

Leading Digital Transformation: Here are the 5 Most Important Skills IT leaders Need to Have

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The COVID-19 pandemic has accelerated digital transformation in all sectors and regions by several years – and as we enter the new normal, this unprecedented change is reshaping Southeast Asia in exciting ways.

The vibrant region is home to a booming startup sector, with rising consumer classes, and a demographic advantage on its side. Over 60 percent of the world's youths live in the Asia Pacific (APAC) ^[1], and Southeast Asia is leading the region's digital transformation with 70 million people becoming digital consumers since 2019 ^[2].

From the rise of e-commerce and fintech, to hybrid work taking center-stage as economies reopen, the region holds immense opportunities. But despite having a young population ready to embrace the online platforms and social media, not everyone is keeping up with the changes fast enough. A huge digital skills gap is weighing down on all sectors around the world, given the intense demands of new software and infrastructures, as well as new ways of working.

A regional research report ^[3] by Amazon Web Services (AWS) and consulting firm AlphaBeta revealed that by 2025, the average worker in APAC will need to learn seven new digital skills. The number of APAC workers requiring digital skills will grow over five-fold, which means that across Southeast Asia and Singapore specifically, 5.7 billion digital training will be required across the entire workforce. What these mean for businesses is that there is, and will be, constant change. Those in leadership roles will need to have the right skills – not necessarily technical ones – to deal with the disruptions ahead in order to ensure their organisation is future-ready.

Setting your organisation up to be part of the 30 percent

The reality is, many digital transformation programmes fail. A 2020 study by Boston Consulting Group ^[4] arrived at an alarming conclusion: 70 percent of digital transformations fail, falling short of their objectives and often producing profound consequences.

To champion a successful digital transformation project, leaders need to be equipped with these five critical skills: **1. Digital Leadership** Most of the time, what's missing in an organisation's digital transformation roadmap is a clear set of goals that differentiates the project from standard digitisation. It's not about giving everyone access to Zoom so they can work from home during a pandemic. Rather, an example of digital transformation would be to fundamentally shift from a physical retail model to e-commerce to reach more consumers who would otherwise not visit the store.

An important, yet often overlooked, aspect of digital leadership is to ensure that the entire organisation is digitally upskilled. No matter what industry you are in, businesses are becoming digital businesses – and this means that everyone needs to be digitally literate. From the frontline intern all the way up to the CEO, everyone needs to be on the same page in terms of the ease of working with technological tools for productivity, collaboration, and leveraging data to enhance their work. **2. Overcoming resistance and managing change** Despite the promises of new technologies in terms of efficiency, ease of use, and better customer experience, many digital transformations fail due to employees' unwillingness to change and poor organizational practices. To overcome this resistance, there are three C's that can help – communication, collaboration, and commitment. Successful leaders talk about the "why", rather than focusing on the "what". They are the ones who are down there in the trenches trying to understand the work of their employees, and applying empathy while communicating the reasons behind the changes that are happening. This turns the digital transformation into a collaborative process, and builds a sense of purpose and belonging within the team, pointing them towards an aligned direction. Commitment is about walking the talk and taking the lead - if you're implementing a new tech tool, be the role model, use it yourself, and champion it. **3. Excellent People Management** Good team members have a flow-on effect inside an organisation. They create virtuous circles which have a significant tangible impact on the team that they work in, and help to create a conducive, productive environment to work in. Google ^[5] spent years studying how effective teams look like, and how to build high performing teams. What they realised ultimately, is that it doesn't really matter who's on the team – rather, it's about how the team works together. The most critical element is that leaders need to develop an environment of

psychological safety – this could be anything from the ability to take risks, to share controversial ideas and have a debate or dialogue, and to know that it's not going to be career threatening if you don't agree with your manager. Such an environment will help employees to feel that the work they do actually matters. **4. Become a Champion of Data** A 2021 study by HFS Research ^[6] found that 75 percent of business executives do not have a high-level of trust in their data and 70 percent do not consider their data architecture to be "world class". This is worrying, as data literacy – the ability to read, understand, and communicate data in context – is important no matter where an organisation is on its digital transformation journey. The advice is to start with basic digital training for all employees, just to ensure everyone is singing from the same songbook. Having a base level of digital training will ensure that they can refer back and use it as a basis for common language when discussing data-related processes.

5. Self awareness and reflection

While 95 percent of people believe they're self-aware, in reality, just 10 percent to 15 percent actually are ^[7]. And why does this trait matter? On a personal level, self awareness helps you understand and cope with stress. At work, it can help you match your skill sets better, collaborate more efficiently, and enhance your relationships as it leads to a greater level of openness and communication.

One way to improve your self awareness is to gather feedback, not just through official appraisal systems but also to check in with your team and even engage friends or colleagues for honest feedback.

No leader is an island

Ultimately, the key takeaway from the five skills above is that successful digital transformation takes a village. It's not possible for an IT leader to implement changes alone; what you'll need is organisation-wide buy-in and collaboration across departments.

The challenge is to engage every stakeholder – from the frontline staff all the way through the C-level executives and board members – and take them along that journey, even if change is difficult. Help them to understand that they have personal and organisational impact in the work that they are doing, and empower them to see the eventual positive outcome of this digital transition – and they'll be your best allies in taking digital transformation to the next level. Damien is the Chief of NUS-ISS Master of Technology in Digital Leadership programme. Find out more [here](#).

¹UN Regional Overview: Youth in Asia & The Pacific

²Southeast Asia, the home for digital transformation by Facebook and Bain & Company

³Building Digital Skills for the Changing Workforce

⁴Flipping the Odds of Digital Transformation Success

⁵<https://rework.withgoogle.com/print/guides/5721312655835136/#:~:text=The%20Google%20researchers%20found%20that,twice%20as%20often%20by%20executives>

⁶Bad Data is Killing Your Business Transformation Efforts ⁷<https://eab.com/insights/daily-briefing/workplace/leaders-think-they-have-this-quality-but-few-actually-do/>

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