

NANO TOOLS FOR LEADERS®

LEADERSHIP IN THE DIGITAL AGE: CAPABILITIES EVERY LEADER NEEDS

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes — with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

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THE GOAL:

Leverage current digital opportunities for more effective leadership.

NANO TOOL:

The social-media revolution has created a new reality that offers great power and potential for boosting corporate performance: wikis enable more efficient virtual collaboration; internal blogs, discussion boards, and YouTube channels encourage global conversations and knowledge sharing; sophisticated viral media campaigns engage customers and create brand loyalty; next-generation products are co-developed in open-innovation processes; cross-boundary tools transform supply-chain dynamics, and more.

But for individual leaders, this revolution comes also with inherent risks that create uncertainty and unease. There's a mismatch between the logic of participatory media and the still-reigning 20th-century emphasis on linear processes and vertical control. Social media encourages horizontal collaboration and unscripted conversations that short-circuit established power dynamics and the traditional lines of communication.

ACTION STEPS:

To lead effectively in the age of social media, leaders need to develop and strengthen six capabilities that build on each other. Companies with a critical mass of leaders who master these domains will outperform laggards in their field.

- 1. Create compelling content:** As the importance of authoring content across multiple platforms grows, leaders need to borrow filmmakers' and writers' skills such as an authentic voice, imagination, and the ability to craft compelling stories. In the age of YouTube and blogs, a tweet, a post, or a quick video taken by a leader on a smartphone can create engagement — demonstrating a hands-on, agile leadership style.
- 2. Develop distribution competence:** In the realm of social media, the relevance of any message begins when its audience responds by rating, sharing, commenting, liking, and re-tweeting. Leaders need to enhance their com-



munication routines by leveraging (often informal) influencers who help to spread their messages to the intended communities and reinforce them in the process. This requires a good understanding of their organization's informal social dynamics.

- 3. Assess and filter information:** Together with the traditional communication channels, social media creates unprecedented information overflow — without editorial filters. Leaders need to assess the relevance and factuality of information, and they need to find ways to deal with the ocean of noise. For the latter, using smart filtering platforms such as Tweetdeck (a self-designed dashboard that allows for intentional listening), Xobni (which provides analytics based on your email contacts), or Gist (which creates a social graph across various social media platforms) can help. An entirely new quality of communication management is required.
- 4. Drive strategic social-media use:** Leaders must play a proactive role in raising the media literacy of their immediate reports and stakeholders, ensuring that a culture of learning takes hold. As a new and media-savvy generation enters the workplace, smart leaders can accelerate this process by harnessing these digital natives' expertise through "reverse mentoring" systems.
- 5. Design an enabling organizational infrastructure:** Leaders have to make sure that their organizations are designed to encourage self-organized horizontal discourse and exchange (through enabling communication platforms and effective incentives) while mitigating the risks of irresponsible use (leveraging smart policies and vertical accountability frameworks).
- 6. Stay ahead of the curve:** Leaders must keep up with emerging trends and innovations — not just for their competitive and marketplace implications, but also to determine what they mean for communications technologies. Executives who monitor weak signals and experiment with new technologies and devices will be able to act more quickly and capture inherent advantages.

HOW LEADERS USE IT:

Looking at practices at General Electric is particularly interesting, as GE is no digital native and the bulk of its businesses are "old economy." But it has a 130-year tradition of reinventing businesses and itself, and has long been a leader in all things "leadership." Here are some examples how some of GE's senior executives have experimented with and adopted ways to leverage social media:

- Mark Begor, who now runs GE Energy Management business, produces a weekly five- to ten-minute video for his division. "I talk about what I learned during the week, about a great deal we've closed, and the status of the business. I also add comments about employees that I want to recognize." This routine forces Begor to crystallize his thinking and makes him more aware of his strategy and communication.
- Lorraine Bolsinger, president and chief executive officer of GE Power & Water's Distributed Power, created an internal "360 blog" for herself and her direct reports. With 12 regular contributors taking turns to create an editorial-like opinion, this weekly blog provides additional points of view on issues, promotes more frequent communication, and attracts broader participation. Bolsinger says that it has improved the quality of her group's dialogue about strategy and operations.
- Steve Sargent, non executive director at Origin Energy Ltd, Veda Group Ltd, The Great Barrier Reef Foundation, Bond University Ltd, established, while president and CEO of GE Australia and New Zealand, a mining-industry network that cuts across GE's businesses and regions, linking informal teams that use social platforms to collaborate on solving customer needs. The company social network was leveraged to orchestrate this bottom-up initiative effectively across boundaries, resulting in the creation of a fully-fledged billion dollar business.

ADDITIONAL RESOURCES:

- [The Global Six Skills Dialogue](#). A virtual discourse platform on which executives, scholars, and consultants jointly explore the challenges of developing organizational social media literacy.
- “Six Social Media Skills Every Leader Needs,” Roland Deiser and Sylvain Newton, *McKinsey Quarterly* 2013/1.
- “[Social Technology and the Changing Context of Leadership](#),” Roland Deiser and Sylvain Newton, *Wharton Leadership Digest*, May-June 2014.
- *Designing the Smart Organization: How Breakthrough Corporate Learning Initiatives Drive Strategic Change and Innovation*, Roland Deiser (John Wiley & Sons, October 2009).
- “[Leadership Unplugged: Stripping Out the Noise to Uncover a New Direction](#),” Roland Deiser and Sylvain Newton, BrianSolis.com, November 26, 2013.

ABOUT NANO TOOLS:

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton’s Center for Leadership and Change Management, Wharton Professor of Management Michael Useem, Director. Nano Tools Academic Director is Professor John Paul MacDuffie, Professor of Management at the Wharton School and Director of the Program on Vehicle and Mobility Innovation (PVMI) at Wharton’s Mack Institute for Innovation Management.