

A General Overview To Digital Leadership Concept*

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Abstract

The main purpose of this study is to identify and explain the concept of digital leadership. In relation to the purpose of the study, the effect of digital leaders' traits and experience on digitalization business process is examined. In this process different multinational and global corporations has been identified investigated how they apply the digital leadership notion into their businesses. In this paper, we analyze the concept of digital leadership with the aim of relevant literature review in the organizational framework. As the paper sought to identify the competencies of the digital leadership concept; analyze these competencies and the effects of them deeply into the new digital era. As a result of a detailed research on literature shows that digitalization and technological advancements are driving businesses to transform organizational structures, processes, business models and strategies. Digital leadership is extremely important for organizations to survive in the new digital era by adapting and transforming business strategies. Digital leaders utilize and improve the organization's digital assets to reach business goals and drive digital business transformation successfully. Digital leaders have a different skill set and perspective compared to traditional leaders. However, many organizations lack understanding the importance of digital leaders resulting in poor performance and non-recoverable failures. After reviewing and explaining the concept of digital leadership created in the new era and examining variable business strategies and positioning the leadership concept in various industries with various examples, this research paper reveals a positive correlation between digital leadership and organizational performance and productivity.

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Dijital Liderlik Kavramına Genel Bir Bakış

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Özet

Bu çalışmanın temel amacı dijital liderlik kavramını tanımlamak ve açıklamaktır. Bu amaçla dijital liderlerin özelliklerinin ve deneyimlerinin dijitalleşen iş süreçlerine etkisi incelenmiştir. Ayrıca, farklı çok uluslu ve global şirketlerin kendi işletmeleri içerisinde dijital liderlik kavramını nasıl uyguladıkları araştırılmıştır. Bu çalışmada örgütsel çerçevede dijital liderlik kavramı ve bu kavramın yetkinlikleri ve bu yetkinliklerin yeni dijital çağ içindeki etkileri ilgili literatür taranarak analiz edilmiştir. Araştırmanın bulguları dijitalleşme ve teknolojik gelişmelerin, örgütlerin yapılarını, süreçlerini, iş modellerini ve stratejilerini dönüştürmek için itici güç olduğunu göstermiştir. Dijital liderlik; örgütlerin yeni dijital çağda iş stratejilerini uyarlayarak ve dönüştürerek hayatta kalması için oldukça önemlidir. Dijital liderler: iş hedeflerine ulaşabilmek ve dijital iş dönüşümünü başarılı bir şekilde yürütmek için örgütlerin dijital varlıklarını kullanmakta ve geliştirmektedirler. Bu nedenle dijital liderler geleneksel liderle karşılaştırıldığında farklı bir yetenek setine ve bakış açısına sahiptirler. Ancak, birçok örgüt dijital liderliğin önemini anlamada yetersiz kaldığı için düşük performans ve telafi edilemez başarısızlıklarla karşı karşıya kalabilmektedir. Bu çalışmada yeni çağda yaratılan dijital liderlik kavramı gözden geçirilip açıklandıktan ve değişken iş stratejileri ve liderlik kavramı çeşitli sektörlerdeki örneklerle incelendikten sonra dijital liderlik ile örgütsel performans ve verimlilik arasında olumlu bir ilişki olduğu sonucu elde edilmiştir.

INTRODUCTION

Many businesses that are competing at the global level have been transformed into digital businesses. Traditional processes and business models are transformed with the advancements of recent digital technologies and the rise of threads in digital space. The constraints under businesses and their strategies operate are disrupted with digital technologies. Businesses need to adapt and thrive under new requirements and conditions. This adaptation can't be done without digital leaders who are experts in thinking strategically and utilizing improvements in each digital technology wave to create new business opportunities that add value for their customers. Digital leadership is crucial for businesses to survive in the new digital era by adapting and transforming business strategies. A strong digital leader will help to define the digital business strategy which in turn will result in high business performance. In the last few years, organizations have been trying to create better organizational structures that are well aligned with new management and leadership approaches that are suitable for this task by moving away from the traditional structures.

Most of the businesses today are in the process of building new digital business strategies, but not necessarily understanding the role of digital leadership in this process. The lack of digital leaders in such businesses results in poor business performance. Digital leaders are expected to have the necessary equipment to manage digital transformation, but there are significant deficiencies in both technology dominance and process management. The main aim of the research study is to explore the notion of digital leadership with the purpose of relevant literature review in the organizational framework. Accordingly, this paper reveals a positive correlation between digital leadership and organizational performance and productivity in the new era. Even though many industries are shifting through more globalization process, global industry strategies are reframing how digital leaders behave based on their traits, knowledge and experience to better understand the transformation of this process.

The Role Of Digital Leadership In Organizations

Digital leadership is the utilization of an organization's digital assets to reach business goals at both organization level and individual level (Rouse, 2015). Recent digital technologies have been driving significant changes in competitive and organizational environments and roles in many businesses. The changes are required in many dimensions of the organization such as roles, work culture, and technologies. Transformation programs are developed to drive changes to address tangible short-term requirements while building the new foundation for the uncertain future. Digital leaders must possess a set of competencies that would alleviate such challenges and help organizations move forward with the transformation (Kane, 2018). Hence, there is a large impact on leaders since a new skill set is required to effectively lead the organization into the uncertain, more dynamic future. For instance, inspiring people to work with the new set of technologies, that may or may not be used in the future due to the uncertainty of the digital future in its nature, is a major challenge for the digital leaders. Many leaders today don't have the necessary skills today to be a strong digital leader, but the good point about the notion is that they are beginning to develop the required skills (McConnell, 2018). Strong digital leaders should have the following common skills set (Kane, 2018):

1. Providing vision and purpose: This is one of the most expected desirable skills from digital leaders. Digital leaders should provide clear aspirations that should guide employees as they work. Such clarity is especially helpful in distributed environments where there is usually greater level of autonomy for decisions. However, clarity in the vision itself is not enough; strong leaders should provide opportunities for execution. Providing clear vision and purpose don't require in-depth technical knowledge, but a strong leader should possess basic digital literacy to understand the environment adequately to develop the vision.

2. Creating opportunities to experiment. Strong digital leaders should exhibit a high level of curiosity. Experimentation is the major challenge organizations deal with in a digital environment. Strong digital leaders should encourage employees to be more experimental in the organization and reward employees who intelligently try to experiment even if they fail. In order to enable employees to experiment with new ideas and business models in agile methods, the digital leader will ensure all the physical or virtual platforms are in place, and universities or entrepreneurs are included in the pipeline.

3. Enabling people to think out of the box. Strong leaders should enable people to think differently. Employees usually know what is possible but should also be exposed to what customers expect or would like. Digital leaders should drive the vision and enable employees to have visibility in customer feedback and voice by inclusive leadership.

4. Enabling vertical and horizontal collaboration across teams and groups. The major barriers to collaboration in many organizations are the culture, mindset, and isolation.

5. Enabling strong communication within and across teams and organizations. Strong digital leaders remain attached to the workforce to drive success. Digital leaders should build a larger network with the help of digital tools and technology to encourage a communication network to be established including all levels of the organization. For instance, Ford's management utilized "if you have a minute" short videos to provide product updates, achievements, and significant events in order to connect with all employees (B2B, 2018).

6. Developing and driving business strategy. Digital leaders should have the skills to pull the organization together during the digital transformation. In order to achieve a successful digital transformation, digital leaders should deliver a clear and thorough business strategy that outlines the digital agenda of the company.

7. Comprehensive digital literacy. Many digital leaders will have a lot of exposure to technology and the digital tools available on the internet, but the best digital leaders will develop advanced creative and social skills on top of it. Strong digital leaders continue to invest in professional development at all levels in the organization.

8. Innovation and adaptability. Strong digital leaders are not afraid of taking risks. There could be sudden changes in a given industry resulting in a disruption of the status quo. Strong digital leaders adapt to such changes and drive innovation to try new platforms and technologies throughout the organization. For instance, recent cloud computing revolution disrupted many industries and even caused problems for large companies such as Salesforce and Netflix which had negative feedback from their customers as their services went down frequently. In such occasions, strong leaders remain flexible and adapt to changes by making quick decisions to ensure the company is on track with minimal disturbance.

9. Hiring talent. Strong leaders understand the value of in hiring employees with the competitive digital skill set that will succeed and provide value to the company.

The Traditional Versus Digital Leadership

Digitalization has significantly changed the leadership skills and style to be successful in the post-digital world. Many research studies have been conducted on leaders and followers' perspectives in Western and Asian societies and it has been determined that various industries are effective in creating and developing different leadership styles (Asrar-ul-Haq and Anwar, 2018). According to recent surveys, 95% of the organizations think that a newly defined leadership type must be created to adopt the organization both structurally and operationally to stay competitive in the industry (Link, 2018). Link (2018) also claims that the process is inevitable. However, only 37% of the organizations think that they have a strong digital leader today (Link, 2018). Another example is on the Deloitte's latest reports for Southern Asia businesses show that although 87% of respondents think that digital and transformational leadership is important, only 5% have a strong digital leadership program (Loubier, 2017).

Brandwagt (2016) states that effective leadership is crucial in any organization. Every company needs a strong digital leader to make decisions and provide valuable guidance to the employees during important projects, provide direction in meetings or counsel employees as needed. A strong digital leader understands when the company needs new modern technologies for more efficiency, higher productivity, and the highest quality of services. Digital leaders recognize that technological shifts are the major contributing factor to significant changes in every business to succeed. Moreover, a successful digital leader has to ensure that organizational functions are aligned with the external environment by directing the organizational and human resources on the strategic level according to the strategic objectives of organizations (Antonakis and Day, 2004:7). Roy (2012) also emphasizes that all types of leadership is important as the leader exemplifies his/her employees by applying and adapting the company's code of ethics beyond the adaption of technology and digital era.

Bunch (2018) declares that the implementation of digital leadership contains the use of real-time decision-making and real-time feedback processing power as much as possible by computers. Bunch (2018) also added from MIT's Sloan School of Management article that 87 percent of executives said the digital revolution was breaking down industries by adding to the lack of understanding. In addition, only 11 percent of these managers believe that it is the duty to overcome the existing talent pool. It was also included in the 2017 Deloitte report, which proposes companies that want to promote digital leadership by moving away from more traditional hierarchical structures and by building networks of problem-solving teams Bunch (2018). Other recommendations Bunch (2018) mentioned include a more agile leadership style that responds quickly to crises, a more common responsibility system, an increase in the use of digital platforms such as Slack, which promotes constant feedback and communication for the employees.

In August 2014, Leading Edge forum report, Leadership, and Digital Leadership are Becoming One and the Same, identified that digital leadership is significantly different than traditional

leadership in many other aspects. The traditional leader is a single authority that makes decisions, and goal-oriented. He or she excels in structural regimes with a clear definition of roles and tasks. However, the digital leader is better suited for more dynamic situations with a high level of ambiguity. He/she drives creativity and innovation in the organization and provides help to the teams to move forward (Sloane (n.d.) (a). While the traditional leadership style is defined as “command and control” type of leadership (Fox, 2018), digital leadership is called as ‘collaborative leadership’ type (Team, 2017). Sloane (n.d.) (b) claims that there are significant differences between a traditional leader and a digital leader (Table 1):

Table 1: Comparison of traditional leaders and digital leaders

Traditional leaders believe that power comes from their authority and position	Digital leaders are more collaborative and believe that power is maximized in a collective team.
Traditional leaders maintain ownership of information and not necessarily share information and knowledge openly	Digital leaders are usually very transparent in information and knowledge sharing.
Traditional leaders occasionally listen to the ideas and suggestions from the team	Digital leaders encourage their teams to come up with new ideas and provide feedback always.
Traditional leaders make the decision and deliver the approved solution to their team	Digital leaders facilitate brainstorming sessions to come up with the solution.
Traditional leaders allocate time and resources only if needed necessarily	Digital leaders enable the team move forward by providing time and resources when asked
Traditional leaders stick to the specific roles and responsibilities	Digital leaders are open to evolving roles and responsibilities.
Traditional leaders mostly focus on symptoms in case of a fire drill	Digital leaders are more focused on the root cause of the fire.
Traditional leaders have annual review cycles to provide feedback to individual employees	Digital leaders provide immediate and ongoing feedback as well as personalized coaching when needed.

Source from: Sloane, P. (n.d.) (b). *Innovation Leadership versus Traditional Leadership*.

Digital Business Strategy And Transformation

Digital business strategy is the differentiation of the business with unique capabilities that are formed when the digital technologies are applied to business models. Digital business strategies focus on digitalization and technologies to increase business efficiency and performance, and usually, the end result is either a new set of products that are created or reimagined from existing products or current processes are tweaked with digitalization (Elliot, 2017). The digital business strategy sets the direction of the organization to drive differentiation and competitive advantage with the technology in the market. The digitalization and the resulting changes in business models help innovative companies to deliver new services or products that were not possible before. Digital business strategy includes the right combination of strategies and supporting technologies to create new user experiences. Digital leaders are required to find and drive new competitive advantages and differentiation of the products or services offered by driving the shift in digital business strategy (“Digital Strategy”, 2019). Also, Kotter (1996) notes that digital transformation concept is a highly complex situation of leading and tasking through the leaders of firms which are empowered to lead into new digitalization future (as cited in Khan, 2016).

Technology, information, and innovation are the roots of digital business strategy that enables and shapes businesses to succeed. Newman (2018) claims that companies should accelerate their digital transformation to elevate their business. They should be able to keep up with technological changes and try to develop opportunities. Today, every business needs to align the information technology and business strategy to be successful. In fact, the business strategy that is defined independently from information technology will inevitably fail. It is digital leaders' role to work closely with leadership and team managers to develop a comprehensive business strategy that helps business divisions in large enterprises to use technology strategically to achieve the desired outcomes ("The route", 2017).

Many people use digital transformation and digital strategy interchangeably without realizing those two terms are related but are actually different in scope. Digital business strategy does not focus on organization culture, but mainly focuses on the technologies utilized in the organization, while digital transformation drives changes in customer experience, business processes and models for growth. The digital transformation requires coordination and solid planning across the entire organization and it involves cultural changes in the organization to be successful during and after the transformation process.

Digital business strategy drives changes in business models to create capabilities the organization needs to transform into a digital business. Digital business strategy is the key component of such transformation for every business process and the strategy makes sure that the technologies that are used to support the business goals. However, Kaplan and Norton (2001) claim that organizations are getting struggle for implementing the business strategies. The biggest challenge is the ways to create an organizational cultural value are modifying, but the tools for measuring these strategies are not keeping pace.

Digital transformation is the application of disruptive technologies to innovate in every area of the business from customer experience and engagement to back-office infrastructure, systems and processes. Innovation and new technologies help organizations to define better business and operation models, digitize core businesses and processes, and drive new incremental revenue streams. For instance, new business models that are built on sharing platforms or crowdsourcing have transformed many industries and putting high pressure on organizations that are more traditional and slower in digital transformation in retail, transportation, lodging, and finance.

In a fast-changing digital world, "digital transformation is not limited to implementing more and better technologies, but it includes the efforts to align company culture, people, structure, and tasks" (Kane et al., 2016). The majority of companies realize the importance of digital transformation to be successful in their domains. However, only 3% of them have completed digital transformation across the enterprise. Many companies still have a lot to do to complete digital transformation, but 70% of digital leaders state that they are already seeing customer satisfaction increase in their businesses. There is a strong correlation of customer satisfaction and internal employee perception, where 64% of employees at leading companies feeling more involved and engaged in the business today. This figure is expected to jump to 80% or more within the next two years ("4 Ways", n.d.).

Digital Business Strategy And Leadership

Digital business strategy is transforming and changing every employee in the organizations, but it affects digital leaders' life the most. Buehler (2015) identifies that the digital business strategy is one of the seven disciplines of digital leadership. The amount of information exposed to digital leaders will continue to grow in significant factors which in turn makes transparency unavoidable. Strong digital leaders at every level of the enterprise knows what is happening at any time, and no important facts will be missed. Brodo (2016) highlighted that the challenge from the leadership perspective is that organizations are not prepared for a large number of failures and their future impacts. When leaders at any level of the organization do not know how to utilize the digital world and its offerings, or if they don't understand the importance of it on the relationships with their customers, employees and partners, then the failure can't be avoided since that leader will be left behind. Increased transparency in organizations through digitization offers many opportunities to leaders, but it is a double edge sword since the leaders at any level are expected to understand its power and utilize it to benefit in full extent. Bennis (2013:635) states that "*information-driven transparency*" changes the way that top leaders derive power, and strong digital leaders should embrace the increase in transparency. Digital leaders should understand and utilize the digitalization similar to physicians adapting to new technologies such as Magnetic Resonance Imaging (MRIs) and transform healthcare. Bennis (2013) also argues that digital leaders should have a critical skill, adaptive capacity, coupled with resilience and openness to new ideas and technologies. He claims that such skills are not natural but need to be learned by the leaders.

Rothman (2016) proposes that different ages required different leadership forms with patterns of hierarchical authority, the variety of skill sets, roles and responsibilities in organizations. Today, we are experiencing major changes potentially similar to the changes in terms of the impact seen during the transition from agricultural to industrial societies. Recently, we have transitioned from an industrial society to post-industrial digital society. As a result, leadership patterns are beginning to reflect the digital era as it is seen in many institutions (Gençer and Samur, 2016). James McGregor Burns et.al further said that the new society has four key changes redefining the leadership in the digital era: (1) rapid and far-reaching digitization in information and communication technologies, (2) acceleration in globalization, (3) a shift in production which puts knowledge in its center, and (4) emergence of distributed less hierarchical organization structures (as cited in Marcum, 2016). Similarly, Zamora (Professor from IESE's Information Systems Department) states that digital leaders should be aware of behavioral, social and economic shifts driven by new technologies like mobile, social networks, public and private clouds, and big data. Strong leaders are expected to know how technological changes and digitalization is going to transform the business strategy similar to a traditional manager interpreting balance sheet (School, 2013).

Digital leaders continuously explore and evaluate how new information technologies can be utilized within an organization to be more responsive to customers and business requirement changes. At strategic level, there should be a positive and tight link between a leader's behavior and the company's competitiveness. In this regard, digital leaders play a dramatic role to decide the best fit between whether or not they are in a change or consolidation period ("There is no", 2018). Successful digital leaders realize the importance of input data, the processing pipeline within the company, and the output data that is generated within and across the companies that

live in various ecosystems. Organizations that dominate specific markets are usually the digital leaders that successfully utilize their own digitalization to gain more market space and maintain a strong competitive advantage against other organizations in the same markets. Such digital leader organizations value digital leadership and often emphasize the value of communication, creativity, and courage to explore the new technologies and its applications to address internal, external projects, operations and processes. These digital leader companies have strong digital leaders that create workflows and processes to allow fast delivery of products and services to the market while making sure legacy systems are continued to be supported and maintained (Rouse, 2015). In a recent survey of digital leadership with 1503 firms, there are only 35 digital leader firms (%2.3) today (Leung, 2017). By 2022, 47% of companies are expected to be digitally advanced, and 20% of them have plans to be digital leaders. Over half of the firms (53%) plan to utilize public cloud platforms to replace legacy systems. Furthermore, digitally more advanced firms have 32% of their revenues coming from digital channels today, and the expected growth will be around 48% by 2022 (Leung, 2017).

The rapid changes in businesses and technologies lead companies to apply digitalization concepts within the organizations. Utilization of digital technologies to adapt to increasingly digital market environment and improve their operations is an important goal for almost any contemporary business. However, a limited number of leaders foresee to make fundamental changes to achieve these goals (Kane et al., 2017). Harvard Business Review has published a study of 1000 CEOs (from 131 countries and 27 industries with varying sizes of organizations) showing that over 90% of executives believe that the business is fragmented and rebuilt with different digital business models. Similarly, over 70% of executives believe that the organizations don't have the right skills, leaders and operating structures to adapt and drive transformation (Bersin, 2016). In another survey from *MIT Sloan Review* including 4300 managers, executives, and analysts show that 68% of respondents believe that there is a need for new leadership to compete with other companies. Surprisingly, 77% of the participants are from early-stage companies, but 55% of the respondents are from mature or maturing companies. Similar research by *Deloitte* shows that 42% of emerging large companies require investments in digital leaders to be successful (Kane, 2018). Another *MIT* research study shows that companies that are digitally mature and distinguished from their less mature counterparts are developing digital leaders with the right skill sets. Many companies lack qualified digital leaders, but digitally maturing companies have been there and likely to resolve the issue by actively developing those leaders (Kane et. al., 2016).

Many companies lack an understanding of digital maturity which is identified as “the process of the company learning how to respond appropriately to the emerging digital competitive environment” and how it affects overall digital business strategy (Kane, 2017). George Westermann, MIT Sloan principal research scientist, states that one of the major blockers is to scope digital transformation as a technological problem rather than a strategy problem or a leadership opportunity (King, 2018).

Success and Failures Stories: The Latest Notable Companies' Cases

Many companies that successfully transformed the digital business and disrupted the industry realized that often they need to provide services and products for free and sell subscriptions for more demanding users. The major monetization comes from the advertisements or other

services provided by the utilization of customer data. Such digital strategy offers more scale, revenue, and profit compared to the legacy business strategies, but there are major risks and unknowns in that process. Many startup companies think they can disrupt the market by providing a paid service for free but then fail eventually due to lack of a strong digital business strategy for long term monetization. Many large companies are slow driving disruptive services and products due to internal resistance, but sometimes such large companies also fail to react to such big changes in the industry (Deloitte, 2017). There are several examples of well-known companies trying to change their digital business strategy with successes and failures.

Kodak invented the digital camera but quickly buried the project due to internal resistance since people thought the digital camera would kill the company's legacy film business. *Kodak could not keep up with the digital revolution. Also, the lack of strategic creativity in the leaders of Kodak led to a misinterpretation of the business field and the type of industry in which it was employed, which was then destroyed by a radical shift into the digital age (Minds, 2018).*

On the contrary, Bell Atlantic realized that the future of landlines is not bright, and invested in broadband, wireless and cable television industries becoming Verizon today. Mobile phones clearly resulted in fewer customers for landlines, but the company accepted the digitalization and change in technology and adapted itself to the changes to succeed (Andrews, 1994).

Nordstrom is renowned for its elegant, luxurious customer experience. At the end of the 1990s, the company began its duty of investing in digital technologies that further strengthened its customer-focused and customer-oriented employees. The digital marketing institution (DMI, 2019) highlighted that while building and developing a digital business model and strategy, providing an ultimate customer experience should be a significant driver for the decisions. Nordstrom has established "a new-point-of-sale system" through new developed websites, which is clearly stated focus in order to meet its customer expectations, demands and needs such as personal book software to check the sales track of each individual customer preferences. More recently, an innovative laboratory was launched, which enabled the acquisition of personalized clothing services by social media applications, mobile checkout, and employee messaging (B2B, 2018).

Burberry, a worldwide fashion leader, was at the heart of its digital strategies by capturing the early opportunity to hire a digitally savvy CEO. DMI (2019) also mentions the idea of Angela Ahrendts, the CEO, has come up with "a series of initiatives designed to keep the job under control and keep it offline. Other innovations include an e-commerce catalog that matches the company's in-store inventory, easily navigable mobile technologies for smartphones and tablets, in-store RFID chips that show creative and engaging content and product videos as they pass through customers". In this regard, Burberry is impressively showed up quick responsiveness on developing new creative strategies for the new emerging digital market. The company increased its 68% revenue growth from 2011-2015 to £ 2,523.2 million from £ 1,501.3 million and solidified its reputation as a digital innovator in the fashion industry. Burberry's revenue grew from around 2.52 billion GBP in 2015 to the date in 2018, of approximately 2.73 billion GBP ("Burberry's worldwide", 2018).

Tesla, another successful startup company disrupting a well-established car industry, captured the value in electric vehicles. Four years ago, other car makers could have purchased Tesla for about \$4 billion, but they missed the opportunity. Competitors spent more than \$20 billion on

sensor technologies, research and development to compete with Tesla and others in the electric vehicle market (Eisenstein, 2019).

Many successful big-tech companies such as Google, Facebook, Amazon, Netflix, Uber, Microsoft, Apple, etc. have digital success stories by putting the customer data and utilization of that data at the core of their businesses. Real success in the digital world is not about providing traditional products and services to compete in the same market, but really about creating new markets by offering disrupting products and services. For instance, Netflix shifted its business from shipping DVD rentals to online streaming. Similarly, Uber created the largest car sharing economy in the world without buying a single vehicle and hiring their own drivers. Amazon, eBay, and Alibaba completely transformed retail industry without buying and maintaining an inventory of goods initially (Diamante and London, 2002:408).

Conclusion

According to Darwin's Origin of Species, "it is not the most intellectual of the species that survives; it is not the strongest that survives, but the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself" (Megginson, 1963:4). Businesses need a trial environment to survive and thrive. In order to further increase the motivation and efficiency of making experiments and to ensure that the transformation takes place, it is necessary to create a culture based on the principle of openness that allows ideas to flourish. Digital leaders should possess a critical set of skills to enable a smooth digital transformation. Digital leaders are crucial in defining and driving a competitive digital business model and strategy, and the lack of such models and strategy could lead businesses to failure.

The greatest characteristics that differentiate digital leaders from other non-leaders or traditional leaders are their different skills, attitudes, knowledge and professional and personal experiences. Leadership should be guided by unique attitudes that are appropriate for the distributed, digital era. In this context, a digital leader must be flexible and adaptable to new ideas, and must have the intellectual curiosity and the hunger for new knowledge. They must be willing to see value in sharply different perspectives and be comfortable with uncertainty and, like all leaders of all time, have a real passion for what they do. They look for solutions and challenges globally and are hungry for continuous learning. They maintain a more egalitarian and result-oriented approach, unlike previous and traditionalist leaders (Marcum, 2016).

Digital leaders are expected to have the necessary skill set to manage digital transformation, but traditional leaders leading digital transformation in many companies have significant deficiencies in both technology dominance and process management. Many organizations realize the importance of digital transformation to succeed in this era, but they underestimate to the importance of strong digital leaders which usually results in painful, incomplete digital transformation that affect business performance significantly.

Although digital leadership has positive contribution on businesses process, there are limited studies on digital leadership in the organizational literature. Therefore, there is a need for more academic studies on digital leadership traits and styles in the future. In this context, new empirical studies should be designed to develop measurable models of digital leadership.

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