Adapt Your C-Suite for the Digital Era In 3 Steps

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In 2012, a joint research team from Columbia University, MIT and Harvard released a paper titled, “Who Lives in the C-Suite?” In the paper, authors came across the statistic that the average number of managers reporting directly to a CEO had doubled in a roughly 20-year span. Though this paper was released nine years ago, the findings are still extremely relevant. A CEO who had five managers reporting on company-wide activities in the 1980s had 10 by the 2000s, with most of them running their own department and reporting on a specific aspect of the business. Business strategies were changing as companies began crossing the threshold into the digital era, and organizational strategies followed suit.

The increase in information technology came with a surge in functional managers as opposed to general managers. On the surface, this seems like a beneficial development, and there certainly are advantages to vertically stratifying operations. However — and this is a big however — it also comes with challenges. Analysis, reporting and decision-making are necessarily collaborative, rather than independent processes. Silos become not just counterproductive, but vectors for critical failure.

Here’s the rub: These complex problems can’t simply be solved, as the pace at which technology influences human resources strategy is only accelerating. And while businesses try

to figure out how to manage these challenges, the challenges themselves are only getting bigger.

Here’s how you can adapt your organization to the digital age:

Visualize the change

Prior to the changes brought by the digital age, most businesses communicated through a system of aqueduct-like channels through which information flowed. With the advent of modern IT – and subsequently, the internet of things – these channels became information networks. Now businesseses cross-communicate in dozens of directions all at once, similar to the sturcture of the human brain. In the digital age, data and knowledge don’t just go up and down – they go throughout.

To accommodate the change, companies have shifted their expectations of executives and consequently who gets hired in the first place. Businesses now prefer digital fluency and teamwork combined with basic business fundamentals over extensive experience and deep domain expertise.

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Identify the weakness

If you think the change has been easy, simple and ubiquitous, you’d be wrong. Consider a 2018 Deloitte study in which 73 percent of survey respondents said that executives in their organization didn’t regularly collaborate. However, 85 percent of respondents in the same study preferred a team-based, multidisciplinary approach at the executive level – a concept the authors dubbed “a symphonic C-suite.”

Leaders in business obviously see digitization and social enterprise as a way of tackling the era’s biggest challenges, but they are largely still struggling with the execution. Put

simply, there’s a gap between what companies are striving for and what they’re achieving.

Implement the idea

The good news? Change is possible.

My own company has expanded the C-suite from a traditional structure to now include a chief productivity officer, chief software architect and chief customer officer. But rather than create silos based on our functional domains, we’ve instituted semiweekly executive committee meetings. When we meet, we scrutinize and discuss all strategic and operational issues. Everyone has a voice and is expected to challenge one another, whether the issue falls within their functional expertise or not.

If this format sounds uncomfortable, that’s because it is.

Nobody wants their expertise challenged by someone who has little experience within the domain being discussed. But the insights and challenges from this multifaceted team have often led to better — or at least more well-thought out — decisions. We’ve achieved significantly better communication throughout the organization because the entire C-suite is not only informed about what we’re doing, but why we’ve chosen a specific approach. This has brought a shared commitment to the overall business outcomes we are seeking, such as revenue and profit.

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The bright side

For companies who learn to manage these complexities effectively, the benefits are massive. The same Deloitte study pointed out that companies whose executives collaborate frequently — whose C-symphony is serious about rehearsal, you

might say – are 33 percent more likely to experience substantial growth than their more siloed counterparts.

For executives thinking about adapting their C-suite to the digital age, this is the bottom line: digital systems and C-suite changes are big issues to tackle, but worth tackling nonetheless. Because where there is challenge, there is also opportunity to connect more closely with markets, customers and employees. In other words, everything a company wants.

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