

Digital Leadership, Organisational Change and Digital Culture in Digital Business Transformation Success of Malaysian Small and Medium Enterprises

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Abstract

Small and Medium Enterprises (SMEs) are embracing digitalization and have been undergoing digital business transformation (DBT) under the government's initiative in Malaysia. Adopting digital technologies and Information Technology (IT) is not adequate when it comes to ensuring the survival of SMEs. It needs a workforce, transformation, a shift in the mindset, and employees who are digitally ready to work with digital strategies and innovative ideas. SME leaders must take a more holistic approach to successfully navigate the changes brought about by emerging technologies. In the Malaysian context, there appears to be a deficiency in the leadership's role and strategic direction when it comes to guiding SMEs towards digital technologies, information technology and culture, thus it is essential to formulate strategies and align efforts to ensure that these SMEs remain relevant and sustainable for them to contribute to the Malaysian economy. This research is guided by three interrelated theories that are associated with the ideas of leadership, organizational change, and digital business transformation. The theories involved are Leavitt's Diamond Model (LDM), Adaptive Structuration Theory (AST), and Strategic Alignment Theory (SAT). This conceptual paper aims to study how digital leadership, organizational change, and digital culture can drive the success of SMEs by examining the components of SAT, LDM, and AST together. Hence, this study aims to examine if organizational change plays a mediating role between digital leadership and DBT success in the Malaysian SMEs.

Keywords: digital business transformation, leadership, organizational change, digital culture, Malaysian SMEs