



## The perspectives of the digital marketing

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### ABSTRACT

The article discusses the challenges the digital transformation is incurring on management. It is important to clarify the role of the leadership in the process of digitalization within company or organization. Therefore, we conducted a brief literature review and discussed the impact of digital transformation.

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### Introduction

Digital transformation, defined as transformation ‘concerned with the changes digital technologies can bring about in a company’s business model, ... products or organizational structures’ (Hess et al. 2016, p. 124), is perhaps the most pervasive managerial challenge for incumbent firms of the last and coming decades. However, digital possibilities need to come together with skilled employees and executives in order to reveal its transformative power. Thus, digital transformation needs both technology and people.

The findings of the latest Eurobarometer survey show the majority of respondents think digitalization has a positive impact on the economy (75 percent), quality of life (67 percent), and society (64 percent) (European Commission, 2017). Indeed, people's daily lives and businesses have been highly transformed by digital technologies in the last years. Digitalization allowed to connect more than 8 billion devices worldwide (World Economic Forum, 2018), modified information value and management, and started to change the nature of organizations, their boundaries, work processes, and relationships (Davenport and Harris, 2007; Lorenz et al., 2015; Vidgen et al., 2017).

Across different sectors and regardless of organization size, companies are converting their workplaces into *digital* workplaces. As observed by Haddud and McAllen (2018), many jobs now involve extensive use of technology, and require the ability to exploit it at a fast pace. Yet, digitalization is being perceived both as a global job destroyer and creator, driving a profound transformation of job requirements. In result, leaders need to invest in upskilling employees, in an effort to support and motivate them in the face of steep learning curves

and highly cognitively demanding challenges. Moreover, increased connectivity and information sharing is contributing to breaking hierarchies, functions and organizational boundaries, ultimately leading to the morphing of task-based into more project-based activities, wherein employees are required to directly participate in the creation of new added value. As such, the leadership role has become vital to capture the real value of digitalization, notably by managing and retaining talent via better reaching for, connecting and engaging with employees (Harvard Business Review Analytic Services, 2017; World Economic Forum, 2018). However, leaders need to be held accountable for addressing new ethical concerns arising from the dark side of digital transformation. For instance, regarding the exploitation of digitalization processes to inflict information overload onto employees, or to further blur the lines between one's work and personal life.

### **Literature review.**

Since digitalization is enabling a growing propensity to share information, organizational boundaries are becoming more fluid and expanding outside the formal organization. Hence, collective forms of leadership are expected to increase. Notably, distributed or shared leadership is supposed to gain momentum, especially if it is considered a better fit to the characteristics of virtual teams, such as the informal nature of its communication channels, task interdependence and team member autonomy (Avolio et al., 2014; Hoch and Kozlowski, 2014). What remains unclear is the role that leaders play in recognizing and encouraging distributed leadership in teams. Moreover, how much does the success of shared leadership styles depend on the organizational culture? What is the effect of shared leadership on virtual team dynamics? We claim that these are questions that should be explored with greater detail in the future.

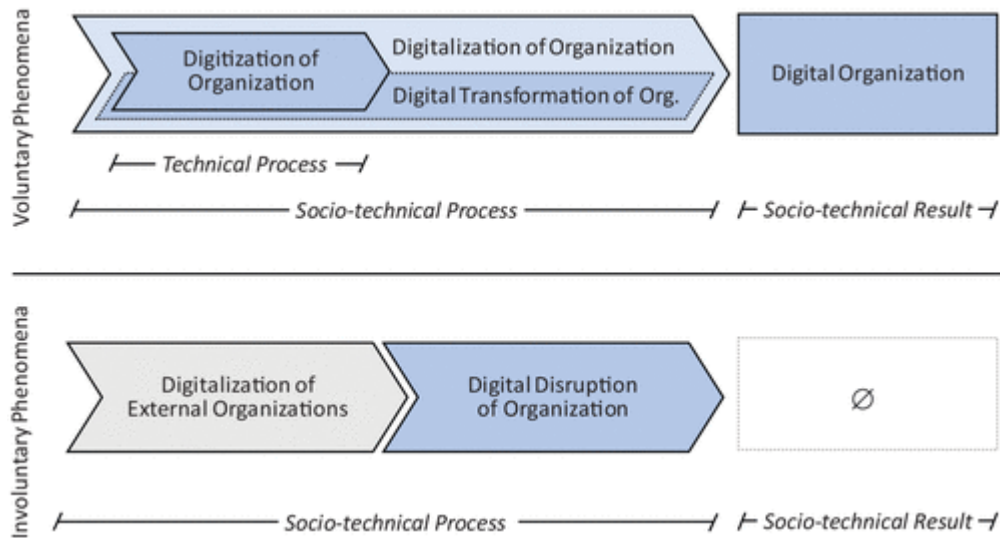
Literature has already acknowledged that the lack of face-to-face interactions makes the task of leading virtual teams a more complex job (Purvanova and Bono, 2009). Indeed, the physical and cultural distance that characterizes virtual teams threatens the ability to build trust, create commitment and enhance cohesion among team members (Hoch and Kozlowski, 2014). As suggested by Lee (2009) trust in virtual teams is related to ethics: the way in which leaders and team members behave, the extent to which they demonstrate transparency when interacting with others, the integrity and compliance to the rules and procedures of the organization and the team are key issues that should not be neglected. However, little is known about the methods and behaviors that effective leaders can adopt in order to build trust in virtual teams. Literature on this topic needs contributions that focus specifically on the process of trust creation in virtual teams, describing its characteristics and mechanisms and informing about which digital tools can be used to support such process. Indeed, along with the ability of creating trust among team members, virtual team leaders are required to have the ability of choosing and exploiting the right communication tools (Jawadi et al., 2013; Roman et al., 2018). Future research should try to uncover the effect different characteristics of communication tools may have on team dynamics and leader-followers relationships.

### **Main part.**

A library that fully dispenses with analogue books, library buildings, librarians, and so on and instead exclusively offers digitized books via the Internet serves as a simple example of digital transformation. Further concepts such as digitalization are broader and can but must not refer to the strategic level. The above example of the digital transformation of a library thus also serves as an example of digitalization. Contrarily, mere operational changes such as implementing a digital lending system at a library would not count as digital transformation but as digitalization. The strategic concept of digital transformation can thus be understood as a subset of the generic concept of digitalization.

The above clarifications allow for the development of parsimonious definitions for the respective

concepts. With respect to clearly differing organizational results, however, two distinct concept clusters emerge (see Figure 1).



**Figure 1.** Terminology of digital organizations.

A first cluster covers concepts grouped around the result of a digital organization:

- The digitization of organizations denotes the technical process of converting analogue organizational information into digital organizational information for automated processing.
- The digitalization of organizations denotes the socio-technical process of exploiting digitization potentials for operational and/or strategic organizational purposes.
- The digital transformation of organizations denotes the socio-technical digitalization sub-process of exploiting digitization potentials for strategic organizational purposes.
- Digital organization denotes the socio-technical result outcome of the digitalization of organizations.

A second cluster refers to disruption producing a marginalized organization:

- The digital disruption of organizations denotes a socio-technical process of marginalization due to the digitalization of external organizations.

### Conclusion.

Nowadays, digital transformation is an unavoidable choice for any company, regardless of size or sector. Leaders cope with new tools on a daily basis and they make decisions according to the data they have access to. Therefore, we highly encourage future research to shed more light on the effect of digital transformation on leadership, both at organizational and individual level. If the debate about the relationship between human beings and machine is not a recent one, not to management literature, nor social sciences in general, the relationship between digital transformation and leadership requires updated lenses. This systematic review offers a structured framework of a promising field, and we hope it will help future research generate coherent efforts to garner novel and relevant knowledge in this research topic.

Although the introduction of digital tools influenced organizational boundaries and leadership

boundaries, for instance favoring the development of concepts such as shared leadership, studies show that trust among members and employees is still achieved and maintained through leaders' intervention (Carte et al., 2006). Cascio and Montealegre (2016, p. 356), reminds us that inspirational leaders will remain pivotal in making the right decisions, as “humans will continue to enjoy a strong comparative advantage over machines.” However, the growing development and use of AI-based technology to make decisions, calls for a closer understanding of what leadership will mean in the future. Growing ethical concerns related to the application of AI in managerial activities as well as to the appropriation of technology and data are becoming an urgent topic to address.

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