Chapter 13
Mutual Relationships Between Digital Transformation and Leadership

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ABSTRACT

Organizations have taken various steps and transformed to adapt to digital technologies that change and evolve over the years. There is a need for leaders specialized in "digital technology and digital transformation" within the organization in order to be able to manage this transformation with appropriate decisions and strategies. There is a change in the titles given to leaders, their job descriptions, and qualifications during the process of digital transformation. The tasks of these leaders are to cooperate with other departments in the organization in a harmonious and supportive way to develop and implement innovations in the organization, to systematize the workflow processes, to quickly adapt technological innovations to the organization, and to contribute directly to its values. This chapter discusses supportive leader behaviors and types for change and transformation, supportive leaders for digital transformation, and the changing roles of leaders in digital transformation and digital leadership.

INTRODUCTION

In today's highly dynamic working environment, organizational leaders must quickly adapt their existing approaches to digital transformation. Due to the latest technological developments, organizations are faced with major changes in job design and leadership. Therefore, digital transformation has become

a critical management issue and has led to the need for new managerial thinking. The management of tomorrow supported by digital transformation is faced with internal and external resources, honesty and verticality in organizations and decision-making in a short time (Liu, Chen, Chou, 2011). According to the World Economic Forum, the digital transformation of industries is expected to bring a combined value of USD 100 trillion (for both industry and society) by 2025 (https://www.manipalprolearn.com/blog/top-3-examples-smart-digital-leadership).

Organizations have taken various steps to explore and benefit from the latest digital technologies regardless of what sector they operate in. These initiatives often influence the transformation of very important business operations, products, processes, organizational structures and management concepts. To manage these complex transformations, organizations must create new management practices compatible with them (Matt, Hess & Benlian, 2015). Change is necessary for continuity of organizations. However, change efforts do not always result in success. Processes of change that are not well-managed, as well as weak strategic decisions and inappropriate technology choices, are seen as important reasons for the failure of change. Thus, leadership is accepted as one of the most important essentials in the success of change in studies about ways to ensure the success and sustainability of change (Karp, 2006; Miller, 2002).

A forward-thinking leader must be open to innovation at all levels in order for an enterprise to undergo a successful digital transformation. While most companies understand what a leader in digital transformation should do, there is still no universal understanding of what traits the leader should possess. A study conducted by MIT Sloan Management Review and Deloitte University Press researchers examined business leaders and experts on leaders in digital transformation. Digitally maturing organizations were looking for leaders who could inspire cultural and organizational changes. The research study described ideal characteristics of leadership, including such having a transformative vision and a changing mindset. As said by respondents, leaders are more likely to invest in innovation and use data to make critical decisions (Lerner, 2018). The content of this chapter includes supportive leader behaviors and types who attribute importance to transformation, leaders supportive of digital transformation and finally digital leaders.

SUPPORTIVE LEADER BEHAVIORS AND TYPES FOR CHANGE AND TRANSFORMATION

Leaders must adopt and realize different approaches and practices by going beyond the understanding of traditional leadership in order to perform huge changes that will be considered revolutionary in the organizations, enable individuals to adopt change, produce new and creative ideas and make them feel like a part of change (Sabuncuoglu, 2008:78). The personal characteristics, values and beliefs, experience and knowledge of the leaders support them in this process (Uzkurt, 2008: 140). Leaders define the goals and problems of the organization and the solutions of these problems and shape the tasks that the employees undertake.

There are many factors that facilitate or complicate change and transformation in organizations. One of these factors is leaders who drive change and transformation. Leadership approaches that will be applied to carry out transformational practices require being more different and even sometimes out-of-the-box compared to traditional approaches. During the process of transformation in organizations, it is important that leaders exhibit leadership behaviors which can positively affect the performance of employees.

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