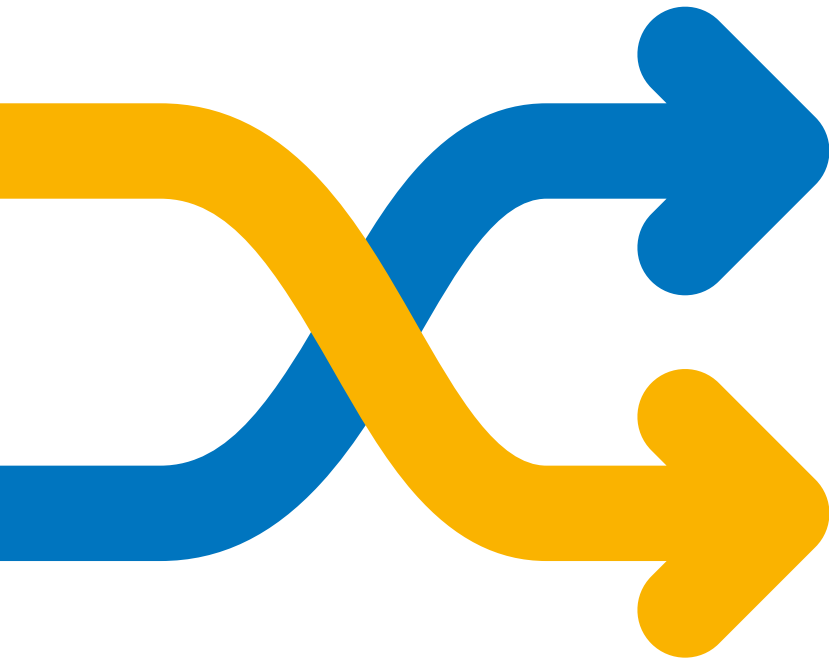


white paper

hiring and developing digital leaders.



While digital proficiency and technology adoption were key focus areas for most organizations prior to the COVID-19 pandemic, they became absolutely critical business imperatives after it. Yet research from the Randstad US [Workplace 2025: The Post-Digital Frontier](#) study indicates that many organizations may not be prepared to make the leap, outpace disruption — and ultimately thrive in our “new normal.”

developing companies

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

proficient companies

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

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 found that the majority of companies (52%) are still in the very early stages of digital transformation. Only a minority — roughly 10 percent of companies — have fully implemented digital technologies like automation, artificial intelligence and digital collaboration tools, and are reaping the benefits of these capabilities. But the overall numbers are troubling in light of COVID-19. For companies lagging behind, one consequence of the global pandemic should be to hasten the urgency with which they approach digital transformation.

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, together with the massive disruption wrought by COVID-19, is rapidly changing the look and feel of many existing roles, as well as leading to the creation of entirely new roles. Beyond technical and digital skills, new leadership traits and behaviors are also going to be required in order to effectively navigate in this landscape. And to thrive amidst so much uncertainty, organizations will need to have strong digital leaders at the helm.

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



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:

→ 76%

have the ability to keep people connected and engaged

→ 77%

be agile and digitally savvy in their use of digital tools to drive business success

→ 76%

drive a culture of innovation, learning and continuous improvement

→ 60%

be adept at risk-taking

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.



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 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 — a key trait of effective digital leaders. However, uniting the entire organization with a bold, clear vision and path becomes that much more difficult when you're dealing with remote workers and geographically distributed teams.

Unfortunately, this is also an area where too many leaders are already shooting below par. For example, only 43 percent of employees strongly agree that their employers have made the employee experience a business priority. Meanwhile, only 36 percent completely or strongly agree that their employers have clearly communicated their company's overall digital vision and strategy. Nonetheless, inspiring others is vital to keeping employees engaged and excited while en route to your 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 "three-to-five 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 the ability to leverage technology is one of the key ingredients of effective leadership.

leadership competency #3

encourages collaboration

Nearly three-quarters (72%) of employers strongly or 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 the combination of COVID-19 and 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. They're also taking advantage of new workforce technologies to more effectively manage teams and promote collaboration.

Most employees seem to believe that this is the future, as well: 81 percent agree that networks will replace hierarchy — and that leaders will be part of the network. Currently, however, while more than 80 percent of employees think that teamwork is more valuable than individual work, 54 percent say they aren't doing enough of it, and that's a missed opportunity. Clearly, understanding the distinct, yet overlapping roles that people and technology will play in the workforce of the future is essential to effective leadership going forward.

leadership competency #4

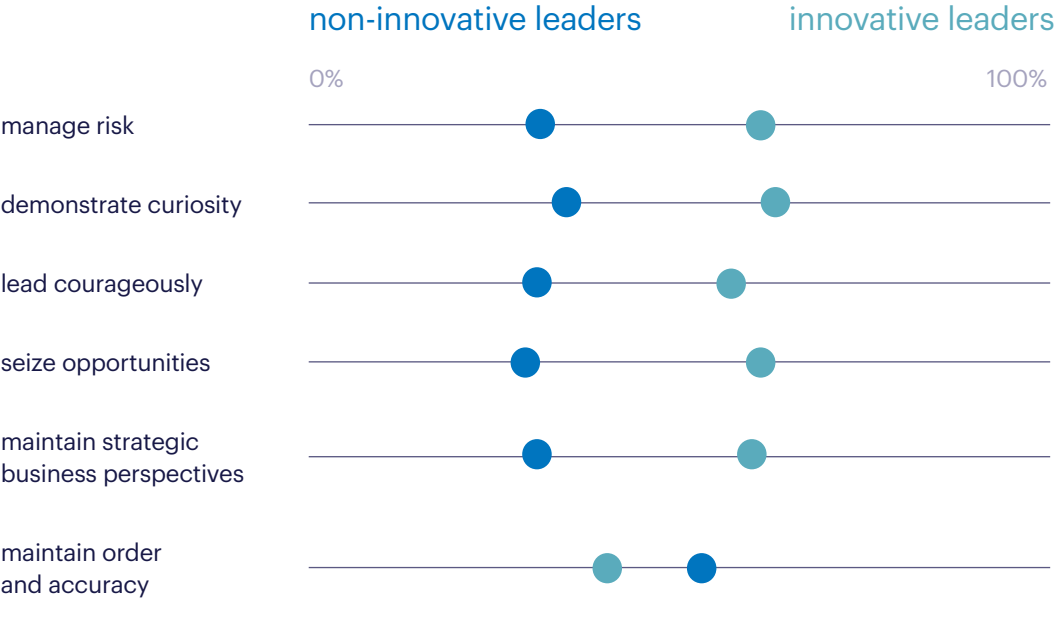
drives innovation

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 fact, this connection between innovation and digital maturity has been confirmed in multiple studies. According to one survey from Deloitte and MIT, for example, 81 percent of respondents at digitally mature companies named innovation as a core strength of their organizations, versus only 36 percent of respondents from digitally developing companies (and only 10 from early-stage development companies).

what innovative leaders do better than non-innovative ones

Let's examine 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

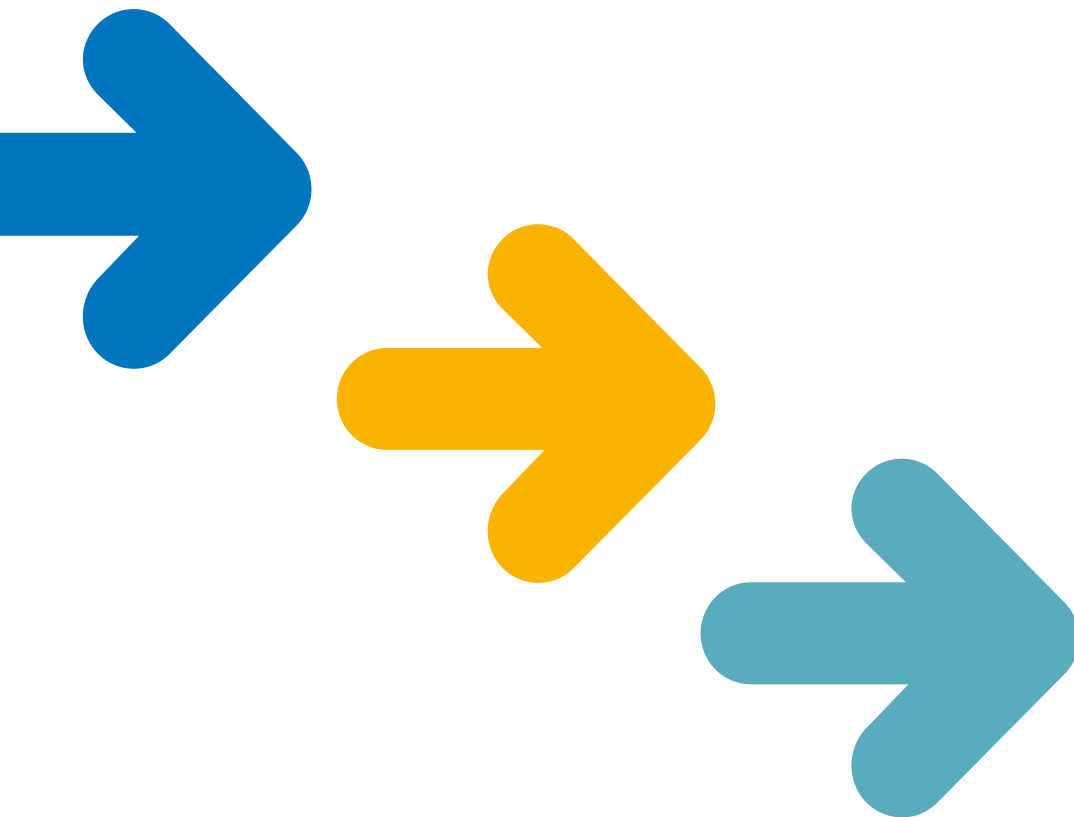
Digital leaders must rid themselves of any fear of failure. Leaders who aim to protect their current practices, or are hesitant to consider new ideas that may threaten their expertise, will likely fall short of becoming digital leaders. Digital leadership requires healthy risk-taking — and that can't 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 leader against each area required for digital leadership. More importantly, leadership assessments can navigate a pathway for effective development strategies. Contact XBI Insight to learn more about executive leadership assessment and development.

Assess your company's digital journey and level of digital leadership 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, XBIInsight's data identified five competencies common to successful, 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

inspires 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

manages risk

- 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



human

forward.

about the workplace 2025:
the post-digital frontier study

Our findings were based on two separate projects programmed and fielded by Research Now: Employee Study and Employer Study. The Employee Study targeted respondents over the age of 18 who were employed and worked more than 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 and C-suite executives who work in companies with more than 10 employees were asked about their digital transformation efforts, as well as their views on automation and the future of the workplace.