Digitalisation and AI Are a Leadership Project

– technology rarely fails on the technical side, but on adoption

By **Mads Cronquist** · Cronquist Consult ApS

Everyone is talking about AI. The tools are available to all, they improve month by month, and many leaders feel they must keep up. But the question is rarely whether the technology works. The question is whether the organisation puts it to use.

I have been building IT solutions since I was a boy and got my Commodore 64 to play drums in time with my synthesizer. But in all those years, technology has never been what decided whether a project created value. Leadership has.

This article is about why digitalisation and AI are first and foremost a leadership project – and what leaders can do to succeed with them.

The music arises between the notes

As a young man I came across a sentence in the Danish composer Peter Bastian's book "Ind i musikken" (Into the Music): "It is in the silence between the notes that the music arises." There I sat, programming everything precisely, and he claimed that the experience was really created by the feelings and interpretations we filled into the silent spaces. Later in life I would discover that he was absolutely right.

The same applies to digitalisation. Value does not arise in the system, but in the spaces in between: When people change the way they work, when processes are cut back, and when leaders make the new part of everyday life. Technology is the easy part. Adoption is the hard part.

Start with the hassle – not the tool

My first encounter with an IT challenge in leadership was in the mid-1990s during the war in Bosnia. As head of logistics for Médecins Sans Frontières, I had to track expiry dates on medicines so we did not waste donor money and relief. An internal trainer from the Netherlands taught us something called Excel – in Dutch, of course. A few days later we had a solution that could calculate with dates and raise an alarm. It was not advanced, but it solved a real problem.

When I became HR director at Eltel Networks in 2007, I met a different kind of hassle: Two employers' associations, 11 collective agreements and 23 local agreements. An employment contract was a nightmare of combinations, and 16 people were involved before a new colleague was on board. Together with an IT

partner, we developed an automated process in two months for less than DKK 75,000, which we called ECOL: Employee Circle Of Life. The process came down to less than half the time, with zero errors, and three quarters of those involved had time freed up for value-creating work. The saving was around EUR 1 million.

The decisive factor was not the system. It was that we also "pushed" HR out to the front line, where it belongs, so it became a daily routine for managers. That required managers to change their workflows – and that is always harder than writing code.

> *Technology is the easy part. The hard part is getting people to work differently.*

Build it together with those who will use it

At Christiansen & Essenbæk the problem was internal communication: "We never get told a damn thing." There was a treasure chest of information on a shared drive, but the hourly workers had no key. Several had never had a PC or email, and quite a few were dyslexic.

So we started with Danish and basic IT lessons at the workplace. We built an intranet outside the firewall so it could be reached from home in the evening. The username became the payroll number and the password the same as for the electronic payslip – something everyone already knew. We drew the system architecture on a whiteboard with a dozen employees who happened to walk past. Our IT partner turned it into a usable product.

A small SMS gateway costing DKK 3,000 lured people in when there was something new. The competition "Find the intranet elf" created activity at Christmas. And when Poul from the health and safety committee asked why you could not write on the intranet yourself, a forum was up and running 14 days later. The intranet was later used in Danish lessons. That is digitalisation with people at the centre.

We then built three connected systems for new employees. A competence assessment carried out during the job interview automatically generated an individual induction plan for the first week – a drag & drop plan in Outlook that could be made in one minute. At the same time, the new colleague received an email with a link to interactive e-learning about the company's core services, safety and values. That meant people had learned a lot before their first working day – at zero cost.

It was all part of a large project on health, well-being, working environment, competence development and leadership training. Sickness absence and risk factors fell markedly, and well-being rose by seven percentage points. The project "Trivsel – 360 grader" (Well-being – 360 degrees) first won the Danish Working Environment Award and then Børsen's CSR Communication Award, based on my book "Lederens inspirationsguide" (in Danish).

Technology that moves people

When I came home from Bosnia, I started my civilian career at ISS. After a year, I was put in charge of a small project with unemployed people who were struggling with life in general. CVs were not really used. So I invented IKA2: A kind of competence driving licence in the same format as the old EU driving licences, laminated and all. It was the project manager's stamp that we vouched for the person and their trained level. The card was used as a job application at the local bike shop or supermarket – and it worked because it was business talking to business in the same language. We ran it all in an Access database that we built

ourselves.

IKA2 put ISS's social responsibility into a system and laid the foundation for the company's entire CSR area, which grew into a very successful business. Something nobody believed was possible when we started.

Soon after, I got a webcam and the idea for the world's first video CV for immigrants, developed more than 25 years ago in my own company. The system could automatically generate a written CV and combine it in an email with a link to a 100-second video the manager could watch at once. The project received DKK 0.5 million in support from the Danish Ministry of Integration. The result: Everyone who could and would got a job.

The technology was not the impressive part. The impressive part was that it opened a door that had been closed – because it started from the concrete problem of the people who were going to use it.

AI does not change the leadership task – it sharpens it

I use AI myself every day. For my website, for research when preparing client proposals, and for video and "radio debate" features that bring heavy analyses to life and make them easier for clients to understand. It saves time and opens up new possibilities. My IT partner uses AI for process optimisation at my clients.

But AI does not change the leadership task. It sharpens it. When analyses, drafts and decision papers take minutes, it matters even more that leaders ask the right questions: What creates value for the customer? Which processes should we stop altogether? And what does it mean for the people who will have to work differently tomorrow?

I hardly dare think how quickly and effectively we could have built ECOL with AI. But it would still have required managers to change their workflows, and someone to hold on long enough for the change to stick. No algorithm can do that for them.

Customers hire you to solve a problem

Many of the "new" management concepts are really about the same thing. More than 20 years ago I came across disruption in Clayton M. Christensen's "The Innovator's Solution". The concept has been watered down by many, but the point is sharp: New customer groups judge a product or service on a completely new value scale – to solve a specific problem under specific circumstances, at a lower price and in a quality that is good enough. The product need not even be innovative. It is about understanding when the customer hires it.

Design thinking and ideation point the same way. When IDEO was given five days to design a new shopping cart, the interesting part was not the product but the team's way of working: Test early prototypes, and do not lock yourselves into the first and best solution. Live among the "natives" to understand when the customer buys – or does not. That is why we often involve customers as co-trainers on our leadership programmes. You can read more about this in "Customer Value as Management's Compass".

The same applies to AI. The question is not what the tool can do, but which problem it solves for the customer and the employee.

Technology, people and market are merging

Customers are becoming co-designers, and technology is bringing us closer together. Or is it? In the project "Fremtidens lederberedskab" (Future Leadership Readiness), we trained young people on expeditions in

the Swedish wilderness, the Alps in winter, white water rafting in Bosnia and in silence in the desert on Anholt. More than 600 training days on which all electronics were banned. No one – and I mean no one – ever missed their mobile phone or iPad.

Human presence still matters a great deal. Technology is a good supplement when the distance is great, but it does not replace the relationship. That is an important point as AI moves into both customer dialogue and collaboration.

Leadership capacity is competitive strength

Over the years we have worked with companies such as Visma, e-conomic, Ageras, Sybo Games, Jobindex, Umbraco and Minuba – mostly hardcore digital businesses that have grown and expanded their product portfolios. But the basis of their success is not only technology. It is a systematic approach to building leadership capacity.

That is the thinking behind my LeaderShop model, which is rooted in the individual's inner readiness: The inherent strength that enables us to face and overcome challenges. After all, who will trust a leader who does not trust themselves? Once you have learned to listen honestly to yourself, you can listen to your colleagues and build trust. Then there is a real chance you can also listen to customers and their needs, frustrations, dreams and wishes. Only then can you design and deliver value propositions that generate profit.

That is what we call strategy execution – but in that order, not the other way round. Only then do you dare to put your finger on the sore spot, let go of fear and paralysis, and do something that works – even if it is untested. Agile, in sprints or with scrum.

The key is a surplus mindset

The key to it all is a deep understanding that financial surplus springs from the same mental attitude: A surplus mindset. Doing something good for others that we do not really have to do. The Danish author Tor Nørretranders calls it the handicap principle in "Det generøse menneske" (The Generous Human), and Stephen Covey challenged zero-sum thinking in "The 7 Habits of Highly Effective People".

This is where AI really becomes a leadership question. If technology frees up time – as ECOL freed up three quarters of those involved – what do we use the surplus for? More of the same tasks? Or getting closer to customers, developing employees and creating the new?

Leaders must use it themselves – and tolerate mistakes

A leader who has not tried the tools cannot lead their adoption. That applies to intranets, document management and e-learning – and even more so to AI, where the possibilities change faster than any course catalogue can keep up with.

That is why AI is best learned through learning by doing: Try it on a real task, share the experience and adjust. It requires a culture where it is legitimate to fail along the way. As I wrote in "Lederens inspirationsguide": Do not hide what goes wrong – bring it into the open, fix it and move on. It builds loyalty.

It also requires management to have the humility to ask the employees who do the work how it should look. They often know best where the hassle is. Read more about the approach in "Action Learning in

Practice".

Five levers for management

How to make digitalisation and AI a leadership project:

- **Start with the hassle:** Find the processes that drain time and energy – before choosing the tool.
- **Involve users early:** Draw the solution with those who will use it. They know where it hurts.
- **Make it easy to get started:** Use what people already know, and remove unnecessary barriers.
- **Lead from the front:** Use the tools, share your experiences – including those that failed.
- **Hold on long enough:** Change must live in everyday work, not just on launch day. Tell the good stories.

Three questions for the leadership team

Ask yourselves:

- Which of our digital solutions are actually used as intended – and why not the others?
- Who in the leadership team uses AI daily, and what have we learned from it?
- Which concrete hassle in our processes would we remove first if we started tomorrow?

Conclusion – technology is a means, leadership is the way

Digitalisation and AI can create major gains. But the gain does not arise in the system. It arises in the spaces in between, when people work differently and leaders make the new part of everyday life.

That is why digitalisation and AI are a leadership project: Start with the hassle, build together with the users, lead from the front – and hold on until the change has taken root. Then technology becomes not just an investment, but an improvement.

This article builds on my article "Digitalisering og ledelse" (2018) and my book "Lederens inspirationsguide" (2012), both in Danish.

Do your digital initiatives need to succeed in everyday work too?

We help leadership teams make technology, people and processes work together. Read more: Organisational development · Business development · Strategy and execution