Highlights

1 Leading through a digital wave

2 Enablers of sustainable digital change
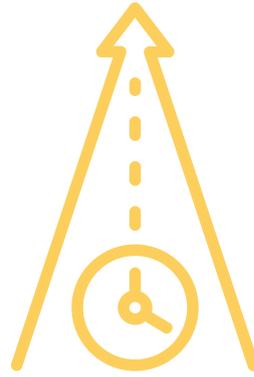
3 Coaching as a change methodology

MARCH, 2022

LEADING THROUGH A DIGITAL WAVE

Organisations across the world are preparing for what is widely known as the third wave* of the digital economy. The first wave saw the rise of personal computing, the Internet and e-commerce. The second wave saw smartphones coming into popular use, as well as the turn to platforms-as-a-service and big data as an analytical tool. **The third wave in turn, is marked by the entrenchment of artificial intelligence, robotics, and the Internet of Things.**

This transition to the third digital wave, however, involves a large-scale restructuring of existing models, both within and across businesses. At the same time, an analogous wave, that of the pandemic, has forced us to consider the forces operating in the broader ecosystems as well: with long lasting implications for how we work, adapt and innovate.

To lead these transformations, there is an increasing demand for leadership that is prepared, decisive and innovative.

How Might We enable our leaders to pivot towards and build digital-first organisations? This edition of #research4outcomes foregrounds insights from a LagomWorks leadership coaching engagement with a leading financial institution, that focused on the identification and inculcation of a digital mindset.

*Atkinson, R. (2019). The Task Ahead of Us: Transforming the Global Economy With Connectivity, Automation, and Intelligence. Information Technology and Innovation Foundation.

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HOW MIGHT WE ENABLE OUR LEADERS TO PIVOT TO & BUILD DIGITAL-FIRST ORGANISATIONS?

Drawing on our insights, we identified four key enablers:

1 Building a growth mindset

With an acceleration in the evolution of the digital world, it is imperative that leaders also embark on a journey of change and experimentation. **When leaders believe in their agency and potential to drive change, they create space for transformation.**
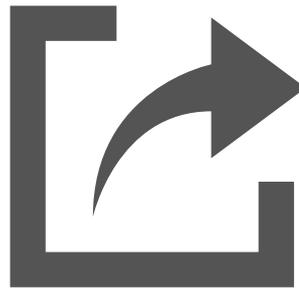
They must break the shackles of limiting beliefs. **Embracing the idea of 'fail fast, fail forward' - exploring new meanings, fostering a culture of prototyping, being open to failures - will allow growth through learning.** This is why design thinking as a method as well as a mindset is being increasingly adopted, as organisations restructure and reset their priorities. The customer's and stakeholders' needs are placed at the forefront, and as they change, organisations must be open to changing with them. During the engagement by LagomWorks, the leaders demonstrated a noticeable change in how they perceived the bigger picture: they saw themselves as catalysts, and not just as operators within a system.

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2 **Evolving a collective vision**

Leaders need to communicate a clear vision **for the team to understand their shared direction and co-create change.**

Leaders need to take ownership of where they want to be, and strive to gain participation [and commitment] across levels and teams. Ultimately, being digitally enabled entails not only **transforming the processes, but also the mindset within an organisation.** Particularly in the case of a traditional organisation, it is necessary to sensitise people across roles on **what it means to do things differently**.

3 **Balancing desirability with feasability**

There isn't a one-size-fits-all solution to how an organization should go about digitally transforming itself. Individual and team **performance is influenced by the structures and systems within which one has to perform.** In large mature organisations, for instance, leaders have to keep in mind existing protocols before implementing changes. **Pacing is necessary for increased acceptance. There is a need to balance the readiness of a system with the urgency to be more digitally oriented.**

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4 Enabling a cycle of continuity

In order for a transformation to be sustainable, it needs to have a lasting impact. If an organisation is agile in its structure and thinking , it will be able to adapt to the shifting demands, no matter which direction it is required to change in.
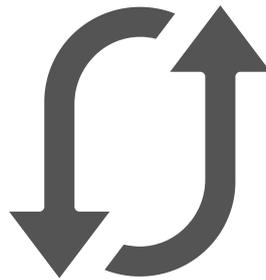
In a multigenerational workforce, increased focus needs to be placed on preparing millennials for leadership in and of the future. Fundamentally, the next decade [or tech-ade] is going to be driven by this demographic. Successful change management is necessarily inclusive, and **without leadership competencies being developed across teams and functions, adaptive thinking cannot be embedded in the ethos and psyche of the organization.**

For a sustainable transition to the digital, leaders need to be created at all levels: to understand, drive and carry forward the organisation's vision. This will give shape to a dynamic and responsive culture where employees at all levels have the freedom and knowledge to innovate in response to constantly evolving customer needs.

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EQUIPPING LEADERS FOR CHANGE

The LagomWorks coaching engagement identified three focal points for leaders to build and lead a digital - ready organization :

- Investing in deeper relationships with their customers
- Proactively adopting new ways of working and inculcating these within their teams
- Investing in enhancing their own knowledge levels

In the imagination of digital leadership, there is often a **gap between the conceptual and experiential awareness of what it means to be digital-ready.** As a change methodology, coaching is being impactfully used to bridge this gap.

Currently, less than 18% of leaders* possess the competencies to lead in a volatile, uncertain, complex and ambiguous (VUCA) atmosphere. With businesses being forced to rethink critical aspects of their functioning, the responsibility of driving change is a key expectation that an organisation has from its leaders.

Coaching supports leaders by enabling them to reflect on how they manage perceptions, evaluate their personal motivations and align their actions to a shared vision. In doing so, coaching positively impacts organizational effectiveness by helping leaders critically examine their role/s in the ecosystems and have a more holistic understanding of themselves as agents of change.

About the author:

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*Khalife, H. (2021). "Transformational Leadership in the time of COVID". *The Economic Times,* May 31, 2021.

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