Concept Paper SADILP 2018: Developing Leaders of Tomorrow…Today

Authors: Ben Arnold, Anthony Dodd, Elizabeth Sweetman

Executive Summary

The fourth industrial revolution has commenced and is gathering speed. It is a digital revolution that will ultimately impact on the way we live, work and interact with each other (Schwab 2015). Just some examples of technology disruptions are Artificial Intelligence / Machine learning, Big Data, Internet of things, Robots and Cobots, Autonomous Vehicles. Jobs that required human judgement may now and in the future be carried out by machines. The challenge is to keep pace with constant changes and capitalise on these advancements in technology. The digital revolution is fast paced, complex and ongoing. More will be expected of our present and future leaders than ever before.

The key questions addressed in this paper are:

- ***What are the qualities and behaviours that will make a leader successful as we evolve within the digital environment?***

The findings support Neubauer, Tarling and Wade. (Neubauer et al. 2017), that leaders of tomorrow need to be visionary, adaptive, humble and engaged as we evolve within the digital environment.

Visionary: The ability to identify technological trends across different sectors and importantly have sufficient knowledge and the vision to effectively exploit these advancements (Kluz & Firlej 2016).

Adaptive: Successful leaders adapt to changing environments and use the right approach for the right situation (Gleeson 2018).

Humble: As problems are increasingly complex, leaders must accept that they don't have all the answers (Prime & Salib 2014), so instead need to embrace the advice, expertise and ideas from others.

Engaged: It is important to keep employees engaged not only for staff retention but to inspire the innovative and creative thinking required for this new age.

- ***What must we do to develop these leaders?***

According to Cottrill (Cottrill 2017), the ability to grow digital leadership can be a differentiator and an accelerator for businesses. However, research has shown that there is a leadership gap in terms of leaders having the capability to lead the organisation within the digital environment (Kane et al. 2018). This paper recommends three techniques for developing future leaders that can thrive in this technological era. These are:

1. Promote continuous learning within the workplace (Newman 2018). Create a protected environment which allows learning leadership skills through experimentation.
2. Provide Leadership opportunities: These don't need a formal title or a pay rise but rather an opportunity where employees can learn to lead by doing and failure is seen as a learning opportunity rather than a financial loss.
3. Pushing decision-making down the organization: Leaders need to push decision-making down the organization as far as possible so that the decision is made by those people who are closest to the information (Marquet 2015).

Main Body

Background / Introduction

We have gone through Industrial revolutions in the past and leaders have needed to adapt. We are now entering the fourth Industrial revolution which will arguably be the most disruptive. It is a digital revolution which will fundamentally alter the way we live, work and relate to each other. (Schwab 2015) Just some examples of technology disruptions are Artificial Intelligence / Machine learning, Big Data, Internet of things, Robots and Cobots, Autonomous Vehicles. Jobs that required human judgement may now and in the future be carried out by machines.

The digital revolution is fast paced, complex and ongoing.

Organisations such as Boston Dynamics are pushing the boundaries on what is possible, with reference to the developments they have made with humanoid robots such as "Átlas'' (Boston Dynamics 2018). Stereo vision, range sensing and other sensors give Atlas the ability to manipulate objects in its environment, travel on rough terrain, return to an upright position if it falls and even perform backflips. Imagine how disruptive such advances in technology can be. Leaders must possess the skills to capitalise on technological developments.

There are a number of notable examples where the leadership team have failed to do this, and the consequences have been severe.

- Blockbuster had the chance to buy Netflix for $50 million, Netflix is now worth billions (Chong 2015).
- Kodak developed the first digital camera in 1975 but shelved it? The company decided the introduction of this technology could be detrimental to their business (McAlone 2015).
- Nokia thought they were too big to fail. They were unable to transition from their hardware roots into the software world (Surowiecki 2003).

Advancements are moving at a fast pace. "The high-tech era has taught people to expect constant innovation; when companies fall behind consumers are quick to punish them." (Surowiecki 2003)

This paper explores the impact of these evolving technologies on leadership styles. Specifically, qualities within leaders that might prevent company failures in this changing environment and recommendations for instilling / developing these qualities.

Qualities and behaviours that make a leader successful within this environment

What do leaders need to succeed in the disruptive digital environment we are all living in?

Four core qualities which stand out from the historically, traditional skills required by leaders were identified through an online literature review. The findings support Neubauer, Tarling and Wade. (Neubauer et al. 2017), that leaders of tomorrow need to be visionary, adaptive, humble and engaged as we evolve within the digital environment.

The following section briefly discusses each of these qualities, what they mean and why they are relevant in the digital age.

Humble

Many people to this day still have an image of a leader who is an all-knowing super-star, who stands and commands, respected by all. However, in the 21st century, for a leader to be successful this is no longer the case.   The sheer variety and volume of information made available in today's digital

environment is often too much for a single person to consume and can instead shield leaders from new and emerging technologies.

As a result, leaders today must be humble, they must accept that they don't have all the answers and never will, so instead need to embrace the advice, expertise and ideas from others.

Steve Jobs, renowned technology pioneer once said,

"It doesn't make sense to hire smart people and tell them what to do; we hire smart people so they can tell us what to do."

This statement captures the essence of what is meant by humble leadership.

Adaptive

In the 1800's a German Field Marshall Moltke (Daniel 1993) famously recorded battle observations which translate to "…no plan survives first contact with the enemy…".

Two hundred years later this is truer than ever.

With the rapid changes in technology and constant threat from new competitors, leaders must learn to adapt. Accepting that changing direction based on new information is a strength and not a weakness.

Being adaptable is about using all the information; data and ideas available, to adapt short term planning in order to realize a long-term vision.

Visionary

Having a vision has always been important however in today's world of constant change having a clear vision has become even more critical.   A vision focuses on where you are going even if you don't yet have a path to get there.

Google's vision statement is "…to provide access to the world's information in one click."

The ethics of this statement may be questionable but one thing you cannot argue is that Google is delivering their vision at an ever-increasing rate.

Having a vision, and more importantly communicating that vision, engages, inspires and provides a common goal. It allows one to set aside the things that don't matter and focus on the things that do.

Engaged

Numerous studies have shown that engaged employees are more productive, creative and less likely to leave.

One such study (Perrin 2003) suggests 66% of highly engaged employees reported that they had no plans to leave their company, compared to 12% for disengaged employees.

As we move further into the digital environment both AI and automation will shift the primary focus of employees from the mundane and repetitive tasks of the past to new ones, which require

innovation and creativity. It is important to keep employees engaged both to inspire this new kind of thinking and to prevent them from leaving.

Employee engagement starts with the leaders. Engaged leaders are always communicating, they are listening, sharing and encouraging. Being an engaged leader is more than just communicating with your direct team. It involves interacting with the outside world and expanding one's networks to include a diverse and varied group of people from both inside and outside the organization.

Combining these core qualities
So, when leaders are able to combine all of these qualities what happens?

Engaged, leaders develop an understanding of their environment using their network and peers to seek out both opportunities and threats leading to a hyperawareness within their industry.

Humble leaders are able to make informed decisions by relying on experts and data.

Lastly, with vision and adaptability, leaders can make quick course corrections focusing on what really matters. This enables programs to keep pace with changes in technology or the environment (fast execution) whilst maintaining direction. Only with all four of these qualities can leaders become truly successful in the digital era.

Developing future leaders
So, where do we find leaders that possess the necessary qualities to be successful? Do they exist?

A global survey by Massachusetts Institute of Technology (MIT) and Deloitte, of over 4,000 executives would suggest that these leaders are difficult to find. With 80% of respondents from companies that are in the early stages of digital maturity believing they need to find new leaders for their organisation to succeed in the digital age (Kane et al. 2018). This suggests that there aren't enough leaders with the four core qualities, humility, adaptability, vision and engagement, and so we must develop them.
It's encouraging that as companies mature, so too does the amount they develop their future leaders.

So, what are these mature companies doing to effectively develop their leaders?

Employees from digitally maturing companies are more likely to say on-the-job training and workplace environment are bigger sources of digital skill development compared to studying and formal courses. One study lead by General Electric (GE) has shown that just going to a training program has absolutely no impact on behaviour change. This highlights there is no point in doing training if you can't immediately put it in to practice (Kane et al. 2018).

One example of a company that has excelled at developing their leaders in-house is Atlassian. Atlassian was started up by two University of New South Wales graduates in 2001. The company focus is online collaboration tools and they are leaders in their field.

They have introduced an initiative which they call Ship-it. Atlassian hold this event for their employees every quarter.

It starts with ideas and individuals. Those individuals seek out other people whose ideas resonate with them. They form teams and brainstorm further. These teams are typically cross functional teams, and often with people they haven't worked with before. Then a 24-hour countdown clock begins, and they start creating their awesome ideas and solutions. At the end of the 24 hours there

is one simple requirement They deliver a 3-minute lightning talk to their peers with a chance to win the ultimate prize. Bragging rights! (Price 2015)

This initiative is a great example of engaging employees at all levels and providing them the opportunity to practice their leadership skills in an environment where it is acceptable to fail. More often, the idea they start with is not the idea they end up with. This encourages individuals to be comfortable adapting their ideas.

They also learn humility, because they must seek out experts in different fields and rely on them to help complete their vision within the time frame.

Not only does the ship-it concept contribute to the company's success by developing ideas and products, it is also a mini leadership course on steroids every three months where people learn to lead by doing.

This example provides context for the following recommendations on how to develop future leaders.

Firstly, promote continuous learning within the workplace. "Focusing on people is one of the key pillars of digital transformation. Creating a culture of continuous learning is a great way to show your employees that you want them to succeed and grow." (Newman 2018). Allow employees to learn leadership skills through experimentation, in a supportive and collaborative environment where failure is seen as a learning opportunity. Leading through experimentation develops the four key qualities.

Secondly, provide leadership opportunities throughout the organisation. These don't need a formal title or a pay rise but rather an opportunity where employees can learn to lead by doing and failure is seen as a learning opportunity rather than a financial loss.

And finally, how should these newly developed skills be implemented?
Leaders need to push decision-making down the organization as far as possible so that the decision is made by those people who are closest to the information. For this to work, you will need commitment from the group, that they want more authority to make decisions and you must develop their technical competency and their clarity of purpose to help them make successful decisions (Marquet 2015).

Data shows that pushing decision-making down into the organization helps to develop traits such as experimentation, continual learning, and developing the types of leaders who can lead in a digital environment (Kane et al. 2018).

Conclusion

The digital revolution is fast paced, complex and ongoing. Leaders must possess the skills to capitalise on technological developments as the consequences of not keeping up with this changing environment can, in extreme cases, lead to company failures. Nokia, Kodak and Blockbuster are examples of this.

The paper is based upon an online literature review. It explored four core qualities which stand out from the historically, traditional skills required by leaders. The findings support Neubauer, Tarling and Wade. (Neubauer et al. 2017), that leaders of tomorrow need to be visionary, adaptive, humble and engaged as we evolve within the digital environment.

However, it was noted that there is a leadership gap in terms of leaders having the skills to succeed in the digital age. Three recommendations are provided on how leaders with the four core qualities, humility, adaptability, vision and engagement may be developed. These are:

1. Promote continuous learning within the workplace and allow employees to learn leadership skills through experimentation.
2. Provide leadership opportunities throughout the organisation.
3. Push decision-making down the organization as far as possible so that the decision is made by those people who are closest to the information.

The digital revolution has started and its gaining speed. As leaders, you can choose to embrace it or be left behind.

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