A good leader is someone who sees beyond themselves and really thinks about how they can move their organization forward by helping others to fulfill their potential.

Sharon Allen

### 2.1 Competencies, Skills and Knowledge

Competencies are a set of integrated knowledge, abilities and attributes that translate into behaviours and help define, in greater detail, what is needed to successfully perform the job. Competencies are not skills, although they are similar. Skills are learned, while competencies are inherent qualities an individual possesses, combining skills, knowledge and the ability. The term competency has two main meanings of the term have been identified, one referring to the outputs, or results of training—that is, competent performance. The other definition referring to the inputs, or underlying attributes, required of a person to achieve competent performance. Each definition has been used to describe both individual and organizational competencies (Hoffmann, 1999). The National Association of Colleges and Employers (NACE) (NACE, 2020) recently released a fact sheet defining seven core competencies that form career readiness:

1. Critical Thinking and Problem Solving
2. Oral and Written Communications
3. Teamwork and Collaboration
4. Information Technology Application
5. Leadership
6. Professionalism and Work Ethic
7. Career Management
A good education, an excellent university degree, outstanding grades or numerous successfully completed advanced and advanced training courses are no longer enough to get hold of an anticipated career position. Today’s qualified applicants not only have a lot to offer professionally, they also require a set of crucial soft skills. Soft skills are also referred to as key competencies. They can be described as skills that can be used across professions and over the long term and do not fall within the field of professional qualifications, i.e. can be learned through studying. Rather, they are related to the personality of a person, their characteristics, traits and behaviour. Hard skills, on the other hand, are all technical knowledge and qualifications that you have been able to gain in the course of your training and professional experience, be it at university, through advanced training or a doctorate (Franke, 2020). Hard skills are teachable and most often technical skills, such as economic analysis, strategic planning or design. Soft skills fall in the interpersonal realm and include listening, team-building, and leadership development. They are not so much taught as cultivated. All of us are predisposed to be stronger in some soft areas than others. However, we can nurture those qualities over time with self-awareness, empathy, persistence and humility (Beheshti, 2018).

MNCs and SMEs require in present days a combination of hard and soft skills (Ashikin, 2020). Table 2.1 shows necessary mix of important hard and soft skills in times of New Work. Hard skills are teachable and measurable abilities, such as writing, reading, mathematics or ability to use computer programs. By contrast, soft skills are the traits that make you a good employee, such as etiquette, communication and listening, getting along with other people. Hard skills needed in today’s career environment are computer literacy, hard communication skills, data analysis knowledge (big data), certification and licenses, project management or languages skills. In addition, languages play a more important role as value chains are becoming increasingly international. Finally, technical, lean and quality management skills belong to the most important hard skills.

| Table 2.1 Necessary hard and soft competencies in the twenty-first century |
|-----------------------------|-----------------------------|
| **Hard competencies**       | **Soft competencies**       |
| Computer literacy           | Team working                |
| Hard communication skills   | Adaptability and agility    |
| Data analysis knowledge     | Problem solving             |
| Certification and licenses  | Negotiations skills         |
| Project management          | Critical thinking and observation |
| Languages                   | Leadership skills           |
| Technical skills            | Conflict resolution         |
| Lean management             | Intercultural awareness     |
| Quality management          | Networking skills           |

Source: Author’s own table
2.2 Competency Zone and Comfort Zone

A competency zone can be described as the boundaries, where a person has strengths and unique skills in a specific job environment (Helmold, 2020). Competencies are the abilities of employees to apply or use a set of related knowledge, skills, and capabilities required to successfully perform specific work functions or tasks in a defined work setting. Competencies consist of five elements and can be described as illustrated in Fig. 2.1 with knowledge, skills, application, cognition and management (Helmold, 2020).

Knowledge
Knowledge is a familiarity, awareness, or understanding of a certain activity or process, such as facts (propositional knowledge), skills (procedural knowledge) or objects (acquaintance knowledge). The term “knowledge” can refer to a theoretical or practical understanding of a subject.

Skills
Skills are the ability to perform an action with determined results and activities often within a given amount of time, energy or both. Skills can often be divided into domain-general and domain-specific skills. For example, in the domain of work, some general skills would include time management, teamwork and leadership, self-motivation and others, whereas domain-specific skills would be used only for a certain job. Skill usually requires certain environmental stimuli and situations to assess the level of skill being shown and used. People need a broad range of skills to contribute to the modern economy. As globalization and other trends are permanently changing economies, the workplaces are changing, thus also changing the necessary skills that employees must have to be able to change alongside with transforming enterprises.

Fig. 2.1 Elements of Competencies. (Source: Author’s Source)
Application

The development and application of job competencies to select employees who create competitive advantage is an important feature of the human resource paradigm around the world. A competency model is a cluster of competencies that specifies effective performance in a particular work environment. Possession of appropriate competencies by its workers affects organizational performance and provides competitive advantage. Human Resource Management plays an important role in giving a competitive edge to an organization.

Cognition is the process by which one acquires knowledge through experience, thought and sensory input. When a person uses this cognition to integrate various inputs to create an understanding, it’s called as cognitive thinking. Cognitive skills are used to comprehend, process, remember and apply incoming information.

Management

Management is the process of evaluating, managing, and developing the necessary skill sets of employees. Cornerstone Succession helps organizations create and define core, leadership, and job specific skills or competencies by identifying the key abilities required to improve performance and achieve success.

All employees have a competency zone including the elements and combination of skills, knowledge, application, cognition and management. In some examples and social networks, the competency zone is confused with the comfort zone. The competency zone is the zone, in which the employees feel safe and knowledgeable. Employees feel comfort and control as they have expertise in the conducted activities and work items as shown in Fig. 2.2. Anything outside this zone is unknown and causing fear to many employees. Management has to create an environment in the enterprise and give confidence to employees to get into new areas (Fear Zone). Change Management tools (Chap. 3) are suitable ways to help employees to enter the zone beyond their competencies (Kübler-Ross & Kessler, 2005). Transformation and changes are normally characterized with anxiety, resistance, excuses and panic or shock (Kotter, 2012). Change agents and coaches can help an enterprise in this situation (Helmold, 2020). Having overcome the fear zone, employees enter the learning zone. Management and Human Resources have to provide solid training and development programmes and qualification initiatives, which are based on a training and competency needs analysis. A training program allows the enterprise to strengthen those skills that each employee needs within his environment to improve. A development program brings all employees to a higher level so they all have similar skills and knowledge. The Learning Zone is associated with change, challenges, new skills and new ambitions. Learning and development programs may include the following elements:

- On-the-Job Training
- Off-the-Job Training
- Orientation Activities
- Onboarding
• Technical skills development
• Soft skills development
• Products and services training
• Quality training
• Safety training
• Team training
• Coaching

The next zone after the Learning Zone is the Growth Zone, in which the employees can enrich competencies, skills and knowledge. Based on the newly acquired competencies, the purpose and the objectives will automatically change. Many employees develop in this stage new long-term aspirations and visions for themselves and the companies within which they work. Companies should recognize the additional skills and make employees expert panels and create competency centres. In many cases, this stage leads to a promotion through the new skills acquired. The last zone is the excellence and outgrowth zone, in which employees develop a new mission and to realise their dreams. The new skills will empower them to perform excellently within the company (Fig. 2.2).

Fig. 2.2 Competency Model. (Source: Author’s Source)
2.3 Leaving the Competency Zone (Comfort Zone)

The competency zone is the area of expertise for employees and integrates the combination of competencies, skills, expertise and comfort. Although certain articles describe this area as something negative, the competency zone is the basis for reaching the next steps (Helmold, 2020). It is crucial that leaders and employees jointly create an environment in which employees strive for additional skills, competencies and expertise. Authors stress that management must apply carefully behavioural skills, change management tools and emotional intelligence in order to support employees for moving to performance excellence and outgrowth (Bonesso, Cortellazzo, & Gerli, 2020).

Managers have to create a climate of courage which is located outside the employee’s comfort zone (Lauer, 2019). If people are afraid of taking a big leap, small steps should be possible and promoted. It is important to start somewhere. The zone of courage contains much less predictability than your comfort zone, so that failures can occur. Therefore, it is necessary that a failure culture allows making mistakes for personal and professional growth. Moving out of the comfort zone is bound to make employees feel a little exposed and that’s a crucial part of the process. Employees should get the necessary time to evaluate where they are and when they plan to go next. Figure 2.3 depicts the process of leaving the competency zone and moving to performance excellence.

![Fig. 2.3 Targeting Performance Excellence in the Outgrowth Zone. (Source: Author’s Source)](image-url)
2.4 Strategies for Reaching Outgrowth and Performance Excellence

2.4.1 5C Model for Achieving Performance Excellence

The 5C Model is an ideal tool for managers and employees to drive change and to strive for performance excellence (Helmold & Samara, 2019). The model consists of five pillars as shown in Fig. 2.4. These elements are comfort, collaboration, change, challenge and competency.

2.4.2 Comfort

This change in demographics and work preferences not only impacts the work culture but also the physical workplace and work comfort of employees itself. To create work-life experiences that matter to our employees, it is crucial that management and HR professionals design comfortable facility and workplaces for employees together. It is therefore important to consider how to create workplaces that enhance innovation, creativity, satisfaction without compromising cost efficiency. Utilizing New Work can be key assets to create a great workplace and will significantly increase performance (Helmold & Samara, 2019).

2.4.3 Collaboration

Collaboration is the working practice whereby individual employees work together in teams or groups towards a common purpose to achieve a specific business goal. Collaboration enables individuals to work together to achieve a defined and

![5C-Model for Exploiting Potentials and Capabilities in New Work Concepts](source)

Fig. 2.4 5C-Model for achieving outgrowing performance. (Source: Author's Source)
common business purpose. Managers must prioritize team assignments and group work. Teamwork is the collaborative effort of this constellation to achieve this common goal or to complete a task in the most effective and efficient way. This concept is seen within the greater framework of a team, which is a group of interdependent individuals who work together towards a common goal.

### 2.4.4 Change

Change and Change Management includes all tasks, measures and activities that are intended to bring about a comprehensive, cross-departmental and far-reaching change in terms of content—to implement new strategies, structures, systems, processes or behaviours—in an organization. Change for employees is important and will be outlined in Chap. 3.

### 2.4.5 Challenge

A challenge is something new and difficult for employees which requires great effort, passion and determination. Challenges are a good baseline for employees to move out of their competency zone to achieve a certain goal and to resolve a problem.

### 2.4.6 Competency

Competency can be described as the combination of skills, knowledge and expertise to fulfill a certain task. Managers and HR professionals must enable employees with the right competencies to move to the zones outside their existing competencies.

## 2.5 Performance Excellence Through New Work

Performance excellence can be defined as achieving and maintaining outstanding and superior levels of performance that meet and exceed the expectations of the stakeholders (Helmold & Samara, 2019). There is a huge number of stakeholders for any business or enterprise and to be assessed as excellent, these enterprises have to achieve an outstanding level of performance for all of their different stakeholders; employees, customers, shareholders, owners and the wider community (Zech, 2019). To achieve sustained and superior levels of excellence, it is mandatory for enterprises and organizations to permanently assess the situation and to strive for improvement by initiating continuous improvement programmes like the Toyota production system or excellence models.
The Excellence model allows the management of enterprises and organizations to understand the cause and effect relationships between what their organization does (actual performance), the enablers, and the results it achieves in comparison to set objectives (plan). The model comprises of three integrated components. Fundamental excellence concepts underlie principles that form the foundation for achieving sustainable excellence in any organization. These principles can be described as:

- Establishing New Work Elements.
- Applying Transformational Leadership.
- Adding value for customers.
- Creating a sustainable future.
- Harnessing creativity and innovation.
- Managing with agility.
- Developing organizational capability.
- Leading with mission, vision, inspiration and integrity.
- Succeeding through the talent of people.
- Sustaining outstanding results.

The goal of any excellence initiative and programme must therefore be to achieve world-class excellence as illustrated in Fig. 2.5. The system is similar to the German school grading system (1 = very good, 5 = failed). Companies usually start as so-called “laggards” (Level 5) (Helmold & Samara, 2019). A laggard can be defined as an organization that falls behind similar companies in the same industry. The next level is a “standard” performance (Level 4). Standard means in this context that enterprises have an average performance level in a certain sector. The next level is

![Fig. 2.5 Performance Excellence Through New Work (Helmold & Samara, 2019)](image-url)
“maturity” in performance including some best practices (Level 3). After the maturity organizations will achieve the “industry excellence” (Level 2) level. At this level, performance is outstanding within the industry. The last and highest level is the world-class excellence level, in which organizations are benchmarks in terms of excellence on a global scale (Level 1) (Helmold, 2020).

2.6 Case Study: New Work in the USA at Google

Flexible work practices in the USA are increasingly becoming important to global organizations such as Google or Apple, as they enable them to achieve and sustain competitive advantage by attracting and retaining talented employees, minimizing stress and burnout, reducing turnover and absenteeism rates, increasing job satisfaction and organizational commitment, as well as improving productivity and morale (Giannikis & Mihail, 2011; Torrington, Hall, & Taylor, 2008). The telecommuting policy practiced by Google, for instance, enables employees to experience few interruptions and also to tailor their environmental contexts to meet idiosyncratic preferences that enhance their motivation, commitment and productivity (Griffin & Moorehead, 2009). Additionally, owing to flexible work arrangements, Google employees are able to adapt their hours to meet the business requirements set by management and also to work at times of the day when they are most productive in line with the “happy worker theory.” However, according to the signalling theory, managers may interpret the use of flexible work practices as a signal by employees that they are engaged in personal life responsibilities that curtail their motivation and commitment towards their organization (Leslie, Park, & Mehng, 2012).

Extant literature demonstrates that “more women are entering the workforce, and the transition from single-income families to dual-career families has raised the challenge of achieving not only work–family balance, but also work–life balance” (Giannikis & Mihail, 2011, p. 417). Google has made part-time work and compressed work-week available to its employees in order to adequately meet work and family demands (Griffin & Moorehead, 2009).

2.6.1 Flexibility as Competitive Advantage

Flexible work options are numerous and can be classified into four groups: (1) flexibility in the scheduling of work hours—flex-time, compressed work-week and shift arrangements, (2) flexibility in the number of hours worked—part time and job sharing, (3) flexibility in the place of work—working at home and at a satellite location and (4) flexibility in leave arrangements—parental leave, special leave and unpaid leave (Giannikis & Mihail, 2011; Torrington et al., 2008). Google exercises flexibility in the place of work and flexibility in the scheduling of work hours by allowing their employees to telecommute.

Although the work of software programmers may be extremely demanding, Google ensures that its software developers do not suffer from stress and burnout by
allowing flexible work arrangements (Griffin & Moorehead, 2009). Google also provides its employees with fully paid maternity and parental leave, vacation days and holidays, day-time child care at Google Child Care Centre and other back-up child care centres, and free shuttle service (Schneider, 2013).

As is the case in Google, flexible work programs have the capacity to build an innovative, creative and high-performance organizational culture which, according to Banfield and Kay (2008), is critical in ensuring the continued growth of the company as well as the enrichment of employees’ work- and family-related experiences. Flexibility also brings diversity of ideas and ensures that people do not resist change.

### 2.6.2 Benefits of New Work

Using Google Corporation as a successful example, the case of google has effectively shown that the concept of a flexible enterprise and the advantages of adopting and implementing flexible work arrangements in organizational settings lead to a competitive advantage. Looking at this case, it is obvious that other enterprises must implement flexibility programs not only to gain competitive advantage, but also to ensure employees remain productive and committed to the course of the organisation while still affording adequate time to be with their families.

### References

Ashikin, A. (2020). Siemens: How to get hired as a fresh graduate. Ashikin Ahmad shares what she looks for when hiring fresh graduates. GradSingapore. Interview with Ahmad Ashikin, Vice-President, Siemens Building Technologies. Retrieved August 21, 2020, from https://gradsingapore.com/graduate-careers-advice/planning-your-job-search/siemens-how-to-get-hired-as-a-fresh-graduate

Banfield, P., & Kay, R. (2008). *Introduction to human resource management*. Oxford: Oxford University Press.

Beheshti, N. (2018). Are hard skills or soft skills more important to be an effective leader? *Forbes*. Retrieved September 21, 2020, from https://www.forbes.com/sites/nazbeheshi/2018/09/24/are-hard-skills-or-soft-skills-more-important-to-be-an-effective-leader/#18b137202eb3

Bonacci, S., Cortellazzo, L., & Gerli, F. (2020). *Behavioral competencies for innovation. Using emotional intelligence to Foster innovation*. Basingstoke, Hampshire: Palgrave Pivot.

Franke, M. (2020). AbeitsABC. Soft Skills vs. Hard Skills—Welche sind wichtiger? Retrieved August 21, 2020, from https://arbeits-abc.de/was-sind-eigentlich-soft-skills/#2

Giannikis, S. K., & Mihail, D. M. (2011). Flexible work arrangements in Greece: A study of employee perceptions. *The International Journal of Human Resource Management*, 22(2), 417–432.

Griffin, R. W., & Moorehead, G. (2009). *Organisational behaviour: Managing people and organisation*. Stamford, Connecticut: Cengage Learning.

Helmold, M. (2020). *Lean management and kaizen. Fundamentals from cases and examples in operations and supply chain management*. New York: Springer.

Helmold, M., & Samara, W. (2019). *Progress in performance management. Industry insights and case studies on principles, application tools, and practice*. Heidelberg: Springer.

Hoffmann, T. (1999). The meanings of competency. *Journal of European Industrial Training*, 23(6), 275–286.
Kotter, J. P. (2012). *Leading change*. Boston, MA: Harvard Business Press.
Kübler-Ross, E., & Kessler, D. (2005). *On grief and grieving: Finding the meaning of grief through the five stages of loss*. New York: Scribner.

Lauer, T. (2019). *Change Management. Der Weg zum Ziel*. Wiesbaden: Springer.

Leslie, L. M., Park, T. Y., & Mehng, S. A. (2012). Flexible work practices: A source of career premiums or penalties. *Academy of Management Journal, 55*(6), 1407–1428.

NACE. (2020). *Career readiness defined*. Retrieved August 29, 2020, from https://www.naceweb.org/career-readiness/competencies/career-readiness-defined/

Schneider, L. (2013). *Google: Company, culture and history*. Retrieved from https://www.thebalancecareers.com/google-overview-company-culture-and-history-2071320

Torrington, D., Hall, L., & Taylor, S. (2008). *Human resource management*. Upper Saddle River, NJ: Prentice Hall.

Zech, T. (2019). Brave new working world. *Moving away from rigid structures and hierarchies: Three examples of New Work in German companies*. Retrieved August 21, 2020, from https://www.deutschland.de/en/topic/business/new-work-examples-from-companies-in-germany