# Chapter 2 Reflecting Emerging Digital Technologies in Leadership Models

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#### **ABSTRACT**

In this chapter, Smith and Cockburn reaffirm their claim in a previous book that today's global business contexts are volatile, uncertain, complex, and ambiguous (VUCA), and leaders must focus more on complex thinking skills and mindsets than developing behavioral competencies. In so doing, leaders must be familiar with the benefits and drawbacks of emerging digital technologies and use these technologies appropriately. In the previous book, the authors defined flexible and dynamic leadership models that assure success in the above contexts and described learning related processes essential to mastering the ability to adapt at rates consistent with the business complexity leaders now face. In this chapter, they extend their previous research and review newly emerging factors contributing to global business complexity in the era of the Fourth Industrial Revolution (IR4.0) and explain how these elements may be applied by leaders, including CEOs and Boards of Directors, to augment the power of their recommended leadership models.

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#### INTRODUCTION

According to Friedman (2007) the rate of change today is much different than in the past and this has created a new environment that strategic business leaders are increasingly calling a 'VUCA' environment (Lawrence, 2013). VUCA (Wikipedia, 2013) is an acronym used to describe or reflect on the volatility, uncertainty, complexity and ambiguity of general conditions and situations. The common usage of the term VUCA began in the late 1990s and derives from military vocabulary and has been applied in a wide range of organizational and business situations. In today's VUCA environment, organizations of all kinds are facing unprecedented economic demands that they be successful in their given niches whilst operating in increasingly dynamic business contexts, with many unexpected, surprises and under ever escalating ethical and sustainability constraints (Smith and Cockburn, 2016). The further impact of a host of newly emerging digital technologies and 'surprise' issues such as unforeseen viral pandemics like Covid-19, can be seen as 'asymmetric threats' which may well be the straw that "breaks the camel's back" for many organizations and potentially for national economies (Wolfowitz, Rivera and Ware, 2018). In any event, in face of these complex challenges such as the current pandemic, with many airlines rapidly depleting their reserves as flights are cancelled and national governments in the EU, UK and elsewhere closing entire businesses down for the foreseeable future until the pandemic diminishes as well as climate change; "business as usual" is no longer a viable option, and organizations as well as governments and whole societies must change since complacency equates with extinction.

In other words, leaders must develop new capabilities and resilient systems if they are to successfully steer their communities through the newly emerging era of social change as well as social digital connectivity and global dynamic complexity. As Lawrence (2013) explains in regard to this new VUCA environment, "It is taxing even the most able of leaders who may find their skills growing obsolete as quickly as their organizations change in this volatile, unpredictable landscape. Leadership agility and adaptability are now required skills if organizations are to succeed in this VUCA world." or as Michael Marquardt (2000) foresaw: "Our new century demands new kinds of leadership with new skills. Leadership styles and skills that may have worked in a more stable, predictable environment of the 20th Century will be inadequate in this new era of uncertainty and rapid change, where we can hardly define the problem, much less engineer possible solutions". The widespread push for staff to work from home and self-isolate to avoid spreading the highly contagious Covid-19 infection has given extra impetus to the use of such technology.

In consequence, as organizations reinvent themselves to address such constantly shifting opportunities and constraints, so must new relevant leadership models

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