How organisations can cultivate digital leaders

Developing digital leaders should be a strategic priority in AI implementation. People are the number one factor contributing to the success of digital transformation projects. In fact, companies who can identify, attract and retain the best talent are almost 50% more likely to succeed in their transformation efforts.

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The organisations that see meaningful success are those that employ top people and give them central, career-advancing roles. They also ensure they have a diverse team with a good mix of digital expertise and general organisational experience. This article outlines how companies can win this war for talent and cultivate digital leaders.

Your team: the crucial piece of the puzzle

When talking about AI implementation, it's easy to get wrapped up in the tactics, the technology and the techniques involved in bringing about change, but this needs to be framed within the context of those delivering the change. The teams enacting and adopting the change are the crucial piece of the puzzle when looking at successful transformation. Although job losses are a primary concern when considering AI, having the right talent in place is the key to success. Focusing on getting the skills you need within the business early on is a critical factor, not least because the competition for talent is extremely high, particularly in digital engineering and data science.

For companies looking to embrace digital technology, that talent will need to bridge the skills gap that reflects a significant shift in the value chain. Society is rapidly moving away from the industrial age when products are manufactured and sold to consumers, towards a model where data and knowledge are harnessed through specialist expertise to deliver quality services to users. This requires a different level and type of skill and creativity than has been in demand in recent decades. The businesses who secure the talent capable of this level of creativity alongside displaying the technical implementation skills to bring it to fruition will gain the edge over their competitors.

Twenty-first century skills

Those candidates with the right digital and technical skills have the luxury of taking their pick of the roles. However, while technical skills are easy to screen for, soft skills are much harder to gauge in an interview. They're contextual to each organisation, as the soft skills needed are often dependent on the culture and needs of the existing team. It's these soft skills that pose the most significant challenges when implementing change projects. Alongside overcoming the existing corporate culture, changing the prevailing mindsets and attitudes within a business is the core challenge for change projects. Having a strategy to develop these soft skills across teams will give any company a competitive advantage that others will struggle to imitate.

In addition to developing soft skills in individuals, there is a wider challenge for teams to break down silos, collaborate more effectively and work in ways that complement and emphasise individual skills. This challenge needs to be addressed with a practical management framework that can deliver the outcomes but is simple enough to be adopted quickly and without masses of expertise. It needs to be structured enough to deliver results without stifling innovation and autonomy, and it needs to balance business priorities with required timelines and realistic talent

development goals.

Attracting and retaining the right talent is important, and directing it towards meaningful outcomes is critical.

There are five actions I suggest for cultivating digital leaders across your company:

- 1. Show your commitment through your resourcing decisions: When you begin your digital and AI projects, communicate across the business that the best performers will be involved in them and that they will be career-advancing projects. Reward those individuals who go above and beyond to increase their digital skill set or take the initiative to get to grips with AI that supports their work or their team. Don't be afraid to bring in external experts to fill or support pivotal roles, especially where the requisite digital skills might be in short supply.
- 2. Take an open-source approach to finding talent: Start with a detailed assessment of the skills required, highlighting where the gaps are. Then create a talent acquisition plan that fills these gaps through redeployment, hiring new talent or accessing external resources such as agencies or freelancers.
- 3. Ensure effective team composition: The team needs to be made up of digitally literate people from a wide cross section of business departments to drive new thinking and become champions in their critical areas.
- 4. Manage talent dynamically to sustain employee engagement and morale: Before starting, you need to have processes in place to evaluate and develop team members, rewarding those who do well and replacing poor performers. It's important to have visible ways to celebrate success and manage morale, especially when things get tough.
- 5. Create a talent pipeline: Critical digital capabilities are in low supply and high demand, so it's important to keep an eye on what talent is

needed and when and maintain an open pipeline to fill gaps early. Part of this involves upskilling across the breadth of the company. Digital skills are not just for teams directly involved in digital transformation – they need to be cascaded throughout.

Successful AI transformation relies on having the right team in place to implement the change and properly equipping your team is important to realising this. By following the five actions above, business will cultivate engaged digital leaders that will go on to lead the AI organisational change desired.

This is an adapted extract from "AI for Business: A practical guide for business leaders to extract value from Artificial Intelligence" by Peter Verster, Founder of <u>Northell Partners</u>.

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