

## “Real” Leader Are Not Afraid Of Digitization !

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In the old (pre-digital) world, roles were clearly defined. Leaders were managing and “leading” employees and gave them decision-making powers. This role - and also its power and the associated claim to leadership - was explained by the position within an organizational hierarchy, the privileges and status symbols associated with it as well as expert knowledge, leadership experience and networking (“Old

Men's Club”). The steps taken up the career ladder were reflected in budget responsibility and available resources and were framed in a top-down corporate culture.

One thing among many that the digitalization and the associated transformation of analog processes calls into question is the self-image of managers. According to Tim Holt's<sup>[1]</sup> definition, digital transformation brings about the transition from an organizational structure based on performance and hierarchies to companies in which collaboration and co-creation are lived. Leadership therefore means helping the organization to become open to new forms of collaboration and goal achievement.

The concept of management and the understanding of leadership, which has developed and consolidated in companies over many years, is put to the test. How is management adapting to meet the demands of an increasingly digitalized work environment that is changing more dynamically than ever before? When the importance of hierarchies, status and expertise changes, what will become of the leadership culture in companies? Does “management” by superiors still need to be provided at all? Or will only collaborative, self-organized teams act in the future? Is it enough to define roles and tasks? What does “leadership” mean in the digital environment?

***The fact is that hierarchies represented in rigid organization charts are assigned to the old, predigital world. They are outdated.***

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Digital business models often require action across (organizational) boundaries and structures. Company boundaries disappear completely or increasingly dissolve. By working in networks, in different value creation systems and in cross-organizational collaborations, managers have to revive their claim to leadership: Anyone in a network who has nothing to offer to support success of its members is seen as superfluous.

Moreover, the world is becoming more volatile, uncertain, complex and ambiguous: VUCA<sup>[2]</sup> sends its greetings. The early deceased psychologist Prof. Dr. Kruse<sup>[3]</sup> spoke of the complexity trap. Planning, e.g. of actions, resources, budgets, no longer works as it used to. Planning phases are becoming increasingly shorter, project responsibility is being shared. And this is an enormous challenge for managers. In the past, employees could expect concrete answers to questions and challenges from their bosses. For decades, experts have been fixed points of contact in companies due to their specialist knowledge. Today, with a radically shrunken half-life of knowledge, both are becoming increasingly unlikely.

Where in an environment without permanent contact points is the framework located that creates identity? Who or what do people in companies identify with? Are corporate culture and boundaries still perceptible to the individual? Is it the conglomerate that finances the current "project"? Or is it the goal or result for which you are working? Is it the colleagues who are currently working in the "team"? The challenges to the structure and culture of the working world in the digital age are growing and changing the "new" definition of leadership.

### **Trust & Empowerment - still the two supporting pillars**

What remains - even in the age of digitalization - are the two cornerstones of a successful corporate culture: trust and decision-making authority and thus the empowerment of employees, i.e. trust and empowerment.

Three very specific tips help corporate culture to grow in digitized working environments. In parts, these come from the so-called "agile manifesto"<sup>[4]</sup>, which has massively changed complex development processes, such as software projects, in a results-oriented acceleration.

#### **1 The customer takes it all...**

All understand the "why" and see in this one - namely their - meaning. In everything the team does, the customer takes center stage. Together established values support collaboration and interaction. The goals must be clearly understood and interpreted, so that alignment prevails and self-responsibility becomes possible. The teams build on diversity, i.e. they are composed of people who can differ and complement each other in age, professional qualifications, gender and cultural heritage. Transparency is the basis for trust and creates an atmosphere in which mistakes can be made in order to learn from them. This fosters courage, creativity and a willingness to take risks.

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## 2. ...we agree on resources and procedures...

The group develops a common understanding of optimal practice (as there is not more "best"... see "[best practices are out](#)"). The self-discipline and self-organization of each individual ensures that skills are brought in and resources released when and where they are needed. A toolbox of methods, processes and techniques, mastered by all, supports collaboration.

## 3. ...and practice effective communication across borders.

Communication is the key to effective collaboration. It must be made possible - the choice of the appropriate form, medium, language or technique is of secondary importance. Communication takes place in both directions, i.e. it demands sender and receiver qualities. It creates access to the information necessary for the work, motivates and mobilizes people to achieve common goals in teams. This also and above all includes personal communication and mutual inspiration.

### Therefore: Don't be afraid of digitization!

Leaders who can not only cope with change, but also drive it forward, who communicate across structures - with open, outward-looking and inward-looking eyes - will absolutely be needed in the digital environment.

The successful executives in the digital age

- develop tomorrow's leaders
- create an atmosphere of trust and security
- formulate goals with the team, and the path to them
- promote collaboration and experiments that can also fail
- help to clear obstacles and difficulties out of the way
- listen, coach, support, motivate, animate
- allow people in the team to take responsibility
- make mistakes themselves and talk about them
- observe their working environment carefully, provide resources and open doors,
- And together with their team they are looking forward to the successes

And very important:

- They are self-reflective, open and curious about people and the environment.

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- [1] Tim Holt, CEO Siemens Power Generation Services from Roland Dieser's CFFO White Paper; Digital Transformation Challenges in Large and Complex Organizations, November 2018
  - [2] <https://de.wikipedia.org/wiki/VUCA>
  - [3] Peter Kruse: The leading power is shaken. Youtube Video, 2014
  - [4] [https://de.wikipedia.org/wiki/Agile\\_Softwareentwicklung](https://de.wikipedia.org/wiki/Agile_Softwareentwicklung)
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