND DISCUSSION**

Along with the development of digital economy technology and the moment towards the demographic bonus, the government is also preparing the formation of a digital society to support the success of digital transformation. With the existence of a digital society, it is hoped that Indonesia can become a player at home, not only as a spectator and market. Several programs were launched, namely through the Digital Literacy Movement program, Digital Talent Scholarship (DTS) and Digital Leadership Academy (DLA) [1].

The Minister of State Apparatus Empowerment and Bureaucratic Reform (PANRB) Tjahjo Kumolo said that to carry out technological transformation, digital leaders were needed who were able to use digital assets to make quick and appropriate decisions. In addition, digital leaders must also be able to innovate and collaborate with elements of the organization and other stakeholders to find solutions.

The adoption of artificial intelligence will help leaders in decision-making to solve problems. Digital leadership can be briefly seen in Figure 3, where future digital leaders will a) build digital organizations, b) integrate and leverage technology trends, and c) develop a deep understanding of the people involved (themselves, their teams and stakeholders). interests) and their customers [1].



Source: Transformasi Digital: Peran Pemimpin Digital [4] Figure 4 Three Components of Future Digital Leadership













Humans who excel in the era of society 5.0 must have 4 competencies, namely Leadership, Language skills, IT Literacy, and Writing skills. The four competencies are described as follows [4]:

- 1. Leadership is leadership competence to prepare students with strong characters, especially in the field of leadership.
- 2. Language skills, namely the competence of foreign language skills, especially English.
- 3. IT Literacy, namely competence in mastering information technology and computers.
- 4. Writing skills are writing competencies to translate ideas and ideas that are owned and innovations that are useful for the organization.

There are potential challenges to successfully executing a leadership development plan. For example [8]:

- 1. Limited resources such as a designated budget and allocated time.
- 2. Lack of commitment from the leadership, managers, and the organization in general not having a culture of learning.
- 3. Inability to create skills development solutions fast enough to meet the evolving skill needs.
- 4. Ineffective succession management programs and initiatives that fail to produce the right type of leaders.

So that the society 5.0 movement emphasizes technology-based human centered society so that it does not replace the human position, but helps and facilitates human life. Some of the efforts made by the government to improve the readiness of leaders in the era of Society 5.0 are as follows [4]:

- The government needs to formulate needs and plans for developing human resource competencies to prepare prospective leaders according to future needs. This is done by carrying out an inventory and analysis of technical competency gaps and performance gaps.
- 2. Development of technical competence through education and training. This is to improve the knowledge, skills and behavioral attitudes of prospective leaders according to the technical field of their position. One of the media provided by the government to shape the readiness of prospective digital leaders is through the Digital Literacy Movement program with a target of 12.4 million Indonesians annually, Digital Talent Scholarship (DTS) and Digital Leadership Academy (DLA) organized by the Ministry of Communication and Information Technology.
- 3. Conduct an evaluation to assess the suitability of planning and implementation of the development of the readiness of prospective leaders and the benefits of the development program to increase the competence and performance of prospective leaders and organizations.

Society 5.0 will carry out many activities using technology. This will bring significant changes to the behavior, perspective, and abilities of every human being. With complex goals and with the SDGs, it is necessary to have a leader who can manage various human resources, and technology appropriately and flexibly so that the facilities that exist in society 5.0 can be utilized properly.

In the era of society 5.0, the leadership style that is suitable to be applied is the democratic leadership style combined with the laissez faire leadership style [5]. This is because the society 5.0 already has the knowledge and education so that they can contribute to thinking about and understanding the problem situation. Communication is the main key in every leadership, because with communication, employees can express their opinions so that leaders can find out the condition of their employees.

To foster and develop the ability of leaders in accordance with the needs of the community in the era of society 5.0, this can be done through the following activities [2]:

1. Improving the quality of education

To advance this sector, it requires commitment from the government and companies to increase the portion of education funds, revamp the curriculum, improve the welfare of education managers, fulfill facilities and infrastructure and cooperate with other countries to improve the quality of education in Indonesia.













- 2. Mastery of foreign languages
  - In the era of society 5.0, foreign languages have become the main means of business communication, cooperation, education, technology transfer and others. Companies that have international networks cause the need for leaders who have foreign language skills to become even greater. Foreign languages that need to be learned such as English, Arabic, French, Japanese and Mandarin.
- 3. Mastery of information technology (IT)
  Information technology is the main key for a leader to be able to take part in the era of society 5.0. Without IT mastery, Indonesian leaders will not be able to direct their members to achieve common organizational goals.
- 4. Leadership training Leadership training is an important stage that must be passed by prospective leaders. With this exercise, it is hoped that the candidate to lead can master and meet the minimum competencies as a leader. In addition, so that a prospective leader knows his rights and obligations as a leader.
- 5. Improvement of managerial information system Information systems for managerial are important because they are the main support in providing information and processing information, making it easier for leaders to make decisions within the company, especially in the era of society 5.0.
- 6. Improved leader planning and evaluation Good planning must be accompanied by accurate data and accompanied by careful calculations. Planning for prospective leaders is useful for ensuring the availability of potential leaders for various fields and levels. In addition, it also provides opportunities for employees who have talent in leadership.

However, knowing the challenges enables leaders to take preemptive action to avoid potential obstacles to the plan's successful implementation.

#### **CONCLUSIONS**

The results of the study indicate that there have been several efforts made by the government in order to prepare or develop leaders in the era of Society 5.0. such as the Digital Leadership Academy (DLA). The challenges that will be faced are that Indonesia will experience a demographic bonus in 2030, so it must be balanced with improving the quality of education, adequate employment opportunities, quality and qualified human resources. The implementation of Society 5.0 also integrates several dimensions, namely: policies that foster innovation (from the government side), entrepreneurial spirit (from the community side), and entrepreneurial skills (from civil society and educational institutions). This can be achieved if the leader is able to carry out his duties and utilize technology properly.

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