

“ROLE OF LEADERSHIP IN STRUCTURING THE DIGITALTRANSFORMATION JOURNEY IN AN ORGANISATION”

Research Paper

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Abstract

This study aimed to deep delve into the challenges organizations face in the process of Digital Transformation. Online survey was conducted, where 116 people participated through Google form shared through online platforms like LinkedIn, Email, online link. The result show that the leadership is agile and has a roadmap but resistance to change amongst employees is a barrier which needs to be addressed to smoothen the digital transformation journey of business organizations, improve employee-employer relationships, enhance customer experience and achieve overall organization growth. State mindset and perception change were suggested as the biggest challenge in Digital Transformation but resistance to change amongst employee is more significant and needs to be addressed.

Keywords: Digital Transformation, Digital Leaders, E-Leadership, Organization roles

1.Introduction

Digital Transformation (DT) simply put forward is the adaptation of technology to transform businesses, by replacing paper work to paperless. In other words, it also means non-digital or manual processes takes the shape of digital processes. Replacing legacy digital technology with newer digital technology.

Since the adaptation of technology to transform the business has become critical post pandemic hence this study aimed to explain why DT has become imperative now simultaneously understanding the challenges of DT journey in organizations. Simply put forward the action of CIO does not affect the

functions of IT in the organization but it impacts the entire organization (Bongiorno, Rizzo and Vaia, 2018).

This study focused to provide results for companies preparing their road map of digital transformation journey in India or elsewhere but who may also service the global market. The outcome of the research was to provide a research framework on effective E-Leadership Skillset Model to overcome DT challenges. Through this model the expectation is to smoothen the digital transformation journey of business organizations, improve employee-employer relationship, enhance customer experience and achieve overall organization growth.

In a previous survey conducted among the directors, and C-level executives, DT was found to be the number one area of concern (Tabrizi et al., 2019). It was also shown (ZoBell, 2018) that 70% of the DT hardly achieve their objectives : \$900 billion went wasted out of \$1.3 trillion spent on DT last year itself. DT often does not give expected results which shakes the trust of the Leaders (Sun, 2019).

Companies put millions of dollars into DT programs in the organization to get an edge over their competition as well as bring the business processes online. But this is majorly done without building the business strategy thus this fails to pay off. They should align their business goals with the tech investments they are planning. The organizations should trust the knowledge of employees more than the outside consultants, they should lean more on insider knowledge than outside consultants, understand fears about job loss that the employees may have, develop knowledge about how changes will affect customer experience, and use process techniques which will enable changes (Tabrizi et al., 2019).

More often DT strategy of an organization fails, the problem is seen inside the organization, stating DT as a strategized shock from technology on the properly working system and not just a upgrade of software of improvement in a supply chain plan(Andriole, 2017).

This research aimed to find the various challenges faced by organization in DT journey which slow its pace. Research goals were to understand the hindrances leading to DT of the organization and to understand the gaps of previous studies in providing solutions to enhance speed of DT and accordingly design the structuring.

The following questions were framed for the online survey with an objective to get the resultant outcome of most challenging instrument in the Organizations DT journey:

1. Is the State of Technical Skill set appropriate?

2. Is Budget & Resource Availability present?

3. Is The Leadership agile, roadmap, planned?

If answer is yes to all the above questions, it should be identified which hindrance is leading to slow pace of digital transformation. If answer is no to any one of the above questions then it could be one of the reasons along with other hindrances of slow pace of digital transformation.

We hypothesized that the way in which technology has evolved, and in particular the rapid advancement in cloud computing capabilities, it means businesses are more empowered than ever to deliberately and strategically transform. This is seen through our survey where we see roadmap is well defined(Figure7). Hence we also assumed that with such a widespread of Covid, businesses have become aware of the sudden office shut down impacts and more than ever eager to adopt technology to help them running the business in such scenarios, as visible in Figure 2, that digital knowledge of organization has matured.

2.Literature Review

The entry of big digital players like Amazon, Alibaba in India has effected the conservative industries heavily due to their manual or semi digital business processes. They brought about Ecommerce revolution effecting heavy retail giants like Toys 'R' Us to the extent of bankruptcy. Then there are examples of worldwide popular shipping company Maersk effected drastically by the technological disruptions in business brought about by a technology giant. There are many more like Spotify revolutionizing the music industry, Airbnb changing the perspective of hotel industry (Verhoef et al., 2019).

Keeping in mind the technology mayhem erupting for certain traditional industries and the obvious reason being DT resulting in totally fresh business models there has not been much academic research on the ways of progression of these models (Verhoef et al., 2019). If research in marketing has focused on digital advertising, social media effects on one hand, focus of research in information systems has been on technical developments and its acceptance leading to return on investment. The DT has been a significant discussion since scientists predicted the birth of the digital era. The transformation affects many things, especially in the leadership concept (Hendrasto et al., 2019).

Previous research aims to lay down the means and methods to deploy digital technologies effectively thereby bringing value to the organization leading to a whole new way of looking at the development of digital business model (Coombes and Nicholson, 2013). The focus on leadership and its role in the DT

journey is not worked upon. Business model innovations are primarily reflected in using digital technologies to enable the deployment of a wider range of business models than previously available to a firm (Li, 2020). The way in which technology has evolved, and in particular the rapid advancement in cloud computing capabilities, it means businesses are more empowered than ever to deliberately and strategically transform. It is also very imperative how digital transformation brings with it, the opportunity to enhance competitive advantage and improve user experience by leveraging technology to make radical improvements. Thus a need to align the leadership strategy with the roadmap of DT (Hendrasto et al, 2019). The COVID pandemic certainly made us realize how rapidly businesses need to evolve, and in order to survive and thrive in today's modern business environment, we need to embrace the DT and if donot want to be left behind, we need to modernize for the future (Hai, Van and Thi, 2021).

3. Research Methodology

The research includes Primary-online survey, observations and Secondary- journals, books, online research data on DT journey and the leadership role in overcoming the challenges faced in DT journey, alongwith an exploratory approach adoption (Creswell and David, 2017). Online survey of 12 questions was conducted with digital leaders as well as diversified teams working with Indian companies, giving services to global market, and working towards DT in their organization. The survey got a good response from 116 people from multiple companies using digital tools in their everyday work. The survey covered questions from profile to technical skill sets of the team, availability of resources, budget allocation for digital moment in the organization as well as the prevalent culture in the organization.

The online survey conducted includes diversified business roles. Ensuring the results are not biased and cover the viewpoint of team leaders as well as executive level. The survey shared through multiple platform ensures it spreads to different types of organisations.

4.Results

1. Purpose : To understand the role of the people participating in the online survey ensuring the data collection from diversified profiles to have an unbiased study.

Q3. Which of the following best describe your role in the organization?

116 responses

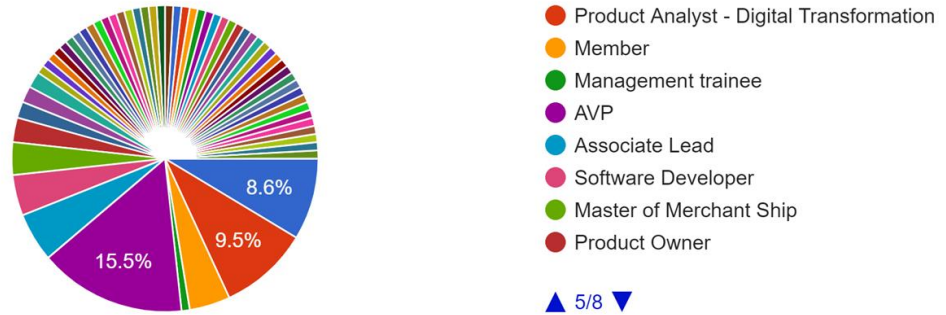


Figure 1. The Pie chart showing the different profiles of participants in the survey

Participants have different kind of profiles. It consists of majorly all types of business roles (Figure 1.). It ensures unbiased study with different profiles

2. Purpose : To understand the Digital Transformation Maturity level of the participants to identify how does the overall company strength rates in their Digital Transformation ability on the scale of 1 is to 10.

Q4. Digital Transformation provides much needed competitive edge to the organization. On the scale of 1-10, rate your organizations Digital Transformation maturity level?

116 responses

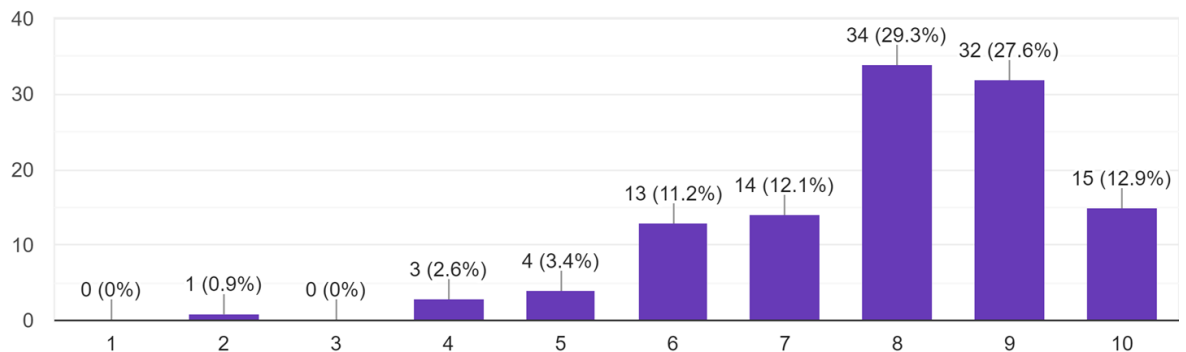


Figure 2. Total Number of organisations which have Digital Maturity and ability to transform

The results indicate that the organisations are aware of Digital Transformation requirement. 70% of the participants find the maturity level to be between 8 to 10% (Figure 2).

3.Purpose : To understand whether the Leadership is agile, knows the importance of Digital Transformation and ready to take up the challenges of Digital Transformation

Q5. Leaders in your organization are preparing for the journey of Digitalization, Digitization and Digital Transformation. Do you agree with it?

116 responses

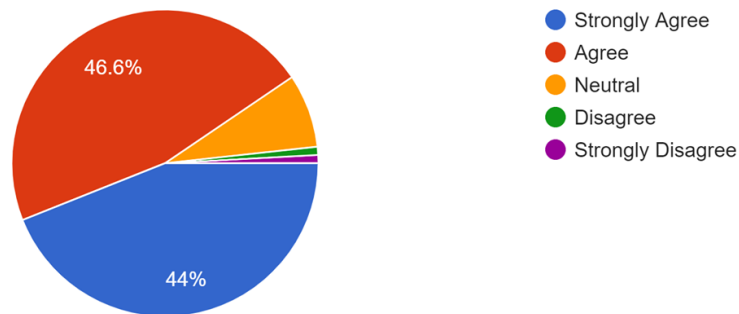


Figure 3. Percentage of Leadership ready to take up the challenges of Digital Transformation

The results indicate that employees strongly agree that their Leadership is ready for the DT journey (Figure 3).

4. Purpose : To understand the level of Technical Skillsets status of the Digital Leaders in the organization. It would answer whether Leaders are well equipped to take forward their teams towards the journey of successful Digital Transformation.

Q6. To embark on the journey of Digital Transformation, specific skillsets are required. How do you rate the Digital skillsets of Leaders in the organization?

116 responses

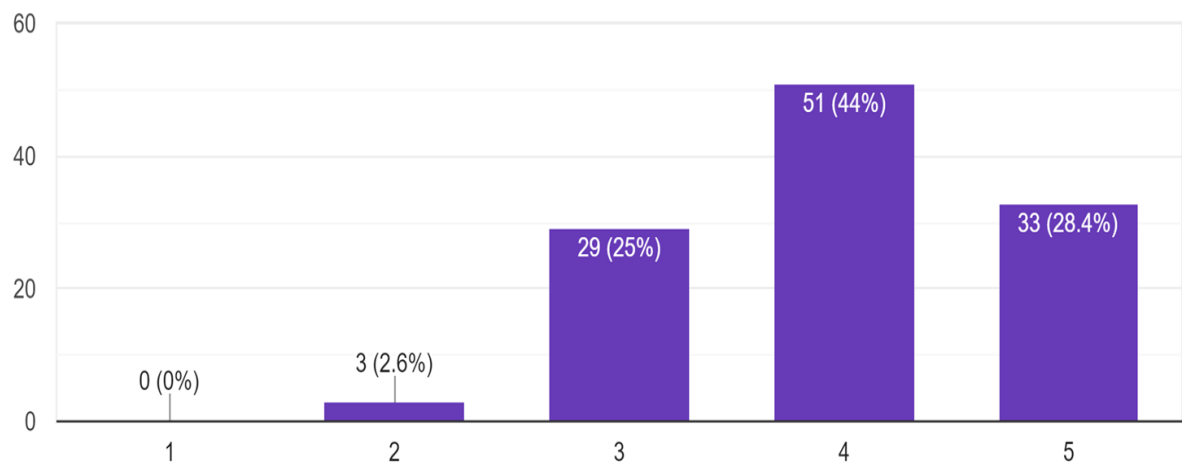


Figure 4. Total number of Leaders possessing the right kind of technical skills for Digital Transformation Journey

Respondents 51 out of 116 respondents say their Leaders possess the required Technical skillsets for Digital Transformation journey, eliminating the earlier finding of lack of technical know how of Leaders for this transformation (Figure 4).

5.Purpose : To understand the Budget and Resource Allocation in the organisation for the Digital Transformation Journey

Q7. Is there a sufficient budget allocated in your organization for innovation in products and services through Digital Transformation?

116 responses

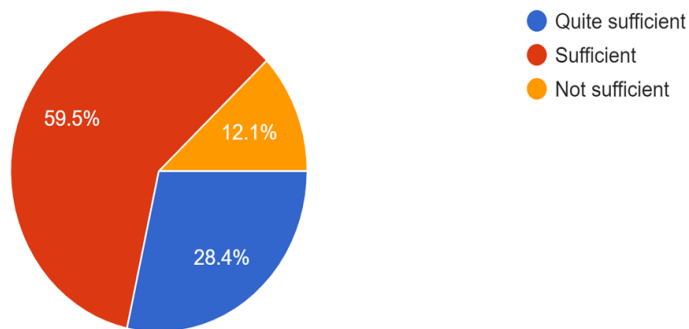


Figure 5. Sufficiency of Budget Allocation for the Digital Transformation Journey

Almost 59% agree that the budget allocation is sufficient in their organisation and thus the budget to take on Digital Transformation journey should not be a challenge. The majority of participants agree that the budget allocation is sufficient in their organisation (figure 5.)

6.Purpose: To understand the role of Leadership, whether they are taking active initiatives to implement steps to make the organisation ready to take up the challenges and risks involved in Digital Transformation journey

Q8. Are the Leaders taking active initiatives to implement collaborative and agile culture in making the organization ready to take digital transformation challenges and risks?

116 responses

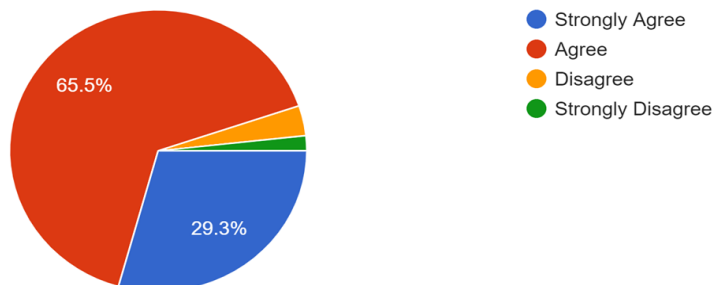


Figure 6. Percentage of employees in agreement that their leaders are taking steps to ready their organisations to take up the Digital Transformation Journey

The majority of participants agree that Leaders are taking active initiatives to implement collaborative and agile culture in making the organization ready for Digital Transformation challenges (Figure 6.)

7. Purpose : To understand if the DIGITAL TRANSFORMATION Journey Planning has been done effectively and the path is defined properly for the understanding of employees

Q10a. Has the organization built a well- defined digital transformation path for future?
116 responses

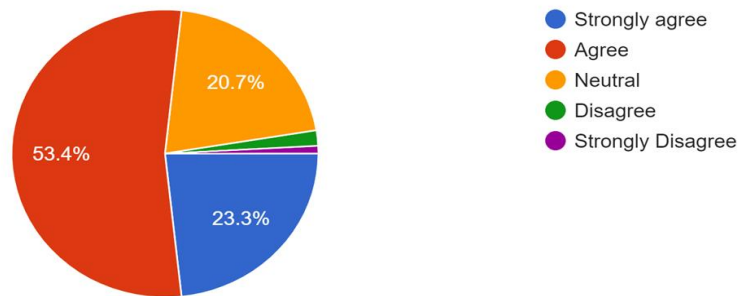


Figure 7. Pie chart highlighting Employees agreement to roadmap planning for Digital Transformation Journey

The results in pie chart indicate that employees agree the roadmap is well-planned and path to Digital Transformation is defined in their organization (Figure 7.)

8. Purpose : To understand the hindrances leading to the slow growth of Digital Transformation

Q12. What according to you is the biggest hindrance for your organization in adopting Digital Transformation?
116 responses

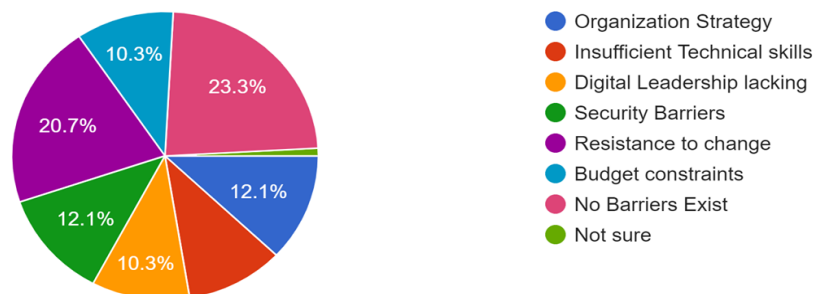


Figure 8. Showing the hindrances faced in organization while on their Digital Transformation journey

The result indicate that there are some hindrances faced while on their journey of Digital Transformation but Resistance to change by employees seems to be the major cause for slow progress in this journey (Figure 8).

5. Discussion

This research paper builds a phenomena of DT through digital leaders and their roadmap to DT journey. The survey comprised the questions on various aspects of DT journey conducted with different profiles of multi national organisations.

As rightly mentioned the action of CIO does not affect the functions of IT in the organization but it impacts the entire organization (Bongiorno, Rizzo and Vaia, 2018). It is evident from (Figure 2), DT is imperative and the maturity level of its need is seen, still the slow pace of transformation is seen, so it needs to be thoroughly understood what could be the reasons for same. The leaders are also preparing their organisations for any challenges in this journey (Figure 3). The previous findings state there are multiple challenges faced like lack of skill set, budget constraint or roadmap not defined (ZoBell, 2018). Hence the survey conducted with answers to this and leads to understanding the most common challenges faced by organization in their digital transformation journey.

Digital transformation was found to be the number one area of concern (Tabrizi et al., 2019) and leaders are ensuring technical know-how to overcome this challenge as the majority of participants of the survey conducted say their leaders posses the required technical skillsets for DT journey (Figure 4.), the budget allocation is also sufficient (Figure 5.) eliminating the earlier finding of lack of technical know how of leaders for this transformation (Hai, Van and Thi Tuyet, 2021). Despite having all the adequate requirements for digital transformation journey, the pace of DT is slow majorly because of resistance to change from employees (Figure 8.) whereas earlier studies mentioned lack of skill set, budget constraint, roadmap not defined etc (ZoBell, 2018) to be main areas of concern. This resistance to change could be from fear of new learnings leading to failures and ultimately job loss fear. Thus there needs to be now an opportunity to a long drawn strategy of digital leaders to eradicate this fear and make the journey faster.

The employees are in agreement that their leaders are taking steps to ready their organisations to take up the digital transformation journey (Figure 6). They also have a roadmap planned for the digital transformation journey of their organization (Figure 7.). Hence once the hindrances are identified and handled by the digital leader this can be used to reduce digital transformation journey timelines, help in

modernizing the organization, employee satisfaction through effective leadership better customer experience and overall growth of the organization.

6. Conclusion with research limitations and future scope for research

This research advocates for the importance of digital transformation to generate a better customer experience from a business model that includes holistic amalgamation of emerging technologies like digital leadership, artificial intelligence, IOT, block chain, big data with human emotions.

The findings show there is resistance to change which slows or fails the digital transformation journey which could be prove beneficial for industry leaders to look for methods to completely eradicate it.

The main limitation of this study is that even though the reason identified is majorly resistance to change but it can be further researched that which industry has this reason and are there any other barriers as well. It can be identified in future and further research can be done on what could prove to be the most effective way of motivating the teams into making the digital transformation journey smooth and effective. This will thus ensure the business remains impactful in the dynamic and competitive scenario.

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