



Leadership 2.0 – Human-Focused Leadership in our New Reality

HORN Insights

The New Leadership Reality

Even before the global health crisis, leadership was changing. The rapid advancement and democratization of technology transformed the skills and competencies required to lead effectively. The pandemic significantly accelerated the trends that emerged over the last decade while adding even more complexity to the roles leaders play.

While the future is still ambiguous, there are some certainties. First, innovation (not just continuous improvement) will be required for organizations to thrive. Second, employee mental health and well-being will become increasingly important while organizations require their people to work in different ways and even undertake radical reskilling. Finally, technology will continue to be a driver and differentiator in our digital world, especially as the pace of advancement picks up speed.

Succeeding will Require the Evolution of Leadership Skills

Business-IQ (B-IQ) refers to the skills and competencies required to lead functional teams and contribute to organizational success. Going forward, being knowledgeable about one's own function and industry will no longer be sufficient. Instead, leaders will need to broaden their perspective by improving their cross-functional knowledge and deepening their understanding of what more digitally mature industries are doing.

Emotional Quotient (EQ) or Emotional Intelligence has been a critical leadership competency since its initial conceptualization in the 1990's. Traditional EQ referred to a leader's ability to understand and manage their own emotions and to recognize and positively influence the emotions of others. Going forward, leaders will be required to not just positively influence the emotions of their employees, but also support their mental well-being. It will also be critical for leaders to create environments in which people feel comfortable expressing themselves in an authentic way.

Digital Quotient (DQ) is the sum of social, emotional, and cognitive abilities that enable individuals to face the challenges of and adapt to working in a digital world. Shifts to hybrid and virtual working, the increased accessibility of advanced data analytics, and no-code application development tools are examples of how the world of leadership requires a higher and higher D-IQ to succeed.

How Prepared Are Leaders?

HORN recently deployed a survey designed to understand how prepared leaders are to lead in a human-focused way in the digital era. The results were clear: While many leaders felt their B-IQ was sufficient to thrive, only 67% strongly agreed or agreed that their EQ was a strength, and a mere 42% felt their DQ was adequate.

This summary highlights additional findings, presents insights and suggests what both line business and HR leaders should do to increase personal and organizational success.

While 75% of leaders agree or strongly agree that their Business IQ is a strength, 67% feel they have the required EQ, and only 42% feel they have sufficient DQ.



HORN

Business IQ

Business-IQ (B-IQ) refers to the skills and competencies necessary to lead functional teams and contribute to organizational success. Traditionally B-IQ has required leaders to be experts in the function and industry and support organizational change in effort to beat traditional competitors.

As traditional organizations have learned how to compete with non-traditional tech start-ups over the last few years, transformation and agile innovation have become the new normal. Additionally, the pandemic has required business to re-imagine services, supply chains and ways of working. This means that leaders needed to become experts not just in their own function, but in the roles of cross-functional teams and in collaboration on agile initiatives. They need to stay up to date on what more digitally mature industries are doing to improve client and employee experiences and look for ways to adapt those successes to their own context.

What the Data Reveals about Leaders' B-IQ

While 82% of leaders strongly agree or agree they have a growth mindset focused on creating more value for company and customers, only 64% of leaders strongly agree or agree that they can spot opportunities to innovate, and only 24% of leaders strongly agree that they act with agility.

Implications for Organizations

Continuous improvement alone is no longer enough to succeed in today's competitive and digital environment. In an era where innovation is no longer optional, having leaders who are less comfortable driving innovation can be a risk to long-term business viability.

Actions for Leaders to Maximize Personal Success

1. Make innovation a priority. Challenge yourself and your team to find *new* sources of business value.
2. Look across the enterprise and even outside of your industry to identify innovative ideas that can be adapted/adopted in their business.
3. Have fun! Plan hackathons for your biggest problems or opportunities. Invite people with no interest or knowledge about the situation to participate to leverage diversity of thought.

Actions for HR to Maximize Organizational Success

1. Ensure that competencies like creative thinking are built into competency frameworks.
2. Identify innovative talent across the organization and look for ways to have them coach/mentor more traditionally-minded teams or leaders.



EQ

Emotional Quotient (EQ) or Emotional Intelligence has grown in popularity and importance since it was first introduced in the 1990s. EQ refers to a leader's ability to understand and manage their own emotions, and recognize and positively influence the emotions of others. Until recently, it was enough for leaders to recognize more straight-forward emotions like happiness related to being assigned exciting and challenging work, or frustration over lack of time or resources. The context for EQ has significantly changed, however. Employee well-being has been negatively impacted by the global health crisis and the blurred lines between home and work that it engendered. In addition, the rise of intrapreneurship has increased the need for psychological safety, and societal issues and debates have found their way into the workplace. In order to successfully navigate all these forces, leaders need significantly higher levels of EQ than was previously required.

What the Data Reveals about Leaders' EQ

While 76% of leaders strongly agree or agree that they create the psychological safety needed for team members to take risks, only 62% of leaders strongly agree or agree that they are in tune with the needs and emotions of their team members. That means 38% of leaders believe that they don't understand the emotions of others.

Implications for Organizations

In times where change is continuous and the future is still unclear, leaders need to be especially aware of real dangers like burnout or feelings of exclusion as we continue with at least some portion of work being done remotely. Further, the lack of attunement to employees' emotions and well-being states could imply that leaders have over-rated the level of psychological safety they believe they have established.

Actions for Leaders to Maximize Personal Success

1. Check in with your team. Ask for feedback about how comfortable they are (1) being their authentic selves at work and (2) taking risks related to personal growth and development.
2. Model behaviours by sharing your needs or feelings in a genuine and transparent way.

Actions for HR to Maximize Organizational Success

1. Share (or reshare) data from engagement surveys with leaders relating to psychological safety – or add it to your survey if you don't currently measure it.
2. Invest in Emotional Intelligence training.



DQ

DQ is the sum of social, emotional, and cognitive abilities that enable individuals to face the challenges of and adapt to working in a digital world. Shifts to hybrid and virtual working, the increased accessibility of advanced data analytics, and no-code application development tools are examples of how the world of leadership requires a higher and higher DQ to succeed.

Leaders need to become business technologists: they need to understand technology trends and identify how they can help their team/function, and they need to be able to leverage data to drive competitive advantage.

What the Data Reveals

While 80% of leaders strongly agree or agree that they are capable and comfortable coaching remote team members, only 62% strongly agree or agree that they fully leverage technology to communicate and collaborate in a way that maximizes engagement and productivity. Additionally, only 24% strongly agree or agree that they stay up to date on technology-related trends to understand how they can help their team/organization.

Implications for Organizations

As teams continue to work either remotely or in a hybrid environment, leaders will need to stay up-to-date on the continuous enhancements to technology anticipated in the next 6-18 months. Failure to do so may contribute to a decrease in employee engagement.

Actions for Leaders to Maximize Personal Success

1. Embrace continuous learning – follow the tech vendors on YouTube to stay up-to-date on technology enhancements.
2. Set an example – model best practices and hold your team members accountable for keeping current, too.

Actions for HR to Maximize Organizational Success

1. Work with IT to determine how you can leverage technology vendors' value-add training support to ensure your employees become early adopters and best-in-class tech users.
2. Build “how to use tech” training into your skills plan. Hold lunch and learns or create a Yammer/Teams channel to share best practices. Make participation mandatory at all levels, including the executive team.



Appendix – All Data

Question	Average Score (1-6 Scale)	% Scored 1	% Scored 2	% Scored 3	% Scored 4	% Scored 5	% Scored 6	% Below Top 2 Boxes	% Top 2 Boxes
I have a growth mindset, focused on creating more value for my company and customers	5.33	0.00%	0.00%	2.22%	15.56%	28.89%	53.33%	17.78%	82.22%
I spot opportunities to innovate and implement those ideas to deliver more business value	4.84	0.00%	0.00%	4.44%	31.11%	40.00%	24.44%	35.56%	64.44%
I act with agility	4.93	0.00%	0.00%	4.44%	22.22%	48.89%	24.44%	26.67%	73.33%
I comfortably lead and navigate through ambiguity	4.93	0.00%	0.00%	2.22%	28.89%	42.22%	26.67%	31.11%	68.89%
I make sound business decisions that align with my company's key performance indicators (KPIs)	5.11	0.00%	0.00%	2.22%	11.11%	60.00%	26.67%	13.33%	86.67%
I am in tune with the needs and emotions of my team members	4.69	2.22%	0.00%	8.89%	26.67%	40.00%	22.22%	37.78%	62.22%
I create the psychological safety needed for my team to take risks	4.93	0.00%	0.00%	2.22%	22.22%	55.56%	20.00%	24.44%	75.56%
I create an environment that encourages diverse viewpoints	4.93	0.00%	0.00%	4.44%	24.44%	44.44%	26.67%	28.89%	71.11%
I support my team members in building their resilience, well-being and motivation	4.87	0.00%	2.22%	4.44%	33.33%	24.44%	35.56%	40.00%	60.00%
I am able to effectively lead and engage team members remotely and face-to-face	4.96	0.00%	0.00%	4.44%	20.00%	51.11%	24.44%	24.44%	75.56%
I feel capable and comfortable coaching remote team members	5.09	0.00%	0.00%	4.44%	15.56%	46.67%	33.33%	20.00%	80.00%
I fully leverage technology to communicate and collaborate with team members to maximize engagement and productivity	4.67	0.00%	4.44%	11.11%	22.22%	37.78%	24.44%	37.78%	62.22%
I fully leverage available data and analytical tools to inform decisions	4.33	0.00%	6.67%	22.22%	22.22%	28.89%	20.00%	51.11%	48.89%
I stay up to date on technology and technology-related trends to understand how they can help my team / organization	3.84	2.22%	8.89%	20.00%	44.44%	20.00%	4.44%	75.56%	24.44%



HORN SALES
& LEADERSHIP
DEVELOPMENT

horn.com

1•855•761•8015

learn@horn.com