

Question

As digital changes are occurring, what are the leadership traits leaders need and how do we measure these traits and instill them into our leaders?

Introduction

Digital transformation is a major priority for many companies as one study found that 61% of companies have it as their number one priority.¹ Digital transformation has brought and will continue to bring an array of challenges to not only the overall work experience, but also to the managers of all levels in companies. It has forced managers to change the way they lead their employees and develop new leadership traits in order to maintain a healthy workforce. Below we will discuss the recommended leadership traits needed and how to best measure and foster them into leaders.

Digital Changes on Managers

Digital changes have brought on an array of challenges to managers of all levels. It has been a challenge for companies to properly implement digital transformation into their business and help employees adapt to the new tools.¹ With this in mind, it is crucial for managers to accept these changes and push the importance towards its employees. The most successful companies and employees are the ones who are willing to constantly learn and improve their skills.² This means changing entire domains within a company rather than just using it for certain situations.³ Digital transformation is a consistent change, so managers must adapt everyday. Although this might sound intimidating, managers can't be afraid to fail with how new and upcoming digital changes are.⁴ It is crucial that managers keep both IT and HR teams involved so that they are unlocking new opportunities for the company.²

Digital Literacy, Competency, and Mindset

As organizations undergo digital transformations, one key area organizations must develop leaders and employees is to be digitally literate. Digital literacy is defined as one's openness to digital change, ability to have a digital mindset, and work with a digital approach. A 2022 study exposed this was the highest importance as rated by international business and IT executives.⁵ A similar skill is digital competence, which is defined as the ability to apply digital knowledge and skills for various uses in work and society. In the absence of digital competence, employees can become fearful of digitalization.⁶

Before trying to measure digital literacy or competence, organizations must understand that employees start in different places. Gartner identified five personas for employees that can be seen in appendix A.⁷ Companies should also work to minimize shaming to encourage people to seek assistance in areas where there are gaps. One study found 56% of respondents between ages 18 to 26 said "they had very basic to no digital skills education" and a third of them said their education had not provided them "with the digital skills they need to propel their career". Additionally, one in five workers report "feeling judged for having tech issues".⁸ Employees should be trained on digital skills when workers first join so they know how to use technology and refresher classes should be offered throughout the employee lifecycle. Additionally, prior to training, organizations can conduct confidential surveys to understand where their employees need help and then confidential skill assessments that will identify where the gaps actually exist.⁹

Part of digital literacy is the ability to develop a digital mindset. Research shows that employees that have a digital mindset are more successful in their jobs, have higher satisfaction at work, are more likely to get

promoted, and develop skills that are portable to new jobs.¹⁰ Manager's can assess employees on where they stand regarding digital adoption by utilizing the matrix in appendix B. Research has shown that people with more experience with digital technology gain more confidence. This can also occur through learning through their peers' experiences.

Digital literacy can be measured through surveys and assessments as suggested above. The Dublin Business School lists specific surveys and assessments users can take and also resources to help improve digital literacy skills.¹¹ Digital competence has been measured by various frameworks that can be adapted for the organization's specific needs in articles by Gekara et al.¹² and Ferrari.¹³

Leadership Traits

With the digital transformation taking place in the workplace, skills that machines can't do are growing in importance.¹⁴ As companies are investing in technology, to be successful they need to also equip their workforce to be able to properly utilize the technology. This means technological literacy skills stated above, but also leadership skills also known as soft skills.¹⁵

There are two categories of soft skills that support advancing technologies in an organization: *Cognitive and Metacognitive* and *Social-Emotional* skills. Cognitive and Metacognitive covers specific skills like adaptability, an entrepreneurial mindset, complex problem solving, creativity, critical thinking, and digital responsible thinking.^{15/16} Social-Emotional refers to communication skills, personal development skills, resilience, transformative skills, and community management skills.^{15/16}

Additionally, as roles change through digital transformation, leaders should work with their teams to upskill their workforce. Upskilling employees has been identified as a key benefit as part of the employee value proposition according to a Gallup survey. As managers are looking to upskill themselves they should identify what they want to achieve, what skills they are lacking, create a plan of how to obtain the skill set, and then apply new skills.¹⁸ Managers could also use these steps to work to upskill their teams.

With these desired skills identified, the recommendation is that an organization assesses their current workforce skills conducting a skill gap analysis through self reporting surveys, assessments, and performance feedback.^{16/17} Once the skills are identified, organizations need to work with leaders to instill these in their leaders. While traditional training can be used for soft skill development, some companies have started using virtual reality to develop soft skills in customer service skills, presentation skills, and employee evaluation.²¹ Additionally, to develop soft skills in leaders, organizations should give leaders designated time and space to focus on their learning.¹⁹ Leaders can utilize this time for self learning courses or group training could be offered during this time. Another suggestion is for learning initiative to be communicated by the managers instead of by the Learning and Development teams.¹⁹

Self reporting surveys and assessments can be used to measure whether employees have the skills they need before or after training. Another way organizations can measure soft skills is to assess key takeaways from the soft skills training programs. Not only will this help participants identify what they learned, it will help facilitators and training designers ensure their training was achieving the intended result.²⁰

References

1. Lewis, N. (2022). [HR Faces Tough Choices as Digital Transformation Redesigns Work](#). Society for Human Resource Management.
2. Lewis, N. (2023). [Digital Transformation and Workforce Training Go Hand in Hand](#). Society for Human Resource Management.
3. McKinsey & Company. (2023). [What is digital transformation?](#).
4. Gensing-Pophal, L. (2022). [Digital Transformation and HR: Playing a Role. Making an Impact](#). Society for Human Resource Management.
5. Pauline Weritz. (2022). [Hey Leaders, It's Time to Train the Workforce: Critical Skills in the Digital Workplace](#). Administrative Sciences, 12(3), 94.
6. Obermayer, N., Csizmadia, T., Banász, Z., & Purnhauser, P. (2023). [The importance of digital and soft skills in the digital age](#). Kidmore End: Academic Conferences International Limited.
7. Pettey, C. (2018). [5 Types of Workers That Can Revitalize Your Digital Workplace](#). Gartner
8. Taylor, A. (2023). [Eradicating tech-shaming in the workplace](#). HR Magazine.
9. Pelosse, G. (2023). [HR Must Promote Global Digital Literacy](#). Forbes
10. Neeley, T., Leonardi, P. (2022). [Developing a Digital Mindset](#). Harvard Business Review.
11. Dublin School of Business. (n.d.). [Resources to Test and Improve Your Students Data Literacy](#).
12. Gekara, V., Snell, D., Molla, A., Karanasios, S., & Thomas, A. (2019). [Skilling the Australian Workforce for the Digital Economy](#). Research Report.
13. Ferrari, A. (2013). [DIGCOMP: A Framework for Developing and Understanding Digital Competence in Europe](#). JRC Scientific and Policy Reports.
14. Marr, B. (2023). [The 4 digital skills everyone will need for the future of work](#). Forbes.
15. Obermayer, N6, Tibor Csizmadia, Zsuzsanna Banász and Pá Purnhauser. (2023). [The Importance of Digital and Soft Skills in the Digital Age](#). European Conference on Knowledge Management 2:978-987
16. Weritz, P. (2022). [Hey Leaders, It's Time to Train the Workforce: Critical Skills in the Digital Workplace](#). Administrative Sciences, 12(3).
17. Hande, V. R., & Chavan, C. R. (2021). [A Study Of Managerial Skills On Digital Transformation To Lead Change In 21st Century](#). Aweshkar Research Journal, 28(1), 129–139.
18. [Upskill yourself to sharpen your competitive edge](#). (2023). Employee Benefit News
19. Chopra-McGowan, A. (2022). [Effective Employee Development Starts with Managers](#). Harvard Business Review.
20. Rao, M.S. (2022). [How to Acquire Soft Skills and Measure Them Successfully](#). Entrepreneur.
21. Meister, J. (2021). [How Companies are using VR to Develop Employees Soft Skills](#). Harvard Business Review.

Appendix A:

Understand the **five types** of workers to energize your digital workplace



- Believe that digital skills don't help them, and that their organization gives them poor technology
- Support uniformity of device and application use
- Express by far the lowest satisfaction with IT



- Late-career experts in digital technology who are satisfied with their work
- Have the most affinity with senior managers and believe them to be in touch with digital technology challenges
- In a strong position in their organization, and are likely IT workers or managers



- Younger workers who bring their own technology to work, and have distinct attitudes about digital work
- Commonly work in IT departments, and are fairly common in sales and management
- Just 29% strongly agreed that their organization taps their personal digital skills



- Midcareer, and deft but not expert with digital technology
- Keenest to seek time to work from home — and given the choice, they would work at home 35% of the time, on average
- Place more value on digital skills than most other segments



- Midcareer, comfortable with technology, and spend less time at their desks
- Consider that their career benefits from their ability to develop digital skills
- Extending their skills to use devices and applications that their organizations authorize, or that they obtain without the organization's authorization

gartner.com/SmarterWithGartner

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. or its affiliates. FR_US1_43204

Gartner.

Appendix B:

The Adoption Matrix

Digital transformation sparks a range of responses in employees.

