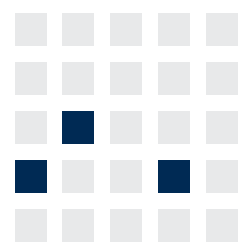




# Management in the digital age

## Lecture 6: Management and Leadership



Chair of Business Informatics  
Processes and Systems  
*University of Potsdam*

Univ.-Prof. Dr.–Ing. habil. Norbert Gronau  
*Chairholder*

*Mail* August-Bebel-Str. 89 | 14482 Potsdam | Germany  
*Visitors* Digitalvilla am Hedy-Lamarr-Platz, 14482 Potsdam  
*Tel* +49 331 977 3322

*E-Mail* [ngronau@lswi.de](mailto:ngronau@lswi.de)  
*Web* [lswi.de](http://lswi.de)



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# Management in the digital age

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## Learning goals:

- Understand what is meant with management and leadership, especially their difference
- Learn about specific leadership and management competencies in the digital age
- Understand what are specific challenges in the (partly) digital organizational setting for leadership and management
- Understand the importance and possibilities to focus on sustainability aspects while leading





Understanding management and leadership

Impact of digitalisation on management and leadership

Managing a sustainable company





# **Understanding management and leadership**

Impact of digitalisation on management and leadership

Managing a sustainable company



# Understanding management and leadership



## Management

- Planning
- Decision making
- Delegation

## Leadership

- Communication
- Motivation
- Feedback

**Simplified: Managements concerns numbers, leadership concerns people.**

# Understanding management and leadership

## Principles of management

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### Essential functions within a company:

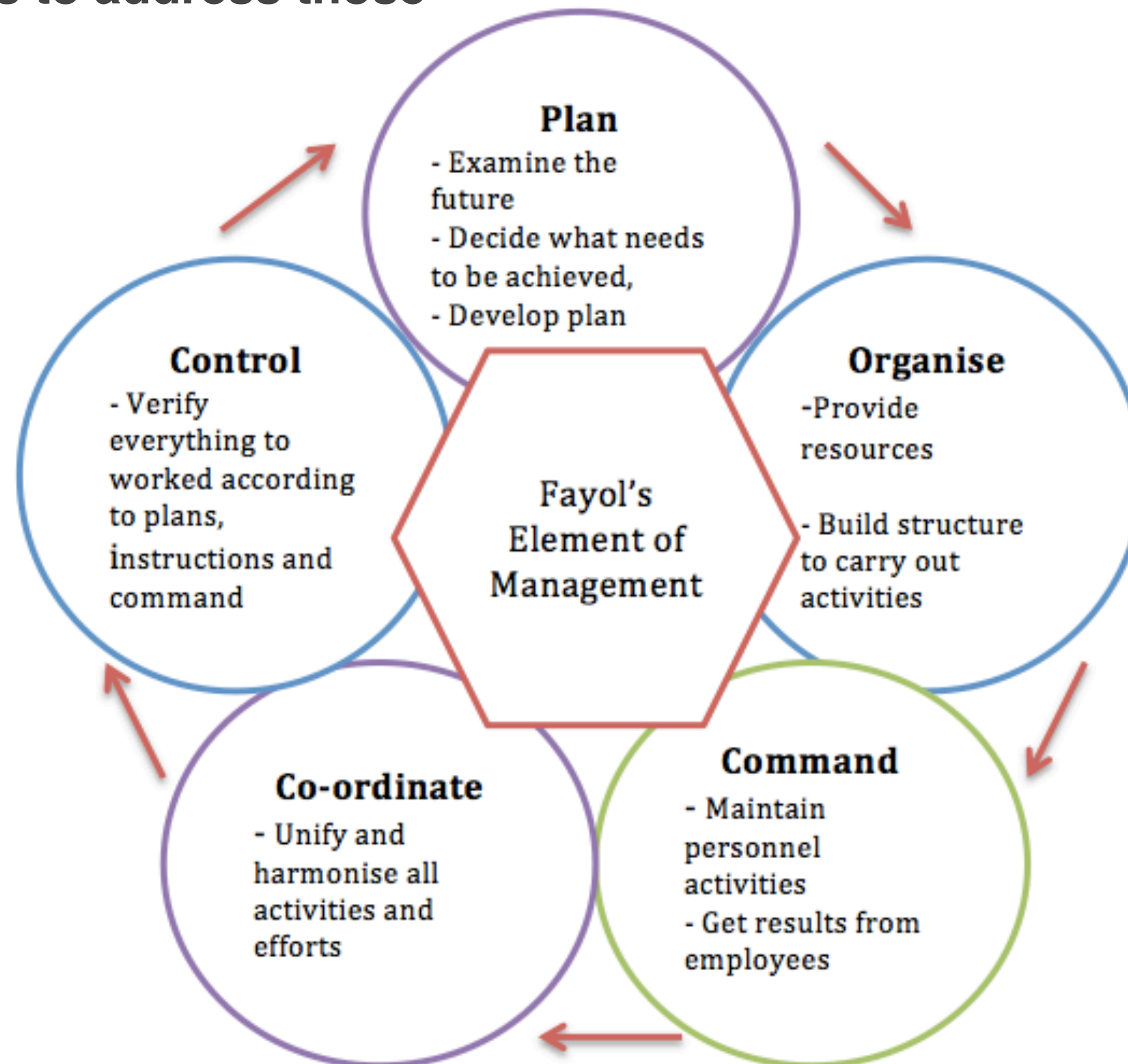
- Technical activities (e.g., production, manufacture, adaptation)
- Commercial activities (e.g., buying, selling, exchange)
- Financial activities (e.g., search for optimum use of capital)
- Security activities (e.g., protection of property and persons)
- Accounting activities (e.g., stocktaking, balance sheet, costs, and statistics)
- **Managerial activities (e.g., planning, organization, command, coordination, control)**



# Understanding management and leadership

## Principles of management

Fayol's 5 principles to address those functions:



# Understanding management and leadership

## Principles of leadership

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### Main tasks of an effective leader:

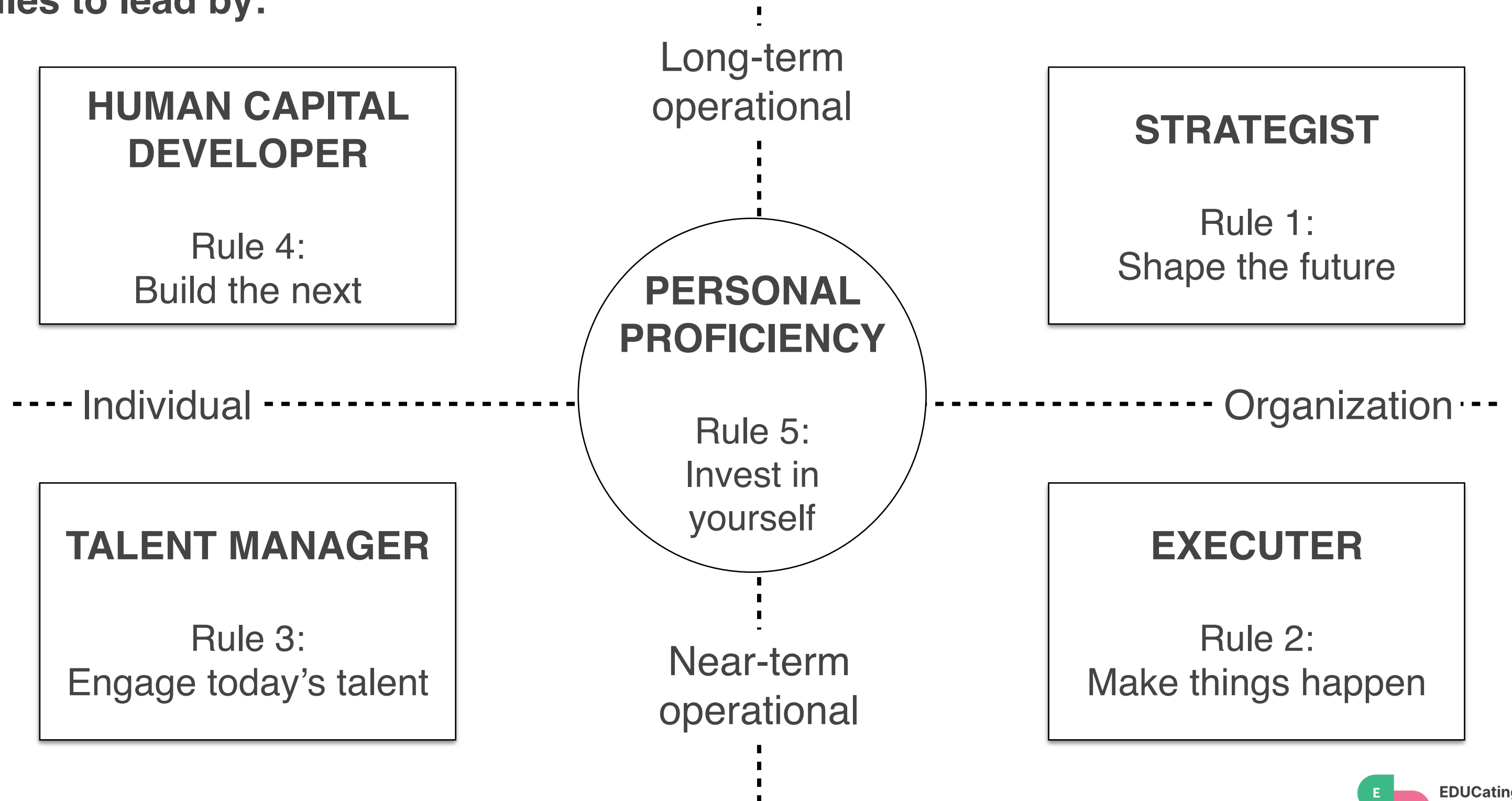
- Lead the people to reach the set goals (from management)
- Set short- and longterm goals
- Create a vision and lead the change
- Engage, motivate, and inspire people
- Integrate employees needs and perspectives
- Self-develop as a leader



# Understanding management and leadership

## Principles of leadership

### 5 rules to lead by:



# Understanding management and leadership

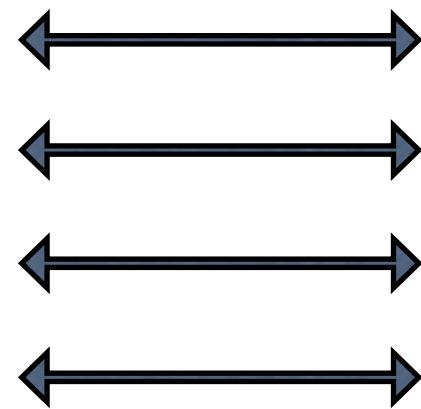
## An integration

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### In complete equilibrium:

Management is about ...

path following  
doing things right  
planning and budgeting  
controlling and problem  
solving



Leadership is about ...

path finding  
doing the right things  
establishing direction  
motivating and inspiring

**Effective management integrates both aspects and values them equally!**



# Quiz Session

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Understanding management and leadership

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# Specific challenges within the digital age



## Impact on Management

- Agile and network-oriented organizations
- Change as an ongoing process
- Increasing incorporation of technology, smart devices and smart machines
- Widened information base through big data
- Increasing trust in decisions made by algorithms
- Increasing pressure and voice from customers
- Increasing tendency for globalization and decentralization
- Unforeseeable technological capabilities

**Overall, digitization requires agility as well as rapid adaptations.**



# Specific challenges within the digital age



## Impact on Leadership

- Cultural change —> digital mindset
- Digital employee management (including increased influence of social media platforms)
- People analytics for evidence based management
- Trust as the basis for cooperation
- Increased usage of digital learning to enhance life-long learning
- Increased complexity in terms of leadership: leading digital change, digital and agile processes and remote teams

**Overall, digitization requires increased flexibility as well as trust.**



# New management styles and tasks

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## Digital leadership

- Actively shaping the digital transformation process in the company
- Guiding the teams through the digital change process

## Managing digital diversity

- Different age groups, experience and cultures
- Different requirements when Integrating new technologies and methods

## Leading in a complex and agile project environment

- Volatile work and project environment and complex requirements
- More agile and dynamic project management than was the case in the past

## Leading virtual teams

- More flexible work models
- Different work locations
- Changing collaboration and communication

# Leadership in the digital age

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## Collaboration

- Regarding the contents
- Regarding a shared understanding, relationships, and trust

## Innovation

- Knowledge integration and exchange
- Shared learning
- Trust and a non stressful environment

## Acculturation

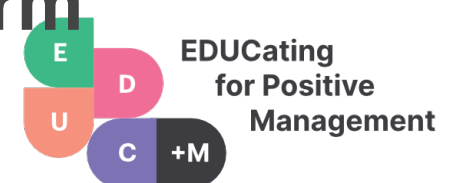
- Mutual understanding
- Shared identity

## Dedication

- Shared sense of purpose
- Having opportunities to grow professionally

**Successful digital transformation demands that leaders measurably transform themselves.**

Source: Hooijberg and Watkins, 2021





# Multimodal Leadership Roles

	In person	Virtual
External	<b>Champion</b> Advocates externally for their teams	
Team-wide	<b>Catalyst</b> Stimulates collaboration and innovation	<b>Conductor</b> Ensures teams work together well and in
One-on-one	<b>Coach</b> Helps individual team members achieve peak performance	

Successful digital transformation demands that leaders measurably transform themselves.

Source: Hooijberg and Watkins, 2021



# Energizer

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- "Can't Stop the Feeling - Get Fit, Get Happy Dances by Harry Judd"

Dance :)







Understanding management and leadership

Impact of digitalisation on management and leadership

**Managing a sustainable company**

# Managing sustainability

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## Using management tools to measure impact on sustainability

- Managing legal compliance —> to ensure proper legal compliance on environmental and social concerns
- Managing stakeholder relationships —> improve communication, esp. with regulators and local administrative people
- Complexity reduction —> breaking down the complexity of sustainability efforts
- Evaluation and decision support —> aiding business decisions
- Performance improvement —> improve companies' sustainability performance through new environmental and social performance indicators + overall awareness
- Operationalization of strategies —> operationalize sustainability strategies through systematic approaches to implementing environmental, social, and integrated systems into an organization
- Organizational learning and innovativeness —> aiding organizational learning and fostering innovation for sustainable products and services

**Management requires understanding on the impact on sustainability - which requires tools to measure that - their usage is rare, and impact is not well understood.**



# Ethical leadership as a goal

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## Ethical leadership and transformational leadership

- Transformational leaders as “role models”
- Four dimensions of transformational leadership: inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation

## Ethical leadership and leader honesty

- Honesty and integrity as important components of a transformational leader’s
- Moral person and moral manager

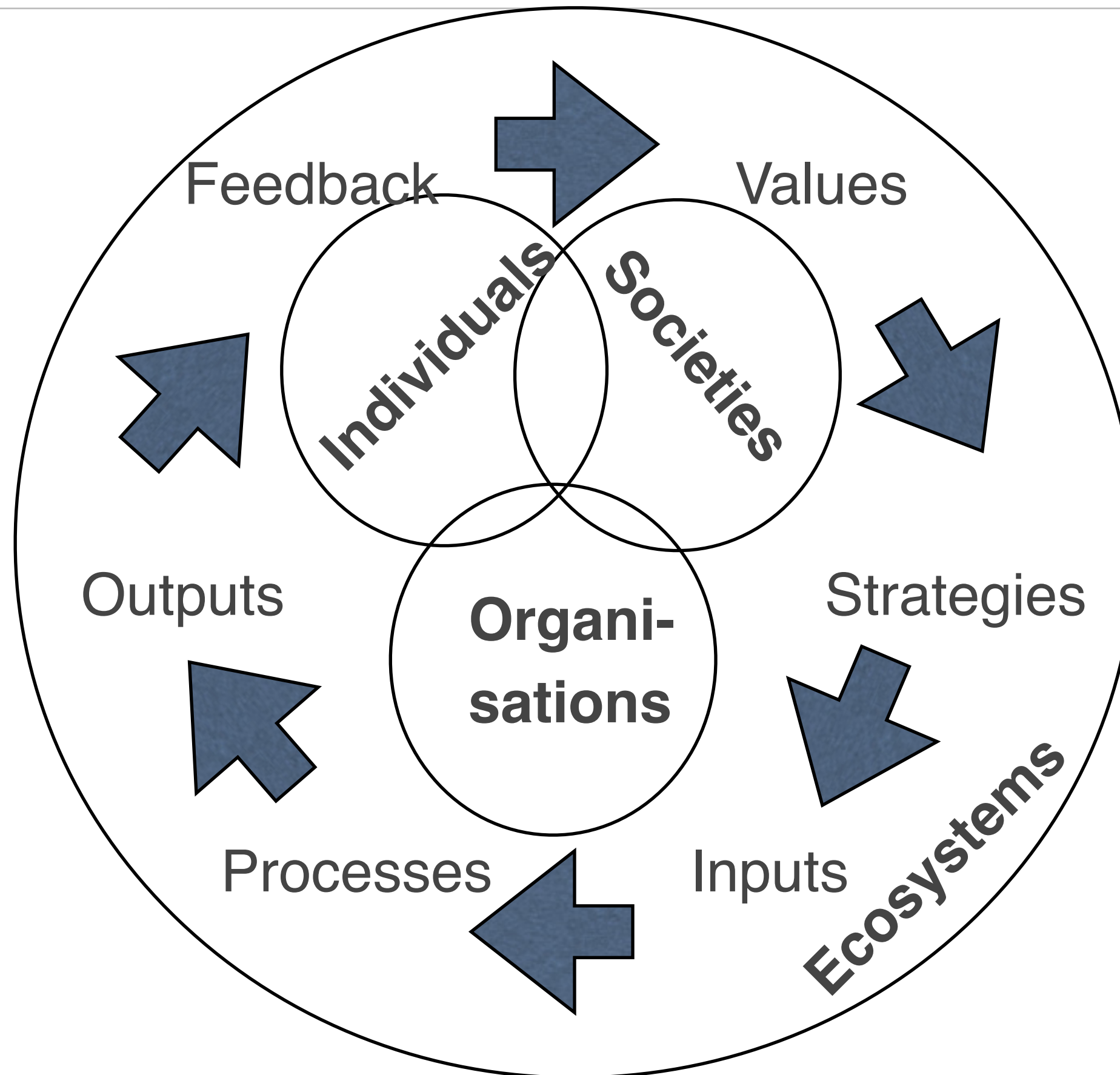
## Ethical leadership and considerate or fair treatment

- Legitimate power, control of resources, and responsibility for important decisions about employees
- Interactional fairness and its focus on treating employees with dignity and respect

**Ethical leadership is „the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making.**



# A multi-level, multi-system perspective of a theory of sustainability management



# The Sustainable Leadership Pyramid (Avery and Bergsteiner, 2011)



The pyramid structures 23 leadership practices which differentiate between a sustainable and unsustainable organisation.



# Integration of sustainability aspects in corporate functions on the operational management level - CRS meets sustainability

## Operational management

Logistic and material management	Production	Maintenance	Marketing	Communication and PR	Human resource management
Social and environmental aspects within the supply chain Use of recycled materials Supplier assessment	By-products, waste, emissions Health and safety Technology, Cleaner Production, Zero Emission Production planning	Minimizing of production losses Sustainability oriented maintenance management	Integration of sustainability in marketing strategy (timing, pricing, market segmentation)	Creditability Transparency Product declaration, labels, Public relations, Sustainability reporting	Competence development Training

**CSR is an approach to integrate social and environmental aspects into corporate activities.**

**This can address sustainable goal on different levels.**

Quelle: Baumgartner, 2014



# Quiz Session

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# Literature

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