

Values and value orientations of a digital leader in the digital economy era

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ABSTRACT

The article examines the values and value orientations of a modern leader in the digital economy, in particular, the characteristics, skills and competencies, which distinguish a “digital” leader from a “traditional” leader and guarantee him/her success in business. The research is based on the results of a survey in which 120 people of different age categories and different managerial ranks (in Russia and abroad) participated to iden-

tify their priority personal and professional values and assess how these values influence their managerial decisions and the actions they take to transform of their business caused by digital change and the pandemic crisis and to achieve success. The findings of the study have to help understand to current and future leaders, what they have to do, what qualities and skills they have to develop to remain successful in today’s realities.

Keywords

Values, value orientations, leader values, digital leader, digital age, digital transformation, management activity, skills and competencies

For citation

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Ценности и ценностные ориентации цифрового лидера в эпоху цифровой экономики

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АННОТАЦИЯ

В статье исследованы ценности и ценностные ориентации современного лидера в условиях цифровой экономики, в частности, характеристики, навыки и компетенции, которые отличают «цифрового» лидера от «традиционного» и гарантируют первому успех в бизнесе. Исследование основано на результатах опроса, в котором приняли участие 120 человек разных возрастных категорий и разных управленческих уровней (в России и за рубежом) с целью выявления приоритетных личных и профессиональных

ценностей респондентов-управленцев и оценки влияния этих ценностей на управленческие решения и действия, которые они предпринимают, чтобы успешно трансформировать свой бизнес в условиях цифровых изменений и пандемического кризиса. По результатам исследования даны рекомендации нынешним и будущим лидерам, что им необходимо делать, какие качества и навыки развивать, чтобы оставаться успешными в сегодняшних реалиях.

Ключевые слова

Ценности, ценностные ориентации, лидерские ценности, цифровой лидер, цифровая эпоха, цифровая трансформация, управленческая деятельность, навыки и компетенции

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INTRODUCTION

Management activity has never been easy. But while in the past the responsibilities of leaders were defined quite simply: they were to understand the environment, to give direction, to inspire action, today with the development of the Internet and social media, when we are witnessing the reorganisation of entire countries, communities, economic and political systems, more is expected of managers. They must now engage in public online conversations, adapt to rapidly changing ethical, social and environmental standards, while remaining sensible and alert to all the pitfalls in the workplace. The digital effect is further exacerbated by the pandemic, which is creating a demand in the labour market for a new type of leader who can manage stress, uncertainty, potential opportunities, and is willing to help the team achieving its business objectives. In another way, the managerial challenges of the digital age can no longer be overcome by the traditional management methods of the 20th century. But one thing remains the same: people interact with each other based on what they consider important, what they prioritise, and what they value. This understanding must be used to manage actions and deeds in today's world.

All these observations prompted us to examine the characteristics and professional potential of a digital leader through the prism of his or her value system.

DIGITAL LEADER

If the value system has been in the focus of attention since ancient times and throughout human history (Socrates, Platon, Aristotle, Hegel, H. Spencer, E. Durkheim, H. Rickert, M. Weber, T. Parsons, M. Rokich, R. Merton, R. Inglehart, P. Sorokin, A. Leontiev, V. Yadov, V. Boyko, A. Zhuravlev, M. Kagan, A. Zdravomyslova, S. Andreeva, O. Razumovsky, V. Khashchenko, B. Starostin, M. Semina, A. Prokhorov, and others), the topic of digital economy and transition to it has appeared in the works of scientists relatively recently (D. Riesman, M. Rose, E. Toffler, A. Babkin, V. Tsvetkova, V. Minakov et al) [Plotnikov, 2018; Gayfullin, 2016]. Despite the growing interest in discussing the relationship between digital technologies and management activity, the materials in this area are accumulated in a fragmented way. This fragmentation makes all researchers struggle to identify more global patterns of change as a result of digital transformation. It also suggests that scholars are relying on multiple theoretical models to explain this phenomenon. If, on the one hand, it is clear that the economy and the business sphere are changing due to technological improvements, then, on the other hand, the way in which this transformation takes place remains a matter of debate. This is why there is a need today to constantly update and take into account new contributions to this topic.

To do this, let us first consider the essence of management activity (leadership) in general. This concept has no clear definition and often overlaps with definitions of management. At the same time, modern conceptions of management activity differ significantly from those that existed previously, although they

are less authoritarian [Markham, 2012]. For example, some refer management activity not only to top-level managers, but also to empowered employees who are free to share their assumptions and ideas about the development of their organisation and control their own activities [McGonagill & Doerffer, 2011]. Others define management as the art of influencing others to the best of their ability to accomplish any task, goal, or project [Cohen, 1990]. There is also a wide range of works describing different styles of leadership, which makes it difficult to develop a single definition. For example, J. Hoffman and K. Vorhies give a dual interpretation of management activity distinguishing between the concepts of "leader" and "manager". That is, according to their theory, a leader (primarily of a large organisation) has a basic vision of various technical aspects of the company, but delegates his or her main responsibilities to managers, being focused on higher order issues – strategic planning and project implementation, evaluation and continuous business improvement [Hoffman & Vorhies, 2017]. And J. Kotter [2001] argues that successful management activity involves solving complex problems associated with change. This, of course, can include the business digitalisation and the pandemic, when a significant proportion of employees work remotely.

In this regard, we find S. Covey's concept of management interesting; it is built on trust as not an ephemeral substance, as many believe, but a very real and quantifiable indicator that directly affects the company's performance. For this purpose he even created his own model called "Five waves of trust", which clearly demonstrates the differences between low-trust and high-trust relationships [Naidenov & Novokshonova, 2021]:

- first wave is self-confidence, i.e. to trust others, it is important to trust yourself, and to be able to trust yourself and others, you need to use your talents, skills, knowledge, and style;
- second wave is trust relationships, which can be developed through various behaviours: demonstrative respect, loyalty, accountability practices, etc.;
- third wave is trust between members of an organisation, the reduction of which leads to demotivation of employees, and ultimately to the deterioration of the financial performance of the business;
- fourth wave is maintaining the organisation's brand and reputation through trust;
- fifth wave is public trust.

Based on this model, the author also derived an universal pattern: trust always affects two factors, namely, speed and costs. When trust falls, the speed of transactions declines and costs skyrocket. When trust grows, partnerships form faster and transactions are easier and less costly. This is why trust is one of the fundamental values for a today's organisation and a today's leader, enabling them to take new risks in the digital environment. It is impossible to form the ability to trust artificially, but it is possible to learn how to overcome one's distrust.

Thus, we can say that a digital executive is a person (not necessarily a senior executive) whose activities are characterised by fast, cross-hierarchical processes, team-oriented

and cooperative approach, with a strong focus on innovation [Oberer & Elkollar, 2018].

METHODS

Nevertheless, the following questions remain unanswered: do the value priorities of leaders change when they change their status in employment? What principles younger and older leaders are guided? Are there gender-specific management activities, and do external factors (political, geographic, etc.) influence management models? Our hypothesis emerges from these considerations.

Hypothesis: values and value orientations of modern digital leaders depend on their ages, genders, employment statuses and external factors, being a career regulator and an indicator of business success.

As a part of this hypothesis, we conducted a sociological study using a quantitative sociological method, i.e. a questionnaire survey. We developed and tested a questionnaire called “Value orientations of a modern leader in the business sphere” in order to determine the priority of leaders’ values, to identify its relationship (or lack thereof) with age, gender, status and other characteristics that may directly or indirectly affect the success of the business. We collected data from 120 leaders (as of August 25, 2021) from different geographic regions. In this case, we refer to all managers, entrepreneurs, businessmen, and business owners because of the identity of a number of their professional functions and the realisation of similar tasks and goals. Respondents were selected using the snowball method. All participants were asked to respond to 25 questions, with the opportunity to leave additions and comments. First and foremost, high scores were taken into consideration for all the questions under study, as they give the most complete picture of the significance of a particular value.

It is also worth noting that our study is limited, as it is based on survey responses containing subjective indicators of management practices in the context of digital transformation and pandemic. Despite the fact that the use of subjective evaluations in this kind of research is the norm, they do not provide a complete view of the picture and to some extent reflect the preconceived notions of the people who form it about the topic in question.

In addition to the questionnaire, we also used general theoretical methods of research: analysis, synthesis, comparative analysis, generalisation, structural-functional analysis, with the help of which we successfully systematised all the material obtained.

RESULTS

1. The results of our study indicate that the most fundamental influence on the value orientations structure of a modern leader personality is brought by age and gender factors, and employment status (according to the International Classification of Employment Status¹).

¹ Rosstat (1996), “Classification of statistical data on the composition of the labour force, economic activity and employment status”, Methodological regulations on statistics, issue 1, point 3.1. Available at: https://www.gks.ru/bgd/free/b99_10/isswww.exe/stg/d000/i000080r.htm (accessed 14.09.2021).

2. The analysis of age-specific features of a digital leader personality showed that the core of terminal values (those related to the meaning of life) in young people (25–30 years old) and older generations (30–45 years old and over 45 years old) are common, the main values are family (71.4%, 94.5% and 76.9%), health (100%, 85.5% and 76.9%) and love (85.7%, 67.3%, 84.6%). They diverge further. Changes occur with age in the structure of social values of respondents: values of less importance become career (7.6% of those aged over 45 vs. 42.8% of those aged 25–30), and realisation of ideas (53.8% of those aged over 45 vs. 57.1% of those aged 25–30), but the importance of social recognition increases (23.1% of those aged over 45, none of the young people aged 25–30 noted this). This is quite predictable, as at an older age people begin to strike the balance, to reconsider goals, taking into account their health, family and work situation. At the same time the friends’ importance is also decreasing (7.7% at the age of over 45 against 28.6% in the age category of 25–30 and 27.3% in the category of 30–45 years), which indicates that the person’s sphere of communication is gradually narrowing.

The following features can be distinguished in the structure of instrumental values. The value of the ability to make decisions for young people aged 25–30 years is at the 7th (28.6%), a relatively low ranking place, while for respondents 30–45 and over 45 years old this value becomes the most significant and occupies the first ranking place (84.5% and 84.6%). In terms of psychology, this indicates the degree of independence of an adult. High importance for all three age groups of managers is represented by the value of result orientation (third and second places). This can also be explained by the fact that the result is often seen as a key performance indicator, which is taken into account in the formation of wages. It is also worth noting that, for example, such a quality as stress resistance is not a priority for the age group over 45 years old (15.4% vs. 85.7% for respondents aged 25–30, and 61.8% for respondents aged 35–45). This can be explained by the fact that younger employees are willing to take on much more responsibilities, sometimes working without days off and sick leave. Speaking about the value of moral guidelines, we can see a clear tendency to ignore them. Honesty, authority is at the very bottom of the rating (16th place in all three age groups), revealing the problems of tension in society and lack of progressive movement forward.

1. The analysis of gender (sex) differences in the personal orientations of digital leaders has shown that for women the value of material security (money) is slightly more important today, which occupies one of the key places in the hierarchy of terminal values for representatives of both social groups yielding to orientations to the values of family, health and love. It is among the four significant values-objectives for 39.7% of women and among the six most significant values for 31.2% of men. This difference is related to the practice of gender equality in different spheres of life, including business, as it gives them the freedom to make decisions on an equal basis with men.

In the structure of instrumental values for men and women, there are mainly slight deviations in priority: decision-making

ability (75% and 82.4%), result orientation (62.5% and 64.7%), stress resistance (45.8% and 60.8%), responsibility (41.7% and 25.5%), and continuous self-development (20.7% and 45.5%) are the most significant values in both groups. From this we can conclude that the ways of achieving life goals for both men and women are approximately the same.

2. In the structure of terminal values of hiring managers and entrepreneurial owners, in general, no strong deviations are also observed. For respondents of both groups – owner (IE), hired manager (middle level, top-manager) – values of family, love and health are of high importance (more than 70%), social status and social recognition values are of comparatively low level (less than 10%). Career has quite high importance for owners and middle managers in comparison with top managers – 16.9% and 23.5% (8th and 7th places), which indicates a high self-esteem level for representatives of this social group.

Priority of instrumental values of modern managers in the context of their employment status (owner, employee – middle manager, top manager) is as follows. The leading positions in both groups are taken by the ability to make decisions (over 70%), results orientation (over 56%) and system thinking (over 40%). These values as competencies can be manifested in the fact that, when facing obstacles, a person acts persistently, looks for different ways and uses a variety of tools to achieve the result. Besides, middle managers and top managers have rather high positions for the so-called values of cognition and creativity – “creative thinking and attitude to work” (23.5% and 20%), “constant self-development” (52.9% and 40%). As a rule, such people are more satisfied than others with the level of their material well-being.

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CONCLUSION

In this paper we have established a conceptual connection between the values (value orientations) of a modern leader and the attributes of a person’s social status. We structured and summarised the results of the survey using categorisation by some of them; this confirms our hypothesis that values and value orientations of digital leaders depend to some extent on their age, gender and employment status, being a regulator of career and an indicator of success of the whole business.

We also revealed that for representatives of all groups of leaders considered, the terminal values such as family, health and love, are of paramount importance. This characterises their personalities by striving for harmonious realisation of business and collective interests. That is, such managers, as a rule, are characterised by resourcefulness, a high degree of consciousness in choosing a line of behaviour, following an independent path, but rather low competitiveness. Moreover, as some researches of the past years show, despite socio-economic transformations and active digitalisation of the society, the dynamics of life values of managers did not change cardinally: the terminal values of love, family and health remain the most significant in all years for managers of different age groups [Dolgopyatova, 1995]. Note that the importance of the latter has even increased due to the epidemiological situation in the world.

The results of our study may supplement the existing forecast scenarios with a set of variables that reflect changes in managerial potential due to the current digitalisation realities.