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Research Article

## **Leadership in the Digital Era: An Exploration of the Leader's Role in the Age of Digital Transformation**

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### **Abstract**

This theoretical paper is grounded in a wide re-evaluate of multiple investigation information on leadership and digital revolution. The research paper begins with a theoretical overview of digitization and digital renovation, emphasizing digitalization as a modus operandi of change. The study emphasizes that the success of digital revolution is primarily influenced by how leaders utilize digital technology to drive organizational expansion. It draws on a variety of review reports and instance from unlike leaders and companies to support the argument that a leader's vision, foresight, and strategic use of digital technology play a key role in boosting organizational productivity. The paper also explores the various organizational dimensions that leaders transform to integrate digital technology within the organization. Additionally, it addresses the major challenges leaders face when implementing digital transformation or incorporating digital technology into their corporate models, offering suggestions on how to overcome these barriers. The papers conclude by emphasizing the essential role of leaders in driving organizational excellence in the digital era. The research underscores the significance of leaders' roles and Judgment skills in steering Business efficiency in a digitally transformed landscape.

**Keywords:** Digital revolution, Organizational Change, Leader, Organizational Dimensions, Skill Gap.

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## **Introduction**

We are in a technology era where digital change is a central issue, significantly shaping the business strategies of companies worldwide. As Bounfour highlighted, technological advancements for example Stibitz's creation of the digital computer and Tim Berners-Lee's introduced of the 'World Wide Web' in 1990 have reignited discussions about the impact of computerization and digital conversion in both business and academic circles. In two thousand ten, Vogelsang explain automation as a chronic monetary derives, or the fifth Kondratiev wave, which he believed refuse to only alter our method of life as well alter the processes of production and generate new opportunities. In his analysis he argued that following the steam, steel, and electricity, and petrochemical uprising, internet driven digitalization has emerged as the central influence in both business and personal affairs. The ideas of digital alteration and digitalization are often regarded as societal shifts propelled by technological progress.

Technology driven conversion of analog in order to binary numbers, either 0 or 1 in other words, digitalization is the course of convert information from the physical world into the digital realm. On the side, digital transformation refers to the sequence of events and process through which persons, businesses, society, and nations worldwide embrace technology as a result of digitalization. Much like "globalization," the term "digitalization" is challenging to define with a single meaning and, as such, encompasses variety of concepts.

The Swedish Commission on Digitalization and the administration define digitalization as "the process by which digital communication and interaction between people, organizations, and things becomes a natural occurrence. The ability to collect, interpret, apply, and develop large amounts of data digitally opens up developmental opportunities in nearly every sector."

While digitalization has transformed how organizations operate, it alone does not drive organizational change. What truly enables an organization to achieve transformation is the vision and decision-making of its leaders, who connect digitization to rising organizational needs.

The survey additional things to see that in a technologically fully grown and unbeaten organization, employees have strong confidence in their leader's technological capabilities. A leader with a high digital amount not only has expertise in technology but also understands and advocates for the long term payback of digital technologies for the organization's future. The success of a corporation is largely determined by how effectively it integrates its business activities with digital technologies, including online platforms, mobile, data mining and analytics, and cloud computing.

### **Organizational Change:**

Digital transformation is primarily concerning modify, which inherently require authority, as authority is cantered on driving change in place of maintaining constancy. In nineteen ninety-five, Kotter stated, "Change requires creating a new system and then institutionalizing the new approaches."

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The organizational authorities play a critical responsibility in initiating and carrying out these changes in the corporate. Contributors also expect leaders to take accountability for driving organizational alteration. The effectiveness of an organization's change in this digital age largely relies on how its authorities hold and grow a company ethos where technology is used as a tool for create information in at the moment, in place of relying solely on technology.

Organizational change is closely connected to the human resource, work processes, business strategy, organizational structure, and cut-throat dynamics, where the most significant opportunity and challenge arise. A 2013 report by Cisco, titled "Internet of Everything" (IoE), projected that flanked by two thousand thirteen and two thousand twenty two, approximately US\$19 trillion of financial worth would be at chance for organization, industry, and nation. From end to end change, leaders seek to accelerate advance, efficiency, in processes, as well as enhance consumer experiences by opening the area where the widely held of business value resides. Kodak's decline from being a market leader to breakdown was largely due to its leaders' absence of insight in understanding the pace of change. It would be incorrect to say that Kodak was not imaginative or innovative, as the company developed the world's first digital camera in 1975 and continued to invest in digital technologies during the 1980s and 1990s. However, Kodak's issue was not a lack of innovation, but rather its failure to fully embrace the digital shift and adapt its business model accordingly.

The company failed to recognize the evolving needs of consumers due to its overconfidence in customer brand loyalty. It kept focusing solely on embryonic digital technologies without updating its existing business model to integrate these innovations or address the demands of the emerging digital marketplace and evolving customer expectations. As a result, the company's human resource, knowledge, and infrastructure became outdated. This could be attributed to the company's reluctance to make tough timely choices to adapt to changing business conditions, or it could be said that the company failed to carry out the necessary organizational changes. Fujifilm, Kodak's Japanese competitor, faced similar challenges, but its leaders successfully navigated these by adapting to potential technological advancements in the photographable industry and creation of appropriate decision to add in emerging technologies. The company not just invest in technologies but also made significant adjustments to its operational model, including downsize its human resorce and divesting underachieving assets. It redirected its focus to new investment areas such as LCD display coatings, premium imaging equipment, and cosmetics. As a result, the company's value today surpasses what it was at its peak in the 2000s.

The popular stories of Kodak and Fujifilm serve up as example of both digital alteration failure and success. Alteration involves more than just embracing change; insufficient or misguided actions can make an organization more vulnerable to digital disturbance.

An article published in Forbes on January 17, 2016, pointed out that confrontation to change is a key factor contributing to the failure of digital alteration initiative. With 84 percent of companies surveyed recognizing it as a major factor, the article also concluded that many

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corporate initiatives and strategies fail because leaders struggle to take proactive steps in supporting employees through the adaptation to change.

## **Leadership and Digital Transformation:**

Organizational changes are initiated by top management, and for these changes to be effective, leaders must be convinced of their necessity and the positive impact they can have, both for themselves and the organization. This viewpoint on change emphasizes that it is the leader's idea that can drive organizational success and growth by leading the adoption of transformation. Leaders often pursue digital transformation to break free from non-operational practices and stay competitive, aiming to steer the organization into the digital age. Digital transformation cannot succeed without a leader who establishes the foundation for change and motivates stakeholders to take action. It is the leader who strategically harnesses technology to sustain business growth.

In the 2014 BT-KPMG Best Bank Study, IndusInd Bank was ranked the best mid-sized bank, a success largely credited to Ramesh Sobti, the former head of ABN AMRO, who took on the role of Managing Director and CEO in February 2008. Sobti brought his top administration team from ABN AMRO and introduced the concept of "responsive innovation," leveraging technology to create differentiated banking products. Below his leadership, the bank introduced several innovative services, including 'cash on mobile,' which allowed customers to withdraw money without a payment card by entering a PIN sent to their mobile. Other initiatives included an initial stage redemption system for credit card users, note denomination options at ATMs, and video banking, which enabled consumers to talk with bank officials through VC. Thanks to Sobti's efforts, the bank now boasts 5 million customers, gaining fifty thousand to fifty-five thousand new ones each month, compared to just 4 thousand to 5 thousand 5 years ago. Sobti emphasizes that victory is not just about generating ideas, but also about transforming those ideas into reality through corresponding attempts.

Sobti is also focusing on new opportunities. The client point, he believes that mobile phones will become increasingly important, eventually replacing credit and debit cards as well as POS. Internationally, mobile phones are already widely used as payment instruments. For example, in the UK, an individual's mobile number, linked to their account from end to end, is a database sufficient to formulate a funds credited to account. "It will happen here too," he predicts. Researchers have the same opinion, noting that the future looks promising for banks.

Established in 2008, Airbnb is part of the companies that have altered the hospitality industry, experiencing remarkable growth. The company doesn't own any properties but operates in one hundred ninety-two countries, offering additional rooms than both International Hotels and Hilton Worldwide.

Airbnb founders Joe Gebbia, Brian Chesky, and Nathan Blecharczyk documented that by utilizing stage tech, they could expand a revenue model that disrupted the traditional hospitality industry. Like traditional hotels, Airbnb doesn't require large investments, as it neither owns nor manages properties. Instead, it enables users to hire out any inhabitable space

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from a sofa to a mansion at affordable prices from end to end an online platform. This platform connects persons looking for stay with homeowners ready to allocate a room or property. In exchange for overseeing the stage, the company takes a percent of the rental fee.

Airbnb's representation is not solely victorious in present a more private and cost-effective service to customers, but it also helps mitigate business risks. In view of the fact that homeowners are accountable for maintaining their properties and services, Airbnb's risk is much lower compared to usual hotels.

In the both scenarios, it is obvious that the foresight of leaders is crucial in driving digital revolution and showcasing how technology can be leveraged to foster organizational expansion. A leader's presence is an essential "must-have" for every company. Alongside technology, leaders find the way various organizational dimensions to construct an organization competent of successfully undergoing transformation. These dimensions are crucial mechanism of an organization's value system, and without them, digital transformation would not be possible.

Thus, a leader in an organization is responsible for developing the willingness for digital change; guide the company from its current condition to the desired prospect condition. The difference between the current and future conditions reflects the degree of transformation needed. After several years of failing profit and numerous obstacles, the organization chose Angela Ahrendts as the new CEO, with an apparition to digitally transform the organization. Angela Ahrendts implemented various modifications to digitalize Burberry and strengthen its brand. These changes included adjustments to the existing business model, such as refocusing revenue efforts on Asia and other rising markets, hiring young human resources, targeting millennial as an alternative of conventional consumers, and expanding into social network to maintain continuous engagement with customers.

The business framework transformations by both Airbnb and Burberry illustrate that realizing the repayment of digital transformation requires more than just a single change or the mere adoption of technology. With numerous potential strategies available, leaders must stay focused and foster a top level of collaboration across different organizational strategies to successfully execute digital transformation initiative.

## **Competency Mapping and Technology - Insights from Industry:**

In today's tech-centric business site, leaders should embrace a new viewpoint on every facets of the organization, especially regarding people and their expertise. Amongst the different organizational factors of technology transformation, it is the individuals who eventually decide the accomplishment of all the others. Accenture carried out interview with nine twenty five industry pioneers from countries including India, Japan, Australia, Brazil, China, the European Union, and the United States to explore how industry pioneers can utilize digital technologies to drive business development and enhance competitive spirit. The study found that 43 percent of business leaders considered a be short of digital competencies a major

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barrier to transformation, while only fifty one percent of those surveyed felt sufficiently ready for workforce higher authorities in the digital era.

It is frequently the human resource inside an organization who initially opposes change. Organizations have to hold up their persons in overcoming this conflict. Since digital transformation is inherently a form of change, similar battle is often encountered in this context as well. It's evident that technology by itself cannot propel an organization to its desired goals. Instead, it is the leader who shapes the way of life and environment, motivating people to embrace change and adapt to new digital strategies.

Accenture Technology conduct a multinational review from October to December two thousand fifteen, interviewing over thirty one hundred IT and business executives across 11 countries to gather insight into their perspectives on the technological impact within their organizations and to recognize their priority technology investments for the next five years. The survey found that “companies are investing in the tools and technologies they need to keep pace with constant change in the digital era. However, to achieve their ambitious goals, leaders are refocusing on an often-overlooked factor: the workforce. They view technology not just as a disruptor, but as an enabler to transform their people, projects, and entire organizations into highly adaptable and change-ready enterprises. In short, business leaders are realizing that their new digital workforce can become their new competitive advantage.” For flourishing digital change, business must quickly grow the correct expertise by making training an ongoing thing, subsequent to habitual expertise gap analysis. A new involvement strategy should be developed, taking into account the workforce's expectations of their organization. Additionally, a structured move towards to engaging freelancers and contractors should be put in place. Human resource should be motivated to take initiative that aligns with the company's vision.

## **Conclusion:**

Digital business change is fundamentally on the subject of transformation, with the leader serving as a trailblazer in driving these adjustments within the organization. They play a crucial role in preparing the organization for change by recommend and implement necessary adjustments to the current corporate model. In the age of digital revolution, leaders harness digital potential by creating new digital platforms, but also platform-driven business models and strategies, while addressing gaps in workforce skills. Ultimately, it is the leader's vision and foresight that ensure the successful transformation of the organization.

Leaders throughout the organization must stay up to date with technology trends, understand their collision for the business, and know how to harness new technology. Though, this doesn't mean they need to dive into technical details, but rather understand why the technology matters and how to employ it effectively. Digitalization, leaders can uncover new marketplace opportunities, drive growth, and improve profitability, thereby gaining a competitive advantage. A leader's role is critical in ensuring the organization's digital maturity by setting a clear digital apparition and strategy. They then focus on management, ensuring the

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right processes, people, technology, structure, engagement models, and business models are in place to bring that vision to life. Simultaneously, companies must recognize that the primary challenge to digital transformation often stems from resource limitations, a shortage of necessary talent, and the pressure of competing priority. To overcome these obstacles, companies need to devote in simultaneously proper and casual learning to close the workforce skills gap.

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