

Effective Leadership Strategies in Facing the Digital Transformation Era (Case Study PT XYZ)

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ARTICLE INFO

Keywords: Technology,
Leaders, Motivation,
Employees

Received : 4 April
Revised : 21 May
Accepted: 17 June

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ABSTRACT

In the current era of digital transformation, companies are urged to use digital technology to survive and compete in the industrial market. Therefore, companies must synergize with employees to master digital technology. The right strategy selection and adequate human resource management are among the key factors for successful change. This is where leaders play a crucial role in motivating employees. The purpose of this research is to identify effective leadership strategies to influence employee motivation to adopt new technology. The research method used is a qualitative approach. In this study, data validity is tested using triangulation techniques, and data is collected through interviews with company leaders directly as informants and two employees of different ages and genders. The results of this analysis indicate that effective leadership strategies can indeed motivate employees towards change, including digital transformation. This has been implemented by PT XYZ, located in the Rasuna Said area. Research conducted by PT XYZ shows that a leader can motivate employees to adopt new technology in line with the era of digital transformation. The analysis also reveals that the results of this research align with the theory proposed by Douglas McGregor, specifically Theory Y

INTRODUCTION

Digital transformation can be seen as a process of continuous adoption of a significantly changing digital landscape to meet customer, employee and partner expectations. Digital transformation begins with the adoption and use of digital technology, then develops into an implicit holistic transformation of an organization. However, in the context of the use and adoption of digital technology, holistic organizational transformation is needed to create value (Teichert, 2019). Digital transformation has already revolutionized work methods and businesses across nearly all regions. Organizations need to explore the rapid growth of technology and implement relevant changes to remain competitive. Change management assists organizations in understanding and mastering the impacts of technological changes, planning necessary transitions, communicating these changes to employees, and managing resistance to change. By adopting efficient change management, organizations can better navigate technological challenges and ensure successful business continuity in the digital age. By practicing effective change management, organizations can take the opportunities in the digital era. They can stay relevant, adapt quickly to changes, and achieve long-term success in the rapidly growing digital era (Manik, 2023).

A company that wants to carry out a digital transformation process is actually preparing itself to face cultural changes as a consequence of implementing digital technology (Vial, 2019). Because based on a survey, as many as 57% of companies in the world are transforming towards digital. However, of that number, around a third failed (Vial, 2019).

This failure was mainly due to not yet fully understanding the digital transformation process. Because it is not only about how to make a digital version of a physical product, but also covers changes in consumer behavior, employees and various other aspects of culture. There are at least 4 (four) supporting components for digital transformation, namely: empowered employees, engaged customers, transformed products and optimized operations.

The era of digitalization has the potential to provide a net increase in employment of up to 2.1 million new jobs by 2025. There is a potential reduction in carbon emissions of approximately 26 billion metric tons from three industries: electronics (15.8 billion), logistics (9.9 billion) and automotive (540 billion) from 2015-2025 (World Economic Forum, in (Harto, B., Rukmana, AY, Subekti, R., Tahir, R., Waty, E., Situru, AC, & Sepriano, 2023)). That's why the advantages of science and technology in the fields of electrical engineering, mechanical engineering, chemical engineering, informatics and other technical fields are important for Indonesian human resources to master. Because it is not impossible that there will be a number of sexy and promising professions in the era of Industrial Revolution 4.0. For example: Data Scientist, functions to analyze company data, is responsible for the quality of company data, carries out research related to company data which is often in the form of big data. The robot coordinator functions to supervise, carry out maintenance and repairs on robots, both semi-autonomous robots, autonomous robots and humanoid robots. IoT / IT service architects function to design systems in companies/manufacturing

that connect products, machines and employees online and in real time using various specific technologies (platforms).

Based on the background and description above, there is a research focus and research questions, including:

1. How do company leaders influence employee motivation to adopt new technology?
2. What are effective leadership strategies in managing a company's digital transformation?
3. What are the obstacles and challenges faced by company leaders in managing the company's digital transformation?

LITERATURE REVIEW

Human resource management must develop their digital skills and adaptability. Further research is needed to examine how and to what extent job and organizational variables influence the Human Resources function to deepen our understanding of this role. It is important to conduct a more thorough empirical investigation into the ethical implications of using digital technologies to access, store, and use employee data(Dolan, 2022).

Digital transformation can be considered the third stage of digital technology adoption: digital competence digital use digital transformation, with transformative use and capability in informing digital awareness.

Change management helps organizations identify and understand the impact of technological changes, plan necessary changes, communicate those changes to employees, and manage resistance to change. By adopting effective change management, organizations can better face technological challenges and ensure successful business continuity in the digital era(Judge, 2020).

Leaders can use the two-sided theory "X" and "Y" created by Douglas McGregor(Robbins, 1996)(Handayani, 1995), which is a new idea about motivation. Theory "X" considers negative aspects of a person, such as assuming that employees are naturally lazy and should be forced to work. Theory "Y", on the other hand, considers the positive aspects of a person, as it considers Business leaders in such situations can use various strategies to encourage employees to adopt new technologies.

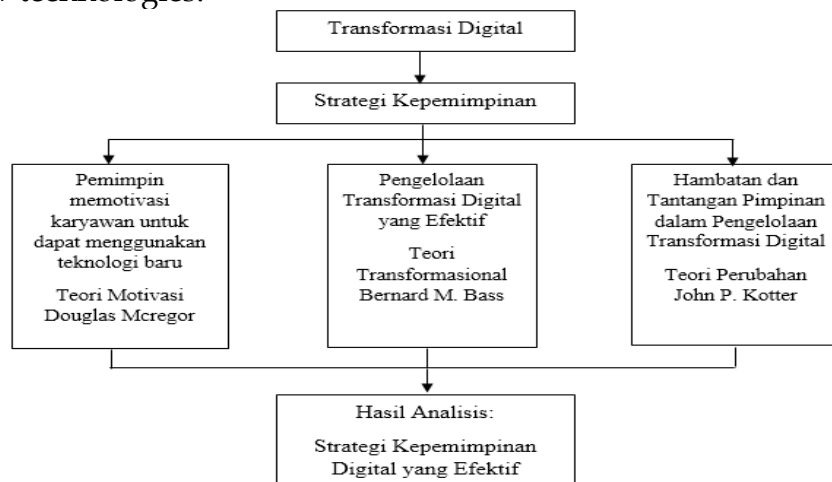


Table 1. Framework Theory

This research is uses a qualitative research method with data triangulation techniques to ensure data validity. Data collection is conducted through interviews with the company leader as the primary informant and two employees of different ages and genders.

METHODOLOGY

This research uses qualitative research (Qualitative Research). According to Bogdan and Biklen (Rukajan, 2018), qualitative research is a research process that produces written by descriptive data about people and the behaviour observe. Qualitative research is an activity aimed at discovering theories based on real-life practice, rather than testing theories or hypotheses. This research will be conducted at PT XYZ which is located in Rasuna Said, South Jakarta. This research is estimated to last two months starting from March to May 2024.

Table 1. Timeline of research

No.	Description	Jan				Feb				Mar				Apr				May			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	Introduction and Background	█	█	█	█																
2	Literature Review	█	█	█	█	█	█	█	█												
3	Proposal <u>Submissiom</u>									█	█	█	█								
4	Preparation Interview List									█	█	█	█								
5	Collect Data													█	█	█	█				
6	Data Analysis																	█	█	█	█
7	Result Analysis																				
8	Thesis Compilation																				
9	Thesis Submission																				
10	Thesis Finalize																				

In this research, documents, observations and interviews were used to collect data. The data sources in this research are primary and secondary data; the first is data collected directly by research subjects such as interview the informan, collect document, and observation.

There are 3 techniques in data collection, such as Qualitative Interviews, Qualitative Documents, and Qualitative observations. This research use Triangulation Methods with directors as a key informan.

RESULT

From the results of interviews conducted by the author with the leadership of PT Moreover, if the job has to go through a process of learning a new Operational Procedure System, this means that there will be an adaptation process that the employee must go through. This is as stated by the head of PT The head of PT XYZ answered that the head of PT XYZ stated that employees were generally not interested in additional work that required new adaptations. Even if they work on it, they may lack interest at first. However, they eventually get used to it and realize the benefits.

The author assesses effective leadership strategies by asking 6 open questions to PT XYZ employees. One employee stated that the leadership paid more attention to the end result of the work than the process, except for continuous work. Employees also said that leaders provided direction and motivation regarding new technology, as well as support in the adaptation process.

PT XYZ employees also expressed their readiness to sacrifice personal time for the company, especially in the process of adapting to change, but without coercion from the leadership. In terms of work requirements such as equipment, training and rewards, employees stated that these were generally carried out by the company, while the leadership provided direction, support and advice.

From the answers of PT XYZ employees, it can be seen that the leadership at PT XYZ, company leaders face obstacles in digital transformation, especially in motivating employees. PT XYZ employees stated that the leadership provided motivation and support in facing technological changes. They also feel encouraged to keep trying and not give up easily, because the company's success depends on employee persistence.

Leadership considers employee capabilities and status in selecting new technology teams, giving priority to permanent employees and leaders over single employees. The leadership's vision is to successfully and successfully use new technology, with short-term goals to implement the technology and long-term goals to respond to the results of evaluations of the technology.

DISCUSSION

The interview results show that the discussion of this research is divided into 3 main things: employee motivation according to McGregor's theory, effective management of digital transformation according to Bass's theory, and obstacles and challenges that occur in implementing change according to Kotter's model.

The leader of PT XYZ motivates employees in a persuasive way, according to McGregor's X and Y theory. Effective digital transformation management at PT XYZ according to Bass theory, with leaders meeting employee needs and encouraging personal sacrifice for the organization.

Obstacles and challenges in implementing change at PT XYZ according to the Kotter model, with steps such as increasing urgency, building a team, forming a vision, and maintaining change as a new organizational culture.

CONCLUSION AND RECOMENDATION

1. Company leaders influence employee motivation to adopt new technology by making employees enjoy their work by seeing the positive side that they will enjoy later if they can go through the entire series of jobs that require current technological changes.
2. An effective leadership strategy in managing a company's digital transformation is through persuasive invitations to employees so that employees can do their work sincerely with directions that fall within their logic, using philosophies related to their lives and personal needs, such as using new gadgets with technology. new so that they can keep up with the

times and not be left behind, and so do companies. Leaders also provide benefits and interdependence between the company and employees which will also mutually benefit each other.

3. The obstacles and challenges faced by company leaders in managing the company's digital transformation are the habits that leaders must make to make it an organizational culture that is ready to face change.

FURTHER STUDY

This research still has limitations, so it is necessary to carry out further research related to the topic Effective Leadership Strategies in Facing The Digital Transformation Era in order to perfect this research and increase insight for readers.

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