

# Leading in the digital era: Leadership, culture and strategy

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26 Oct 2021

As social architects, leaders play an essential role in organisations by setting the vision and strategic direction, building relationships, shaping culture and values, and directing change. Leaders can be found not just at the top of an organisation, but throughout the organisation.



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Organisational leadership atmospheres have evolved over the years, instead of stability, management uniformity, competition, self-interest, and heroism, the 21st-century leaders now embrace a paradigm that embraces modification through leveraging on technology and innovation.

According to the World Bank, SMEs represent 98.5% of companies in Brazil and more than 90% of all companies in the world. In emerging economies, these companies are the main drivers of economic opportunity and social mobility and create seven out of ten jobs. Unfortunately, these companies are struggling to embrace the fourth industrial revolution. A research study by Eurostat has shown that the largest companies employing more than 500 employees are more likely to leverage IoT six times more often than SMEs.

Technically skilled leadership and those with prior experience managing IT projects will likely develop long-term strategic visions aimed at maximising the benefits of information technology, as a result, leaders with this vision believe in the value of IT, adopt it with confidence, and maintain confidence as they face the adversities that adopting IT often involves. This results in proactive leadership behaviours and partnerships with IT professionals that are more effective.

## **Adapting digitally**

Globally, the Covid-19 pandemic has devastated a wide variety of industries, but it has also compelled many companies to re-evaluate their business processes by digitally adapting to new circumstances.

In South Africa, at the beginning of the pandemic, only 37% of companies had a digital transformation strategy in place, while only 23.5% of companies had a functional plan for remote work. As of March 2020, most companies have had to move their workforce at home, and those who had already started their journey towards digital transformation were far better prepared for the upheaval. COVID-19 required companies to accelerate their digital strategies, leading to major reviews of existing data security plans, IT systems, and cloud and project management software. While the pandemic is still in the midst of the pandemic, business leaders face the critical importance of digital agility.

Various studies and publications revealed that, business leaders and executives have no choice but to adopt technology as soon as possible. Every market is a war zone rife with technology-assisted attempts at disintermediation, commodification, and circumvention. Meanwhile, now faced with increasing options, customers expect their needs to be met quickly, conveniently, and at the lowest possible price.

If a company does not live up to their expectations, they will move their business elsewhere. One of the crucial responsibilities of leaders is to create an organisational culture which is adoptive to change, in line with customer need and industry dynamics. Change management therefore starts with the leadership of an organisation.

## **Corporate culture**

The culture of a company determines the performance of its employees, their commitment to work and the bottom line of the company. Too often, executives focus on quarterly earnings or next week's payroll. Often the assumption is that if everyone gets paid, they will be satisfied and the culture will take care of itself. That is not true; corporate culture starts at the top and filters through the organization, not the other way around.

As Peter Drucker put it, "If leaders can't put yesterday aside, give up yesterday, they just can't create tomorrow." Coco Chanel put it even more elegantly: "To remain irreplaceable, you always have to be different." In the American and European markets, the fourth industrial revolution saw the rapid disappearance of some companies and the emergence of new players. A similar trend is expected in Russia.

Technology is most commonly used to change a culture or to maintain and strengthen a culture when a company is at a tipping point, Paula DeLoatch articulated that, Mergers or divestitures, a new CEO on board, difficulties in attracting or retaining employees, or the need to bring non-traditional people into the company could lead to the need to consciously evolve corporate culture, she says.

Technology affects a company's ability to communicate with customers. In today's busy business environment, employees must be able to interact with customers quickly and clearly. Websites allow customers to find answers to their questions after hours. Express shipping options allow companies to ship products to a large geographic area. When customers use technology to interact with a business, the business benefits as better communication creates a stronger public image.

Technology also helps a business understand its cash flow requirements and conserve valuable resources such as time and physical space. Inventory technology helps business owners understand the best way to manage the cost of inventory to maintain a product. With the right technology, executives can save time and money by holding meetings over the Internet rather than at the corporate headquarters.

## **Implementation of an organisational strategy**

Effective and efficient implementation of an organisational strategy is largely dependent on the calibre of leadership at its disposal and the climate its leaders set in the environment otherwise known as the organisational culture. Cited on an online article by SAGE.com, Masibulele Lunika a freelance Tech and Science writer, posited that, a practical way for SMEs in the retail sector would be to establish and prioritize an e-commerce wing of the company. This will not only prepare business for the future in times of turmoil, but it will also ensure that SME's can continue to act when social distancing is required.

Henrik Nilsson, vice president EMEA claimed that, the growing influence of technology can be felt in all industries and manifests itself in the redesign of the organizational structure and financial management. Businesses must not shy away from this, but must meet the challenge with energy. However, new technologies do not come without their limitations, a number of advantages and disadvantages for companies and those interested in doing business. It is important for companies to assess risk and make informed decisions about the use of the latest technology. Increased dependency on technology may prove to be detrimental to an organisation's operations.

Technological solution come at a large cost, particularly, for smaller businesses. The risk of lost jobs remains a concern. Security risk and data fraud remain the highest concern in the internet of things space. In contrast the benefits for organisations to transform digitally are farfetched than the risks and limitations thereto. The disadvantages coming with digitization are therefore not sufficient to justify resistance to transformation. In conclusion, adapting to tech needs in an organisation is far complicated than just introducing a new software and expect results thereafter. leaders of organisations, through creating organisational culture, play an integral role in either setting the organisation up to resilience or dismal failure.

Adapt or die, the writing is on the wall for businesses globally.

## ABOUT THE AUTHOR

Deon Mbaile is a seasoned business leader with more than 16 years in SA financial service industry and has sat on an executive committee, a social and ethics committee, ICT committee and affiliate to various professional institutions.

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