

Lighting Fires: How CEOs Will Lead Technological Transformation

— Volume 33, July 2022

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Most companies are going through some degree of transformation driven by technology. The pandemic, the WFH phenomenon, and the rise of cloud computing all markedly accelerated the reliance on enterprise technology and digital advancement. Facing increasingly competitive markets, businesses are actively focused on advancing cutting-edge product technology. Despite growing economic uncertainty (due to rising interest rates and inflation), *The Wall Street Journal* recently reported that companies are ramping up sizable tech investments, especially ones geared towards gaining market share and enhancing the customer experience.

It comes as no surprise that 97 percent of the 1700 CEOs and top executives surveyed in new research by Harvard Business School say that they expect to lead their organizations through innovation and changes shaped by technological transformation. Linda Hill, the Wallace Brett Donham Professor of Business and Administration at Harvard who led the research, says that her team is still making sense of their findings, but they are resolute about one thing: leading digital transformation is more about the people and the organizational culture than it is about the tech. Purposefully and effectively leading transformation requires strategically evaluating technologies but, above all, the leadership mindset and capacity to shape and leverage the organizational context, and to maintain momentum in the face of assured uncertainty and complexity. “Digital maturity is about the relationships between tools and people in the service of purpose,” Hill stated. “Not about the shiniest and the biggest.”

It is not essential that CEOs become experts in technology themselves. According to Tsedal Neeley and Paul Leonardi, the authors of *The Digital Mindset: What it Really Takes to Thrive In the Age of Data, Algorithms, and AI*, leaders only need 30 percent fluency in a handful of technical topics. “To be successful, they must think differently,” they argue, and expand their capacity to evaluate, challenge and [re]orchestrate the organization’s widening technology landscape. That being said, questions still loom large: how can they accelerate this journey, moreover, optimize it? What are the leadership learnings surfacing from those paving the way?

Adopt a Catalyst Mindset

We know that so much about leadership is about how people experience themselves in the leader’s presence. CEOs who can demonstrate their personal curiosity and commitment to technological transformation will generate the same requisite inquisitiveness and enthusiasm across their organizations. They, in effect, become the catalyst for change which is vital to bringing others on board and moving them forward.

To get there, CEOs must activate ahead of change, not wait for it. Seventy-one percent of the executives Harvard reached recognize that adaptability is the most important capability to model and stimulate in others leading transformation. The best leaders accomplish this by encouraging the organization to anticipate and lean into the unknown future to enable the realization

of new ideas. Many choose to meet regularly with innovation teams, to further inspire them. They also drive change from the top through regular and thoughtful communication broadening the perspective, boundaries and mission of organizations, and linking new objectives and projects with widening purpose and impact.

The example leaders demonstrate and the words they choose are exceedingly important. Balancing confidence with respect and curiosity around what is unknown, they can set the agenda for future exploration and growth. Recently, Google CEO Sundar Pichai did just that. In a memo to his employees that let them know they would slow down hiring for the rest of the year, he seized the opportunity to inspire and reenergize them. “Moving forward, we need to be more entrepreneurial, working with greater urgency, sharper focus and more hunger,” Pichai wrote. This clarity, he continued, “drives focus and creativity, and ultimately leads to better products that help people all over the world.”

First and foremost, organizations facing uncertainty and transformation require steadfast, deliberate leaders who are committed to the overriding purpose and are masterful at fueling innovation and demonstrating adaptability around it. Leaders with this capacity will be the essential catalysts needed for the future.

Drive a Culture of Experimentation

Technology transformation revolves around a commitment to experimentation that has not always been encouraged in corporate settings where the primary emphasis has often been on delivering consistent and progressive results. Historically, it has only been technology companies and disruptors that have encouraged a “fail fast, fail often” tactic, but this is changing, and the approach is now being more widely adopted.

To get there, CEOs must enforce a culture that can uphold this iterative process. Increasingly, we see CEOs driving experimentation and discovery by uncovering new ways to “test and learn” to scalable solutions. Often this means enhancing the organization’s “DNA” to include other more entrepreneurial and curious leaders through both recruiting and development. As Adam Grant explains in *Think Again*, his newest, best-selling book, transformation depends on leaders and teams who can “think like scientists” and are committed to enabling ongoing

inquiry and intermittent failure in the name of progress. According to Grant, the good news is that “just a few efforts at rethinking can move the needle.”

The real key to success is fortifying the organization’s ability to assess the outcomes of the experiments, then either quickly doubling down/scaling up or pivoting to the next experiment, building on the lessons learned. The CEO’s objective is to instill agility and adaptability from the top down, into the core of a company, so that the organization is poised to grow within the disruptive world they inhabit and change it further themselves.

Grow a Co-Creative Network

It is clear that to lead technological innovation and drive transformation, CEOs need support, and they are actively building and engaging networks of experts who can provide key knowledge and insights, especially around unfamiliar technological considerations. We see companies adding experience at the Board level with non-traditional Directors and Technology Committees while increasingly investing in senior tech talent, creating new roles for technological experts.

Beyond Chief Technology Officers, we see many other new roles: Chief Digital/ Innovation Officers; Chief Data/ Analytics Officers, Chief Product Officers, and the list goes on. These are not futurists and prognosticators, but Operating Executives tasked with harnessing technology to advance the business goals of the enterprise. One such example is Microsoft’s “Corporate Vice President of Modern Work”. These new roles need to be supplemented with partnerships with industry leading companies, research centers and universities to fully harness all the available advancement options on the “Build-Buy-Partner” spectrum to deliver the desired business results.

Collaboration across leaders both within and outside the company with varied expertise and diverse perspectives fosters the shared learning, co-creation culture needed to design, test, iterate and implement change at scale. Grant stresses the importance of building “challenge networks” into the equation—people who are invited to push back and to question the thinking, to look for blind spots and latent biases. This process aims at accelerating learning curves, helping people see gaps in the knowledge and adjust plans and correct courses earlier in the transformation process when adjustments are easier and less expensive.

It is in the creative exchanges and interplay between diverse experts and professionals where the real transformation starts to happen, where teams arrive at promising, original applications using technology. The CEO's aptitude in enabling and reinforcing this collaborative productivity is critical.

Transformation through technology is clearly on the rise. Knowing this is one thing, knowing how to lead it is another entirely. CEOs are actively transforming

themselves to provide the leadership required to keep driving and implementing the sizeable changes proposed. And this means fortifying their organizations with the best talent, tools, and processes to generate novel experimentation and discovery.

Future success will depend upon CEOs and co-creation teams exercising informed judgement gained from balancing evidence with experience, and a measure of calculated risk taking. Leaders will come to this place by tapping into the curiosity and courage in themselves to continue lighting the organizational fires required to make empiricism, ongoing learning, and change flourish.

Based in New York and the Leader of Egon Zehnder's Technology & Communications Americas Practice, Kal Bittianda is passionate about disruptive technology and digital transformation. He advises Boards, C-suites and Private Equity sponsors on solving their most critical leadership challenges, especially CEO succession planning, Executive and Board recruiting. The Enterprise Software, Tech-Enable Services, Communications and Connectivity sectors are of special interest to Kal. He also enjoys developing and implementing creative leadership advisory solutions for CEOs and their teams.

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