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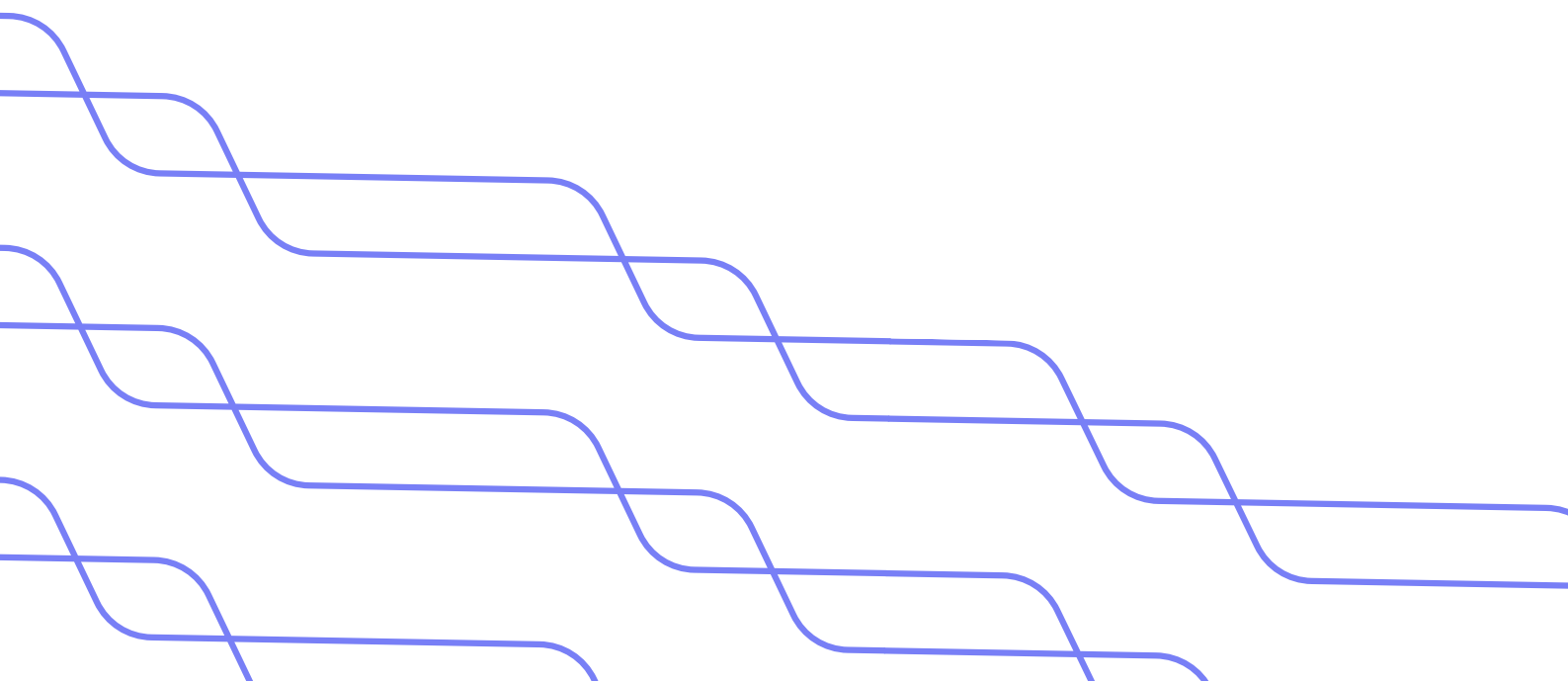
ERASMUS+KA2 - SMALL SCALE PARTNERSHIP "LAILA"

Project n. 2021-2-IT02-KA210-ADU-000049167

Phase 1: Comparing good practices and approaches
to the effective process of innovative educational
leadership

April 2023

Presented by
H-Farm



An Exploratory Model into Digital Transformation and Leadership: Toward Future-Proof Middle Managers

Objectives

This theoretical model is authored by Maartje Henderikx, Jol Stoffers (January 2022) and has been published on **Sustainability**, an international, cross-disciplinary, scholarly, peer-reviewed and open access journal of environmental, cultural, economic, and social sustainability of human beings. It provides an advanced forum for studies related to **sustainable development**. This specific study aimed to obtain insight into the influence digital transformation has on future leadership behaviors and management. It proposes a method of investigation of digital and leadership maturity that H-Farm has evaluated as particularly interesting as a good practice to be applied to our organization and shared with the partners, because it's directed at future leadership behaviors and skills needed during and after digital transformation of different management levels.

Leadership theories and approaches have adapted to changes and developments in society and organizations. Already reaching as far as algorithms increasingly finding their way into daily management practice, digital transformations call for reassessment of leadership paradigms as well as leadership skills and behaviors because their influences are felt throughout the entire organization.

Most digital transformation and leadership literature focuses solely on the need for strong strategic leadership—top managers who recognize the importance of digital transformation and building a future strategy around it and senior managers responsible for leading digital transformations strategically, exposing knowledge gaps below senior management levels.

This study describes a first exploration of literature addressing **future skills** and behaviors needed by managers below the senior management level, more specifically middle managers, both during and after digital transformations. In order to understand the necessity of certain skills and behaviors in the context of digitalization, the phenomenon of digital transformation was first explored. This exploration revealed that it represents a disruptive process that changes the foundation of an organization, resulting in new forms of working. Vial's digitalization framework defined digitalization as a process and illustrates its broad impact on organizations and beyond. In addition, Berghaus and Back developed a model for identifying the digital maturity of an organization. Both these models contribute to understanding the phenomenon of digital transformation.

The subsequent exploratory review of leadership and digitalization literature suggests that middle managers must become **digitally intelligent**; they need to understand and make use of the power of technology. Soft skills are also becoming increasingly important.

In addition, a **new generation** of workers is entering the workforce, and it is thus apparent that the nature of leadership and management needs to be redefined. The distinction between personal lives and jobs is disappearing, and jobs are progressively shaping workers' identities. Work should have meaning, connect people and support learning. The speed of development (e.g., digital transformations), combined with expanded globalization, with increased demands on creativity and flexibility, requires that all employees update their competencies regularly across their lives, including management. **Future-proof managers** must be people-oriented, technically minded and empowering, with lifelong learning attitudes regarding technology and digital skills, beyond just computer skills. This calls for other-centric leadership, an 'other-centered' leadership style. Future-proof managers value relationships and lead with empathy, humility, compassion, integrity and creativity in a collaborative, trusting and motivating way. Managers and their employees must develop mindsets that fit a new generation of workers and the digital age.

The emergence of AI emphasizes the need for soft skills even more. If AI is deployed responsibly and ethically, it has the potential of being of great added value. It could be used to handle quantifiable managerial tasks, such as planning, budget management and evaluating the quantifiable part of performance, while managers focus on the **soft skills** of management, such as coaching, motivating and empowering employees, adding a human-ethical sense of judgement to AI's data-driven information and judgments.

Findings from this explorative study point toward person-centered collaborative leadership needs, with strong judicious and empathic foci to balance the increased influence of machines. “Other-centered” servant leadership approaches, combined with elements of relationship-based transformational and collaborative leadership styles, appear most fitting. However, these traditional leadership approaches address current and future leadership challenges only partially. Although more recent theories have developed from increasing changes in organizations, anticipating changing situations and personal needs, contemporary accelerating digital developments represent another order of complexity. Leadership is now about adapting, accepting, understanding and supporting—adapting to **continuous organizational changes** and circumstances, accepting employee participation during organizational decision making and the machine as a “work partner,” understanding the value and influence of digitalization and the needs of the new workforce and supporting employees’ individual needs.

The digitalization of society, and its accompanying complexities, has triggered new approaches to leadership.

E-leadership, a new leadership paradigm since the early 2000s, focuses on working with geographically dispersed employees and leading virtual teams. E-leaders might never meet their employees face-to-face. Digital leadership, another recent leadership approach, centers on “use of digital assets of an organization to achieve business goals at both organizational and individual levels”.

These approaches merely focus on one aspect (respectively, digital workforces and use of digital assets) that result from increased digital developments, and they therefore do not suffice as a comprehensive leadership approach for managers to use as a reference for future-proof management. These approaches also do not support the growing need for more humanistic, empathic approaches that counterbalance the increased involvement of machines in management.

Part of the answer may lie in a form of **adaptive leadership**, which suggests that leaders should use any leadership element that fits the circumstances best. Adaptive leadership is not new, but it remains in theoretical infancy. At the time of its emergence during the 1990s, the evolution of digital technology was not as advanced and complex as it is today, and thus adaptive leadership drew from prevalent traditional leadership theories of the time. Since then, other leadership-related awareness and approaches emerged, such as e-leadership and digital leadership, from which leaders can also draw as they see fit.

Combining behaviors, styles and approaches from both traditional and emerging leadership paradigms might be imminent. The second part of the answer may lie in acknowledging a growing need for soft skills aimed at “the other” in a future-proof management approach that results in an empathic, adaptive leadership approach. The focus of this study was middle management because of its particular position in organizations, and due to the vital role, this management level plays in leading and supporting organizational change.

However, during identification and selection, it became apparent that most literature on the topic was written from the perspective of senior managers. We therefore want to draw attention to the **lack of research** aimed at **understanding digitalization and leadership** from a middle-management perspective. Middle managers are generally the persons responsible for leading and managing the new digital organization that is emerging. Thus, we believe that future research should conduct a more comprehensive and focused literature review on digitalization and leadership in the context of middle management.

In conclusion, we define this model as a good practice because it focuses on digital transformation and leadership to explore future-proof management, enhancing understanding of digital transformations and demonstrating a need to redefine leadership requirements in an increasingly digitalized work environment. Considering changes to leadership roles and styles necessary in the post-COVID-19 era is highly relevant as the pandemic accelerated the shift to remote or hybrid work formats.

We identify emotional intelligence and the ability to distribute leadership responsibilities to a network of team members throughout the organization as essential leadership skills and behaviors. Managing and leading virtual and hybrid teams calls for a new kind of leadership that includes trustworthy relationships with employees and less hierarchical organizations. This study contributes to assessing future-proof leadership skills, behaviors and management practices of middle managers and represents a starting point for future research into the topic.

Stakeholders and Partners

The modules outlined in the study are ready-to-use practical tools for measuring Digital Intelligence and Leadership maturity in middle-level managers. These are the privileged target groups of the study, who have been identified among the staff at H-Farm and its spin-offs, as well as in partner organizations. The issue was identified by the results of inquiries conducted by H-Farm Innovation, a novel consultancy division specialized in the evaluation of innovative, sustainable leadership approaches and organizational models for modern enterprises.

What was the process?

The DI model and relative background research was disseminated through the internal channels of H-Farm and to its spin-offs and network of partners. This was done primarily through MAIZE, H-farm's outlet on innovation in humanities and social sciences. The model has been evaluated and disseminated to its target groups as well as to the larger readership of the magazine, thus supporting the visibility of the topics outside of its direct target groups. Application of the process has been supported in a holistic, participatory way by the setting up of dedicated roundtables between heads of H-Farm's business units, encouraging discussion and exchange of ideas regarding the best ways to implement the inquiry.

Validation

Dissemination of the DI models has proven to be appreciated by H-Farm staff, a sentiment validated by the numerous interactions between the target groups and upper management through the MAIZE platform. The number of interactions has been registered as a measure of the interest generated. Promotion of the topic continues through informal and social discussion.

Impact

Interactions registered between target groups in the MAIZE space have shown a great interest around the topic and high applicability. Although generally highly skilled in the digital field, middle-level managers at H-Farm have shown greater awareness of the potential of digital intelligence to power a more adaptive leadership model, especially with respects to the unforeseeable crisis of the COVID-19 pandemic, when adaptability was certainly one of the most essential soft skill to develop. By popular demand, participatory roundtables and MAIZE-led forums are being organized to expand on the theme of adaptive leadership in times of crisis.

Success Factors

Focusing on the propelling role of managers below senior level in the digital transformation, the DI model was successfully applied by H-Farm and is transferable to any organizational context with a sufficiently developed internal structure, both in formal and informal way.

Constraints

Considering the increasing importance of soft skills such as empathy, humility, integrity and compassion in innovative organizations where operational tasks are being digitalized more and more, this model will benefit from a background company culture that includes and values Emotional Intelligence and its core concepts.

Lessons learned

Integration of appropriate Emotional Intelligence training, education and dissemination will result in a more resilient, adaptive leadership, which will in turn be efficiently supported by increased use of digitalization, as attested by the enthusiastic participation of H-Farm staff in the learning activities of the ongoing LAILA Erasmus+ project.

Sustainability

The dissemination of this DI module has been integrated into H-Farm Innovation's mission of evaluation and replication of innovative organizational models, thus avoiding any extra use of resources, while boosting engagement of the target groups with the Innovation division and its MAIZE outlet, fostering greater integration of the different parts of H-Farm's ecosystem.

Replicability and up-scaling

The ubiquitous presence of digital technology, in lesser or greater degree, is a reality concerning all industries and sectors. DI inquiry model is applicable with minimal effort to all kinds of enterprises, as outlined in the original study. The simple dissemination of the DI model will help the staff increase its awareness of the transformational process, boosting engagement and interest and paving the way for more formal initiatives i.e. reskilling and upskilling activities that will translate to greater capacity and efficiency for all levels of the organization.

