The dying art of leadership?

How the tech revolution is changing the way we run business

By Dr Chak-fu Lam

From the humble text to real time video-conferencing, remote communication is becoming the norm. If we look at the value of tech companies worldwide, it looks like the revolution is here to stay. But as the likes of Facebook subvert the meaning of both "face" and "book", what about good old-fashioned face-time? Is it a thing of the past? Not according to one young tech leader.

Remember how Mark Zuckerberg vowed to spend 2017?

"After a tumultuous last year, my hope for this challenge is to get out and talk to more people about how they're living, working and thinking about the future," Zuckerberg said in his New Year's Facebook post.

His resolution was to "get out" and talk to people in all 50 US states. Face-to-face, that is.

So, what about leadership in the tech revolution? And what should universities be teaching? If we are to believe some tech leaders there are storm clouds on the horizon for traditional leadership.

"We are in a leadership crisis. We are not in a technology crisis; we are in a technology revolution," said Marc Benioff, founder and CEO of Salesforce, an enterprise cloud computing company at the 2016 World Economic Forum.

Closer to home, incumbent leaders sense the problem and vow to beef up facilities.

After touring an academy in Singapore in August 2017, Hong Kong leader Carrie Lam promised to set up a dedicated civil service academy in order to provide leadership training to Hong Kong civil servants.

Some educationalists on the other hand see a niche for moral leadership, an area where machines have questionable value.

"Leaders must possess a decent character, be able to lead by example, and adapt to rapid changes in society," says CityU President Professor Way Kuo. And the CityU strategic plan 2015-2020 makes an explicit commitment to develop its graduates for professional leadership in a fast-changing global world.

But is the tech revolution changing the way we lead? How can leaders take advantage of technological revolution? And how do incumbent (generally older) leaders best communicate with millennials?
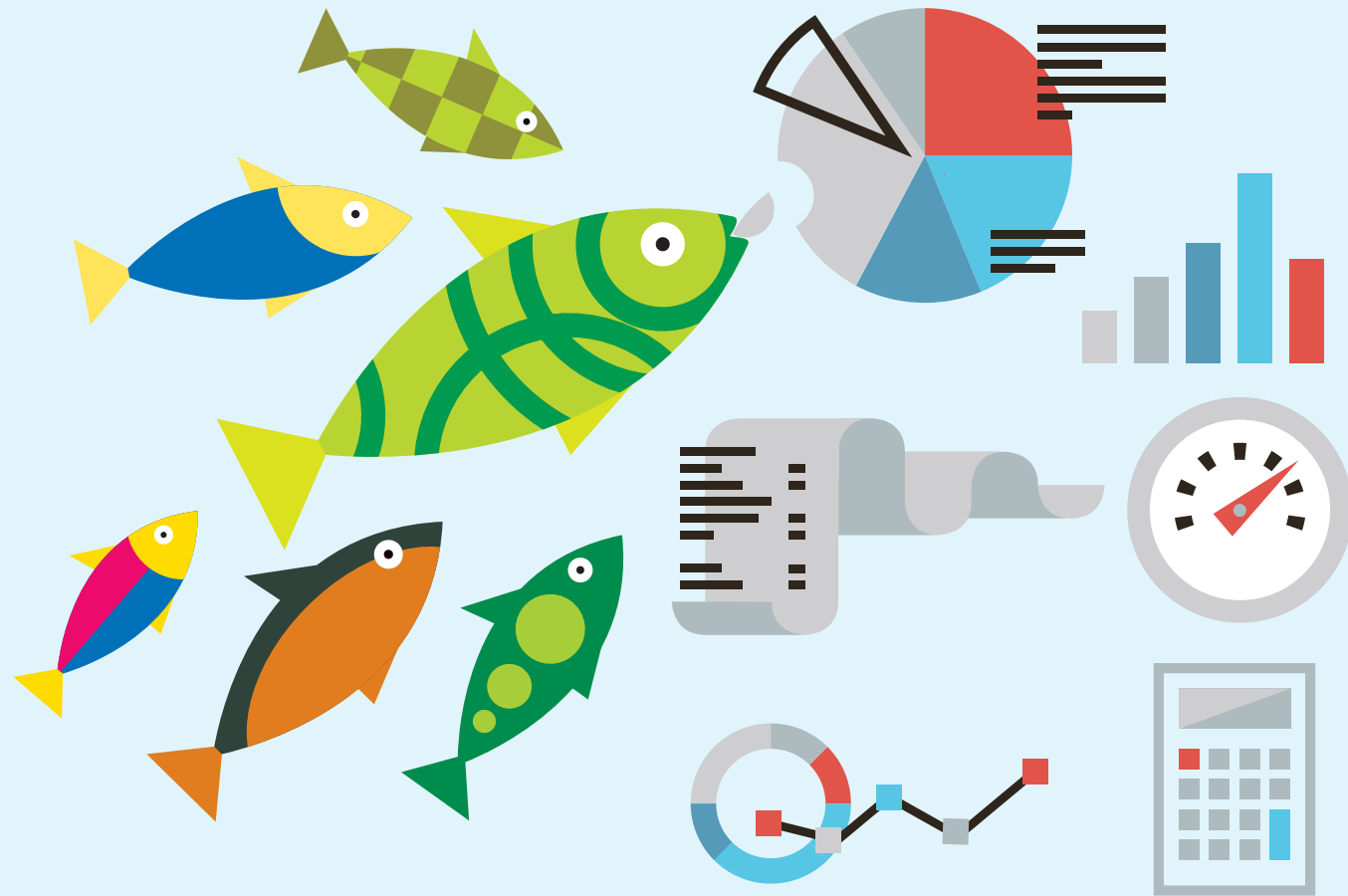
Technology for change

In theory, the benefits are obvious. With technology, there are simply more opportunities to increase employee engagement and communication.

"I remember when we started the company, mobile apps and browsers were challenging to use. The preference was accessing through a computer. Now they feel like equals, mobile and computers, as mobile design has caught up," says Andrew Fayad, CEO of ELM Learning, a corporate e-learning company which focuses on custom e-learning design and e-learning development with Fortune 500 companies like Google and Tesla.

"The development of communication technologies, and especially mobile devices, has enabled remote work and geographically dispersed teams to collaborate much better."

One such management programme is *Slack* (Searchable Log of All Conversation and Knowledge), a cloud-based, instant messaging and collaboration system. The core function of *Slack* is the concept of channels, which allows employees to separate messages, discussions, and notifications by purpose, department, or topic. It also includes other functionalities such as a privacy channel, direct messaging, search and file sharing, and it integrates with other collaboration systems such as Google, Twitter, and Zoom.

Another often-neglected but powerful technological tool is video-conferencing. "Nobody needs to feel as though they're missing out on meetings. Getting the

ethos or message of the company across is also easier via a multitude of social media platforms," says Fayad.

Real-time decision-making

An important benefit of incorporating technology is the improvement of the decision-making process. In the old days leaders needed to gather information from peers and subordinates to make decisions. With the introduction of artificial intelligence, decision-making is significantly enhanced, removing the stress associated with uncertainty, complexity, and rapid change for leaders. This makes the job of the leader a lot less difficult. AI provides objective, creative solutions that a typical leader would not have in mind.

Consider a CEO of a UK manufacturing company, who was struggling with developing his key product more efficiently to compete with rivals from emerging markets. A typical leadership model would suggest the CEO gather everyone's ideas, thoughts, and then make a collective decision. Often, despite people's opinions, the solution is to reduce staff and put money in automation.

With the introduction of AI, none of this is necessary. Instead, the CEO assembles a team of data analytics to uncover hidden patterns in the development process to improve efficiencies, such as project life-cycle management, suppliers and contractors, and communications data. Using aggregated data without identifying individual names, the data analytic team identified a surprise cause for the inefficiency: lack of collaboration between the design and engineering team. They uncover this factor by noticing a significant lack of group chats, short length of emails, and poor response rates to calendar invites. With this information, the CEO worked hard to increase the trust between the teams, encourage communication, and increase transparency. With the help of data scientists, cost was reduced by 11%, time to market for new-product development by 10%.

Making better decisions can also extend to corporate social responsibility. At Facebook, posts with suicidal expressions are flagged automatically, reviewed, and reported to respondents to attempt to prevent suicides. Likewise, the use of artificial intelligence has improved

Microsoft's cloud services to be 93% more energy efficient and 98% more carbon efficient than traditional data centers. This is made possible because AI helps decide which virtual server to complete a task, reducing the amount of power needed to get a task done.

Gamification

Technology enhances corporate learning and allows companies to engage employees through technology advancement. Companies like IBM and AT&T conduct learning programmes online – from health and safety information to management styles. By embracing technology, employees can work at training at their desk for an hour or two, rather than having to leave the office for days at a time.

Walmart has incorporated technology in its corporate training to a new level. In 2017, it partnered with STRIVR Lab to introduce virtual reality to train employees. Specifically, VR technology helps Walmart create holiday shopping scenarios to better prepare its associates on how to manage the holiday rush. VR is especially powerful because it provides employees with an opportunity to encounter real-life scenarios, improving their preparedness and performance during the actual holiday season. Similarly, it has incorporated the concept of gamification – learning through gaming – to make learning fun, exciting, and most importantly, stick.

Omnicom Media Group (OMG) uses the concept of gamification – creating online games – to teach serious topics like diversity and unconscious bias. They utilise robots to simulate diversity and the issues that may arise when engaging with coworkers and clients from different backgrounds. The robots added a gamification element to the training: robot battery life will be reduced if learners demonstrate unconscious and conscious bias, or when they answer questions incorrectly within the module.

App-titude

Even in the classroom, technology is an opportunity to enhance students' learning experience. I actively use apps like *Socrative*, a classroom management app for fun, real-time classroom engagement. I pose

simple questions on PowerPoint like "what predicts happiness at work?" and ask students to indicate their answers through yes/no or multiple choice responses. Interestingly, more than 50% of first year students at CityU think that more money predicts happiness, which we know is only partially true. If responses are counterintuitive, I would ask them to explain their choices on *Socrative*. Using apps like *Socrative* not only relates to the students but also gives them an opportunity to respond anonymously, improving their participation even if many are shy to speak up in class.

Tech challenges

The very technology that enables flexibility, improved communication, and better decision-making, also brings challenges that require a new form of leadership. Consider a case involving an employee with a high-risk pregnancy. She was invited to attend a meeting with the Board of Directors in which she had to climb the steep stairs to the second floor where the meeting would take place. Not wanting to hurt herself through climbing the stairs, she sent a text message to the Vice-President of the Board: "Btw, I am absolutely not climbing those deadly stairs," to which the VP responded, "You don't have to come upstairs, given what you said. The Board will get back to you." The employee interpreted the VP's response that she was excused from the meeting, but when she failed to attend the meeting, she was considered absent and subsequently the Board of Directors suspended her. The results was a lawsuit of discrimination and a penalty of $30,000 against the company.

So, what are some of the challenges leader face when incorporating technology?

Sleeping with your smartphone

While technology increases choices, it also makes our attention span shorter than ever. Ask any professor, and they will tell you that smartphones and laptops in the classroom mostly disrupt, rather than facilitate learning. Students are checking emails, finishing assignments for another class, or chatting on WeChat or WhatsApp.

Similar trends occur in the workplace. Employees habitually put their smartphones on the table, and any message notification is likely to distract employees from focusing on the issue at hand. "Checking smartphones during meetings is one of the greatest challenges in leading a meeting," says Jenny Chiu, Country Manager of Hong Kong and Macau at Education First. "At one point it became so serious that I implemented a rule: put down your laptop and turn off your smartphone, because the following conversation is important."
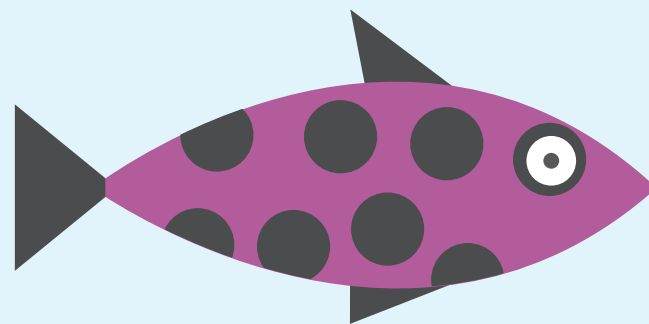
Even at Google, asking participants to pay attention during a meeting rather than catching up on their email is difficult. This is indeed the hardest rule to follow. Some senior executives have decided to go back to an old-school strategy: a notebook and a pen. Research at Boston Consulting Group (BCG) by Leslie Perlow, Konosuke Matsushita Professor of Leadership in the Organizational Behavior, shows that associates at BCG are literally sleeping with their smartphones. When employees sleep with their smartphones, sleep quality tends to reduce, and performance on the job suffers.

A negative message? Meet in person

Although the use of laptops and video conference meetings offers employees greater flexibility to work from home, "collateral damage" is the decrease in facetime. "We have to make sure our managers value one-on-one in person communication," says Ian So, CEO of Chicken and Rice Guys, a Boston-based food truck and catering company.

"We found that employees, and especially millennials, over-rely on texting. Sometimes if there is an emergency they will text instead of call. Or sometimes if they have an argument they will do it via text or group chat." To ensure that people know when to communicate in management programmes such as *Slack*, Ian has introduced what he called slack communication etiquette.

A clear guide for communication is written and shared across the entire company. Who is this message intended for? Should this be private or group message? Does everyone in the intended channel need to know the contents of this message? Is the message positive or negative? If it is negative, employees are strongly encouraged to pick up the phone or meet up in person, rather than doing it via text that increases miscommunication. "Ultimately, we have to coach them in conflict resolution and we have to ask: did you talk to the individual in person?"

Job security

Leaders who manage millennials may encounter challenges, but baby boomers are not spared. St. Galler Kantonalbank (SGKB), a Swiss bank, has replaced seven individuals with five software robots to avoid expensive and costly software interfaces, and are planning to introduce more. Amazon acquired a robotic company in 2012, automating the picking and packing process at warehouses to help efficiency. Since then robot numbers have expanded from 15,000 in 2014 to 45,000 in 2017. Indeed, a report by McKinsey & Company suggests that between 400 and 800 million workers will be replaced by AI by 2030, most notably restaurant workers, machine workers, and those doing predictable routine physical work.

AI may improve efficiency, but it has also made employees nervous and fearful. Feeling insecure about your job ultimately leads to lower productivity and poorer job satisfaction. This means that a mounting task for some leaders is to maintain a sense of job security in the face of AI.
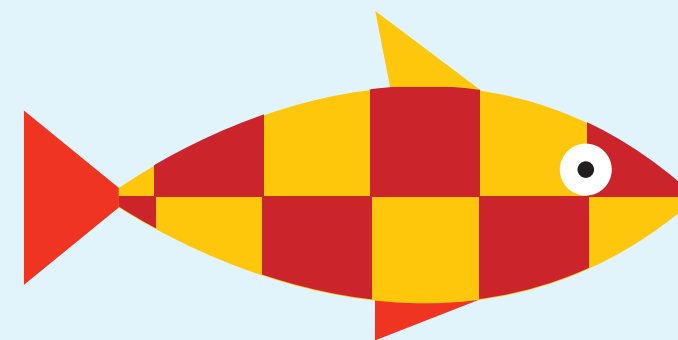
"Employers are asking for graduates with skills beyond one specialty," says Dr Cynthia Lee, Chair Professor of Management at Northeastern University. "Providing continuous learning of the skills employees need to improve is critical, because when some tasks are replaced by AI, workers may need to perform new tasks."

Obsolete leadership?

In the College's CEO Forum on "Leadership in the Digital Age" this March, Jasper Tsang Yok-sing, former Legislative Council President was asked whether artificial intelligence poses a threat to human leadership. His view was that technology will help reduce bias and accuracy in decision making, but there are certain leadership qualities that are irreplaceable by machines. "As a leader, our ability to engage with people and build relationships, and the flexibility to interact with the surrounding environment cannot be easily replaced," Tsang said.

We cannot change the fact that the technology revolution is here to stay. What we can change is how we as leaders think: adopting a gain rather than a loss mindset. Rather than viewing technology as a threat, we should ask ourselves: "How can I make the most of technology to improve my business and the wider society? What do I need to do as a leader to keep an eye on the pitfalls of bringing too much technology to work?" Advancements in technology do not mean that leadership has become obsolete. Instead, our role as a leader has changed: we need to use technology to facilitate and improve all aspects of businesses, while keeping an eye on its potential pitfalls.

"We should not be worried about how much the internet is impacting traditional business," says Jack Ma. "Rather, we have to use the internet and AI to our advantage … We must make machines our best partner, rather than letting them replace us."

Dr Chak-fu Lam
Assistant Professor
Department of Management