Chapter 79

Digitally Empowered Workers and Authentic Leaders:
The Capabilities Required for Digital Services

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ABSTRACT

The digital era has catalyzed the contemporary workforce and workplace. Employees are now required to develop skills that may be outdated in a matter of years, and be consciously aware that their society is evolving rapidly. This Chapter conceptualizes the characteristics of a digitally empowered worker to encompass awareness, creativity, agility, and a positive learning orientation. In doing so, the authors consider the way in which an authentic leader and authentic follower may influence the development of the digitally empowered. Authors present a model and its impact on digital innovation and digital productivity.

INTRODUCTION

The digital era has catalyzed the contemporary workforce and workplace. Employees are now required to develop skills that may be outdated in a matter of years, and consciously aware that their society is evolving rapidly. Themes of disaggregation, competition, and incentivization are driving new forms of management (Dunleavy et al., 2006). Electronic forms of human resource management have shaped the way in which organizations and their managers can influence employees to achieve their targets (Bondarouk & Ruël, 2009). The rate and scale of change is unprecedented, and employees are expected

to keep pace with the unfolding innovations. In fact, they are often expected to participate in shaping such innovations. Yet, for the most part, employees receive very little training to create the digital fluency skills necessary to achieve desired digital outcomes.

A digitally empowered workforce is prepared for their present needs through hard skills. LinkedIn (2018) identified cloud computing, artificial intelligence, analytical reasoning, people management, and user experience design as the top five most demanded hard skills in their annual survey of 4,000 professionals. Yet, 57 percent of senior leaders recognized that soft skills such as creativity, persuasion, collaboration, adaptability, and time management were more important than hard skills. Senior leaders globally recognize the need for their employees to be ready for the future, not just able to complete their day-to-day responsibilities.

For a workforce to be empowered, it requires three antecedent factors. The first is leaders willing to develop and empower their employees (Cheong et al., 2018). Leaders who are effective at motivating their employees can provide agency to those employees to enact their knowledge, skills, and attributes in the workplace. Leadership has evolved. The focus of behavioral research has been on the development and application of knowledge and theory in traditional contexts. The digital era has forced evolution. For example, leadership is enabled or hindered through videoconferencing (Hambley et al., 2007) and social media (Barbera et al., 2014). Complex technology enhanced environments (e.g. virtual, immersive, and augmented reality) are providing new opportunities for development, productivity, and wellbeing. Leaders are only just beginning to come to terms with what this means for their workplace, and their ability to lead.

The second is employees who are developmentally ready to be empowered. An individual's developmental readiness is based on the belief that individuals can create positive self-fulfilling prophecies about their future (Avolio & Hannah, 2008). That is, individuals who are willing to develop and better understand their own self-concept are better able to respond positively to have agency. The Organization for the Economic Cooperation and Development (OECD, 2001) identified a digital divide between those in lower and higher socioeconomic statuses. In the workplace, those in higher socioeconomic statuses tend to be in management, with a higher remuneration. This would suggest there is an existing digital divide in the workplace between managers and their subordinates (Ayanso et al., 2010). Understanding, therefore, the role of follower behaviors in this context could enable the exploration of bridging the digital fluency gap that may exist.

The third is an organizational culture or climate suitable to enable agency. Important, organizations with poor organizational climate can lead to negative long-term performance outcomes (Crawford et al., 2017). Organizations that embed digital innovation into their culture can change their market landscape (Butler-Henderson, 2014). Organizational culture is defined by many elements such as involvement, consistency, adaptability, and mission (Denison & Mishra, 1995). Earlier research defines organizational culture as the synthesis of assumptions, values, and artefacts (Schein, 1985) with adaptation to also include symbols and processes (Hatch, 1993). We do, however, distinguish organizational culture from this Chapter. While an important part of this discussion, which we encourage others to pursue, there was no scope to discuss with enough depth in this Chapter.

This chapter draws on the three antecedent factors (leaders, employees/followers, and culture) to explore the capabilities that digitally empowered employees require. Scholars are increasingly recognizing the role of behaviors and climate in successful change transitions (Martin et al., 2005), divergence in positive perceptions between leaders and subordinates (Martin et al., 2006), and digital innovation requires

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