hiring and developing digital leaders.

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There is a critical need for organizations to embrace technology, outpace digital disruption and remain competitive in a rapidly changing business environment. Yet according to research from the Randstad US Workplace 2025: The Post-Digital Frontier study, many organizations are struggling to conquer the post-digital frontier.

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developing companies

- low level of digital transformation
- minimal utilization of digital tools
- slow to embrace digital initiatives
- leadership slow to adapt to change

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proficient companies

- moderate level of digital transformation
- average utilization of digital tool
- more committed to digital initiatives
- leadership is better-than-average at adapting to change

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superior companies

- advanced/completed level of digital transformation
- expert utilization of digital tools and strategies
- high level of commitment to a digital future
- mastered digital strategies for high ROI
- leadership equipped to drive digital excellence

In fact, the survey discovered the majority of companies (52%) are developing and still in the very early stages of digital transformation. A complete transformation involves having fully implemented digital technologies like automation, artificial intelligence and digital collaboration tools. Only 10 percent of companies are considered superior in their efforts to digitally transform and are reaping the benefits.

when compared to developing companies, superior companies are:

28% more likely to report an increase in revenue over the past 12 months

132% more effective in meeting business objectives

159% more successful in cost saving efforts

193% more likely to report positive ROI on technology investments

69% more likely to believe that embracing digital transformation is highly critical

4x more adaptive to changes brought on by digital technologies

Simply put, superior organizations are getting it right. You might suspect the types of companies that fall in the "superior" category are limited to the tech sector, or are large organizations with capital to match, but that wasn't the case in this study. In fact, nearly half (47%) are smaller enterprises with less than $15 million in annual revenue, and they span nearly every industry – with only 19 percent representing the IT sector.

the common thread: digital leadership

What do successful, profitable organizations have in common? Upon analyzing the best practices and processes of superior companies, we uncovered a common thread among them – a digital leader at the helm. While digital leaders may emerge from anywhere within an organization, they can have the greatest impact when they operate from the C-suite. Not surprisingly, then, Randstad's research revealed that while nearly 34 percent of proficient organizations completely agree that they have a strong digital leader in place, that figure drops to around 10 percent for companies that are still developing.

The digital revolution has resulted in significant changes for many jobs, as well as the emergence of new roles. Beyond the technical and digital skills, these changes include the leadership skills and behaviors needed to navigate the post-digital landscape. Organizations now need to be able to count on strong digital leaders in order to drive digitally innovative initiatives.

changing job description for today's leaders

Ninety-five percent of all organizations agreed that "a different, new type of leadership is required to effectively address changes in organizational structures and operating models due to digitalization." As part of the Workplace 2025 research, Randstad set out to pinpoint the defining traits of future leaders. According to employees at all levels, digital leaders of the future must:

- have the ability to keep people connected and engaged (76%)
- be agile and digitally savvy in their use of digital tools to drive business success (77%)
- drive a culture of innovation, learning and continuous improvement (76%)
- be adept at risk-taking (60%)

It's clear that digital leadership is a pressing need for many organizations today. However, innovative digital leaders are generally hard to find. But the risks that can result from not having digital leadership in place include:

- lower likelihood that digital initiatives will meet their full potential in driving business success
- an ineffective, tactical approach to digitalization without a cohesive, company-wide strategy or focus
- difficulty attracting and retaining top talent
- failing to deliver digital innovation and tools

It's really quite simple. Workers know technology is paving the way for the future, and they want to work for organizations that provide the tools to make their jobs more efficient today. They also want to work for companies that have a forward-thinking business strategy, and leaders who are committed to innovation in order to remain competitive for years to come.

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what greatly influences workers' desire to join a company?

72%
the company's digital leadership

80%
the company's use of the latest digital tools

building

digital

leaders.

How can organizations identify and develop digital leaders? That's the million-dollar question. And to answer it, Randstad partnered with leading talent assessment and leadership development company XBInsight.

Based on assessment data from 5,000 leaders across a wide range of industries, XBInsight has identified the following five competencies of successful leaders. Interestingly, these competencies correlate closely with the findings of the Workplace 2025 data. See figure 1 in the appendix for leadership development suggestions that correlate with each of these competency areas.

leadership competency #1
inspires others

This competency is, in the simplest of terms, the ability to keep people connected and engaged — it's a fundamental competency for the development of future digital leaders. Uniting the entire organization with a bold, clear vision and path is critical to achieving your digital transformation goals.

Unfortunately, it appears most leaders are failing to engage their employees in the digital journey. Only 43 percent of employees completely/strongly agree that their employers have made the employee experience a business priority, and only 36 percent completely/strongly agree that their employers have communicated to them about the overall digital vision. But inspiring others is vital to keeping employees engaged and excited when working towards a digital destination together.

leadership competency #2
leverages technology

Effective digital leaders must be pioneers in utilizing digital tools and innovations, and they should expect the same of their C-suite peers. Beyond a general willingness to embrace new technologies, that means understanding and appreciating the effects of technology on the broader business environment. A full 94 percent of employees agree "technological innovations are influencing what is required for a leader to be successful."

However, 27 percent of employees describe their employers' use of digital capabilities as "3 to 5 years behind the curve." And another 45 percent say their "employers manage to keep up but aren't digital or innovative leaders." That's too bad, because competency leveraging technology is one of the key ingredients of effective leadership.

leadership competency #3
encourages collaboration

Nearly three-quarters (72%) of employers strongly/completely agree that "having exceptional knowledge and skills when it comes to collaboration and team-building" is a key trait required for future digital leaders. As digital disruption continues to alter how businesses are structured and the way that they operate, more leaders are moving away from traditional, hierarchical organizational structures to a more team-centric, knowledge-sharing model. In fact, 81 percent of employees agree that in the future, networks will replace hierarchy and leaders will be part of the network.

However, while more than 80 percent of employees think that teamwork is more valuable and successful than individual work, 54 percent say they would like to have more opportunities to collaborate at their companies.

Understanding the distinct roles both technologies and people play within the organization is essential to building this competency. But companies that attempt to adopt more team-centric models will likely fail if they don't have leaders capable of encouraging collaboration.

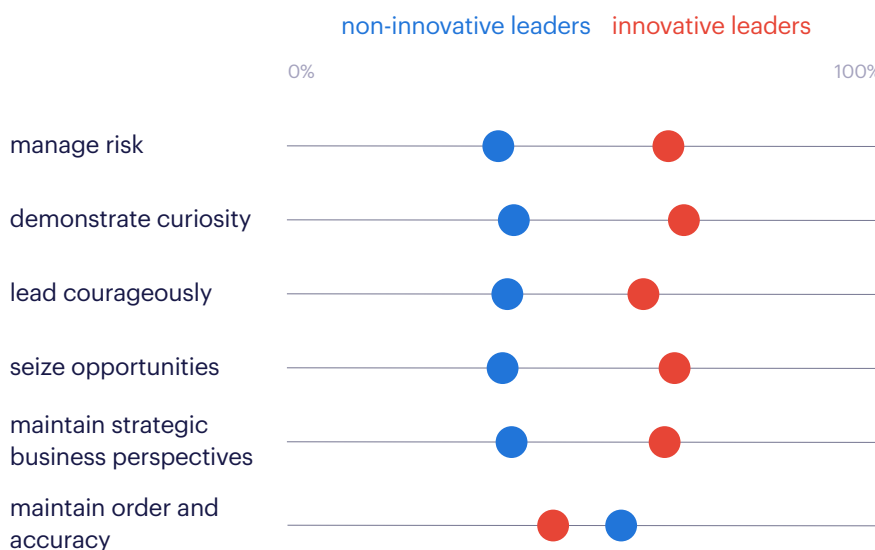## leadership competency #4
drives innovation

Executives must approach business opportunities and problems with curiosity and an open mind in order to generate creative ideas, solutions and opportunities. They must establish a culture of innovation, learning and continuous improvement. Leaders who can stimulate creativity and persuade others to experiment will help organizations find cutting-edge alternatives to outdated programs and legacy systems.

In a recent Conference Board study, CEOs ranked "innovation" as one of their top long-term challenges. However, only 37 percent of employees describe their employers as a "leader in digital innovation," according to the Workplace 2025 data. Despite its importance, innovation remains a difficult quality to cultivate, both in digital leaders and in organizations.

According to XBInsight research, leaders who score high in the "driving innovation" competency also score higher on several other competencies that correlate with innovation, when compared to non-innovative leaders.

what innovative leaders do better than non-innovative ones

And an area where they fall short, based on surveys of nearly 5,000 leaders across a wide range of industries.

source: xbinsight

leadership competency #5
manages risk

Digital leaders must rid themselves of any fear of failure. Leaders who aim to protect their current practices, or are hesitant to consider new ideas that may threaten their expertise, will likely fall short of becoming a digital leader. Digital leadership requires healthy risk taking — and that can't happen when a fear of failure exists.

In fact, one of the key competencies that correlates with innovative leaders is that they score 25 percent higher in their risk management competency, as compared to non-innovative leaders. Clearly, a healthy approach to risk-taking is fundamental to being an innovative leader.

do you know where you stand?

Consider assessing your leadership. Talent assessments can identify the skill gaps that may exist across these key competencies, as well as measure each leaders' against each area required for digital leadership. More importantly, leadership assessments can navigate a pathway for effective development strategies. Contact XBInsight to learn more about executive leadership assessment and development.

Assess your company's digital journey and level of digital leadership within the organization through Randstad's digital readiness assessment. As a trusted human partner in the post-digital world, we have the digital knowledge, expertise and resources to accelerate your digital transformation. Whether you need forward-thinking executives with digital capabilities to lead your transformation, tech-savvy talent to implement new strategies or a workforce partner to leverage emerging tools and techniques for talent acquisition, we're here to help. Let's talk. Contact us today.

appendix.

In assessing thousands of executive leaders across multiple industries, XBInsight's data finds the following five competencies are a common thread among successful and innovative leaders. Not surprisingly, these five competencies closely align with the must-have future digital leadership traits identified by employers and employees in Randstad's Workplace 2025: The Post-Digital Frontier study.

leadership competency	leadership traits

inspire others
- articulate the organization's strategic vision
- develop both short- and long-term organizational goals
- express the organization's vision and values in a meaningful way
- foster an atmosphere in which people can discuss organizational goals and vision
- outwardly display optimism about the long-term organizational mission

leverages technology
- recognize opportunities and risks associated with digital innovation
- use data and new technologies to inform strategic decision making
- align technology to business strategy
- leverage technology for automation, customer intelligence, internal effectiveness and competitive advantage
- recognize the impact of technology on the corporate culture

builds collaboration
- build multi-disciplinary teams
- foster collaboration across departments
- ensure others are well informed about changes, new initiatives and progress towards goals
- encourage and support the success of others using brainstorming and shared decision making
- actively participate as a team member, rather than simply give orders

drives innovation
- use a collaborative process when making decisions to increase creativity and innovation
- be open to new ideas and find ways to test a theory
- develop relationships with others who are known for their innovation and creativity
- look outside your industry for inspiration and novel ideas that others have not seen
- challenge yourself to view every problem from two or three different perspectives

manage risks
- understand worst-possible outcomes and plan accordingly
- take lessons learned from mistakes made, but don't let past failures stand in the way of future risk-taking
- balance driving organizational growth with the need to mitigate risk
- for any action or implementation plan that is created, facilitate a conversation that asks, "What if?"
- encourage all team members to explore what contingency plans might be necessary
- be ROI driven and seamlessly integrate new initiatives into the day-to-day operations of the organization

about
workplace 2025.

about the workplace 2025: the post-digital frontier study

Research findings are based on two separate projects programmed and fielded by Research Now: Employee Study and Employer Study. The Employee and Employer surveys were fielded from October-November 2017. The Employee study targeted respondents over the age of 18 that were employed and worked 20+ hours per week. For this survey, 2,691 respondents were asked about their views on digital transformation, automation and the future of the workplace. For the Employer study, 819 hiring decision makers or C-suite executives that worked in companies with 10+ employees were asked about their digital transformation efforts, views on automation and the future of the workplace.

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