Digital Leadership Tools

STAR Lab
Socio-Technical Action Research Lab

INNOVATION RESOURCE CENTER for HUMAN RESOURCES

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Digital Leadership Tools

❖ This challenge has to do with getting leaders up to speed on what they need to know and do to support digital transformation

❖ Companies reported that designing and balancing efficiency and digital innovation is hard and fraught with tensions and conflicts. The two types of work produce radically different structures, designs and cultures, which are often contradictory in purpose and management.

❖ These tools are intended to help raise awareness of the challenge and to provide useful guides to actions you can take to develop the digital leaders you need for the future

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Digital Leadership	New demands	Leadership is critical to many things in organizations: providing direction, aligning interests, setting priorities, architecting the organization's design, deciding when to shift gears, making certain things are being done in the best way possible.
Helpful reading		Johansen, B. 2017. The New Leadership Literacies: Thriving in a Future of Extreme Disruption and Distributed Everything. Oakland, CA Berrett Kohler Petrie, N. 2014 Vertical Leadership Development–Part 1 Developing Leaders for a Complex World. White Paper, Center for Creative Leadership, www.ccl.org.
Tools	Description	Use
Key Insights	Takeaways from the Lab	Learn what companies thought was important to know about this challenge
5 Decisions	Framework	This tool informs leaders of their authority in digital transformation efforts
Vertical Development	Framework	To comprehend the decisions at play in digital transformation, leaders need to think differently; or develop a "bigger mind". Frameworks by Robert Keegan and William Torbert point to these developmental "logics" that go along with the kind of cultures needed to run steady state (dependent), transitional (independent) and transformational (interdependent) organizations.
A Sample Learning Agenda	Framework	Some suggestions on things leaders should learn, how to learn them and what to decide
Digital Natives	Framework	Some options for how to bring the influence of digital natives into leadership decision making
Evolution of Leadership	Model	Leaders and organizations must co-evolve to achieve full digitalization
Things You Can Do	List of actions	Some suggestions from the Lab about what your company can do to become more ambidextrous

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Key Insights about Digital Leadership

❖ Of all the levers we can pull to accelerate digital transformation it would seem that leadership should be the easiest and yet we see no signs of a new "digerati" among organizations that were not "born digital" to begin with. If we can't move leadership into the digital age, we will be seriously restricted in what we can do.

❖ Leaders are human beings and therefore subject to human frailties: ego, fear of loss of control, desire for adulation, fear of the unknown. These frailties get in the way of letting go so that those around them are free to innovate. Moreover there are many around them (including board members, analysts and regulators) who encourage leaders to treat risk taking very seriously. When the world is changing all around you, success requires that you innovate and change. While this is understood intellectually, there is a gap between what is espoused and actual behavior.

❖ In order to "go digital" many organizations are dealing with a mix of old and new leaders. Supporting existing leaders while welcoming new leaders who want to rip up the old to make room for the new isn't an easy proposition. Who should be empowered to set the space and scope of change is a question.

❖ Leadership in a digital world includes both formal and informal leaders. How do we nurture both and make certain they are listening to one another?

❖ Due to the speed of technological advancement, the half-life of digital knowledge can be measured in a few years if not months. How can we help leaders stay current so that they can make critical decisions about digital transformation?

❖ Leadership isn't just about individuals; it's about the collective effect of all leaders (formal and informal) on how the organization operates, changes, or dissolves. A lack of concerted, aligned action on the part of leadership is as serious as a misdirected strategy.

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Vertical Development: Developing "Bigger Minds"

Leadership Cultures

Dependent	<< transition >>	Independent	<< transition >>	Interdependent
People in authority are responsible for leadership		Leadership emerges from individual ability and the drive for achievement		Leadership is a collective activity

Leadership Logics

Opportunistic	Diplomatic	Expertise	Achieving	Redefining	Transforming	Alchemical
Wins for self in any way possible	Wants to belong and fit in	Focuses on logic and expertise	Driven by personal and team achievement	Reframes complex problems in unique ways	Generates organizational and personal transformations	Integrates material, spiritual, and societal transformations

Evolution of an increasing capacity to create and maintain shared direction, alignment, and commitment in the face of complexity and change

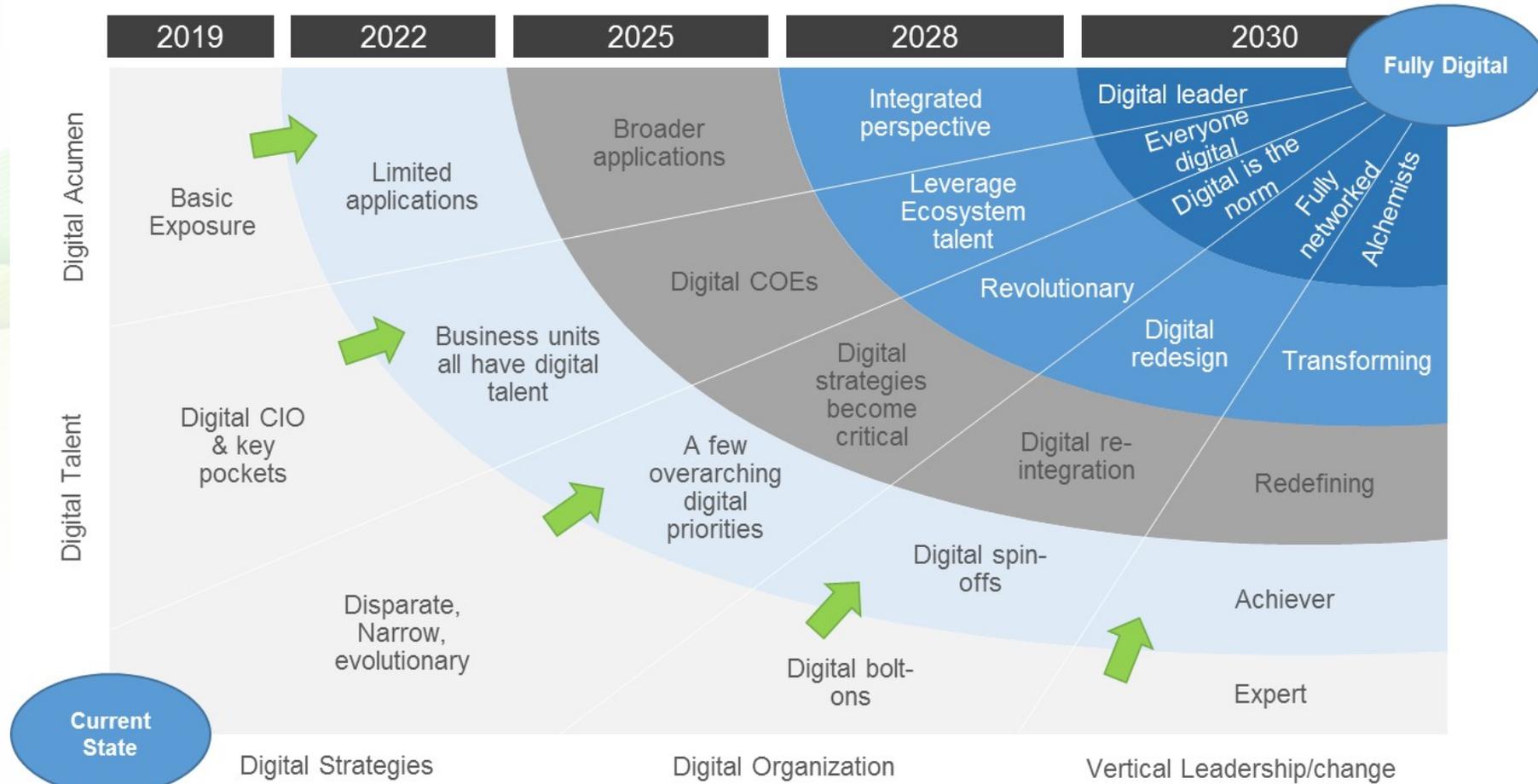Taken from a CCL Whitepaper on Vertical Development

A Sample Learning Agenda for Leadership

	Topic	Content	Speaker	Competitive Position	Implications for Us	Actions to Decide
FIRST QUARTER	**Artificial intelligence**	Definition, Applications	MIT initiative for a digital future	Industry usage of AI; where do we rank?	How could AI help us win? What if we choose not to play?	Do we include AI in our strategy? Who will lead this effort?
SECOND QUARTER	**Organization Network Analysis**	What it is and why it's useful to digital organization design	Rob Cross	Who else has done this and what's the ROI?	Do we need to create a stronger network to support digital innovation and transformation?	Will we undertake an ONA? Are we prepared to act on the findings?
THIRD QUARTER	**Leadership in a Digital Age**	What needs to change about how leaders lead?	CCL or Bob Johansen	How does our leadership compare to others and what difference does it make?	Do we think that we will need different leadership for the future?	Will we make or buy? Where is it most critical to invest?
FOURTH QUARTER	**Digital Transformation**	How to construct a roadmap for digital transformation.	IBM, McKinsey, BCG or Bain	Do others have a roadmap and how has it helped them?	What is our strategy for digitization? Are we at a point where it needs to be more coordinated?	How should be involved in creating our roadmap? How much can we tackle?

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Bringing the Influence of Digital Natives into Leadership Decisions

Role	Description
Reverse Mentor	Leaders form a relationship with a digital native who provides advice and input on digital matters.
Observer	Digital natives observe leadership meetings and are asked to comment on what they observe, especially if leaders are missing opportunities.
Member	Digital natives are added to leadership teams with a full vote that enables them to influence strategies and policies.
Committee	Digital natives are invited to form a committee to advise leadership on digital strategies and digital transformation.

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The Evolution of Digital Leadership and Digital Transformation

The Digital Capacity of Leadership

| | 2019 | 2022 | 2025 | 2028 | 2030 | |

Fully Digital

Digital Acumen
- Basic Exposure
- Limited applications
- Broader applications
- Integrated perspective
- Digital leader
- Everyone digital
- Digital is the norm
- Fully networked
- Alchemists

- Leverage Ecosystem talent
- Revolutionary
- Digital COEs

Digital Talent
- Digital CIO & key pockets
- Business units all have digital talent
- A few overarching digital priorities
- Digital strategies become critical
- Digital redesign
- Transforming
- Digital re-integration
- Redefining

- Disparate, Narrow, evolutionary
- Digital spin-offs
- Digital bolt-ons
- Achiever
- Expert

Current State

Digital Strategies   Digital Organization   Vertical Leadership/change

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Things You Can Do

❖ Educate leaders on their role in digital transformation; help them get comfortable with the choices they have to make

❖ Take leaders on digital awareness journeys to learn from digital companies firsthand

❖ Highlight the kind of leadership that is effective in leading change, working collaboratively, empowering people to act

❖ Help Leaders keep up to date in what is happening with regard to digital transformation in your industry

❖ Provide programs that help leaders develop vertically

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The STARLab Alliance, Inc. is a non-profit learning consortium focused on creating next generation organization design and leadership models

The **Digital Organization Design STARLab** is a year-long learning experience that allows participants and subject matter experts to collectively explore and prototype practical and innovative responses to digitalization. STARLab Participants include 3-6 senior leaders from 10 companies, well-into the digital transition of their business models, who will partner with leadership and organization experts. The STARLab accelerates learning and creates organization design solutions that optimize the application of advanced technologies and human capital approaches to achieve agility and sustainable effectiveness.

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Our partner, IRC4HR®, has provided funding to help make the STARLab Alliance program and research possible. Innovation Resource Center for Human Resources (IRC4HR®) is a 501(c)(3) private research foundation that seeks to make organizations more competitive, productive, and effective through improved people management practices and to serve the mutually beneficial interests of organizations, workers, and society.

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