# Chapter 1
# Review of Leadership in the Digitalized World

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## ABSTRACT

*The influence of technology on business cannot be reversed. As the moveable type of printing altered the course of history, digitalization is transforming organizations, work environments, and processes, requiring leaders to address new challenges. Experts in the social sciences have attempted to comprehend this complex phenomenon, but their findings have been dispersed across various disciplines and do not appear to form a unified picture. In order to correct this flaw in the literature and improve the clarity and coherence of scholarly discourse, this chapter's specific purpose is to evaluate how the debate on digital transformation and leadership has evolved over the previous few years, to highlight significant theories and discoveries, and to recommend potential future study routes. The chapter looks at all of the research that has been done on leadership and digitalization, looking for patterns of thought and findings across different social science fields, like management and psychology.*

## INTRODUCTION

Today companies face much strain in an internationalized and competitive environment because of the increased demands on their products and processes (Roman et al., 2018). As a result of the pressure, firms have begun adopting new organizational and managerial forms and methods, in addition to introducing innovative technology, to boost their flexibility, employees' performance, and ability to compete (Ekechukwu & Lammers, 2019). In fact, new technology in the business may impose fresh and more rigorous requirements on staff members in terms of their level of expertise, degree of autonomy, and degree of adaptability (Avolio et al., 2000, 2014; Horner-Long and Schoenberg, 2002; Hambley et al., 2007; Butcher et al., 2021). It has also been demonstrated that expanded opportunities for involvement and increased needs can lead to a rise in an effort, amount of pressure that is placed on staff, job intensity, responsibility, and options, which in turn leads to stress and a poor working environment (Kodama, 2007).

The technological transition that the world is currently undergoing is at least as significant as the industrial revolution. The digital age requires businesses to re-evaluate their management and organizational structures to develop and transfer value. (Lee, 2009). In the near future, the majority of companies will be involved in one way or another in the digitization process. Even traditional sectors such as agriculture will not be spared. The question of leadership is once again front and center in corporations' HR policies and strategies. Today, organizations need leaders who are comfortable in their job as entrepreneurs, in their role as managers, with charisma but also, and above all, a good command of digital tools. In his time, the leader took also, his/her company to conquer the markets. The e-leader does the same but using the multiplier effect of digital tools. He/she has changed his traditional posture by developing managerial and leadership roles that leverage social media and allow him to reach many more people in a shorter time (Avolio et al., 2000, 2014; Horner-Long and Schoenberg, 2002; Hambley et al., 2007; Salvetti & Bertagni, 2020; Butcher et al., 2021).

So what is the impact of this digital transformation on leadership? Which leadership style should be favoured for a successful digital transformation, and which attributes are essential for a leader to have in the 21st century?

As a first step, it is essential to introduce and define the concept of the digital transition.

## The Concept of Digital Transformation or Transition

"Digital transformation" or "digital transition" refers to integrating digital technologies into a company's value chain to improve organization and production. The digital transition is a lengthy process that impacts all core businesses and requires specialized management (Barley, 2015; Cortellazzo et al., 2019). The digital transition is a process that compels businesses to reevaluate their economic model and organizational model and to assist in this transformation by shifting from directive management to collaborative management. A digitalized company's objective is to boost productivity and profits. However, if not properly managed, the digital transformation can have the opposite effect (Bolden & O'Regan, 2016; Salvetti & Bertagni, 2020; Butcher et al., 2021).

## THE DIGITAL TRANSFORMATION: ASSET AND PERFORMANCE DRIVER

Digitalization is now present in almost all companies and constitutes a crucial step in their development. Companies see it as an opportunity to facilitate innovation, reinvent consumption patterns, be as close as possible to their target, and, above all, gain productivity through the virtues it is supposed to bring to the employees and the organization (Carte et al., 2006). Among the advantages that can offer the digital transition to the employees of companies, we can cite some examples such as continuous access to information, the dematerialization of information flows, the instantaneity of exchanges between employees, or automation of most time-consuming tasks, which must intrinsically contribute to the improvement of the quality of life at work. Interorganizational cooperation has developed as a result of an increase in the use of technology within organizations, as well as enhanced coordination and communication across numerous channels, levels, and hierarchies (such as social media). According to the research, organizational communication can take many forms, but leadership is essential in making decisions and establishing ground rules for the group (Roman et al., 2018). Leadership is essential in managing resources, efforts, recruitment, and hiring new staff members. These specialized and established roles

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