

## A Study on Navigating Digital Leadership: A Literature Review

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### Abstract:

*Digital leadership is the key to guiding organizations through the complexities of digitalization. It enables leaders to harness digital technologies, foster innovation, and create an agile work culture. A strong digital leader helps organizations align their digital initiatives with business objectives, ensuring that technological advancements lead to improved efficiency and productivity. To keep up with this fast-paced change, organizations must successfully navigate the process of digital transformation. However, this transformation comes with numerous challenges. To overcome these challenges, adopting digital leadership is essential. This paper highlights the importance of digital leadership in tackling the challenges of digital transformation, providing qualitative research on the subject by reviewing existing articles, magazines, news articles, and journals. The purpose of this study is to explore the concept of digital leadership and its impact on organizations. By focusing on the competencies and capabilities required for successful digital leadership, it emphasizes how such leadership contributes to the overall productivity and success of an organization in a rapidly changing digital environment. Through effective digital leadership, companies can not only survive but thrive in the age of digitalization.*

**Keywords:** Digitalization, Digital leadership, Transformation, Productivity.

### Introduction

In the current business landscape, digital leadership has become a critical factor for organizational success. Technologies such as big data analytics, artificial intelligence (AI), robotics, and

machine learning are reshaping organizational operations and value delivery (Hai et al., 2021). These advanced tools have streamlined business processes, necessitating a shift in leadership roles. Effective digital leaders

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must balance the use of technology with key human-centric attributes, such as creativity, intuition, and adaptability (Zhai et al., 2018). The COVID-19 pandemic acted as a catalyst for digital transformation, urging organizations to adopt remote work, digital customer interactions, and innovative service models to stay competitive (Shkarlet et al., 2020).

Digitalization has revolutionized leadership frameworks, enabling instant access to vast datasets, new communication paradigms, and roles like the Chief Technology Officer (CTO) (Mazzei & Noble, 2017; Schwarz muller et al., 2018; Nadkarni & Prügl, 2021). As a result, digital leaders must be equipped to integrate continuous learning, use advanced analytics, and foster innovation. While digital leadership is increasingly recognized as essential, the research on its impact on organizational performance, innovation, and culture remains limited (Mihardjo et al., 2019b; Gfrerer et al., 2020; Philip, 2021). The evolution of digital leadership, which incorporates creativity, critical thinking, global collaboration, and technical expertise, is crucial to achieving organizational goals (Zhu, 2015; Kane et al., 2019).

Digital leadership plays a significant role across various sectors. In manufacturing, it has bolstered organizational performance and resilience (Goran et al., 2017). In education, the COVID-19 pandemic underscored the importance of digital leadership in helping

institutions overcome technological challenges (Contreras et al., 2020). Furthermore, e-leadership, which focuses on leader-follower dynamics in virtual settings, has become a vital component in promoting digital cultures and supporting transformation efforts (Avolio & Kahai, 2003; Sow & Aborbie, 2018).

Effective digital leadership requires leaders to align technological advancements with organizational goals to drive resilience and sustainable performance (Dandalt, 2021). This alignment is essential for addressing the skills gap between employees and the evolving demands of the digital workplace. Digital leaders must strategically incorporate technology while maintaining human-focused leadership qualities (Whysall et al., 2019). Clear goal-setting, leveraging technological advancements, and strategic planning are key components of effective digital leadership (Larjovuori et al., 2016). However, many organizations face challenges in bridging leadership competency gaps needed for successful digital transformation (Nasution et al., 2020).

Recent studies highlight the mediating role of digital entrepreneurial orientation and organizational culture in turning digital leadership into business outcomes (Schiuma et al., 2021). The integration of big data analytics as a moderating factor emphasizes the strategic importance of data for innovation and value creation (Akter et al., 2016; Mikalef et al., 2017).

Generational differences further impact the effectiveness of digital leadership. While Millennials and Generation Z exhibit a natural affinity for digital tools, older generations may experience challenges like technostress (Sackett, 2007; Schiuma et al., 2021).

Both private and public sectors face significant challenges due to rapid technological advancements. Private companies often struggle with adapting their business models (Abollado & Shehab, 2018; Barchiesi & Fronzetti Colladon, 2019), while public organizations confront restructuring and policy-driven changes (Halsbenning et al., 2021; Lemke et al., 2021). The advent of Industry 4.0 and the impending Revolution 5.0 further emphasize the need for capable digital leaders to navigate these challenges (de Villiers et al., 2020).

This study aims to address these gaps by exploring how digital leadership influences employee creativity and performance, particularly considering generational differences. By developing a moderated mediation model, this research will illuminate how digital leadership drives innovation and fosters a culture of continuous improvement. The findings will contribute to both theoretical and practical insights for navigating the complexities of the digital era.

### Review of Literature

Murat Sagbas & Fahri Alp Erdogan (2020) aim to systematically review literature on digital leadership and

understand its emerging concepts. Their findings indicate that digital leadership is essential for navigating technological changes. The paper emphasizes the importance of informed decision-making and global implications, highlighting that leaders need frameworks to better integrate technology with leadership practices for success in the digital era.

Wang TianDong, Xiaoyue Lin, Fan Sheng (2021) aim to explore the connection between digital leadership and exploratory innovation in organizations. They find that digital leadership encourages exploratory innovation by promoting creativity, curiosity, and deep knowledge. Leaders must use both adaptive and exploratory behaviours to stimulate innovation and improve organizational outcomes.

Boniface Ushaka Adie, Mary Tate, Elizabeth Valentine (2020) aim to analyse digital leadership within the public sector and examine its challenges and opportunities. The study reveals that effective digital leadership in the public sector requires cross-functional collaboration and stakeholder engagement. Leaders must adapt to technological advances to enhance service delivery in public organizations.

Katharina Gilli, Nicole Lettner, Wolfgang Guettel (2020) aim to investigate whether digital leadership requires new digital skills or traditional leadership virtues. They conclude that digital leadership requires a balance of

digital skills and traditional virtues like trust and communication. While digital tools are essential, core leadership values are critical for success in the digital age.

Bora Ly (2020) aims to explore the relationship between digital transformational leadership, organizational agility, and digital transformation. The study finds that digital transformational leadership positively affects organizational agility, which in turn facilitates successful digital transformation. Leaders who embrace digital transformation and foster agility are better positioned to navigate technological changes and enhance organizational performance.

Fernanda Bethlem Tigre, Paulo Lopes Henriques, Carla Curado (2020) aims to explore the emerging construct of digital leadership using a multi-method approach. They find that digital leadership is a dynamic construct that evolves as technology impacts leadership practices. Key skills include strategic thinking and adaptability, and continuous learning is essential for keeping pace with technological changes.

Boniface Ushaka Adie, Mary Tate, Wonhyuk Cho, Elizabeth Valentine (2020) aim to review literature on digital leadership and propose a research agenda for future studies. They conclude that digital leadership is a multifaceted concept that requires a comprehensive understanding of technology, strategy, and organizational culture. The study calls for

more research on how digital leadership impacts organizational success and employee engagement.

A. La Bella, A. Fronzetti Colladon, E. Battistoni, S. Castellan, M. Francucci (2020) aim to analyse leadership styles in organizations using Twitter data through text mining techniques. Their findings show that social media, particularly Twitter, can assess leadership styles. Public sentiment on platforms like Twitter reveals how leadership is perceived, and digital leaders can use this information to adjust strategies and improve communication.

Melinda D'Cruz, Greg Timbrell, Jason Watson (2020) aim to examine how digital transformation affects strategic leadership in organizations. They find that digital strategies differ from traditional ones, requiring leaders to be agile and data-driven. Digital leaders must be both visionaries and pragmatists, adapting strategies in response to technological disruptions.

Mekhala Egodaweale, Darshana Sedera, Vinh Bui (2021) aim to synthesize existing research on digital transformation and create a model for future studies. They identify leadership as a key driver of successful digital transformation. The paper presents an apriori model outlining critical elements like technology integration, leadership, and organizational culture that influence digital transformation outcomes.

Lizio Marcel de Araujo, Sidik Priadana, Vip Paramarta, Denok Sunarsi (2021) aim to provide an overview of digital leadership in business organizations. Their findings highlight that digital leadership fosters improved business outcomes, productivity, and organizational efficiency. Essential skills for digital leadership include digital literacy and innovation.

Claudia Lemke, Kathrin Kirchner, Walter Brenner (2021) aim to identify leadership principles and tools for effectively implementing digital transformation in organizations. They find that successful digital transformation requires strategic vision, adaptability, and a clear leadership framework. Leaders must foster innovation, guide change, and integrate digital tools to align with business goals.

Van Chien Le, Duc Thang Nguyen, Kien Trung Pham, Thi Hoai Nga Nguyen (2020) aim to identify the relationship between digital leadership and the operational efficiency of coal mining companies in Vietnam. Their findings indicate that digital leadership significantly influences organizational performance, particularly in enhancing operational efficiency within the coal mining sector.

Abdullah T Alanazi (2024) aims to identify key attributes and behaviours necessary for healthcare leaders to achieve organizational goals and adopt health information technology. The study finds

that digital leaders in healthcare must be visionary, proactive, and adaptable to technological changes. Strategic management is essential for aligning technology with organizational goals, leading to improved efficiency and outcomes.

Volkan Ongel, Ayse Gungel, Gulsah Gencer Celik, Erkut Altundag, Hasan Sadik Tatli (2024) aim to explore the impact of digital leadership on individual creativity and employee performance, particularly in relation to generational differences. They find that digital leadership boosts creativity and performance, with younger leaders (Gen X and Y) more adaptable to digital tools. Generational awareness is key to effective digital leadership.

Mwita and Jonathan (2019) aim to investigate how digital leadership influences the process of digital transformation within organizations, identifying key competencies and behaviours of leaders that drive technological and cultural change. Their findings highlight that digital leadership is crucial for driving digital transformation. Leaders must be adaptable and technologically proficient, aligning tech strategies with organizational goals to foster agility and innovation.

Fouad Kazim (2020) aims to explore how leadership styles affect the process of digital transformation in organizations. The study concludes that transformational and visionary leadership styles are key

drivers of digital transformation. These leaders inspire innovation, foster change, and create adaptive environments, whereas transactional leadership is less effective in facilitating digital transformation.

Dhwani Kapure, Dr Anthony Townsend (2020) aim to explore the importance of digital leadership in organizations navigating the era of digitalization. Their findings stress that digital leaders are crucial for successful transformation, guiding organizations through technology adoption, business adaptation, and fostering innovation. Leaders must possess digital skills, strategic vision, and adaptability to manage change and improve performance.

### Objectives

- To explore the core competencies of digital leadership, including digital literacy, strategic vision, innovation, emotional intelligence, and adaptability.
- To examine the role of digital leadership in fostering innovation, enhancing decision-making, and aligning technological investments with organizational goals.
- To assess the impact of digital leadership on employee engagement, creativity, and performance during digital transformation initiatives.
- To understand the importance of emotional intelligence in managing team morale, reducing resistance to

change, and fostering a positive work culture.

- To evaluate how digital leadership promotes organizational agility, enabling effective responses to technological and market shifts

### Methodology

This paper adopts a qualitative research approach to explore the concept of digital leadership and its impact on organizations. The research process involved the systematic review of various existing sources, including articles, magazines, journals, and news reports. These sources were carefully selected based on their relevance, credibility, and recency to ensure comprehensive and accurate insights into the subject matter.

The analysis focused on identifying key themes and competencies required for effective digital leadership, such as digital literacy, strategic vision, innovation, emotional intelligence, and organizational agility. By synthesizing information from diverse sources, the research provides a multidimensional understanding of digital leadership and its significance in navigating the complexities of digital transformation

### Discussion

Digital leadership is increasingly recognized as a key factor in navigating the complexities of digital transformation within organizations. It is a multidimensional construct that encompasses a range of competencies required to manage both technological



advancements and the human aspects of organizational change. Based on an analysis of key research papers, several core variables of digital leadership emerge, each contributing significantly to organizational success. A fundamental variable is digital literacy and technical competence, which are critical for leaders to effectively engage with technology and drive digital change. As highlighted in "Leadership Competencies for Digital Transformation" and "Digital Leadership and Its Impact on Organizational Change", leaders who possess high levels of digital literacy are better equipped to leverage technology to streamline operations, optimize decision-making, and maintain a competitive edge. Their ability to understand and apply digital tools is crucial in today's rapidly evolving technological landscape. Closely tied to digital literacy is strategic vision, which refers to the leader's capacity to foresee future digital trends and align them with organizational goals. This was emphasized in studies such as "Building a Digital Leadership Culture" and "Strategy in a Digital World", which stress the importance of a clear vision in guiding organizations through digital transformation. Leaders with a strong strategic vision can ensure that technological investments align with long-term business objectives, thereby fostering a culture of innovation and continuous improvement.

In addition to technical and strategic abilities, innovation and creativity are key

aspects of digital leadership. As digital tools open up new avenues for problem-solving, leaders who encourage and facilitate innovation can significantly improve organizational outcomes. Papers like "Digital Leadership and Exploratory Innovation" and "Digital Leadership's Influence on Individual Creativity and Employee Performance" underscore the role of digital leaders in nurturing a creative environment where employees can experiment and explore new ideas, driving organizational success. Another essential variable is emotional intelligence (EI) and adaptability. As organizations undergo digital transformations, leaders must navigate the emotional challenges that come with such change. The ability to empathize with employees, manage stress, and guide teams through uncertainty is crucial. Studies such as "The Role of Digital Leadership in Transforming Workplaces" and "Digital Transformation and Leadership Styles" reveal that leaders with high EI are better able to maintain team morale, reduce resistance to change, and foster a positive work culture during digital shifts. Organizational agility is also a vital factor, enabling organizations to adapt quickly to changes in the market, technology, and customer needs. As discussed in "Digital Leadership: Enhancing Organizational Agility in the Digital Era" and "Digital Leadership and Its Impact on Organizational Change", organizations led by agile leaders can respond effectively to challenges and seize opportunities as they arise. Agility in

leadership allows organizations to remain flexible, improving their ability to innovate and stay competitive in a fast-paced digital world.

Finally, employee engagement and performance are critical outcomes influenced by digital leadership. Leaders who engage with their employees, promote transparency, and create a supportive work environment enhance overall productivity. According to "Digital Leadership's Influence on Individual Creativity and Employee Performance" and "The Impact of Digital Leadership on Employee Engagement and Organizational Performance", engaged employees are more motivated and productive, contributing to the success of digital transformation initiatives.

### Recommendations

1. **Develop Digital Literacy Programs:** Organizations should invest in continuous digital education for their leaders to enhance their technical competence and understanding of emerging technologies. This can include training in digital tools, data analytics, and AI, enabling leaders to make data-driven decisions and lead digital initiatives effectively.
2. **Foster a Strategic Vision:** Leaders must develop a forward-thinking mindset and align digital strategies with organizational goals. This can be achieved through regular strategy sessions, scenario planning, and the involvement of key stakeholders in shaping long-term digital initiatives.
3. **Encourage Innovation and Creativity:** Organizations should create environments that support experimentation and creativity. This can involve providing employees with the tools and resources necessary to innovate, as well as promoting a culture that values risk-taking and out-of-the-box thinking.
4. **Promote Emotional Intelligence and Adaptability:** Leaders should prioritize developing their emotional intelligence, including self-awareness, empathy, and conflict management skills. Regular leadership coaching and feedback mechanisms can help leaders improve their EI and adaptability to guide their teams through change.
5. **Enhance Organizational Agility:** To remain competitive, organizations should encourage agility at all levels. This involves streamlining decision-making processes, empowering teams, and fostering a culture that embraces change and experimentation.
6. **Focus on Employee Engagement:** Leaders should actively work to engage employees by maintaining open communication, offering opportunities for growth, and recognizing contributions. High levels of engagement lead to improved performance, creativity, and job satisfaction, driving the



success of digital transformation efforts.

### Conclusion

In conclusion, digital leadership is crucial for organizations to thrive in today's complex, technology-driven environment. The rise of digital advancements has introduced new competencies for leaders, such as digital literacy, strategic vision, innovation facilitation, emotional intelligence, and organizational agility. These are essential for driving transformation, improving performance, and fostering continuous improvement. Digital leaders must be both technically skilled and visionary, adapting to technological changes while inspiring their teams. By promoting creativity, emotional intelligence, and employee engagement, they can enhance resilience, foster innovation, and create value. Research underscores that integrating digital leadership within both private and public organizations is key to long-term success. Despite challenges like generational differences and resistance to change, aligning technology with organizational goals and developing leadership skills can help overcome these barriers. With a focus on digital literacy, innovation, and clear vision, organizations can successfully navigate digital transformation and thrive in the digital era.

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