

Chapter 2

Reflecting Emerging Digital Technologies in Leadership Models

Peter A. C. Smith

The Leadership Alliance Inc., Canada

Tom Cockburn

The Leadership Alliance Inc., Canada

ABSTRACT

In this chapter, Smith and Cockburn reaffirm the claim that they made in a previous book (Smith & Cockburn, 2013), namely that today's global business environments are characterized by volatility, uncertainty, complexity, and ambiguity, and that leaders must focus less on developing behavioral competencies and more on complex thinking abilities and mindsets. In so doing, leaders must be familiar with emerging digital technologies, their benefits and drawbacks, and utilize these technologies in their practice as appropriate. In their previous book (Smith & Cockburn, 2013), the authors defined flexible and dynamic leadership models that assure successful leadership in the above turbulent contexts, and also described learning related processes that are essential to mastering the ability to learn and adapt at rates consistent with the business complexity leaders face. In this chapter, the authors extend their previous research (Smith & Cockburn, 2013), review newly emerging elements of social digital connectivity that are contributing to global business complexity, and explain how these elements may be applied by leaders to augment the power of the recommended dynamic leadership models.

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,

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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, and under ever escalating ethical and sustainability constraints. The further impact of a host of newly emerging digital technologies may well be the straw that “breaks the camel’s back” for many organizations. In any event, in face of these complex challenges, “business as usual” is not a viable option, and organizations must change since complacency equates with extinction.

In other words, leaders must develop new capabilities if they are to successfully steer their communities through the newly emerging era of 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”.

In consequence, as organizations reinvent themselves to address constantly shifting opportunities and constraints, so must new relevant leadership models emerge to fit the changed landscape the leaders confront, bearing in mind that such leadership models must be culturally and economically sensitive, and thus country sensitive (Bersin, 2012). Clearly it is a matter of urgency that HR and talent management professionals reframe leadership development activities to accommodate the faster-paced VUCA world, and focus less on behavioral competencies and more on complex

thinking abilities and mindsets. As Petrie (2011) asserts “Leadership development should be focused on learning agility, self-awareness, comfort with ambiguity, and strategic thinking” - this is exactly the approach to leadership-development that was described in the book “Dynamic Leadership Models For Global Business: Enhancing Digitally Connected Environments” authored by Smith and Cockburn (2013).

This new leadership development focus is itself made more complex since it is not a one-time event, and the business landscape and available technologies are constantly changing such that leaders may not know at any given moment what manner of organization or context they will have to deal with in the future. In other words, organizations, leaders, innovators, and all the other stakeholders are in a situation where they are co-evolving at an accelerating rate. Leadership is no longer a matter of sailing a calm sea, setting a direction and ensuring it is being followed by an obedient crew - leadership now and for the future is more like trying to survive a tsunami, and is all about having a vision with an uncertain path to its achievement that may only be attempted through flexibility, agility, and adaptability in the collaborative company of fellow stakeholders. In other words, as Cashman (2013) notes: “To succeed in our volatile, complex, ambiguous world, we have no choice but to master our ability to adapt and learn”, or as Biro (2013) concluded: “The demands of a collaboration-based, talent-hungry, global, wired economy are evolving so quickly that success depends on nothing less than continuous learning. Fall behind and you may find yourself disqualified from the race.” and Biro (2013) further asserted that “Companies of all sizes in all industries are trying to meet the new imperative. Learning and development spending was up 12 percent in 2013, the largest jump in almost a decade. The goal is to integrate learning into a company’s culture and processes. There are also training sessions, workshops, conferences, and retreats, but the most

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