



Transformational Leadership in the Digital Age

Adapting leadership styles
for a new world of work

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In a world of constant rapid change, leadership skills are as valuable as ever

The pandemic that spread around the globe in the early days of 2020 has hugely affected how businesses operate.

Leaders have had to rethink many concepts that organizations may have previously taken for granted, such as how to communicate within teams, engage with customers, and deal with disruptions to business models, supply chains, and other integral cogs.

Some of these changes were reactions to an emerging crisis. However, some of the best leaders have recognized an opportunity to act proactively—to respond to feedback from their team, evolve how they did business, and act on long-standing plans to grow.

Many businesses have had to contend with challenges, such as reduced workforces, lower budgets, or adjusting their business models to stay afloat. Many will be hopeful that these pressures will lessen and allow more leeway for recruitment and investment.

That said, responding to the events of 2020 and beyond is not merely a case of weathering the storm and returning to the “old normal.” In fact, for some businesses, that would be considered a backwards step.



For example, as many countries worldwide imposed lockdowns, shoppers adjusted their habits and began shopping and researching online. In response, proactive businesses improved their e-commerce offering and made their online shopping experiences more user-friendly. Some even added a direct-to-consumer element to their sales strategy, which required learning new skills, making the most of new data, and putting in infrastructure that may not have existed before.

A 2021 ChannelAdvisor survey of chief marketing officers¹ of United Kingdom brands that sell items online found that 82% were seeing higher sales than before COVID-19. Twenty-seven percent said sales were “significantly higher.” In addition, several companies have responded to the disruption by accelerating plans for digital transformation, effective remote working, improved employee skills development, and new revenue streams.

The disruption caused by the pandemic has highlighted just how crucial great leaders are to the success of an organization. In a world that is constantly changing, the role of a leader is not just to maintain stability. It is also to spot opportunities, to respond to ideas, and to evolve and reshape a business.

This is why successful leadership training is more important than ever. Today’s leaders need to learn certain skills to ensure that they are able to rise to the challenge of empowering their teams.

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What's ahead

In this eBook, we will discuss the skills that a leader—or someone with ambitions to become one—should develop in order to be an effective changemaker and manager. The methods and platforms they may use to achieve their aims may differ, but a focus on these areas is essential to success in the digital area.

There are four themes that come up again and again in a leader's journey. A great leader must have a perspective on each of these in order to build strong relationships and take their company in a positive direction. These are:

Inclusion

Innovation

Change management and adaptability

Communication

We will consider how these have changed—both due to recent events and the evolution of workplaces and technology. And we'll share what many of today's leaders say about honing a style that energizes teams, and retains and develops the best talent.



In a world of choice, will employees choose you?

It is reductive to describe a great leader as someone who sees opportunities instead of challenges. Over the last few years, businesses have certainly seen their share of change and uncertainty. Some reacted by doubling down on their essential functions or reducing staff. The same was also true of employees. Some were keen to maintain their position within a company, often adjusting to new roles and responsibilities. Others switched companies to find more work-life balance.

According to the U.S. Labor Department, nearly 4 million people quit their jobs in April 2021²—the most on record. Due to precautionary remote working measures, many employees joined and left companies without ever meeting their colleagues in person³.

How could smart businesses position themselves to attract the best of this talent, and what role could leaders play?

Good leadership is a “company perk”

What do employees want from a company today? Frequently, they prioritize companies that invest in their development⁴, build a supportive office environment⁵, and offer flexible working and a positive work-life balance⁶.



Many of these benefits exist because of good leadership and how it is communicated throughout the company. And, indeed, leadership is frequently the decisive factor in convincing talented professionals that they have found the right place to work.

Why do people remain loyal to companies, even when the market for their services is strong? It comes down to how they are treated, whether they are empowered, how their team works together, and how they are prepared to develop and advance.

Leaders are critical to the process of creating a culture where this happens. They can do this by manifesting skills such as emotional intelligence, resilience, and an appetite and vision for change. Some may find this comes more naturally than others, but they are absolutely skills that can—and should—be learned.

These are proactive skills, not reactive skills

There's no better time for leaders to consider whether they need to update and refresh their leadership skills. That's not just a reaction to exceptional events. It's a recognition of what's to come. In a world where projects can be coordinated globally, there's a huge opportunity to build excellent teams by recruiting from different countries. The best recruits can come from anywhere and everywhere, and talented and valuable employees often prefer to work flexible hours, without re-locating or commuting long distances.

Adapting to this reality is not a brief inconvenience. It is a requirement of leading a 21st-century business. Mastering these skills could be instrumental in attracting transformative candidates with atypical work models. These traits could play a significant role in inspiring teams to adopt processes that might require evolution and could be the key to understanding what employees need to do their best work instead of “what has always been done.”

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Inclusion: A new challenge that may not be “new” for everyone

In recent years, many leaders have spent a lot of time adjusting processes to make basic functions work.

For some, these may have included maintaining major sources of revenue, or making sure employees still feel part of a team when they are working at home.

However, the problems they may have been tackling may not have been new problems. It may simply have been that the problems became louder.

It is often instructive for a leader to ask themselves:

“How many of these problems are new, and how many of them have certain employees been telling me about for a while?”

Back in 1989, consultant Sidney Yoshida coined the term known as the “Iceberg of Ignorance.”⁷ After carrying out a study of a large cross-section of workers, he determined that only a very small percentage of extant problems in an organization were known to top managers.

Even decades later, this principle is true of many organizations that operate with a hierarchical, command-and-control structure.



This raises important questions for any ambitious leader who prioritizes the well-being, morale, and cohesion of their team.

“How many employees are excluded from seemingly harmless interactions, such as water-cooler discussions, after-work drinks, or recreational activities?”

“How many of an organization’s current crucial conversations exclude people working remotely or people with differing abilities, circumstances, or responsibilities?”

“How many decisions about who advances—or whose ideas are acted upon—come down to who a leader includes and who they don’t?”

“How are you ensuring that you hear those who may not be as vocal—or present—in more conventional conversations?”

Organizational psychologist John Amaechi says:⁸ “People operate better when they’re not frightened. People operate better when they feel like they belong. These are far from rocket science-level insights, but many people just seem to disregard them and think ‘the strongest will survive,’ ‘the quality will float to the top’ or other such ridiculous sophistry.”

John Amaechi believes that recent events have had a disruptive impact on leadership. “Workplaces have had to realize that their people are human beings with fear, anxiety, worry; and now they realize that whatever gulf there was between the need for brilliant leadership and the quality of it has now doubled, and inclusion is part of that picture.”

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John Amaechi

Organizational psychologist

A leader has the power to influence how included an employee feels, so they need to challenge implicit biases and build a sense of belonging. This is true of all leaders but is even more crucial in a digital-first workplace where employees may be more distributed.⁹

Decision-making processes should be diverse enough to avoid situations where staff feel alienated or offended and rise above myopic thinking. The team must also be able to work constructively to resolve problems and conflicts¹⁰ together. To accomplish these goals, digital-era leaders need to both understand inclusion as a concept and master it as a skill.

Innovation happens in teams, not by magic

How does innovation happen?

We have all been in workplaces where innovation has happened. And yet, we still often choose to present it as a mysterious burst of inspiration that emerges out of nowhere.

A truly transformative idea is indeed rare, exciting, and inspiring—but all too often, it is built on an understanding of more foundational things, such as what audiences really need, the problems they are having, and where the gaps are in the market.

In short, innovation is something that is cultivated and perfected. Nurturing an innovative department or company is a skill, rather than something that happens “magically.”

Which brings us to a second question:

“Who is responsible for innovation in a company?”

Traditionally, a manager might have been expected to develop and communicate how a company should operate and how it should evolve. This may be something that is expected of them or something they expect of themselves.



As consultant Gyzel Pialat says:¹¹ “For too long, senior managers have attempted to solve complex problems with a top-down approach, but as they often aren’t on the front line working with those issues themselves, their advice often has gaps. Transformational leaders show humility, probe issues with the right questions, and let team members with relevant professional knowledge and experience provide input.”

An employee may be best placed to note where processes need re-thinking, where gaps in services exist, or where improvements can be made in communication and direction. With that in mind, it is more important than ever for today’s leaders to be good listeners, and they should be people who can listen before talking and be able to support others.¹²

Technology consultant Dr. Evans Baiya says:¹³ “Good leaders don’t write people off because of their role in the company. They look for ideas from all corners.”

Improving a company’s relationship with innovation is not a straightforward or instant process. It could involve adjusting many things over time, such as removing “blocks” to innovation like poor internal communication. It could include listening more—and more effectively—to employees when discussing problematic processes and taking notes when suggesting improvements. There may also be benefits in incentivizing this process, such as creating a reward system for identifying problems, opportunities, and solutions.

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Dr. Evans Baiya

Technology consultant

Change is a given, so change management and adaptability will always be vital skills

Leaders will always be required to guide their teams through change.

These may be small changes or more dramatic ones. During their careers, leaders will be asked to guide businesses through many challenges, including reducing costs, hiring talent, making redundancies, adapting to new markets and realities, and introducing different products, services, and ways of working.

The world will continue to change in years to come. This will require employees to develop new and different skill sets. It is up to leaders to recognize this, and, where possible, to help enable and encourage.

For example, in a 2019 World Economic Forum report,¹⁴ it was estimated that, in the U.S. alone, an investment of \$4.7 billion could allow the private sector to reskill a quarter of all workers in disputed jobs. This could be achieved with a positive cost-benefit balance.

The report said: “In an age of ubiquitous technology, it is human skills, creativity and capability that will form the competitive edge for any organization. Financing and implementing a reskilling revolution must thus be viewed as a crucial investment for business, workers, and economies alike.”

For many leaders, the real decision is not whether to upskill and reskill, but who to reskill and what training they should be given.



While a technology company might need candidates who know a specific programming language today, that language may not be so useful tomorrow. Increasingly, companies are looking for people with “soft skills”—such as conflict management, creative problem solving, and communication. The soft skills training market is now expected to clear \$60.89 billion by 2031.¹⁵

Adaptability is a key factor in hiring decisions today. A Right Management report¹⁶ said that 91% of surveyed decision-makers in HR believed people were being hired based on their ability to deal with change. This is also something that attracts employees. A Gallup study of high-performance workplaces¹⁷ found that nearly nine in 10 millennials said professional development and career growth opportunities were very important to them in choosing a job. And furthermore, organizations that invested strategically in employee development reported 11% greater profitability and were twice as likely to retain staff.

A good leader is at the center of this. According to Jason Fischer of payroll platform ELMO,¹⁸ a good leader is “someone who listens before talking, someone who can understand what people are going through, and be there to support them as best as possible.”

It is also not just about forcing people to go in a certain direction. The Center for Creative Leadership advises leaders¹⁹ to focus on:

Removing barriers to employee success

Identifying “influencers” who can facilitate change and improve buy-in

Listening to staff rather than assuming the answers

Understanding the amount of time and resources needed for change to happen

Focusing on support, rather than just results

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Where resistance occurs, leaders should be mindful of where it is actually coming from.

Dr. Julie Hodges says it is important²⁰ to see resistance as “a form of feedback.” She says: “Dismissing the feedback deprives you of potentially valuable information and can jeopardize the trust your team has in you.”

Even with the best of intentions, a Harvard Business Review study²¹ pointed out that more than 70% of transformation efforts fail. And this change comes around in a time of significant employee disruption and stress, in which the desire for greater worker influence is being felt more strongly.

Leaders can respond positively to this by recognizing how their style and implicit biases may be making situations difficult.

Navalent’s Ron Carucci says:²² “A leader’s ability to affect change across the organization depends on their ability to affect change within themselves ... leaders should take notes, spot trends, and correct course. They should solicit feedback from others, tracking the impact their behavior has on others and how closely their actions match intentions.”

Good communication could be the most important leadership skill you'll learn

Many people say that a leader's ability to communicate effectively and clearly is their most vital skill.

It is easy to forget how much leadership comes down to communication. But according to a McKinsey Global Institute study,²³ leaders spend as much as 80% of their workdays communicating, in a variety of ways on a variety of different platforms.

Great communication is about what is communicated, as well as how. Ford CIO Marcy Klevorn, for example, posts short videos with new product updates²⁴ and other company news and achievements. The series, called "If you have a minute," keeps employees informed of what is happening across the broader company.

Good leaders are often open and transparent about the goals of the organization, the direction it is heading, and how employees can contribute. This has a noticeable effect on a company. An HR Dive survey of around 9,100 tech company employees²⁵ found that poor leadership and an uncertain direction is the largest driver of employee burnout. More than a third of eBay employees cited that reason as a source of burnout.

Even when a company's employees are not necessarily in the office (or the country) together, it is possible to use online tools such as videos, polling, and voting. Giving employees a stake in the company's future direction will also give them extra autonomy at work.²⁶



Dialogue should be open between leaders and employees, and teams should have opportunities to collaborate and discuss issues within and across teams. They should then be able to communicate findings to senior leaders.

As Gyzel Pialat says, communication is two-way and should not just take place from leader to employee. Leaders should consider how to communicate in a way that engages staff but also invites conversation. Consider whether meetings are the best way to pass on certain information and how to attract the most useful feedback, particularly from people who might be shy in group situations.

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Leaders are being asked to demonstrate more diverse skills than ever

Leaders are expected to be visionary and yet attentive. They should be purposeful but open to change. They must empower those around them and provide them with the skills and experience to grow and advance.

As Kreyon Systems Pvt. CEO Apoorve Dubey says:²⁷ “The digital world is not about technology, but people ... Leaders who understand the value of diversity, inclusion, and open-mindedness can navigate the challenges of technological disruptions.”

Many of the changes businesses are talking about today have been evident in the digital business world for a while. In that sense, this is not so much a re-invention of how business teams work, but instead an acceleration of certain trends.

For example, at a time of reduced in-person interaction, online training programs such as the Leadership Academy from Coursera can help leaders and employees to develop in their own time.

There is growing evidence that organizations are increasingly coming around to the benefits of online learning. Research commissioned by digital learning company NovoEd in 2021²⁸ revealed that many learning and development leaders believed the shift to online training “produces better outcomes.”

In a survey of 150 organizations, 54% said the quality of employee training improved when it went online,



with 82% saying quality did not suffer. Forty-four percent said that employee onboarding had improved, and leaders said that it offered benefits when it came to flexibility, customizing the pace of training, and enabling employees to learn and review without distraction.

This looks set to have an impact on future spending decisions. Seventy-nine percent said they planned to increase investment in online learning in the future, while 73% said they anticipated reducing spending on in-person training.

Another hugely valuable way to learn is through experience. Staff members can grow in many different ways by taking on project responsibility, and will feel more empowered as a result.

A report by Deloitte's Steven Hatfield and Anne-Claire Roesch said:²⁹ “Getting leaders project-based experience and charging them with implementing digital business priorities can not only give them the experience they need to develop, but can also serve as a retention strategy.”

The move to remote working may not be temporary for high-performing teams. Around 55% of employees surveyed by PwC in 2021³⁰ said they would prefer to be remote at least three days a week, even after the pandemic recedes. Employees have welcomed changes in process and communication—in some cases because the changes have been requested in the past.

(Some) remote working is here to stay

In-person leadership is no longer necessarily the default. Leaders who are comfortable with communicating with—and inspiring—remote teams can recruit talent from all over the world.³¹ However, it does require them

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Steven Hatfield and Anne-Claire Roesch
Deloitte

to embrace new approaches and test different ways to promote innovation, collaborate on problems, and discover new products and services without relying on standard “command and control” techniques.

An inspiring leader has the power to enact real change—not just in organizations but in the way entire industries work. But to do so they must take the time to master crucial leadership skills, such as how they communicate with their teams, how they adapt to change, how they nurture a culture of innovation, and how they ensure that all voices are heard and valued.

Leadership Academy from Coursera

For organizations creating the workforce of the future with the next generation of leaders, the Leadership Academy from Coursera is the total skill development solution for the entire business, designed to help all employees build proficiency in essential soft skills such as change management, emotional intelligence, innovation, resilience, and more.

[Learn more](#) about the Leadership Academy from Coursera or [talk to](#) a skills transformation consultant.



Endnotes

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Endnotes

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