

Get on board tech train or risk running out of steam

November 3 2014, by Rob Kidd



Elizabeth Valentine says business leaders must embrace technology

Senior business executives and board members must embrace and encourage technology in their ranks or risk being left behind in a rapidly changing digital world, a QUT expert says.

Elizabeth Valentine, a doctoral researcher within QUT's Information Systems School, said company boards knew [technology](#) was essential to their [business](#) but had been slow to recognise their responsibilities for ensuring innovation thrives.

"More than 90 per cent of boards worldwide identify technology as

essential to their businesses, but [fewer than 20 per cent](#) have technology-capable members," Ms Valentine, managing director of consultancy firm Enterprise Governance, said.

"Technology governance skills are the most likely to be missing or underrepresented of all skills on boards. This is risky given the level of technology dependence and investment.

"Boards can no longer afford to ignore or delegate management of technology in their business, and, if they do, they run the risk of competitive, financial and reputational failure."

After three years of research, Ms Valentine, with Professor Glenn Stewart, has published [the first known board-level technology governance competency set](#). She said a board's ability to oversee enterprise technology has a major impact on the businesses' ability to compete in a digital world.

"Governance is part of a board's responsibilities and because technology permeates every aspect and level of business, knowing how to govern business technology is essential," she said.

"Up until very recently the focus of technology governance has largely been within the IT department. But technology is now integral to most business practices and processes so overseeing technology and risk has become part of a board's ethical duty, whether they realise it or not.

"Boards set the tone for the organisation's digital future and culture and they need EBTG competency to spur innovation and more strategic use of IT."

Ms Valentine said once iconic brands had collapsed or lost significant market share because of a failure to keep up with technology.

"Companies like Kodak, Barnes and Noble or HMV didn't make sudden or massive blunders, but they had barriers to digital transformation," she said.

"Businesses that want to stay competitive must stop experimenting with digital and commit to transforming themselves into full digital businesses.

"The business case is clear - those enterprises that make comprehensive change and become digital leaders are experiencing significant gains over those that don't.

"If CIOs and the Chief Executive expand their own skill-sets, there are growing opportunities to not only assist the board, but to become the new 'hot recruits' - digital directors and chief digital officers."

Professor Michael Rosemann, head of the Information Systems School, agrees a digital mindset has to enter the boardroom.

"This ensures new technologies are strategic, not just about cost effectiveness. The need for future-proofed revenue resilience is driving change and competition across all industries," he said.

Provided by Queensland University of Technology

Citation: Get on board tech train or risk running out of steam (2014, November 3) retrieved 7 August 2024 from <https://phys.org/news/2014-11-board-tech-steam.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.