



Nurturing leaders in the digital economy

The pace of innovation is increasing, businesses are facing new demands as never before and the competitive landscape is rapidly changing. Companies must continually reinvent themselves to retain a competitive advantage in the digital economy.

Traditional functional-based organizations are increasingly exploring new operating structures, such as project-based organizations or other new agile ways of working. In the last few years, partly due to expansionary monetary policies, increased liquidity in the capital markets and the advent of a multitude of innovations, most traditional organizations have changed focus from a cost-optimization strategy to one of continuous improvement through digital business transformation.

Leaders in the digital economy need personality traits, characteristics and qualities that are focused less on tasks

and transactions and more on relationships and change. As the digital economy entails framing and reframing ways of working, business operating models and processes, companies require leaders who can envision, plan and prepare for a broad range of scenarios. The digital economy necessitates a system-thinking approach in which leaders approach problems at a cross-functional and holistic level. Leaders in the digital economy need to be able to spot opportunities where there is risk, relate to others with empathy, break down silos and enable communication between teams in order to facilitate a successful transformation. Such skills are

typically not possessed by conventional managers, whose traits and behaviors often lack the sophistication to manage diverse stakeholders with competing interests and priorities. These managers are perceived as operational experts, and their leadership and soft skills are given little importance. New empirical studies, however, have shown that small improvements in managerial leadership qualities can result in significant leaps in motivation within the team, resulting in higher levels of productivity among team members.

Leaders in the digital economy need to be extroverted, open and humble.



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2) Identify the ideal target personality traits, behavior and leadership skills that they need to possess.
3) Produce a personality development roadmap to address the gaps that will help reframe thinking and enable them to adopt the personality traits, behavior and leadership skills they have identified as lacking.

leadership. They must become or must be already part of a leader’s personality. A leader may have gaps in leadership traits, which can be filled by another member of the team with complementary traits and behavior. Although it may be argued that it is not easy for somebody to reframe their thinking or change their personality traits and behavior, if they do not try they will never know if it is achievable. Finally, leaders should identify a support network to provide honest feedback and seek out expert guidance from an experienced coach, which will improve the probability of success of such a personal transformation.

To summarize, leaders in the digital economy must undertake a system-thinking approach where problems are approached at a cross-functional and holistic level. All three vital qualities – extroversion, openness and humility – are necessary for inspirational

Extroversion is perceived as one of the leadership traits that most consistently impacts performance at all three levels; i.e. at the individual, team and organizational level. Highly extrovert leaders are likely to project charisma and display personal consideration towards their team members – qualities that are vital in winning the trust of the team. For a strategic leader, openness to new ideas is another crucial trait. They should be comfortable dealing with the complexity, uncertainty and ambiguity that new ideas bring. Once they fully understand the value proposition of a new idea, they should be able to articulate this idea to audiences both up and down the hierarchy in order to secure their buy-in and alignment with the new strategic direction. Finally, leaders should also show compassion

and humility in order to gain team members’ trust. Humility is about the esteem with which one treats others. Leaders should empathize with and nurture their team members, and interact more frequently with individuals; this means investing energy in order to get to know each member personally and learn what makes them tick. They should not only be interested in results, but also understand the nuances of how the team operates. At times of uncertainty, they need to provide stronger direction to the team than they are temperamentally inclined to do.

For leaders to be more effective, they need to hone their character, habits and behavior. To refine their skills, it is useful to take the following simple but proven approach:

1) Baseline their personality traits, behaviors and leadership skills, and gain “360-degree feedback”.

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