



Management and leadership practices of organizations in the digital transformation context

Vendramin, Nelda; Nardelli, Giulia; Ipsen, Christine

Publication date:
2020

Document Version
Publisher's PDF, also known as Version of record

[Link back to DTU Orbit](#)

Citation (APA):
Vendramin, N., Nardelli, G., & Ipsen, C. (2020). *Management and leadership practices of organizations in the digital transformation context*. Abstract from Artificial Intelligence and Robotics in Service Interactions, Zaragoza, Spain.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Management and leadership practices of organizations in the digital transformation context

Nelda Vendramin: *Technical University of Denmark (Lyngby, Denmark)*

Giulia Nardelli: *Technical University of Denmark (Lyngby, Denmark)*

Christine Ipsen: *Technical University of Denmark (Lyngby, Denmark)*

Keywords: Digital transformation, virtual work, management, leadership, distributed workforce

1. Research Problem

Digital transformation (DT) and the growing use of new digital technologies impact business environments, and organizations as a whole, allowing new business model creation and ways of doing business by rearranging processes, tasks and overall strategy to create value in organizations and remain competitive (Verhoef et al., 2019; Vuori et al., 2019). Implementation of new digital technologies in organizations enable connectivity and thus flexibility for individuals to take work activities outside of office locations and collaborate across functions. Digital technologies e.g., digital devices, online platforms, cloud services and analytic tools, facilitate quicker and easier information exchange between individuals, organizations and governments without the restrictions in location and time. As a consequence, individuals can choose when and where to carry out their work tasks, and therefore achieve increased independence (Dittes et al., 2019; Kelliher & Anderson, 2010), while concurrently ensuring fast and efficient knowledge flow across the organization. Digital technology enables novel forms of dispersed and virtual work where both time, geography, organizational boundaries and culture create a distance to co-workers and colleagues (Fisher & Fisher, 2001; Jimenez et al., 2017; Martins et al., 2004; Taras et al., 2019).

The phenomenon of DT affects organizations and brings along changes to the organization and management of work. While advancing digital technology is at the core of DT, at the same time, digital technology alone is insufficient for effective management of dispersed and virtual teams (Dittes et al., 2019; Fisher & Fisher, 2001). To gain the most value from digital technology in organizations, organizations require rearrangements in structure, strategy, processes, culture (Ginnan et al., 2019; Mergel et al., 2019; Orellana, 2017; Schwarzmüller et al., 2018; Vuori et al., 2019), and how work is managed (Singh et al., 2019). Because of this, large organizations across industries are beginning to place DT among the most important strategic priorities. Despite the increasing interest in DT by practitioners and researchers alike, existing studies tend to focus on changes in strategy, marketing and operations (Verhoef et al., 2019), managers role in strategic changes and DT activity coordination across an organization (Singh et al., 2019). At the same time, the effects of DT on the management and leadership of individuals in organizations are still unclear. Therefore, this study aims to identify the practices for managing and leading individuals in organizations in the DT context.

2. Literature and Methodology

Organizations undergoing DT and wanting to employ dispersed and virtual teams experience challenges connected to having a workforce that operates in different geographic locations and time zones and includes diverse cultures (Fisher & Fisher, 2001; Larson & DeChurch, 2020). These challenges are also present in organizations where individuals work in distributed intra-organizational (i.e., different location within one organization, e.g., team members distributed in different business locations) and inter-organizational (i.e., different location between organizations) contexts.

Many of the same challenges exist in traditional work teams, such as creating a successful team and developing effective interaction and task coordination between the team and manager (Neeley, 2015). However, management of work and task coordination in virtual environments becomes more complex than when employees are co-located, because achieving a shared understanding of information and communication on goals and priorities is more challenging when individuals work in a variety of different physical contexts, frequently with different needs in their local environments. Work distributed in different countries, locations, with individuals of diverse backgrounds can result in communication issues, misunderstandings, challenges in collaboration, poor knowledge management, and social distance and distrust (Bisbe & Sivabalan, 2017; Fisher & Fisher, 2001; Larson & DeChurch, 2020). However, managers who can lead virtual teams successfully bring competitive advantage to the operations they manage (Fisher & Fisher, 2001; Liao, 2017).

Large organizations in retail, tourism, market research and financial services establish a dedicated role for managing digital transformation: chief digital officer (CDO). CDOs carry the responsibility to drive digital initiatives, pursue and implement DT activities and drive change across an organization (Singh et al., 2019). In addition to CDO, organizations appoint other roles such as Chief Information Officers with the focus on IT support and deployment, Chief Data Officers with responsibilities in the area of data management and data analytics, Chief Innovation Officers with a focus on innovation, and Chief Strategy Officers with the focus on corporate strategy and processes (Singh et al., 2019; Singh & Hess, 2017). Yet, while the literature suggests establishing CDO as a position to drive DT in organizations, it is not clear how these professionals can lead the change from initiating DT activities to fully integrating them into the organization. Additionally, none of the aforementioned roles are concerned with the management and leadership of the employees in organizations. Therefore, this study outlines the management and leadership practices in organizations undergoing DT and employing dispersed and virtual teams to gain insight into practices employed in DT context. For this purpose, we carry out a qualitative literature review and analyze the literature to investigate the main aspects of managing and leading dispersed and virtual teams. Further steps of this study include conducting semi-structured interviews in a large organization undergoing DT.

3. Discussion and Implications

The preliminary findings raise the issue of understanding the importance of managers establishing strong managerial perceptual skills, encouraging collaboration and knowledge sharing in dispersed and virtual teams, encouraging feedback and dialogue, and coaching team members on self-management and organization (Fisher & Fisher, 2001; Poulsen & Ipsen, 2017). In the next steps of the study, we will outline which practices of management and leadership in organizations undergoing DT emerge from our primary data collection.

Overall, the study contributes to research on the DT by clarifying and organizing key aspects of the management and leadership of dispersed and virtual work in organizations undergoing DT.

References

- Bisbe, J., & Sivabalan, P. (2017). Management control and trust in virtual settings: A case study of a virtual new product development team. *Management Accounting Research*, 37, 12–29. <https://doi.org/10.1016/j.mar.2017.02.001>
- Dittes, S., Richter, S., Richter, A., & Smolnik, S. (2019). Toward the workplace of the future: How organizations can facilitate digital work. *Business Horizons*, 62(5), 649–661. <https://doi.org/10.1016/j.bushor.2019.05.004>
- Fisher, K., & Fisher, M. (2001). *The Distance Manager: A Hands On Guide to Managing Off-Site Employees and Virtual Teams*.
- Guinan, P. J., Parise, S., & Langowitz, N. (2019). Creating an innovative digital project team: Levers to enable digital transformation. *Business Horizons*, 62(6), 717–727. <https://doi.org/10.1016/j.bushor.2019.07.005>
- Jimenez, A., Boehe, D. M., Taras, V., & Caprar, D. V. (2017). Working Across Boundaries: Current and Future Perspectives on Global Virtual Teams. *Journal of International Management*, 23(4), 341–349. <https://doi.org/10.1016/j.intman.2017.05.001>
- Kelliher, C., & Anderson, D. (2010). Doing more with less? Flexible working practices and the intensification of work. *Human Relations*, 63(1), 83–106. <https://doi.org/10.1177/0018726709349199>
- Larson, L., & DeChurch, L. A. (2020). Leading teams in the digital age: Four perspectives on technology and what they mean for leading teams. *The Leadership Quarterly*, 101377. <https://doi.org/10.1016/j.leaqua.2019.101377>
- Liao, C. (2017). Leadership in virtual teams: A multilevel perspective. *Human Resource Management Review*, 27(4), 648–659. <https://doi.org/10.1016/j.hrmr.2016.12.010>
- Martins, L. L., Gilson, L. L., & Maynard, M. T. (2004). Virtual Teams: What Do We Know and Where Do We Go From Here? *Journal of Management*, 30(6), 805–835. <https://doi.org/10.1016/j.jm.2004.05.002>
- Mergel, I., Edelman, N., & Haug, N. (2019). Defining digital transformation: Results from expert interviews. *Government Information Quarterly*, 36(4), 101385. <https://doi.org/10.1016/j.giq.2019.06.002>
- Neeley, T. (2015). *Global Teams That Work*. <https://hbr.org/2015/10/global-teams-that-work>
- Orellana, S. (2017). Digitalizing Collaboration. *Research-Technology Management*, 60(5), 12–14. <https://doi.org/10.1080/08956308.2017.1348125>

- Poulsen, S., & Ipsen, C. (2017). In times of change: How distance managers can ensure employees' wellbeing and organizational performance. *Safety Science, 100*, 37–45. <https://doi.org/10.1016/j.ssci.2017.05.002>
- Schwarz Müller, T., Brosi, P., Duman, D., & Welp, I. M. (2018). How Does the Digital Transformation Affect Organizations? Key Themes of Change in Work Design and Leadership. *Management Revue, 29*(2), 114–138. <https://doi.org/10.5771/0935-9915-2018-2-114>
- Singh, A., & Hess, T. (2017). *six case studies of CDOs and describe how they fulfill their positions. From these cases,*. 17.
- Singh, A., Klarner, P., & Hess, T. (2019). How do chief digital officers pursue digital transformation activities? The role of organization design parameters. *Long Range Planning, 101890*. <https://doi.org/10.1016/j.lrp.2019.07.001>
- Taras, V., Baack, D., Caprar, D., Dow, D., Froese, F., Jimenez, A., & Magnusson, P. (2019). Diverse effects of diversity: Disaggregating effects of diversity in global virtual teams. *Journal of International Management, 25*(4), 100689. <https://doi.org/10.1016/j.intman.2019.100689>
- Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Qi Dong, J., Fabian, N., & Haenlein, M. (2019). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2019.09.022>
- Vuori, V., Helander, N., & Okkonen, J. (2019). Digitalization in knowledge work: The dream of enhanced performance. *Cognition, Technology & Work, 21*(2), 237–252. <https://doi.org/10.1007/s10111-018-0501-3>