

Executive Summary

Leadership Skills in the age of digitization – The context of the firm matters

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The aim of the study at hand is to identify leadership skills that enable leaders of German Mittelstand to successfully implement the digital transformation of their enterprises. Therefore we conducted qualitative interviews with stakeholders and executive leaders of small- and medium-sized enterprises and could identify three types of leadership skill sets: **Holistics**, the **Interactives** and the **Self-Regulators**.

Leaders' individual and business-related characteristics affect their assessment of leadership skills

The leaders' individual assessment of the importance of particular leadership skills is affected by the characteristics of the individual leader (e.g. degree of digitalisation skills, the concept of digitalisation and leadership) and of the firm (e.g. size of the company, ownership and management structure, the degree of digitalisation).

Holistics have a comprehensive understanding of competencies and digitalisation

The leadership skill type "Holistic" has a comprehensive understanding of digitalisation as well as the leadership role. Mostly, holistics are found in bigger enterprises with a high degree of digitization. They are responsible for the digital transformation. They have a high expertise and methodical skills as well as social and managerial-competencies.

Leaders of small- and medium-sized enterprises value interdisciplinary skills more than specialised expertise.

Interactives lead small- and medium-sized enterprises with a rather low or average degree of digital transformation. This leadership skill type is owner and executive leader of the enterprise at the same time. This leads to a variety of different tasks. Interactives rely upon specialised knowledge of hired experts, and therefore consider specialised expertise for themselves as less relevant than managerial and social skills.

Self-Regulators act as autocrats

Self-Regulators are mostly simultaneously owner and executive leaders of their enterprises and are predominantly active in the artisan and blue collar

industries. They lead every individual step of digital transformation in their enterprise – from conceptualization up to implementation and monitoring. Due to their autocratic leadership style, they value self-related competencies like specialised expertise and managerial/entrepreneurial skills as more relevant than social skills.

Support system should be customized according to the respective context of the companies and the leadership styles

Policies supporting the digitization of small- and medium-sized enterprises should take into account the variety of leadership skills and their respective needs. All executive leaders of small- and medium-sized enterprises consider time as the biggest challenge to a successful digital transformation. Many small- and medium-sized enterprises would benefit, from online services, like toolboxes for legal support, e.g. for their digital transformation process. That would help save time and simplify digital transformation projects.