

Gartner®

Gartner for IT Leaders

How CIOs Can Build Leaders' Digital Dexterity

By CIO Research Team



As organizations scale digital initiatives, the volume and impact of technology require leaders to take on digital leadership responsibility. CIOs must take steps for enterprise leaders to define and expand their digital ambitions and abilities to build and operate a successful digital enterprise.



Overview

To accelerate and run a successful digital organization, enterprise leaders need high digital dexterity — they must understand digital opportunities and strategically choose the right options to create and deliver new value.

CIOs can take an active role in developing high digital dexterity in enterprise leaders. CIOs should shift their focus from primarily educating enterprise leaders to a posture that focuses on enabling behavior changes. To do so, they should guide leaders toward self-discovery and draw on the support of influential stakeholders in leaders' networks.

Key findings

- Most enterprise leaders lack sufficient digital dexterity to take on the next phase of digital business transformation.
- Building digital dexterity in enterprise leaders is more about changing behaviors and mindsets than it is about technical understanding.
- Leaders can be motivated to change their behaviors by a range of emotional incentives such as competitive spirit and the desire to enable their teams to adopt digital ways of working.
- A broad range of stakeholders can influence enterprise leaders' digital dexterity, including vendors, competitors and employees. CIOs can shape these interactions to create learning.

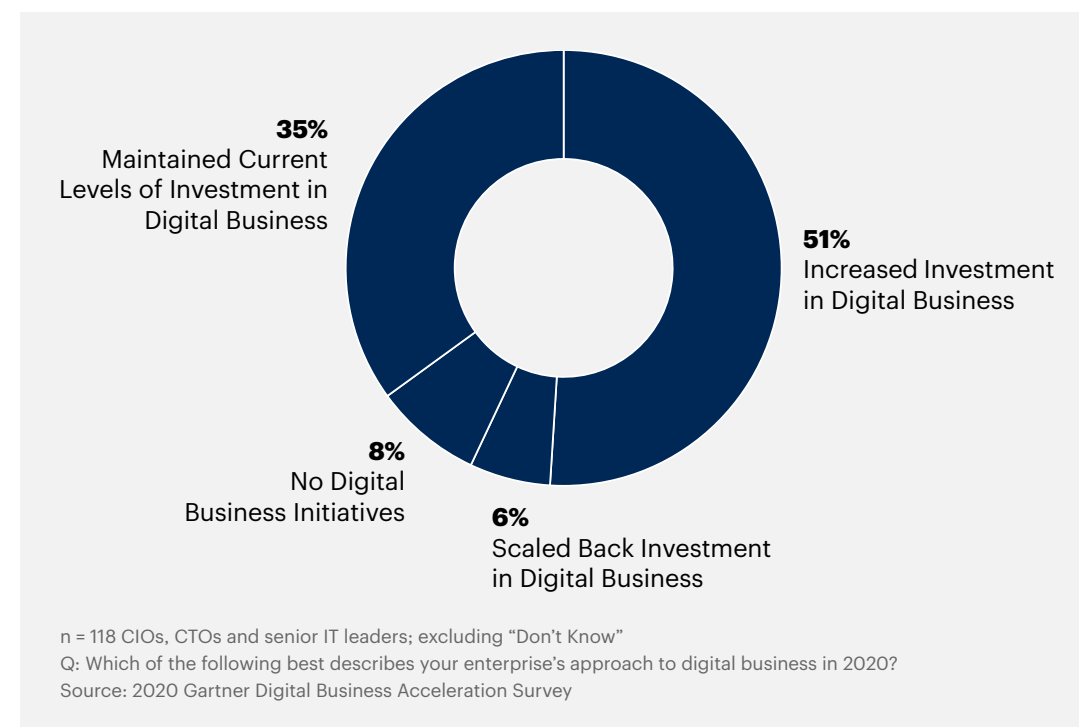
Recommendations

- Help enterprise leaders to change behaviors and build their own digital dexterity as they execute on digital initiatives. Move beyond a necessary, but insufficient, focus on knowledge and education.
- Tap into emotional incentives by illustrating how leaders' personal behaviors impede their aspirations for their teams.
- Drive self-reflection on the need for leaders to change behaviors in parallel with new technology adoption.
- Identify and harness “digital translators” in business areas with digital expertise who can support leaders as they expand their ownership of digital initiatives.
- Press leaders to acknowledge their own gaps with “digital humility,” inviting rising leaders to show them new approaches to digital opportunity identification.

A Change Management Approach to Elevate Leaders' Digital Dexterity

Many digital business efforts accelerated in 2020 while responding to the pandemic. Enterprise leaders (the C-suite and their direct reports) rallied to support a rapid shift to remote work and to create new digital channels and products — often essential to serving customers and ultimately to business survival. Digital business initiatives on the back burner before the pandemic became urgent priorities, and CIOs and leaders across the enterprise collaborated to get critical solutions into production (see Figure 1).

Figure 1: Approach to Digital Investments in 2020 (Percentage of Respondents)



Despite this rapid progress, there remains a great number of “to dos” and questions for organizations on the journey of digital transformation. For example, many organizations need to translate their shared vision into more specific, actionable strategies. Leaders are asking themselves: Should we invest in digital platforms or join digital ecosystems? How will we upgrade the skills of the workforce? How can we find more innovative efficiencies and deliver a better customer experience?






Other organizations are looking to change the technology funding model to give flexibility for continuous delivery or implement new governance and risk management approaches to cover an expanding number of issues that broader uses of technology create. All of these efforts require decisions and commitments not just from the CIO or IT leaders; they must come from the enterprise leadership as a whole. Moreover, for the CIO's role to evolve from where it is today, enterprise leaders must take on more responsibilities for technology decisions and the management of technology resources.

Most current enterprise leaders are not fully ready to take on digital business responsibilities. These leaders fall into common profiles:

- Skeptics: Don't believe in the case for digital business
- Abdicators: Believe digital is someone else's job
- Provincialists: Focus on local uses of technology optimization
- Dreamers: Inspired but struggling to get started
- Sprinters: Race ahead with plans for digital initiatives without plans for sustainability

In each case, there is misplaced or missing ability and ambition that limits that leader's effectiveness in digital business. Though less common in the postpandemic world, there remain some skeptics who resist the case for digital business (see Table 1).

Table 1: Archetypes of Current Enterprise Leaders' Role in Digital Transformation

 <p>Skeptic</p>	 <p>Abdicator</p>	 <p>Provincialist</p>	 <p>Dreamer</p>	 <p>Sprinter</p>
Doesn't believe in the case for digital business	Believes digital is someone else's job	Focuses on local uses of technology optimization	Inspired but struggling to get started	Races ahead with digital initiatives without plans to sustain it
This graphic demonstrates the 5 archetypes of enterprise leaders with digital dexterity gaps: Sceptics, Dreamers, Provincialists, Sprinters and Abdicator				

Source: Gartner

Many leaders got to their senior positions without digital business experience. Today, less than half of enterprise leaders said they frequently identify new IT-related opportunities (n = 873 senior leaders outside IT, according to the 4Q20 Gartner Global Labor Market Survey).

Most organizations have more than one archetype on their leadership team. The composition is often determined based on operating model and/or industry characteristics. For example, highly federated companies will often have more provincialist leaders — based on their responsibilities, they see digitalization as a local strategy, not a broad enterprise/ecosystem opportunity. Likewise, many industries are less digitalized and arguably have less opportunity for digital transformation. Leaders in those companies are

more likely to be digital skeptics — they struggle to see the value of digitalization because their business models have not benefited greatly from technology.

While some aspects of these archetypes might be more immutable traits in leaders, CIOs can optimize them to build a stronger bench for digital transformation.

For leaders not ready to elevate their digital dexterity, CIOs can pursue alternative approaches:

- Abdicators — CIOs can seek to find other leaders on their team who can be delegated digital responsibility in the short run. With success, abdicators will see value and be interested in elevating their understanding.
- Sprinters — CIOs can work on digital dexterity to provide a risk framework/ options framework. They can work to channel the sprinters in the right lanes of action and keep them safe until they are ready to elevate their digital dexterity.
- Skeptics — CIOs can require a business value or proof of concept framework. CIOs should focus on elevating their digital ambitions — working to find highly attractive digital options that will directly benefit the skeptics. If you can get them to move forward on any digital opportunity, it will elevate their ambition and then eventually you can work on their abilities.
- Provincialists — These leaders are, by design, focused on their local responsibilities. They may simply not have a broader understanding of the full digital opportunity. CIOs need a big picture strategy framework to demonstrate how digital transformation will provide benefit to their direct responsibilities and how digital can create significant transformational value.
- Dreamers — These leaders are extremely useful in digitalization efforts. They are willing to invest in developing digital ambition and want to think big and bold. CIOs should leverage this and then work to help them translate ambitions into more concrete options. CIOs can help define/evaluate their dreams by connecting them to achievable digital opportunities and determine a practical resourcing framework.

The goal isn't to turn everyone into the same type of leader but to improve each leaders' digital dexterity based on the nature of who they are today. Each leader will have different needs — some will need to develop ambition while others will need to develop ability.

Digital dexterity is a set of attributes based on the combination of the ambition and ability to build digital businesses and then to work digitally (see Figure 2).

Figure 2: Digital Dexterity Matrix

	Working Digitally	Building Digital Businesses
Ambition	<p>Ambition to Work Digitally</p> <ul style="list-style-type: none"> • Believes in technology's ability to augment personal tasks and activities • Willing to take on new roles to support digitization plans • Views data and technology proficiency as critical to career advancement 	<p>Ambition to Build Digital Businesses</p> <ul style="list-style-type: none"> • Considers digitalization to be critical to company effectiveness • Innovates and takes risks in pursuit of digital opportunities
Ability	<p>Ability to Work Digitally</p> <ul style="list-style-type: none"> • Adapts to work on initiatives with unclear and changing requirements • Works iteratively to improve outcomes • Can work from anywhere, with the right technologies 	<p>Ability to Build Digital Businesses</p> <ul style="list-style-type: none"> • Collaborates across seniority levels to set company digitalization direction • Surfaces digitalization opportunities to improve department/function operations • Obtains technologies independently to succeed on the job

n = 3,481 employees from all industries and functions; 1,227 enterprise leaders
 Source: 2018 Gartner Digital Dexterity Survey; Q2 2019 Gartner Global Labor Market Survey

Many of these attributes are about having an open mindset and working iteratively, not largely about technical savviness and understanding.

When organizations have high digital dexterity, the likelihood of a successful digital transformation increases by 3.3 times. However, as the archetypes suggested, most leaders are not digitally dexterous; only 16% of all leaders outside of IT have high digital dexterity (according to the 2Q19 Gartner Global Labor Market Survey).

What works to improve digital dexterity for employees does not always work with enterprise leaders. They may not always be receptive to the CIO's advice, and/or that advice may compete with the advice of other stakeholders, internally and externally. Unlike employees, enterprise leaders are more accustomed to teaching than being trained, and they are more time-constrained.

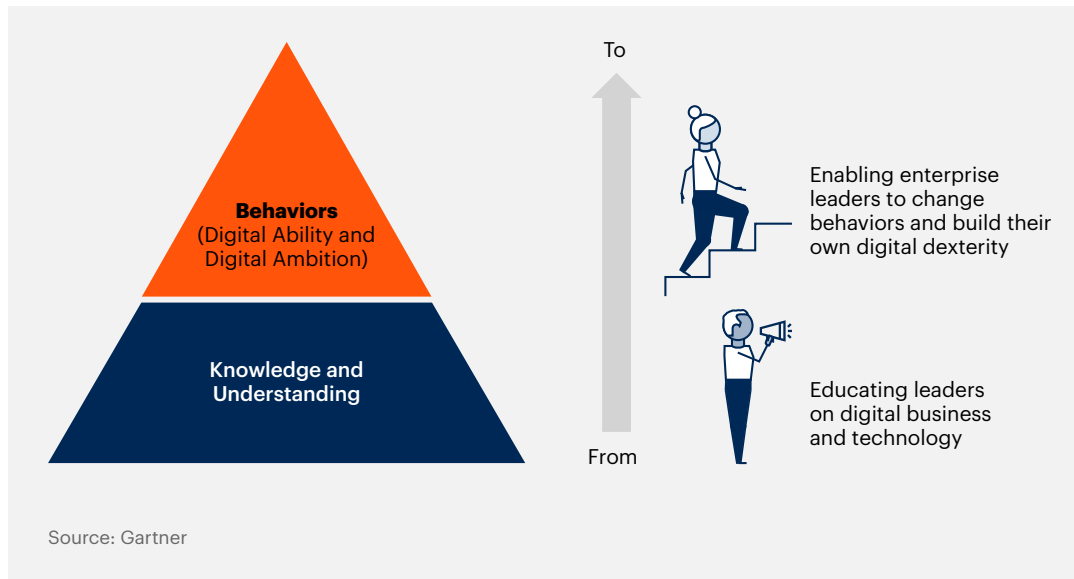
Many CIOs tend to focus on educating their leaders on digital topics. They host innovation "show and tells" and bring in external experts to collaborate with their leaders. They conduct one-on-one briefings to give leaders a safe opportunity to expose what they don't know and provide them with answers they need. It's important to tailor your educational outreach to your leaders' different postures toward digital business and address the right gaps.

However, providing knowledge and education is insufficient to strengthen ability and change legacy behaviors. Understanding alone does not result in lasting behavior changes, and knowledge alone does not create ability without adequate exposure and experience.

Certainly any shift in IT responsibilities comes with risk and needs to be done responsibly, but CIOs must make sure they are not inadvertently holding back their leaders' digital dexterity development.

Only 38% of senior leaders say their enterprise's IT department encourages them to take on technology management. To be successful, CIOs will need to overcome their own reluctance to share technology responsibility outside IT. They must move from educating leaders on digital business and technology, enabling enterprise leaders to change behaviors and build their own digital dexterity (see Figure 3).

Figure 3: Target Areas for Change Management



To influence behaviors, not just knowledge, CIOs must help enterprise leaders:

- Tap into emotional incentives to drive self-reflection and change. CIOs should understand the emotional incentives that drive enterprise leaders to invest in their own digital dexterity, and pull on those levers to guide leaders to reflect and commit to self-led change.
- Activate leaders' networks to build their ability. This means understanding and influencing the stakeholders around the leader who can support the leaders' development.

Tap Into Emotional Incentives to Drive Self-Reflection and Change

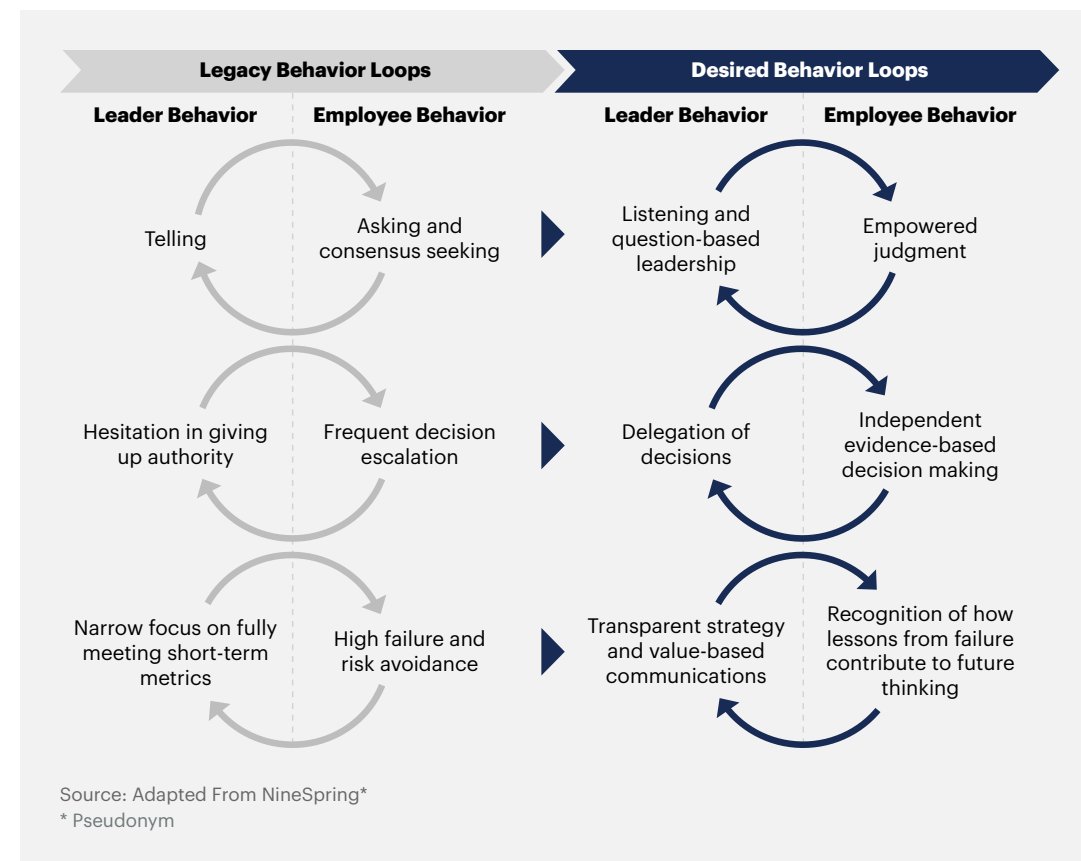
To get enterprise leaders to invest in their own digital dexterity, CIOs must develop an understanding of the motivations of any given leader. While financial incentives and performance goals are certainly something that should be in place, CIOs will rarely have direct control over those measures. Enterprise leaders are also motivated by a range of other incentives, like personal growth, competitive spirit, autonomy or the desire for self-improvement (see Figure 4). CIOs can use such incentives to push leaders toward the right behavior changes that build digital dexterity. In this effort, it is important to foster self-reflection rather than lecture so that leaders identify changes individually and truly commit to changes.

Figure 4: Emotional Incentives for Enterprise Leaders to Develop Their Digital Dexterity



One way leaders can tap into emotional incentives is to reinforce them with behavior loops. CIOs can use behavior loops to highlight leaders' incentives and motivate them to support their team through a successful organizational culture transformation (see Figure 5). This is especially relevant and effective for leaders for whom culture change and enabling teams are powerful motivations. Enterprise leaders know that their transformation goals are dependent on employees changing their ways of working and mindsets, so emotional incentives act as a driver for cultural change. These incentives need to be reinforced through behavior loops that motivate leaders to change themselves to change the culture.

Figure 5: Legacy and Desired Behavior Loops



For example, at TenValue, a large financial services firm, the CIO realized employee and leader behaviors are intrinsically linked in reinforcing loops. Leaders have a strong emotional incentive for culture change across their teams, so the CIO helped the leadership team realize it needed to change its behaviors first and lead by example. Even though leaders wanted most decisions to be made by product teams closer to the point of value, product teams kept seeking consensus from leaders and asking for approval.

By reflecting on the “behavior loops” that the CIO presented to them, leaders discovered how often they were still reinforcing the wrong behavior by providing the teams with the answers and taking the responsibility for the decisions. The more that leaders responded, the more often employees asked. The leadership team recognized they needed to change their behaviors first — to listen and ask questions and indicate they were not going to make the decisions. The more that enterprise leaders listened and asked questions, the more the employees demonstrated empowered judgment. By understanding leaders' team-related emotional incentives, CIOs can help spur this kind of self-reflection and commitment to new behaviors.



Case in Point: Ageas

Ageas, an insurance company based in Belgium, has an even more formalized approach to guide self-reflection. Ageas focuses on two strong incentives/motivations in their leaders: competitive spirit and desire for innovation. Ageas designs digital safaris to focus not primarily on technology implementations but instead to expose their leaders to behaviors such as customer focus, agility and collaboration that are integral to an external party's success in digital business. The digital safaris also provide exposure to emerging technology, but the main intent is to show leaders how other leadership teams approach and make digital decisions. After leaders have spoken with another company's leadership team about their digital experiences, Ageas guides its enterprise leaders using a self-reflection template to contextualize the learning, and it prompts them to decide what they would need to do to emulate what they saw. The template asks leaders to make a plan to start practicing the behaviors they want to adopt.

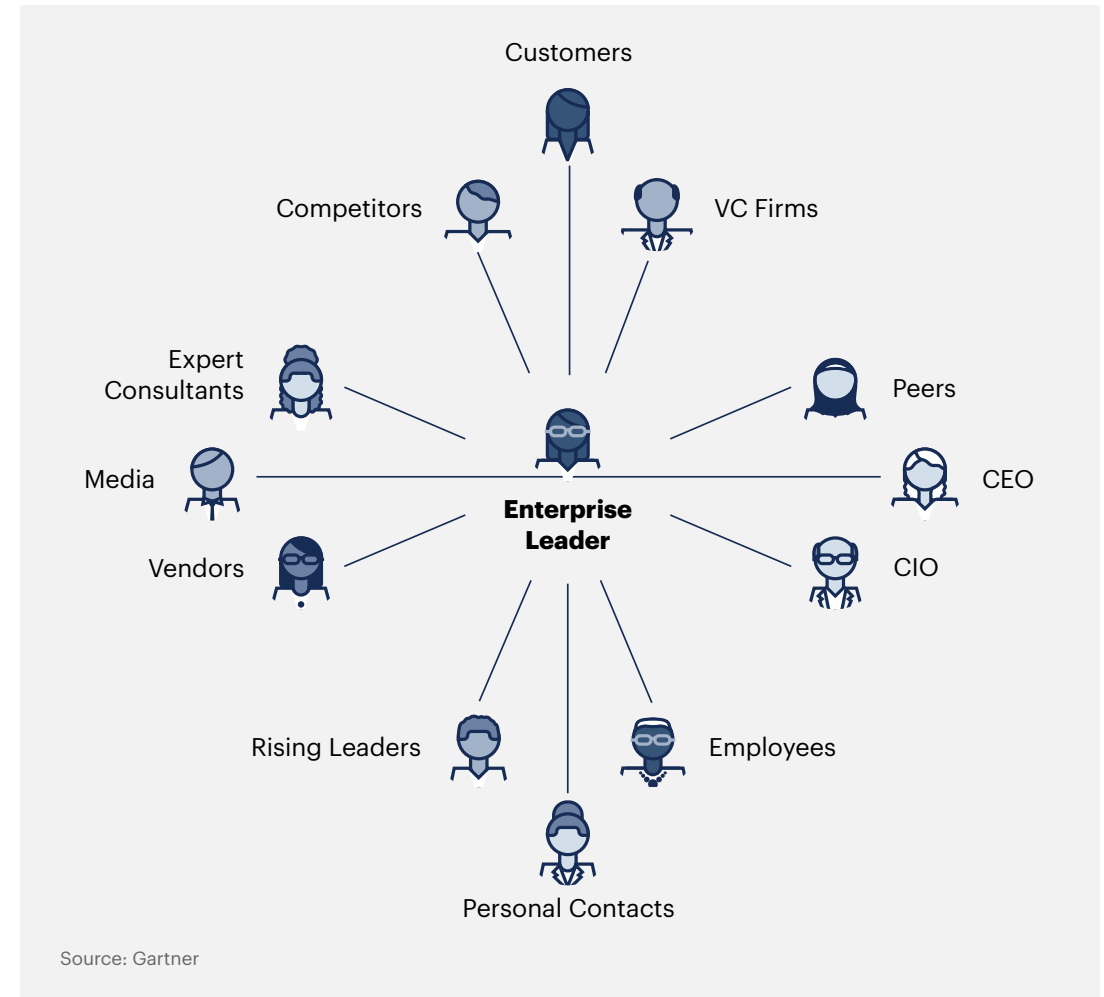
Activate Leaders' Networks to Build Their Ability

Motivating enterprise leaders to change their legacy behaviors is a critical step. To develop digital dexterity further, leaders will need to learn from doing. CIOs understandably worry about the risks when enterprise leaders take greater responsibility in digital initiatives as part of their development. CIOs should ensure that leaders have support around them so that they don't get stuck or take on unmanaged risks.

A good starting point is to understand all the stakeholders who influence enterprise leaders (see Figure 6). CIOs can help enterprise leaders to assess their networks for untapped sources of support with their digital dexterity development. There are a number of ways CIOs can shape leaders' networks to support leaders' learning.

The Peer Group: A number of CIOs use "digital champions" or change agents (people designated in the C-suite) to advocate for digital investment and drive collaboration (see Case Study: Universal Digital Foundations Training [Unilever]). One effective way for the leadership peer group to teach one another is to participate in a customer journey mapping and analysis together. Facilitated by the CIO, leaders can see how they share responsibility for customer experience and depend on one another for a cohesive digital product or service. Customer journey mapping is a good idea in particular if your organization has "provincialist" leaders. Design thinking workshops, such as those organized by the CIO of The Cooperators Group, have similar benefits (see Leader-Led Digital Dexterity Development [The Co-operators Group]).

Figure 6: Influence on Enterprise Leaders' Digital Dexterity



Source: Gartner

Pairing leaders who are from different archetypes is also beneficial. For example, having a skeptic and a sprinter work together may create a healthy balance. Placing dreamers with more pragmatic leaders may improve the conversation rate of ideas into action.

Outside Sources: Some CIOs set up their leaders to shadow venture capital firms to learn how they make investment decisions in new technologies. Most leadership teams study competitors and customers for ideas and insights into digital innovation. Another set of outside influencers are consultants, vendors and media. While these stakeholders may add positively to enterprise leaders' knowledge or understanding, they are also prone to hype or can mislead leaders, which may negatively impact dexterity. CIOs should provide leaders with lists of questions and help with contextualizing what they hear from vendors and other third parties. Some IT organizations have created a "buyer's guide" for enterprise leaders to help them ask vendors the right (appropriately skeptical) questions.

Employees and Rising Leaders: To help enterprise leaders get the most out of rising leaders, CIOs can broker the right connections and set the stage for productive exchanges. CIOs can help identify rising leaders to act as digital translators to help guide enterprise leaders through digital business initiatives. In addition, when a CIO invests in rising leaders, it is also a play for building the digital dexterity of the next generation of enterprise leaders.



Case in Point: ENGIE

At ENGIE, an energy and utility company, the CIO helped create a digital translator role that can guide enterprise leaders through digital business ideas and initiatives by helping to identify resources and addressing areas of digital dexterity development. ENGIE's leaders are motivated by a desire to contribute more to the company's digital growth goals and to have more autonomy and responsibility, and were therefore receptive to learning advice from other staff that enhanced their abilities. Translators are employees outside IT who are experts on a digital domain like data science or blockchain. They act as counsel on digital business opportunities.

Translators can make connections for enterprise leaders, and, as non-IT employees, translators do not form any part of the IT-business intake process. This further creates an opportunity for leaders to take on responsible autonomy. Translators are not meant to take on digital business implementation of the work themselves, but rather advise the enterprise leader on how they can best own and lead in a given digital initiative. It's important for IT to set criteria for the translator role so that enterprise leaders know whom to go to for help. Enterprise leaders are able to contact translators using a portal that describes their expertise.

Leaders' Ability to Spot the Right Opportunities

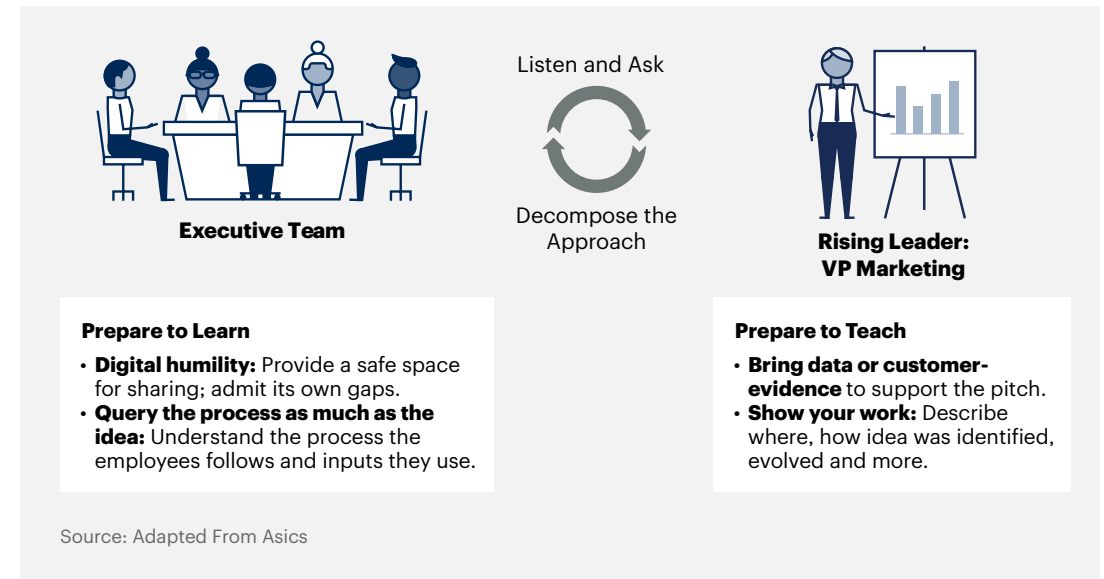
Many enterprise leaders need to improve their ability to identify the right digital opportunities. CIOs can help by assessing leaders' behaviors and showing leaders how others succeed at generating ideas.

At ASICS, Chief Digital and IT Officer Mitsuyuki Tominaga knew that opportunity identification would be a critical ability for Asics to realize its digital strategy shift. As the CDIO looked at enterprise leaders' behaviors, he saw that most were using traditional channels, partners and processes. To get more innovative ideas, Asics' leadership team would need to look more broadly for inspiration and partnerships, analyze customer data more deeply, and think beyond the existing technology architecture. Asics' leaders are committed and motivated by the enterprise goal of connecting more closely and deeply with customers but needed help finding the right digital opportunities to achieve that goal.

To do that, Asics taps into their network of rising leaders. To help enterprise leaders get better at opportunity identification, Asics shows leaders the process that others use to generate ideas, not just the end result.

The CIO helps to set up a series of digital pitch sessions with rising leaders as a vehicle to change behaviors. These pitches focus not only on a new opportunity but on the process to generate the idea (see Figure 7).

Figure 7: Digital Pitch Presentation for Rising Leaders



To prepare enterprise leaders to learn, enterprise leaders must start from a place of “digital humility.” This means acknowledging gaps in understanding and being open to learning in front of junior staff. The CDIO guides enterprise leaders to query the backstory of how an idea was identified and evolved so that they can adopt approaches that will yield better opportunities on their own. Rising leaders come to the pitch sessions prepared to share the data they used and other steps that they took to identify a digital opportunity. The leadership team takes away new potential sources of solution ideas and inspiration to make changes in their own workflow and approach to executing on Asics' digital vision.

Conclusion

Building digital dexterity in enterprise leaders needs to be a key pillar of the CIO's overall approach to expanding digital business. Much of the next wave of digital business depends on the readiness of enterprise leaders to not only make decisions but also to shoulder responsibilities. CIOs should focus on more than just leaders' understanding/knowledge; they should foster an environment in which leaders can build their own ability and ambition.

About Gartner

Gartner is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow.

Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most.

We are a trusted advisor and an objective resource for more than 14,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size.

To learn more about how we help decision makers fuel the future of business, visit [gartner.com](https://www.gartner.com).

© 2021 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by [Gartner's Usage Policy](#). Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "[Guiding Principles on Independence and Objectivity](#)."


Actionable, objective insight

Position your financial services organization for success. Explore these additional complimentary resources and tools on digital business:



Research
Accelerating Financial Ecosystems to Combat Digital Giants
Develop digital business strategies for the future

[Download Now](#)



Research
Banking CIOs Must Align Data to Customer Needs Instead of Channels
Drive financial services digital business strategy and innovation

[Download Now](#)



Webinar
Financial Services Tech Leaders' Path To Postpandemic Success
Insights from Gartner's survey of consumer banking customers before and during the pandemic.

[Watch Webinar](#)



Research
Banking CIOs Must Digitally Enable Employees to Support Transformation
Prioritize strategies and empower employees through digital business strategy and innovation

[Download Now](#)

Already a client?
Get access to even more resources in your client portal. [Log In](#)

Get More.

Get actionable, objective insight to deliver on your most critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

U.S.: 855 811 7593

International: +44 (0) 3330 607 044

[Become A Client](#)

Learn more about Gartner for IT Leaders

gartner.com/en/information-technology

Stay connected to the latest insights

