

Digital Leadership

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DGM 726
Lecture 8

Leading Digital Organizations



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Last Lecture, we leaned about

☐ Action-Centered Leadership

- ☐ The Task
- ☐ Individuals
- ☐ Team
- ☐ The Task Oriented Profile
- ☐ The Individual Oriented Profile
- ☐ The Team Oriented Profile

☐ Team Building

- ☐ What is a team?
- ☐ The advantages of teams
- ☐ The disadvantages of teams
- ☐ When should you build teams?
- ☐ What makes a good team?
- ☐ How do you build a team?

☐ Virtual Teams

- ☐ What is a virtual team?
- ☐ Factors impact virtual teams' performance
- ☐ Challenges of virtual teams
- ☐ Adaptability of virtual teams
- ☐ Trust in virtual teams

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Lecture outline

Today's Lecture we will Know about

- ❑ Leading Digital Organizations in a VUCA World
- ❑ Digital Leadership Model
- ❑ Effective Communication in virtual organizations
 - ❑ Aspects of successful communication
 - ❑ Employee engagement as internal communication strategy
- ❑ Digital Skills for Improving Organizational Performance
- ❑ Digital Literacy Skills

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Learning Outcomes

- ☐ Understand Leading Digital Organizations in a VUCA World
- ☐ Analyze and apply Digital Leadership Model
- ☐ Know the Digital Skills for Improving Organizational Performance
- ☐ Understand Digital Literacy Skills
- ☐ Know how to use Effective Communication in virtual organizations



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Introduction

- ❑ Looking at the industrial era 4.0, humans are faced with the situation of being able to compete with others to survive in the world of competition.
- ❑ One of the efforts made is through increasing the qualifications and abilities possessed in order to be able to adapt to developments.
- ❑ In competition in the era of the industrial revolution 4.0, humans are faced with conditions to compete with the existence of technology that is developing faster.
- ❑ Therefore, there is concern about the role of humans which can later be replaced by the role of robots. The automation offered through technology will have an impact on human existence.

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Leading Digital Organizations in a VUCA World



Volatility Uncertainty Complexity Ambiguity

Lec.8**VUCA**

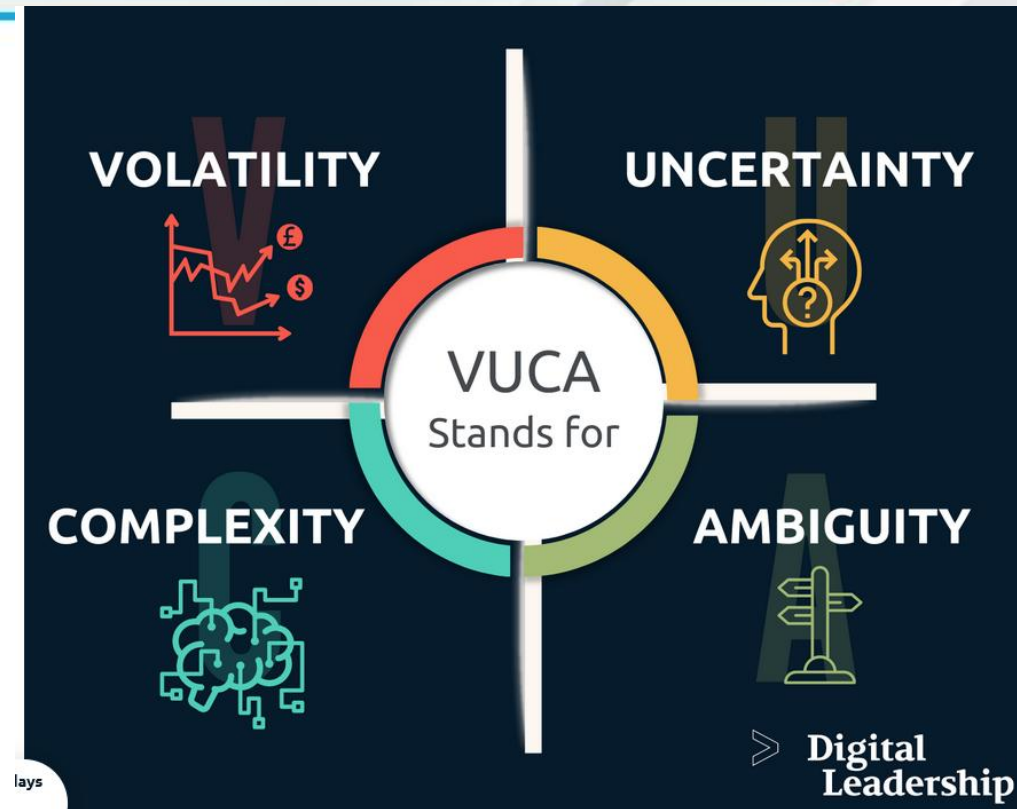
- ❑ There have been many changes in Information and Communication Technology, and one thing that can be noticed was it is very agile and dynamic. The U.S. military coined the acronym VUCA (volatility, uncertainty, complexity, and ambiguity) in the late 1990s, and it has become general shorthand for conditions leaders may encounter especially in digital transformation context and leaders need to be prepared for many types of turbulence or upheaval.

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VUCA

Volatility in VUCA stands for the fact that we live in a world that is constantly changing, becoming more unstable, more unpredictable and more rapid. Volatility refers to frequent and strong changes in the market environment.

Uncertainty in VUCA stands for the rapidly decreasing predictability of events, forecasts, and experiences from the past as a basis for shaping the future losing their validity and relevance.

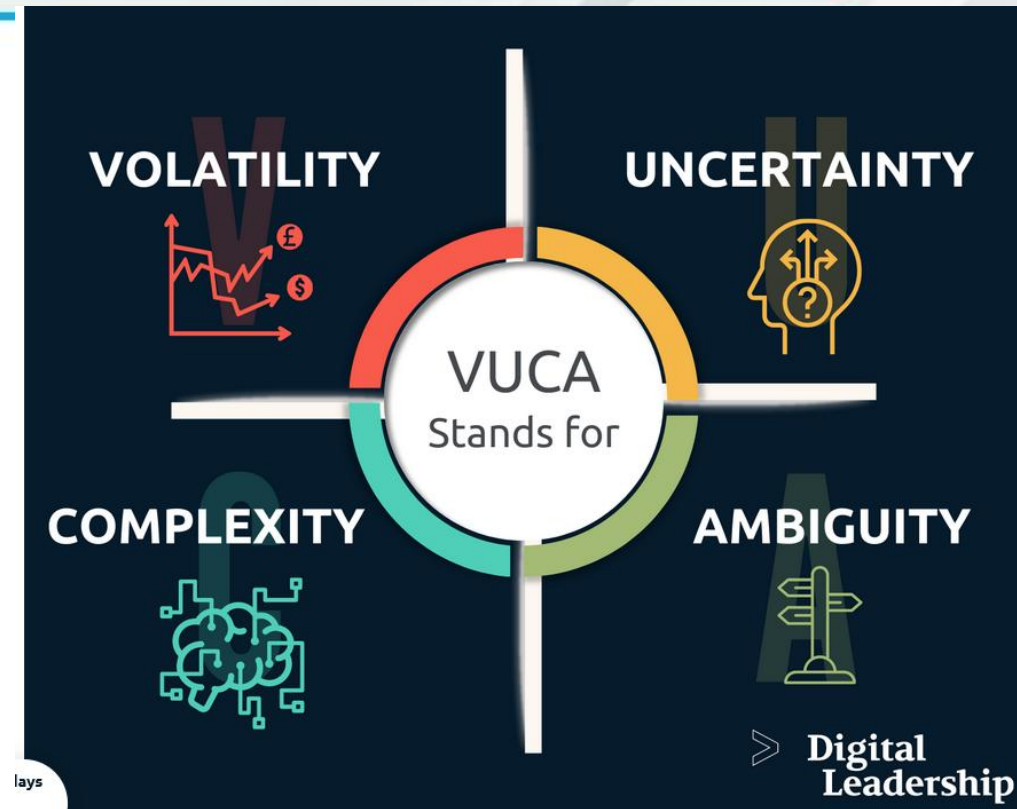


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VUCA

Complexity in VUCA stands for the fact that our world is more complex than ever. What is the cause? What is the effect? – Problems and their effects are becoming more complex and harder to understand. Decisions become an uncontrollable web of reaction and counter-reaction.

Ambiguity refers to the ambiguity of the information situation. Information that can be interpreted in different ways carries a high risk and often leads to wrong decisions.



Lec.8**VUCA**

- ❑ The VUCA world is synonymous with the increasing dynamics in digital markets. In contrast, the VUCA model offers a framework for action and orientation for corporate management under these conditions.
- ❑ The current market resembles a VUCA world, which means companies need digital leaders to face these elements to sustain in the market.
- ❑ Digital Leadership played a very important role during the COVID-19 crisis. It was a shock for the entire system. It was a display of a volatile, uncertain, complex, and ambiguous environment.

Lec.8**VUCA**

- ❑ The companies that could sustain during that time were the ones with strong digital leaders working at their organizations.
- ❑ The pandemic drove the rapid adoption of digital technologies and ways of working needed for companies just to stay relevant and continue to operate. Not only did the stock market experience a historic drop in value, but companies have had to dramatically change the way they operate amidst a social lock-down.
- ❑ Every industry had to go through some level of digitalization to sustain.

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VUCA

The VUCA elements, organized by how much we know about the situation (along the x-axis) and how well we can predict the results of our actions (along the y-axis). It shows very the difference between each of the elements, explaining the characteristics, providing a straightforward example, and giving a couple of potential approaches.

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complexity

Characteristics: The situation has many interconnected parts and variables. Some information is available or can be predicted, but the volume or nature of it can be overwhelming to process.

Example: You are doing business in many countries, all with unique regulatory environments, tariffs, and cultural values.

Approach: Restructure, bring on or develop specialists, and build up resources adequate to address the complexity.

HOW WELL CAN YOU PREDICT THE RESULTS OF YOUR ACTIONS?

—

ambiguity

Characteristics: Causal relationships are completely unclear. No precedents exist; you face “unknown unknowns.”

Example: You decide to move into immature or emerging markets or to launch products outside your core competencies.

Approach: Experiment. Understanding cause and effect requires generating hypotheses and testing them. Design your experiments so that lessons learned can be broadly applied.

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volatility

Characteristics: The challenge is unexpected or unstable and may be of unknown duration, but it’s not necessarily hard to understand; knowledge about it is often available.

Example: Prices fluctuate after a natural disaster takes a supplier off-line.

Approach: Build in slack and devote resources to preparedness—for instance, stockpile inventory or overbuy talent. These steps are typically expensive; your investment should match the risk.

uncertainty

Characteristics: Despite a lack of other information, the event’s basic cause and effect are known. Change is possible but not a given.

Example: A competitor’s pending product launch muddies the future of the business and the market.

Approach: Invest in information—collect, interpret, and share it. This works best in conjunction with structural changes, such as adding information analysis networks, that can reduce ongoing uncertainty.

HOW MUCH DO YOU KNOW ABOUT THE SITUATION?

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Digital Leadership Model



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Digital Leadership Model

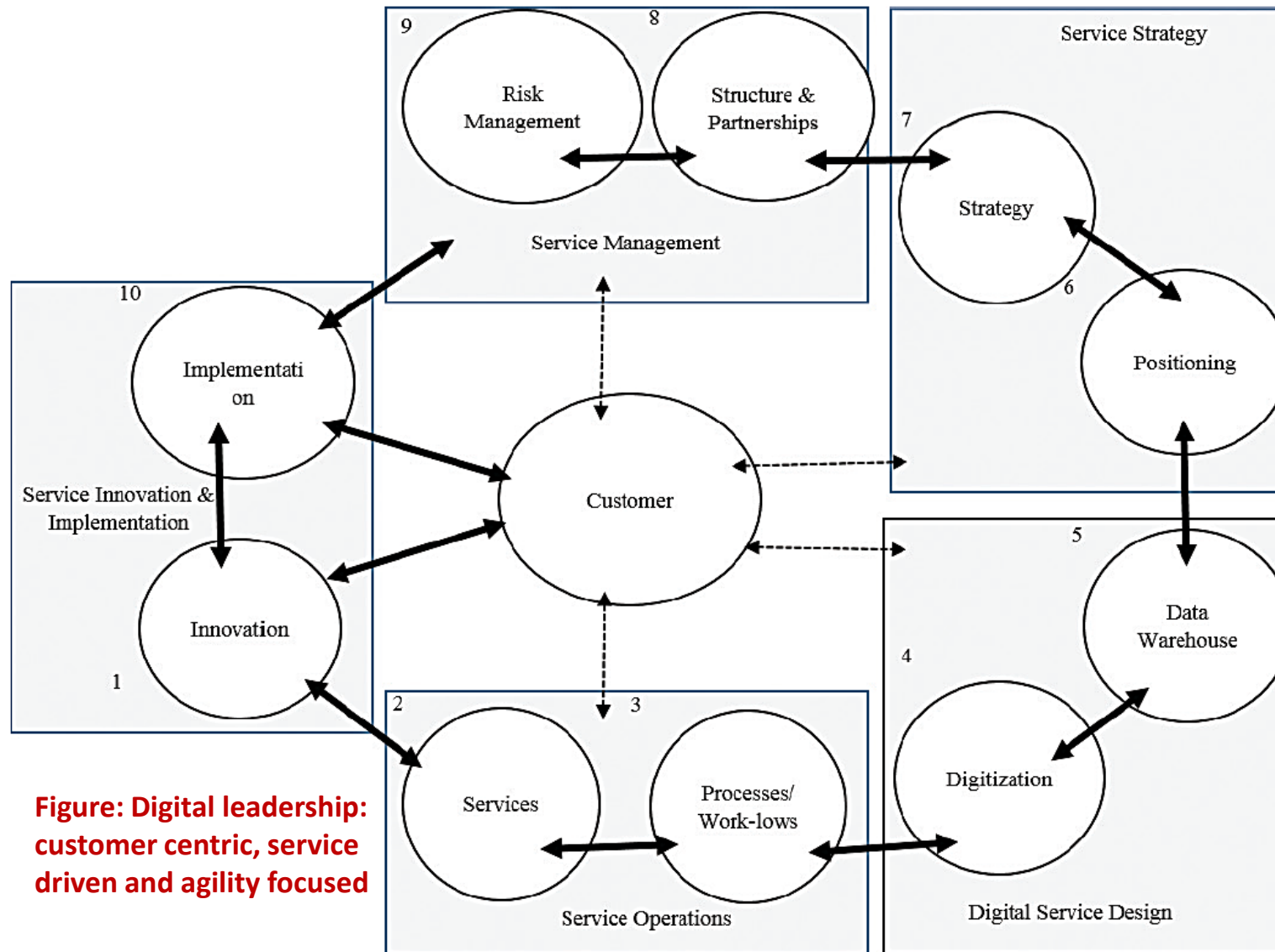


Figure: Digital leadership: customer centric, service driven and agility focused

Lec.8**Digital Leadership Model**

- ❑ A structured approach to build agility in the design and delivery of digital services. The 10-step Model, shown in the previous figure, uses five distinct “service-level” components that create and sustain value throughout the design and delivery process.

1. Service innovation and delivery (steps 1 and 10): Develop innovative customer value propositions, often co-created with customer engagement, which are reviewed/refined after implementation to sustain innovation.

Lec.8**Digital Leadership Model**

- 2. Service operations (steps 2 and 3): Identify customer service encounters that incrementally and collectively influence customer engagement in value creation, and map these encounters to specific processes/work-flows that will operationalize these service encounters.**
- 3. Digital service design (steps 4 and 5): Leverage advanced technology to automate select processes/work-flows to develop digital services, and build a data warehouse to analyze value created and delivered and gain keen insight into customer decision processes.**

Lec.8**Digital Leadership Model**

- 4. Service strategy (steps 6 and 7): Strategically position digital services to address a customer's competitive strategy.**
- 5. Service management (steps 8 and 9): Structure the management team that includes both internal employees and external suppliers/partners to deliver digital services for customer use while mitigating customer risks.**

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Digital Leadership Model

- ❑ The **customer focus** is at the center of each of these service components. The **service operations** will meet evolving customer value propositions, and digital services designed will support customer engagement. The **service strategy** positions digital services to meet customer strategy, and service management ensures that a team of internal and external partners will deliver digital services to mitigate customer risk.
- ❑ In addition, **service level agility** is supported at each service encounter with modular system (service operations and digital service design) and business architecture (service strategy and management) to address changes in customer expectations or technologies all through the customer engagement in the purchase, design, and delivery process.

Lec.8**Digital Leadership Model**

- ❑ This model is customer-centric in value creation, service-driven and evolving as customer expectations and technologies change and agility-focused to support configurability in both the design and delivery of the services.

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Effective Communication in virtual organizations



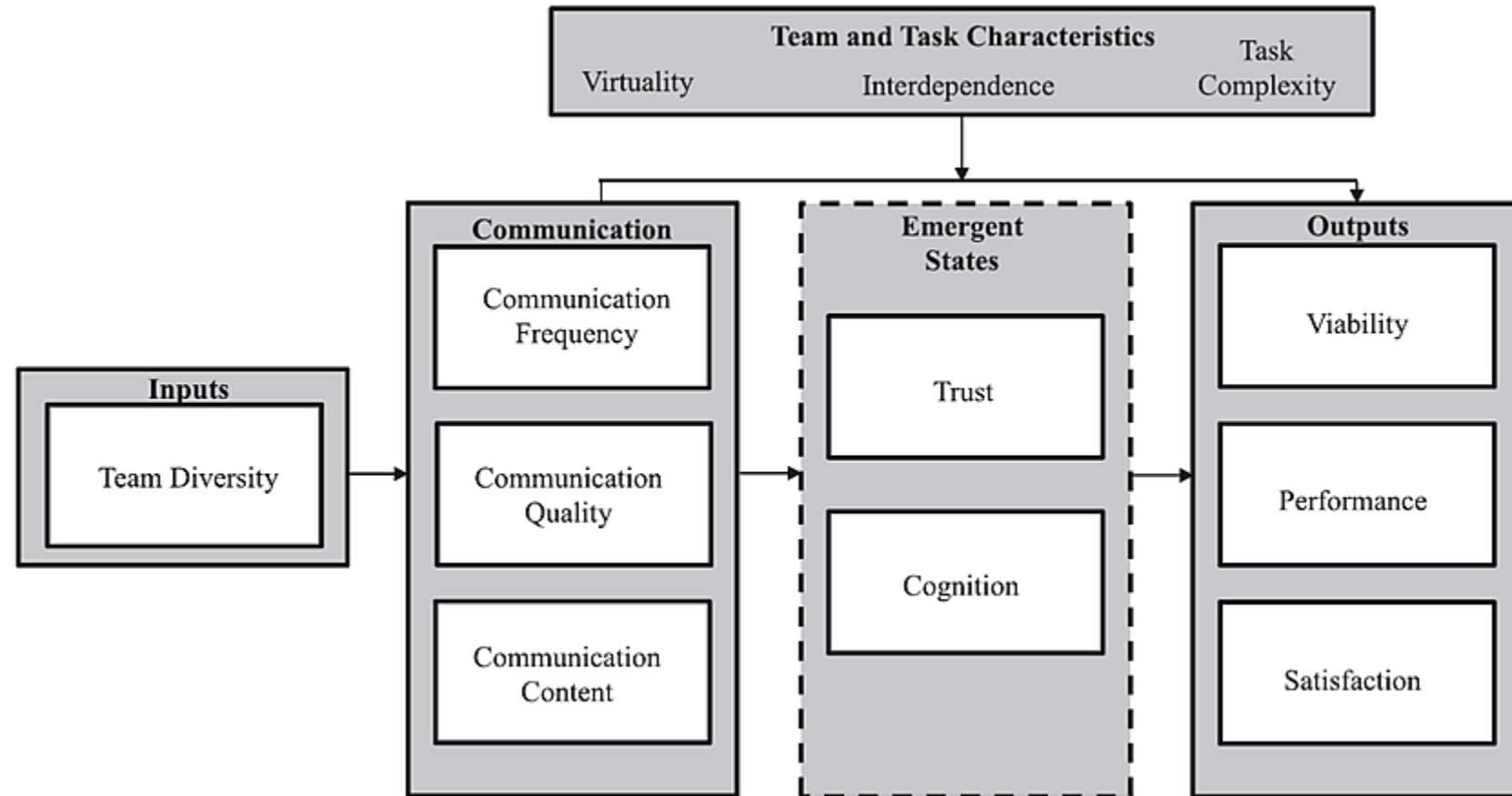
Lec.8**Effective Communication in virtual organizations**

- ❑ Virtual teams communicate via ICT (e.g., email, web conferencing, instant messaging and telephone)
- ❑ Communication in virtual teams separate from communication in traditional teams, as a result of lack of in-person interaction.
- ❑ Poor communication quality is the main problem in virtual teams and that most effort was put in improving communication.
- ❑ A study showed that communication quality – in means of poor communication quality - is a primary reason for failure in virtual teams. All in all, the study showed that communication is the primary factor affecting team effectiveness.

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Effective Communication in virtual organizations

- The process of communication in virtual teams include various factors, however, communication is highlighted as the leading aspect, as shown in the figure.



Lec.8**Effective Communication in virtual organizations**

- ❑ The initial factor is team diversity, which further elaborates to communication. Communication is not only one independent factor, but a combination of equally weighing factors: frequency, quality and content.
- ❑ Communication affects trust and cognition, which in its own turn influences outcomes - viability, performance, and satisfaction.
- ❑ Virtual teams, who perform poorly in the first sector – communication – will eventually impair their outcomes, as levels of performance decreases in correlation with levels of communication.

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Effective Communication in virtual organizations

Aspects of successful communication in virtual teams

- ❑ Successful communication is inevitable for a virtual team to be **flexible and responsive**, and it additionally allows teams and organizations to **collaborate beyond space and time**.
- ❑ **Technology**, as a core element of virtual teams, influences quality of communication. The issue lies in the way members use the technology.
- ❑ To achieve success in communication and in team outcomes, members must choose the **right type of technology** separately for each task.
- ❑ **Different tasks require different types of technology** (telephone, email, videoconference) and the key factor is how they are used.

Lec.8**Effective Communication in virtual organizations**

Key questions to ask when strategizing communication:

- **“Is the time and frequency of meetings satisfactory?”**,
- **“Is technological support for meetings adequate?”**,
- **“Is the team using e-mail, instant messaging, message boards, or other channels effectively?”**, and
- **“Is every member’s voice being heard?”**

- ❑ **Communication competence includes “affective, cognitive, and behavioral elements” and is shown in individuals as an ability to understand the different levels of communication.**
- ❑ **Communication competence includes “knowledge of communication and context, and ability to obtain goals (skill)”.**
- ❑ **Members must see the team’s and organization’s goals as their own, in order to be an efficient and effective team member.**

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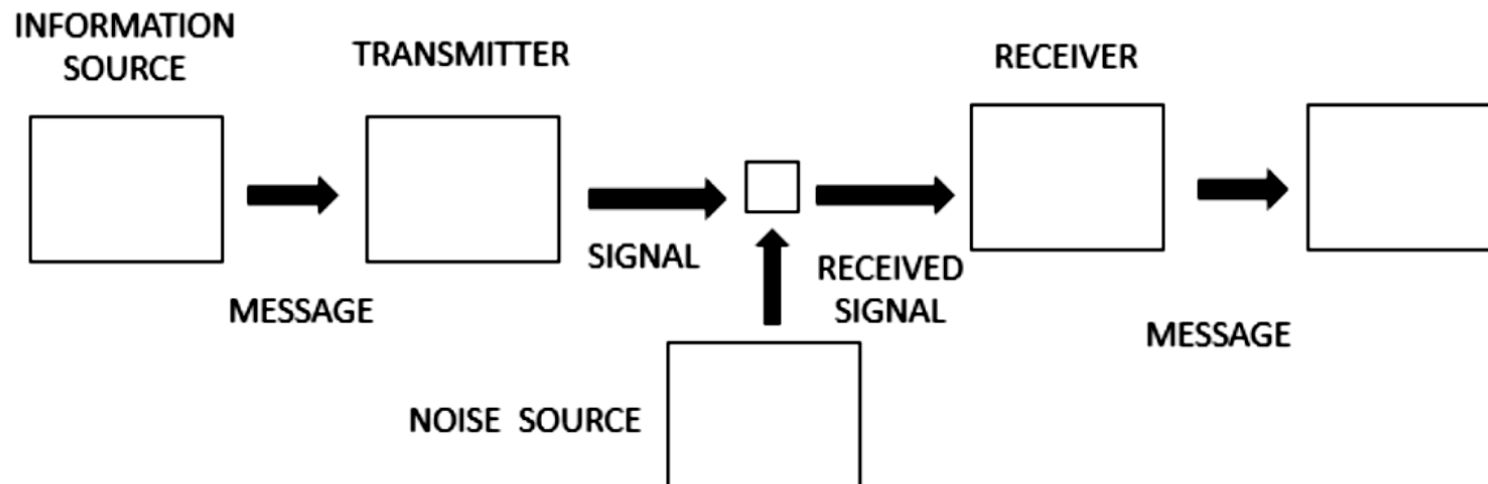
Effective Communication in virtual organizations**Communication skills and key functions needed in an organization**

- ❑ Communication skills includes “The ability to convey information effectively and efficiently through verbal and non-verbal communication”.
- ❑ Companies today are interested in employing people with skills in communication, teamwork, problem-solving, initiative, planning, organizing, self management, learning and technology. The growing interest in these skills are correlating with the development and increase of virtual teams.

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Effective Communication in virtual organizations**Communication skills and key functions needed in an organization**

- ❑ The ability to transmit information effectively and efficiently can be examined with the Shannon-Weaver model. The model consists of components, such as information source, transmitter, signal, receiver, and message. Communication binds the several levels of an organization together and it acts as a tool for distributing information.

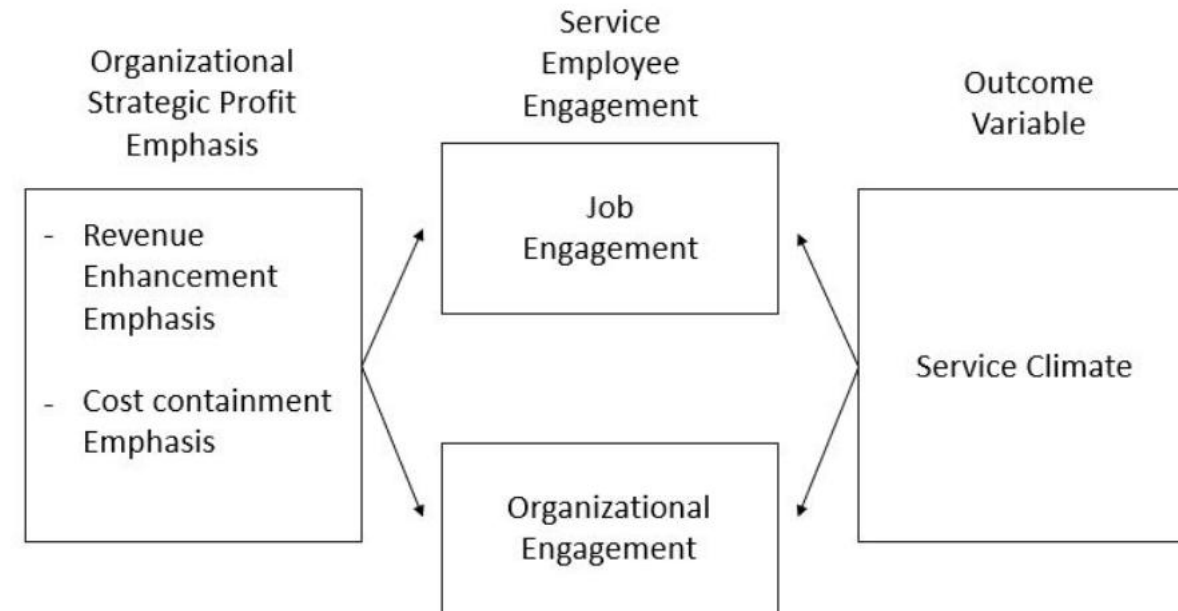


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Effective Communication in virtual organizations

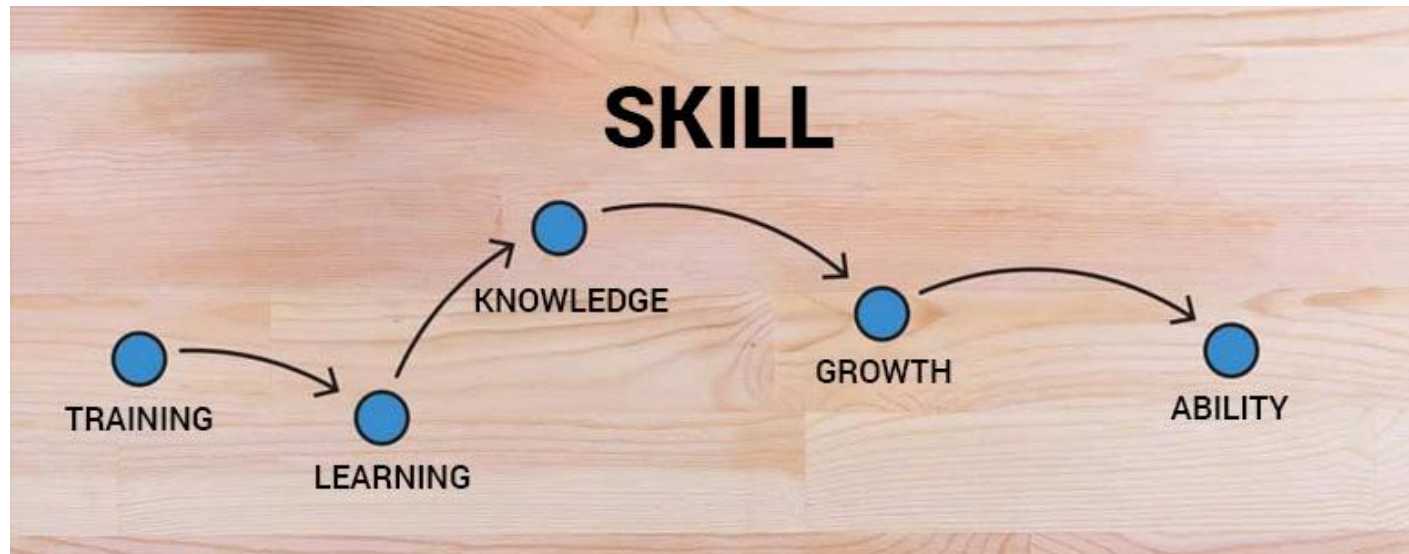
Employee engagement as internal communication strategy

□ The development of the knowledge era has lifted human resources as an important aspect in organizations and in communication. One of many aspects of human resources is employee engagement that influence “both individual employee outcomes and organizational level success and financial performance”.



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Digital Skills for Improving Organizational Performance

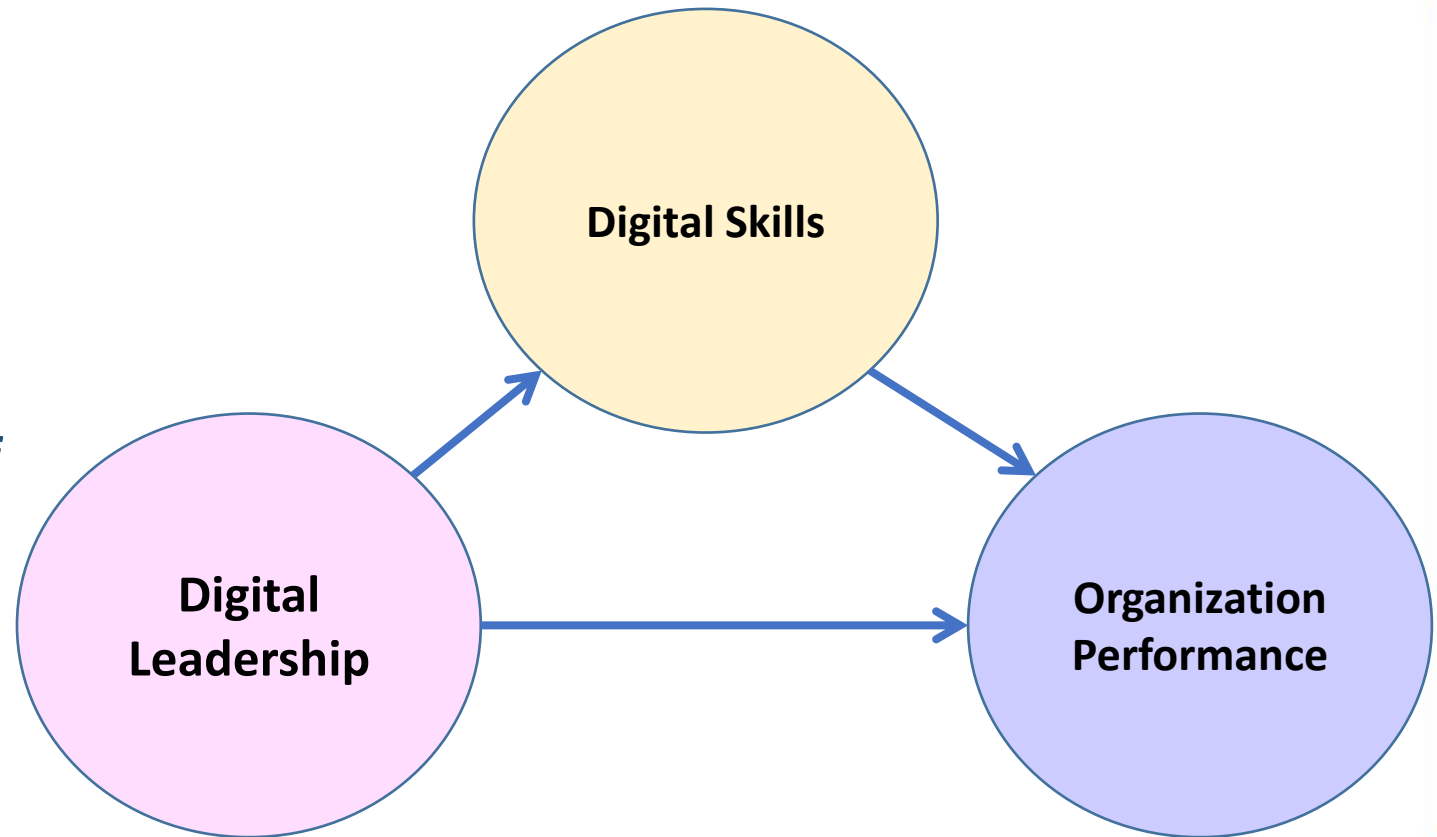


Lec.8**Digital Skills for Improving Organizational Performance**

- ❑ **Digital skills include all technology-related skills ranging from basic skills or literacy, general skills for all workers, and specific skills for information technology professionals.**
- ❑ **There are 4 dimensions in measuring digital skills including digital technical skills, digital communication, digital analysis, and digital thinking.**

Lec.8**Digital Skills for Improving Organizational Performance**

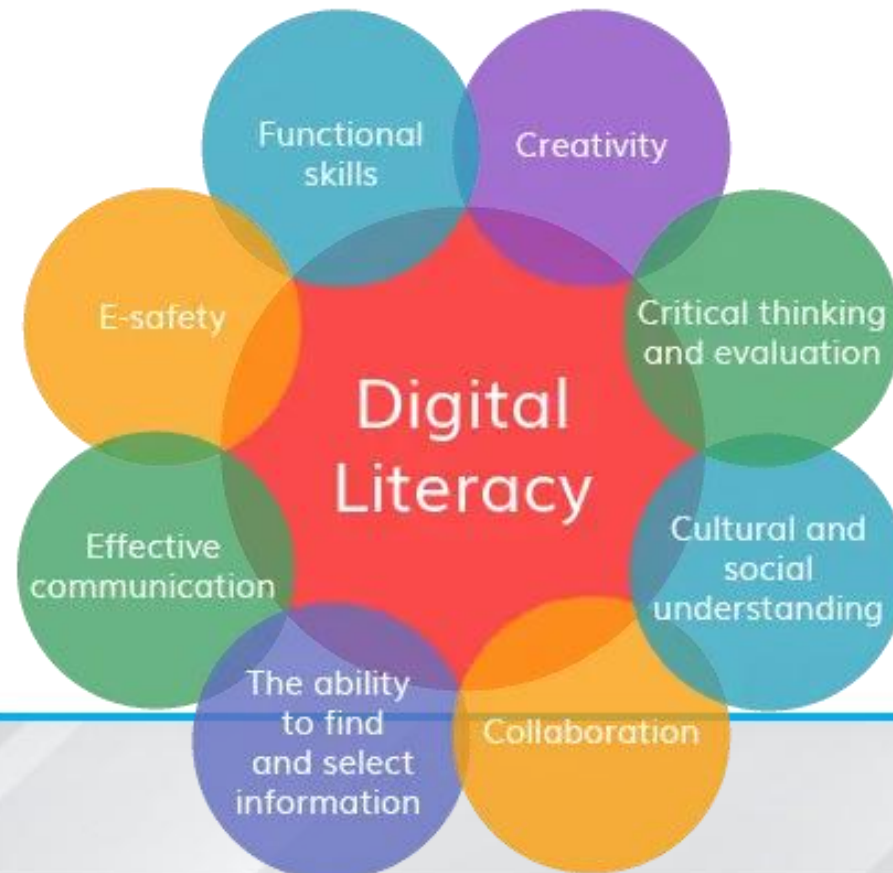
- ❑ *Empirical studies showed that leadership has a role in the development of abilities, competencies and skills.*



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Digital Literacy Skills

Lifelong learning skills



Lec.8 Digital Literacy Skills

- ❑ Digital literacy is the knowledge of, and the ability to use digital technologies to locate information; evaluate information; synthesize, create, and communicate information; and understand the human and technological complexities of a digital media landscape.
- ❑ Being digitally literate means having the skills to be an informed consumer, critical thinker, and creator in the digital world, and requires an ability to continuously learn and grow alongside technological developments.

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Digital Literacy Skills

1. Information and data literacy

- 1.1 Browsing, searching and filtering data, information and digital content
- 1.2 Evaluating data, information and digital content
- 1.3 Managing data, information and digital content

2. Communication and collaboration

- 2.1 Interacting through digital technologies
- 2.2 Sharing through digital technologies
- 2.3 Engaging in citizenship through digital technologies
- 2.4 Collaborating through digital technologies
- 2.5 Netiquette
- 2.6 Managing digital identity

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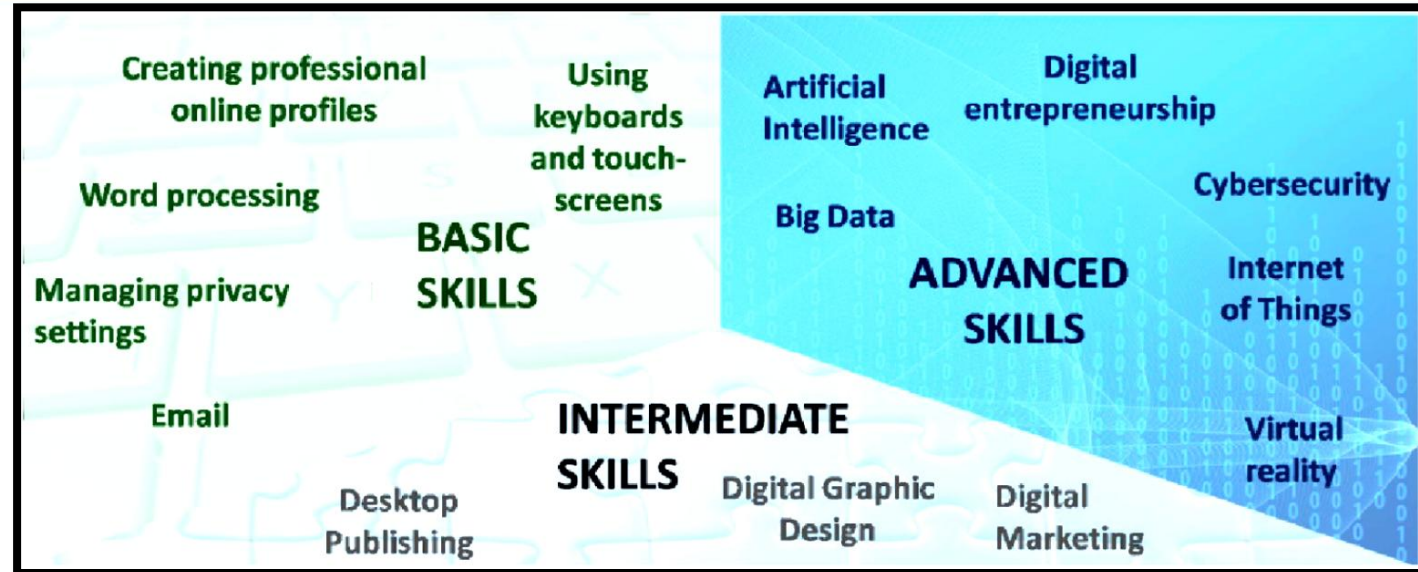
Digital Literacy Skills

3. Digital content creation	3.1 Developing digital content 3.2 Integrating and re-elaborating digital content 3.3 Copyright and licenses 3.4 Programming
4. Safety	4.1 Protecting devices 4.2 Protecting personal data and privacy 4.3 Protecting health and well-being 4.4 Protecting the environment
5. Problem solving	5.1 Solving technical problems 5.2 Identifying needs and technological responses 5.3 Creatively using digital technologies 5.4 Identifying digital competence gaps

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Digital Literacy Skills

Digital skills exist along a continuum ranging from basic to intermediate to advanced.

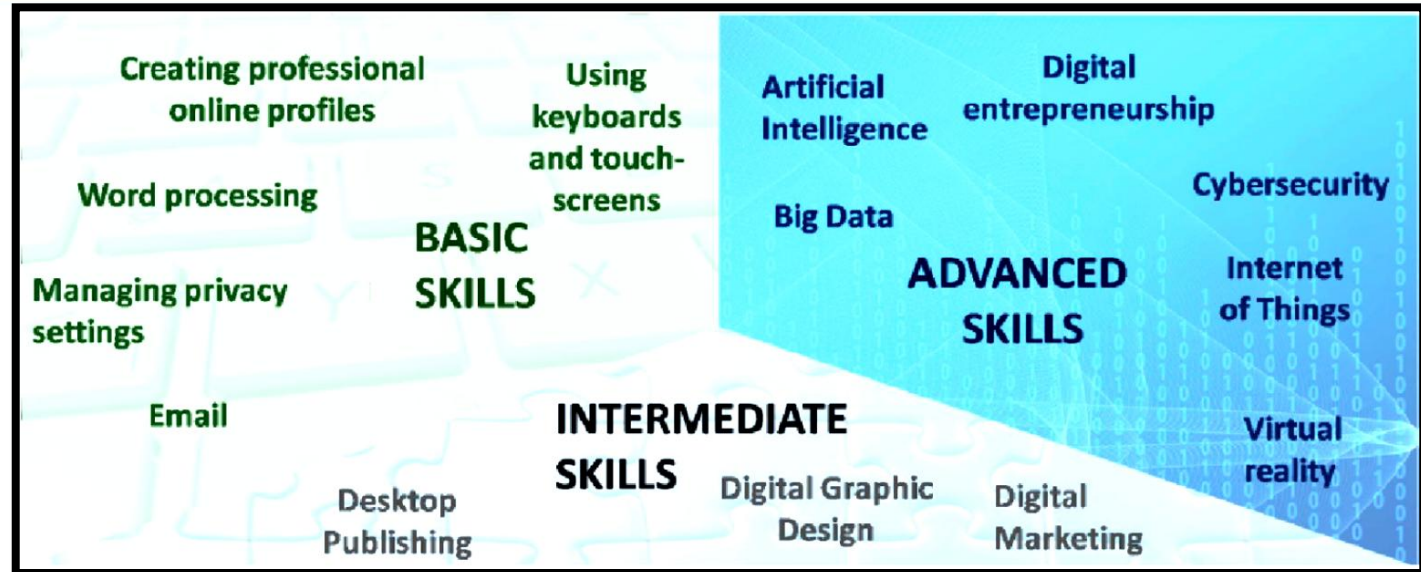


1) Basic digital skills comprise the effective use of hardware (e.g., typing or operating touch-screen technology), software (e.g., word processing, organizing files on laptops, and managing privacy settings on mobile phones), and internet/ICT tasks (e.g., emailing, browsing the internet, or completing an online form).

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Digital Literacy Skills

2) Intermediate digital skills comprise the ability to critically evaluate technology or create content; they are characterized as “job-ready skills” and include desktop publishing, digital graphic design, and digital marketing.



3) Finally, specialists use **advanced digital skills** in ICT professions such as computer programming and network management.

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Conclusion

We learned about

- ❑ Leading Digital Organizations in a VUCA World
- ❑ Digital Leadership Model
- ❑ Digital Skills for Improving Organizational Performance
- ❑ Digital Literacy Skills
- ❑ Effective Communication in virtual organizations
 - ❑ Aspects of successful communication
 - ❑ Employee engagement as internal communication strategy

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Thank You