Develop, Increase, and Cultivate Digital Leadership

Written by: Dr. Annalisa Enrile, Clinical Professor, University of Southern California,
and Oliver Ritchie, Vice President, Technology and Innovation, CMiC

The familiar story of the pandemic is one of health statistics, masks, vaccines, and social distancing. However, what the COVID-19 pandemic also redefined is the nature of leadership, necessitating those at the uppermost levels to be a different type of leader. Digital leadership requires that executives inhabit several roles at once: digital strategist, innovator, and driver. Most importantly, leaders need to be able to create a cultural shift in their organizations where digital agility is central. This is a difficult proposition given that according to multi-industry research by the International Data Corporation, only 13% of companies believe they can compete in the digital age.

Construction has traditionally been a field where technology has been met with resistance. Whether it is because of competing priorities such as tight profit margins—which makes it difficult to cover up front costs needed to invest in technology solutions—a lack of expertise or a lack of willingness to learn a different type of complexity that will change work processes, construction has been slow to adopt technology. Ironically, this lack of adoption occurs during fast-paced technology development specifically focused on construction technology. The number of choices is incredible, ranging from complete ERP solutions to construction wearables, and can be overwhelming to companies whose technology to date was the use of spreadsheets.

By March 2020 though, everything changed and the choice to adopt technology went from a preference to an inevitability. Companies found themselves scrambling to define work-from-home systems in which digitization was the key. Technological capabilities were put to the test for internal company structures and external company processes.

Moving beyond survival mode, leaders began to understand how to use digital/technological strategies to help their companies thrive. Here are five best practices to develop, increase, and cultivate digital leadership in light of construction's most immediate (and possibly long-term) challenges:

1. All companies are tech companies

While it is the right move to have chief innovation officers or departments dedicated to technology research and development, the company as a whole should embody a culture that encourages experimentation, innovation, and learning tied to technology. New digital operating models are important adoptions of leadership, but so is coaching on how to innovate. The whole enterprise needs to learn to rely on innovation, and one way to do this is to make sure everyone feels as though they can participate, share their ideas, and even fail. Failing forward is key to innovative pursuits and leadership needs to be able to make room for what in most companies is a key cultural shift.

2. Digital technology is everyone's role

Long gone are the days when technology was relegated to only the IT department or research and development. However, executives/leaders set the tone and can either amplify the need for digital adoption or block technology. They can model how to translate technologies into work processes. Further, every leader has distinct roles in shaping their company's digital strategy. For example, CFOs can use technology to streamline financial processes and make data-driven spending decisions; human resources can use technology to strategically plan workforce and digital labor roles such as data scientists; legal counsel can use technology to track changing rules and regulations or to archive documents; and marketing can use technology to track client needs, preferences, and business experiences.

3. It is more important to be creative than efficient (but both are ideal)

With supply chain disruptions and increases in commodity prices, companies continue to face shortages. Just as in the rest of the world where the omni channel no longer rules—think buying groceries through restaurants when store shelves were empty—successful digital leaders were flexible and found solutions in the most unlikely of places. For instance, instead of necessitating additional hardware costs, cloud-based and mobile-friendly apps make it easy for workers to use their existing tablets and smartphones.

4. Collaboration instead of competition

Digital leaders will recognize that former models of a competitive race to the top does not fit today's technology paradigm. With technology being developed at a breakneck pace, there are rarely innovations that stand alone or are unique. However, construction projects often require personalization, including their technology needs. While it is impossible to have fully bespoke technology, open API platforms and integrations with an emphasis on client agency are ways that construction technology can address individual needs.

5. Technology makes the world better

More than helping an individual company's bottom line, digital systems also have the power to grow a better world. Satya Nadella, CEO of Microsoft, believes successful adoption of technology in one industry means productivity and efficiency that will support society as a whole. With labor shortages being one of—if not the—most important challenge for construction, transparency of values and building social good is imperative for millennials and Generation Z.

The only certainty during the ongoing pandemic is that change is constant. Change at this unprecedented scale will require digital leadership at all levels. Indeed, among the list of essential workers should be the innovative individuals whose agility helped to usher in extraordinary usage of technology solutions.

About the Author

Dr. Annalisa Enrile is a Clinical Professor at the University of Southern California Suzanne Dworak-Peck School of Social Work. Dr. Enrile has been working in the anti-trafficking movement since 1993 as a researcher, advocate, activist, and practitioner.

Oliver Ritchie is the Vice President, Technology and Innovation, at CMiC, a creator of advanced construction management software. Ritchie is a results driven professional with expertise in product design, development, and strategy of flagship technologies.

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