

Leadership Insight People – The Key to Successful Digital Transformation

by Na Fu



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Please provide a brief history of your career.

I am an associate professor at Trinity Business School, Trinity College Dublin and Digital Workplace Lead at the Trinity Centre for Digital Business. I am also founder and Director of the triple-accredited MSc in Human Resource Management programme. Prior to joining Trinity College in 2016, I worked in the human resource management and organisational psychology group at DCU Business School and at Maynooth University (MU) School of Business as a lecturer in human resource management and organisational behaviour. I am passionate about helping organisations to achieve their employees' full potential in all aspects and my recent work includes organisational digital transformation with particular reference to human resource management.

As associate professor in human resources management at Trinity Business school and the digital workplace lead for digital business since 2016, what are the biggest challenges you have come across when implementing digital changes within your work and how have you overcome these?

Digital transformation is impacting how we operate business and manage people. It involves the adoption of new technologies and data analytics to empower decision-making and can be seen as a positive aspect of digital disruption.

Organisations, teams and individuals face numerous challenges in

implementing digital changes. Technology, infrastructure and tools are often mistakenly regarded as presenting the greatest challenge. Actually, it is the people. People are the very core of organisations and are directly responsible for their culture.

We have already seen a practical example of this in the implementation of e-learning systems in universities. Despite the clear benefits and increased use of e-learning in colleges, questions remain regarding the factors which determine the success or otherwise of such systems.

Based on research with Norman Chiong, we examined the influence of individual, technological and environmental factors on e-learning outcomes using a sample of students studying business and management in Ireland and Malaysia.

The results showed that the most significant success factor was the perceived usefulness of the technology. This had a positive influence on all indicators including acceptance, transfer and effectiveness.

On the other hand, perceived ease-of-use was found to be predictive of acceptance and effectiveness but not necessarily for e-learning transfer. In terms of environmental factors, university support slightly increased a student's acceptance and transfer, but not the effectiveness.

Lecturer support was found to be important for ensuring transfer only.

Lecturers' support in the use of e-learning systems and students' learning were found to be key to

successful digital transformation in learning. Success is not only dependent on what technology is used but how it is used. The people, therefore, are the key enabling factor for successful digital transformation.

You have led research projects in both the private and public sectors. Are there any particular projects that have stood out to you and if so, for what reason?

Putting the people back into HR

Beyond the academic environment, as the Lead for Digital Workplace at Trinity Centre for Digital Business, I have been researching digital transformation in the workplace generally including the digitalisation of HR and HR analytics.

Digitalisation has brought about fundamental change in HR. It not only improves efficiency through process automation but also enables better decision making based on advanced data analytics.

Recruitment is just one example of this. Time to hire is reduced to days and minutes from months thanks to digitalisation.

Performance management is another case. People are empowered to set their own targets and manage their own development and growth. And this feeds into training. Digital learning enables people to choose where, when and what to learn.

The advent of digitalisation is also timely as it coincides with a profound shift in the HR profession. The old assumption that people need to be managed as a resource is being challenged to the extent that even

the terminology is changing.

We're not seeing human resources management so much anymore. We are seeing people management instead. There are fewer chief human resources officers (CHROs) and more chief people officers (CPOs).

This is by no means a cosmetic change in titles. It reflects a huge change in people management philosophy. There is a pronounced shift towards regarding employees as customers who should be listened to and supported.

This new people-centric rather than management-centric model is being enabled by digital transformation. Instead of dehumanising organisations, the new technology is actually allowing them to become more people centred.

That begins with the ability to understand and respond to people's needs as individuals. We need a more nuanced and granular understanding of people's needs. Rather than based on broad categorisations like job title, rank or department, there is a need to focus on the different stages of the employee journey within the organisation.

Up until now, due to resource limits, it has been impossible for HR departments to provide a tailored service for individuals or even small groups of individuals. Digitalisation changes this by empowering people with technology. Rather than being told what training programmes will take place, employees can self-search and select the training programmes they need for their work. Also based on machine learning and AI, digital learning platforms can recommend other relevant learning and skills training courses to employees.

The implementation factor

Implementation is another key success factor for digital transformation. Any new initiatives or changes include three levels of involvement or outcomes: intended, actual and perceived change.

The first level is the intended change that the organisation is seeking to achieve in order to increase efficiency, effectiveness

and possibly to increase innovation per se. Generally speaking, when an organisation sets out on the digital transformation journey, the intention is to make things work better.

Perceived change represents the change as experienced by employees. For example, do they feel the technology is really helping them to work better?

Ideally, the intended and perceived change should be fully aligned where the message sent from management level reaches individual employees with perfect clarity. Unfortunately, in practice, it is usually not the case. Intended change does not always translate into the change perceived by employees.

The implemented change is labelled the actual change. This comes back to management buy-in. Employees will be much more likely to use new technologies and adopt new working practices when managers are also seen to understand, promote and adopt them.

This reflects the experience in universities where lecturers' support for new technology has a positive influence on student usage.

People-centric management and the focus on the actual implementation by line managers not only enable organisations to transform digitally but also help to cultivate a distinctive culture which in turns helps attract and retain employees who are more likely to thrive in that environment.

Digital disruption is something that is present in all industries and careers to a certain degree. What can accountants do to lead their teams effectively?

The accountancy profession

Digital disruption is affecting all industries and the accountancy profession is no different. In order to remain successful and stay ahead of the curve, accountants must understand, adapt to and master new digital technologies.

But it is not as simple as just introducing a new technology. Accountants have proven themselves very adept at availing of new

technologies over the years. But digitalisation requires a mindset and culture change as well.

The tradition and standards in accounting systems, to a certain extent at least, influence the mindset of accountants. But the professional services provided by accounting firms need to change in line with the transformation being undergone by their clients.

Acknowledging and accepting the necessity for change is the first step for all accountants. The challenge this presents to the accounting industry is perhaps greater than in any other sector.

Digital transformation does not only always succeed – it has risks. Different industries have varied attitudes towards risk. For the accounting industry, clarity, accuracy and consistency are of paramount importance.

During digital transformation, particularly at the outset, ambiguity, mistakes, uncertainty and constant change are common and this is almost antithetical to the work norm for most accountants. Therefore, accounting firms need to work towards developing an agile, adaptive and inclusive culture which embraces and supports ambiguity, mistakes and uncertainty.

This in turn requires current and future team leaders to develop such a mindset and share it with team members so that it becomes embedded in the culture of their organisations.

Transformational leadership is needed

In the final analysis, digital transformation is no different to other changes. And the required leadership skills are also no different. In particular, transformational leadership has been found very useful.

Transformational leadership includes four elements: idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Bass, 1985, 1996; Bass & Avolio, 1994).

Idealised influence:

Leaders are role models who influence team members to share a vision and empower them to achieve the vision collectively. For digital transformation, leaders not only communicate the information to team members but also explain why it is important. How can we, as a team, make things work better for us and for clients?

Inspirational motivation:

Leaders must encourage team members to challenge their assumptions and take risks. Leaders also need to enable team members to see the new technology as presenting opportunities.

Intellectual stimulation:

Team members' creativity and innovative thinking needs to be stimulated. For example, leaders can constantly ask team members for new ways to solve problems rather than direct them on exactly needs to be done or the way in which it should be been done.

Individualised consideration:

Leaders need to develop team members' potential and pay attention to their individual needs for achievement and growth. A question for every leader to ask is "How does the technology could help individuals to work better and achieve more?"

These practices must be implemented with care. Team members can be confused or dissatisfied if their manager treats everyone differently. In many cases, it's a good thing that team members receive individualised consideration. However, some consistency should be maintained to ensure team members' satisfaction.

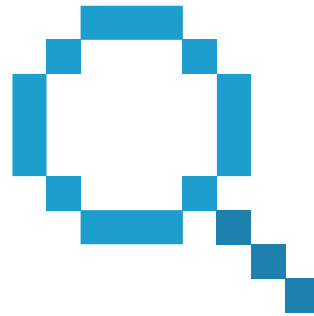
Based on my own research, managers also need to be paradox navigators in implementing the four practices. They need to ensure the consistency among members as well as consider individual differences at the same time.

What advice would you give to aspiring leaders today?

Philosophically, conceptually and practically, leaders need to embrace the concept of servant leadership. Leaders are there to support. They care about and emphasise the personal development of individuals. They empower others to achieve. These traits will be very important for the future of the workforce where new generations will require support from leaders if they are to thrive in the fast-changing environment that is the modern workplace.

Form a personal point of view, my advice to all leaders and aspiring leaders is to be curious and be kind. An open mindset to embrace new knowledge will enrich your life. Caring for and lifting others is a reward itself.

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