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MASTERS OF BUSSINESS LEADERSHIP PROGRAM

THE EFFECT OF DIGITAL LEADERSHIP ON ORGANIZATION PERFORMANCE: THE CASE OF ABYSSINIA BANK S.C

BY

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A Final Project Submitted to the Office of Graduate Studies of Addis Ababa University School of Commerce in Partial Fulfillment of the Requirements for the Degree of Masters of Arts in Business Leadership

ADVISOR:

FESSEHA AFEWORK (ASS.PROF.)

Date: June, 2022

ADDIS ABABA, ETHIOPIA

DECLARATION

I, the undersigned declare that the project research work entitled: "The Effect of Digital Leadership on Organization Performance: The Case of Abyssinia Bank S.C.", is the output of my own effort and study for the partial fulfillment of Degree of Master of Arts in Business Leadership. I have produced it independently with the guidance and suggestion obtained from my research project advisor, Fesseha Afework (Ass. Prof.). Moreover, this study has not been done, submitted and presented on this particular organization for any degree in this university or any other university for the award of Degree or Diploma Program. All other contributors and/or sources used for the study have been duly acknowledged.

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STATEMENT of CERTIFICATION

This is to certify that the work contained in the project entitled "The Effect of Digital Leadership on Organization Performance: The Case of Abyssinia Bank S.C.", submitted by Assefa Berhe (GSE/6787/2011) for the award of the degree of Master of Art in Business Leadership in Addis Ababa University School of Commerce, is a record of project work carried out by him under my direct supervision and guidance.

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By: Assefa Berhe Advisor: Fesseha Afework (Ass. Prof.)

This is to certify that the research project conducted and presented by Assefa Berhe "The Effect of Digital Leadership on Organization Performance: The Case of Abyssinia Bank S.C." and submitted in partial fulfillment of the requirements for the Degree of Masters of Art in Business Leadership complies with the regulation of the university and meets the accepted standards with respects to originality and quality.

Approved by Board of Examiners

Advisor:

Name _____ Signature: _____ Date: _____

Internal Examiner:

Name _____ Signature: _____ Date: _____

External Examiner:

Name _____ Signature: _____ Date: _____

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Assefa Berhe

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Acronyms

ATM – Automatic Teller Machine

BoA – Bank of Abyssinia S.C.

BSC - Balanced Score Card

ISTE - International Society for Technology in Education

ITM - Interactive Teller Machine

RBV - Resource-Based View Theory

SPSS - Statistical package for Social Science

Abstract

This paper aims to investigate the effect of digital leadership on organization performance: the case of Bank of Abyssinia S.C. Supported by the Resource-Based View Theory and the digital leadership dimensions considering the International Society for Technology in Education-2022 (ISTE-2022), the study examined the role of visionary leadership, digital-age learning culture, excellence in professional practice & systemic improvement influencing the performance of Abyssinia Bank in Addis Ababa, Ethiopia. A questionnaire survey was adopted, and a probability sampling method utilizing a simplified sampling was applied. A total of 109 usable responses were collected from Managers and senior staff in Bank of Abyssinia. Raw data were cleaned, sorted and entered using statistical data entry form designed in Statistical Package for Social Sciences (SPSS-Version 23.0) software for analysis according to the objectives of the study. Data will be organized and analyzed using a 5-point Likert-scale. The results showed that digital leadership has positive relationship and effect on the bank of Abyssinia's performance. Systemic improvement had stronger positive and significance correlation with organizational performance than the other digital leadership dimensions. The findings provide information to future researchers and leaders in Bank of Abyssinia S.C on the vital roles of digital leaders. The novelty of this study contributed to the body of knowledge in digital leadership and performance in the bank industry.

Keywords: Digital Leadership; Visionary Leadership; Learning Culture; Professional Excellence; Systemic Improvement; Performance

CHAPTER ONE

INTRODUCTION

In this section it is going to describe the research problems and the associated research questions that will be answered and objectives that will be achieved at the end of the research. It includes the background of the study, the background of the organization, statement of the problem, research questions and objectives, hypothesis of the study, significance of the study, scope and limitation of the study and finally organization of the paper.

1.1. Background of the Study

Today's workplaces are not only physical places where employees come to work. Advances in technology (computers, internet, and connected devices) means the definition of the workplace is expanding to include all the technologies we use to do our work – from the software to the social media. Businesses are beginning to adapt their transactions to the digital world as a result of the rapid advancement of technology. They continue to engage with clients via websites and to boost output through the use of smart technology and systems.

Since the launch of the Fourth Industrial Revolution and the technological development that remains, organizations have been gradually shifting towards adopting contemporary technologies in various aspects of their work, especially managerial ones, in order to keep pace with the change in the business environment (Freitas Junior, Cabral & Brinkhues, 2020; Al-Hawary & Al-Syasneh, 2020). This was accompanied by the emergence of new concepts in management science to match the shift towards digital organizations (Murashkin & Tyrvainen, 2020). One of the most prominent of these concepts is "Digital Leadership" based on an approach that integrates technological advancement and transformational leadership to achieve the organization's strategic goals in the dynamic environment (Sheninger, 2019). Further, it contributes to create a new generation of leaders who possess motivation and guidance skills backed by deep knowledge of modern methods based on digitization (Zeike, Bradbury, Lindert & Pfaff, 2019).

The year 2020 has turned out to be an unplanned milestone in the progress of digital transformation. Due to required social distancing to avoid the distribution of the Corona virus

disease 2019, companies have enabled employees to work from home and adjust their business models to the resultant new demands. As we all knew, the change and diversification of business activities due to digital transformation is taking place strongly in the banking sector.

The digital transformation in commercial banks is the integration of digital technology into all banking areas, fundamentally changing the way commercial banks operate and provide value to customers such as developing financial and banking software, digital banking, mobile banking solutions, fintech, etc., be able to meet the demand of customer about the interest rate liberalization, big data, mobile finance, risk management, internet finance and customer relationship management (Shengqi and Hong, 2021)

As organizations now compete in volatile, uncertain, continuously changing and a disruptive digital world, leaders are finding that their traditional leadership skills are no longer sufficient (Uhl-Bien, Marion & McKelvey, 2007) and that it is important for the leaders to become digital leaders and acquire the necessary skills to take their organizations forward and ensure their survival in this rapidly-changing world. Hence, at the end of the research the writer will need to know the effect of digital leadership on the organization performance of Bank of Abyssinia and to understand the digital leadership skills of Abyssinia Bank leaders require to carry out successful and can really help increase the performance of Bank of Abyssinia.

1.2. Background of the Organization or the Study Area

According to the information collected from the website of Bank of Abyssinia (BoA) and the 2021 Annual Reports the bank, BoA Share Company was opened for business and founded in February 15, 1996 in Addis Ababa, Ethiopia. Based on the 1960 Ethiopian Commercial Code and the Licensing and Supervision of Banking Business Proclamation No. 84/1994 BoA S.C. had firstly started its operation with an authorized capital of Birr 50 million and paid up capital of Birr 17.8 million, and with only 131 shareholders and 32 staff.

The Bank of Abyssinia one of the two first private banks in the country rebrands its identity in 2018. The logo of BOA includes diamond shaped six petals yellow colored endemic flower called “adeyabeba”. The logo is obtained from an endemic six petal flower, locally known as “adeyabeba” and its botanic name is Bidensmacroptera found in 1984. The flower is found 38 km

East of Robe town, in Bale. The color describes hope and peace, signifying bright future for the BOA in a growing and peaceful economic environment.

The vision of BOA is to become a leading commercial bank in East Africa by the year 2030. The mission of the bank is to provide excellent financial services through competent, and motivated employees, and digital technologies in order to maximize value to all stakeholders. The core values of the Bank also includes customer satisfaction, integrity, teamwork and collaboration, and caring for community.

As of April 19, 2022 the total customer of the Bank is more than 6 million (6,373,646) and the number of total employees reached 7,000. The bank also has 2400 total shareholders and more than 710 branches all over the country. Bank of Abyssinia also has 10 Districts in Ethiopia as whole and 3 districts in Addis Ababa (Portal of BoA).

Since its establishment until now, Bank of Abyssinia has registered a significant growth in paid up capital and total asset by attracting many professional staff members, valuable shareholders and large customers from all walks of life. This allowed BoA to increase its capital a hundred-fold from Birr 50 Million to Birr 5.5 Billion (Portal of BoA).This makes BoA to get public confidence and reliability and satisfaction in its services.

1.2.1. Digital Banking of BOA

Due to strong demand for better service and products from all aspects on the one hand, and a groundbreaking development in ICT, on the other, the BOA replaced its previous IT system with the state-of- the art technology called Temenes-24. The bank provides ATM and POS services with Habesha card (Gold, Ameen & classic) and mobile banking. BOA also provides internet banking and other app based e-banking services. The recently introduced machine, which is called Interactive Teller Machine (ITM) is providing all banking service given by a branch. In addition, the bank opened virtual banking center to achieve its vision of becoming the leader bank in east Africa by 2030 though effectively implementing digitalization.

To achieve its vision BOA used digitalization as a mission through its Digital Department. The digital banking department of BOA is responsible to enhance operational excellence in the bank by delivering effective and efficient digital banking operation service for new and existing

customers through smooth and uninterrupted digital banking services. In addition to this, the department is also aims to ensure the provision of convenient and dependable card banking, online banking and agent banking products and services to enable the bank successful presence in all market segments. There are four sub departments under Digital banking such as Card banking, online banking, agent banking and digital banking operations. Hence, BoA's digital banking services are but not limited to: Agent Banking (Mobile Money), Online Banking, Mobile Banking, E-commerce (Online payment gateway), Card Banking, Virtual Banking Services (Portal of BoA).

The writer of this paper selected Bank of Abyssinia from all commercial banks in Ethiopia, because BoA will help to do address the digital leadership and performance issues. Though Awash Bank (the first private bank in Ethiopia for the last 2 or 3 years) or Dashen Bank (working using the motto "Always One Step Ahead!") or Commercial Bank of Ethiopian (the largest state-owned commercial bank in Ethiopia), BoA is a forefront comparing to other banks on implementing different and new digital banking services. The following are the reasons why Bank of Abyssinia is selected: 1) BoA is the first bank to introduce Interactive Teller Machine (ITM) or Virtual banking and E-Commerce in Ethiopia; 2) BoA is the first bank in Ethiopia to provide user friendly digital products and services in different time intervals for its customers – for e;g. a) card-less transaction – a new system which enable customers to withdraw without a need for their debit card; b) contactless transaction – by placing Visa branded Chip on the provided space on the ATMs; c) ATM Locators – by installing longitude & latitude with the pictures of the buildings, customers can easily get BoA's ATM/ITM. 3) BoA is the second private bank based on 2021 annual reports of Ethiopian banks but before 3 or 4 years this position was unthinkable; 3) BoA is the second bank next to Commercial Bank of Ethiopia that reach customers both physically or digitally. Taking everything together into consideration, BoA's Digital banking structure and list of BoA's digital banking services will help the writer of the study to look at the effect of digital leadership and its organizational performance.

1.3. Statement of the Problem

In recent years, digitalization has become one of the most important methods of mixing technology with a business that is being used by organizations around the world. Digital technologies are being used to switch the business models to gain a competitive advantage in the market, as well as add

more value to the organization and make the business processes more efficient (Katarina, Roman and Mariana, 2021). While digitalization has changed the ways in which every organization works, it has never alone changed an organization. What is helping an organization to achieve such a transition or shift is the vision and decision-making of its leaders that connect digitalization to an evolving need for the organization. Leaders with beliefs, values, passion, and mission play a critical role in determining the success of an organization (Noeme, 2019)

For organizations to survive in the new digital era by adapting and transforming business strategies, digital leadership is crucial. Digital leaders will help define the digital business strategy, resulting in high business performance in turn (Katarina, et al. 2021). Most organizations that compete globally have been transformed into digital companies (Berne-Martinez, Arnal-Pastor & & Llopis-Amorós, 2021). With the advances of recent digital technologies and the rise of threads in the digital space, traditional processes and business models are changing (Wesseling, Bidmon & Bohnsack, 2020).

As Richard (2008) in his book of Leadership Experience put it "in the digital transformation age everything is changing, and changing fast. In this age a learning leader has made the leap to giving up control in the traditional sense. Leaders emphasize relationships and networks, and they influence others through vision and values rather than power and control. They are constantly experimenting, learning, and changing, both in their personal and professional lives, and they encourage the development and growth of others" (Richard, 2008).

Traditional leadership approaches are limited in dealing with digital advances in the workplace. A new leadership style is required, that is a digital leader. Hence, without digital leaders who are experts in strategic thinking and using improvements in each digital technology wave to create new business opportunities that add value to their clients, this adaptation cannot be made. Scholars also argue that leadership plays a critical role in the introduction and adoption of digital change initiatives in organization (Kotter, 2011).

Industrial companies, various administrations, educational institutions, the financial sector, etc., are all undergoing digital changes, which have a noticeable impact on them. With recent changes in the global banking industry (especially during and after the pandemic-Covid-19), commercial banks faced an unprecedented year in 2020 - one that undermined how firms interacted with their corporate clients. According Center for Creative Leadership Magazine (2021) efforts and

investments to achieve digital transformation are not new, but 2020 has brought three to seven years of transformation in digitalization of customers and operations, and rapid introduction of digitally enabled products and ways of working in a matter of months. The pandemic has forced most people across the planet to embrace virtual and digital services in every aspect of their life.

As we might know, in particular, retail banks have been at the forefront of technological revolution, characterized by rapid deployment and innovation of digital services, exponential pace of change, and innovative breakthroughs that alter conventional banking practice (Krasonikolakis & Tsarbopoulos & Eng. T, 2020) Many existing financial service providers have already recognized the need for basic changes in their business model, and have started to rethink, or rather reform, their approaches (Mohan, 2015).This is the very reason that all banks in Ethiopia allocated a budget and announce their digital services by all medias to be competitive and profitable. Hence, for digital banking performance, digital leaders will prove to be assets who will help companies float through the volatile and turbulent digital markets.

In the twenty-first century, research about leadership has evolved rapidly (Salamzadeh, 2015). Research has shown how different types of leadership affect team performance through several electronic media in applied psychology and management fields (Raghuram, Hill, Gibbs & Maruping, 2018). Although theoretically demanding and growing in popularity in practice, research on digital leadership is still in its infancy (Gfrerer, Rademacher & Dobler, 2021). We couldn't find a single study on the topic - neither on the area of digital leadership nor on the relationship between digital leadership and performance in the Ethiopian Financial sector. The writer of this paper believe that digital leadership is going to be the topic of discussion in the coming years; this leadership style will be more important than ever to face the wave of digitalization

As a response to this lack of research related to leadership in the digital domain and because it is unknown how digital leaders affect business in practice, this study will be conducted to fill this gap. By considering the leaders' vision, learning, technical skills and proper management to become more important each day for running a successful and highly performing organization, this study will try to see the effect of digital leaders on the performance of their banks – the case of Bank of Abyssinia S.C. - in today's digital financial sector of the country.

1.4. Basic Research Questions

The study tries to look at the effect of digital leadership on organizational performance of Abyssinia Bank and it is expected to answer the following questions:

- what is the effect of visionary leadership on the performance of Abyssinia Bank?
- what is the effect of digital-age learning culture on the performance of Abyssinia Bank?
- what is the effect of professional excellence on the performance of Abyssinia Bank?
- what is the effect of systemic improvement on the performance of Abyssinia Bank?

1.5. Objectives of the Study

1.5.1. General Objective

The main objective of the study is to investigate the effect of digital leadership on organizational performance of the Bank of Abyssinia in Ethiopia.

1.5.2. Specific Objectives

The specific objectives of this study:

- to examine the effect of visionary leadership on Bank of Abyssinia performance in Ethiopia.
- to assess the effect of digital-age learning culture on Bank of Abyssinia performance in Ethiopian,
- to examine the effect of professional excellence on Bank of Abyssinia performance in Ethiopian,
- to assess the effect of systemic improvement on Bank of Abyssinia performance in Ethiopian,

1.6. Significance of the Study

This study investigates the effect of digital leadership on the organizational performance of Abyssinia Bank. The significance of this study will appear in different ways, first the concept of digital leadership is at infancy stage in general and especially in the banking industry in Ethiopian context. Second, prior studies on the effect of digital leadership on organizational performance in

the subject bank were not conducted; hence, the result of the study will create awareness to the management of the bank. Third, the result of this study that will be carried out in the coming two months could contribute to the field of organizational management in the banking sector and allow bank leaders to understand how digital leadership affects the overall performance the bank. Fourth, this study will aim to find out what are the leadership element and skills needed for the new digital era in the banking industry, And finally, this study will also enable to broaden the knowledge of the researcher about the subject matter and to trigger other study in the area and it will be used as an input for further research.

1.7. Scope of the Study

This study investigates the effect of digital leadership on the organizational performance of Abyssinia Bank. The study is more important if all branches, districts and head office organs of Abyssinia Bank will be included in the study. However, it is practically unattainable to conduct due to different constraints like – experience, money and time.

Geographical Scope - the study is limited to single organization known as Bank of Abyssinian S.C & only in Addis Ababa city.

Time Scope- the study is intended to cover views of current Management and staff members who are working at digital channels of the bank.

Conceptual Scope- the study is intended to examine the effect of digital leadership on organizational performance based on the four dimensions of digital leadership, i.e. leaders' vision, learning, technical skills and proper management.

Methodological Scope – Structured questionnaire was developed to assess all variables and used as the main research instrument for the study. A single point in time responses was analyzed and interpreted for the study. Limited sample size was used in this study because Bank of Abyssinia has large number of employees and branches.

Though the study is to assess the effect of digital leadership on organizational performance, performance is limited to Non-financial performance only. Because financial perspective study needs the respondents to have actual data at hand, so it is difficult to assess based on employee subjective response.

1.8. Limitation of the Study

The research sample population of this study has taken only from Addis Ababa. This possibly affects the generalization of the research findings to the entire Abyssinia Bank S.C. Another potential limitation regarding the number of banks in county, the study will not include other commercial banks working in Ethiopia.

1.9. Conceptual Detention of Terms

Digital Leadership is a mind-set, driven by an appointed individual, leading a culture shift to change the way the organization thinks about service delivery, supplier relations, and the customer experience. (Digital Leadership- The Ultimate Guide, 2022)

Organizational Performance is the organization's ability to attain its goals by using resources in an efficient and effective manner (Daft, 2000).

1.10. Organization of the Research

This study is organized into five chapters. Chapter One will be an Introductory part that contains background of the study, background of the organization, statement of the problem, basic research questions, objectives of the study, hypothesis, delimitation/scope of the study, limitation of the study, significance of the study, and organization of the study. Chapter Two will discuss the evolution of leadership theories, Leadership in the digital era, conceptualization of digital leadership and organizational performance, the effect of digital leadership on organizational performance, empirical literature review and research conceptual framework. Chapter Three will be Research Methodology that comprises introduction about research design & methodology, participants and sample, sources of data, research design, sampling design, sampling size determination and selection, data collection method and tools, measuring instruments and validity & reliability, data analysis method and interpretation. Chapter Four will contain data presentation and analysis, demographics of participants, Analysis of research questionnaire, interpret and discuss digital leadership assessment and organizational performance findings. Chapter Five will focus on summary of the research findings, conclusions, implications, limitations of the research and recommendations.

CHAPTER TWO

LITERATURE REVIEW

This part of the study tries to provide the most important concepts on effects of digital leadership on organization performance. It provides an insight into these concepts as well as their relationships by focusing on previous literatures relevant to this study. The theoretical literatures, the empirical literatures and the research conceptual framework will be discussed below.

2.1 Theoretical Literature Review

2.1.1 Evolution of Leadership Theories

Leadership as a term had evolved over the years. This term had drawn attention from many social scientists for over a century in both academic and popular world. They believe that leadership will drive the organization to have better performance (Rosete and Ciarrochi, 2005), impacting the economic growth of a nation (Olken and Jones, 2005), and even leadership practitioner such as Jason Walker said that leadership is the cure of all things. Burns (1978) noted that leadership is one of the most observed and least understood phenomena on earth. The world had known the term leader long before religion exists, but scientific research on leadership did not begin until the 20th century.

Numerous studies had been done in the quest to define leadership (Stogdil, 1974; Maxwell, 1998), organization implementation (Avolio, 2007), measurement of effectiveness (Rosete and Ciarrochi, 2005; Kerr and Jermier, 1978), gender issues (Kent, Blair, Rudd, and Schuele, 2006), leadership traits and behavior model (Mcgregor, 1960; Blake and Mouton, 1964; Maxwell, 2011), and yet scientist still asking the same question, what does it takes to be an effective leader? The debate continues to the premise of whether a leader was born or made has also affected the way we deal with the leadership concept.

Scientist differs in their definition of leadership because they select different phenomena and interpret it in a different way (Yukl, 2013). Therefore, it has likely led us to reach the conclusion that no leadership theory as a golden triumph and fits all situations. From the evolutionist's scholar perspective, leadership and followership arose in humans and other species in order to survive

(Vugt and Ajuha, 2011). Yammarino and Andserau (2011) also noted that human and social behavior is determined with the interconnections between heritable psychological mechanism and environmental cues.

In observing the historical development of leadership thought King (1990) mainly include the following eras: ❶ the temperament era - individuals with sturdy personalities are seemingly to become leaders, ❷ the influence era- the leader might not be ready to attain nice results while not the assistance of followers. The leader, regardless of the leadership dispensation, can perpetually need the cooperation of followers. ❸ the behavior era - took a completely new direction by swing additional stress on what leaders do than the leader's supply of power and temperament traits. during this era, leadership was outlined as a set of human behavior; ❹ the situational era created important progress in promoting leadership theory by considering the factors on the far side the leader and subordinate i.e the social station of the leader and his subordinates; ❺ the contingency era - shaped a serious advancement within the evolution of leadership thought. The contingency era found effective leadership to embrace factors like temperament, behavior, state of affairs and influence and not one variable; ❻ the transaction era - addressed the influence between the leader and subordinate through the reciprocal influence between the subordinate and therefore the leader; ❼the anti-leadership era- tested the aforesaid theories that are explained up to now; however, departed from all the views control by the assorted theorists. In this era subordinates didn't see the connection of the leader and so; ❽ the culture era- the main target of leadership here was one among making a culture that becomes the pivot for increasing structure performance, effectiveness and potency; ❾ the transformational era - the most recent and most promising in the evolutionary development of leadership theories. Bass (1990), suggested that in this ear leaders must be proactive rather than reactive in their thinking; radical rather than conservative; more innovative and creative; and more open to new ideas.

Agboola & Benmira (2021) presented the historical evolution of leadership theory, which includes four main eras: trait, behavioral, situational and new leadership (Table 1). Their study focus was initially on natural born leaders and identifying the traits of the effective leader. Behavioral leadership then followed and focused on the actions of a leader. The situational and contingent theories in turn assert that the best leadership style is the one that best fits a given context. These traditional leadership theories offered part of the answer to the leadership puzzle but none had all

the answer. These were then followed by the new leadership theories, which are inclusive of additional factors, generally adopt a more systemic approach to leadership and take into account the multifaceted and complex nature of our modern world and the importance of followership in effective leadership.

Era	Period	Theory	Description
Trait	1840s 1930s–1940s	Great Man Trait	Focus on natural born leaders Focus on identifying traits and characteristics of effective leaders
Behavioural	1940s–1950s	Behavioural	Focus on the actions and skills of leaders
Situational	1960s	Contingent and Situational	Focus on leaders adapting their style taking into account the environment
New leadership	1990s 1990s 2000s 2000s 2000s	Transactional Transformational Shared Collaborative Collective Servant Inclusive Complexity	Focus on leadership as a cost–benefit exchange Focus on an inspirational style pushing followers to higher and higher levels of achievement Focus on followers leading each other Focus on engaging followers. Person-centred style Focus on the whole system of an organisation

Table 1.1: Eras in leadership Source: Agboola & Benmira (2021).

Besides the above eras, in other words, in order to survive from environmental and social changes, leadership had to evolve throughout history. Leadership concept is not operating in an empty room. Changes of the people and organizations within which leadership operates change also the leadership concept. These changes occur even though the evolutionary process of leadership concept is not in a rigid sequence, but simultaneously risen and subsided in a short-term period (David, Van & Richard, 1990). The change of the leadership concept goes to the fore, especially in the face of changing global situation in an exponential speed within the last decades. The rapid development of technology, especially information technology, has caused an immediate effect in society and change the way they live. It is not the first time this significant change in society happens.

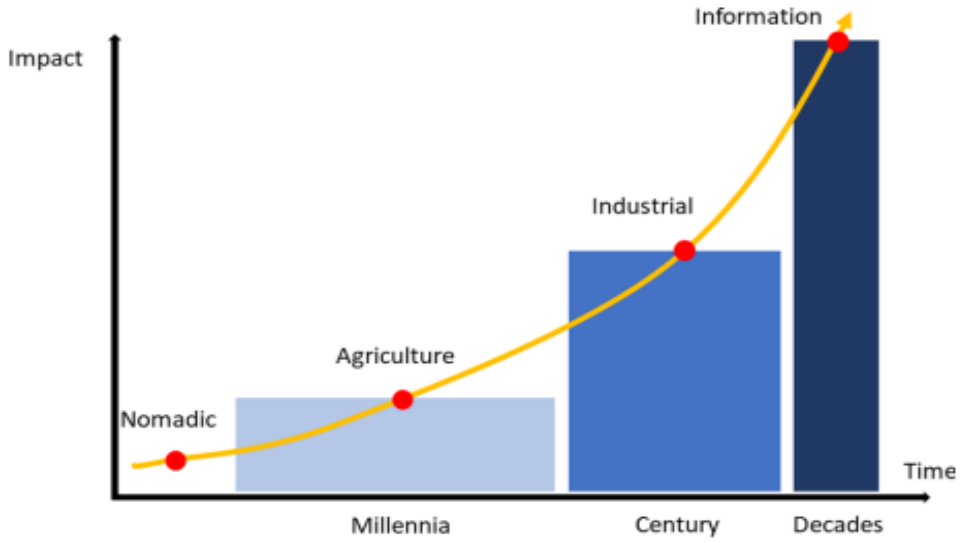

Figure 1. Toffler's Third Wave Model

Figure 1.1 : Toffler's Third Wave Model Source: Processed by the author (2019)

In the study of Nur, Arya, Sumardjo and Lukman (2019) Alvin Toffler's prediction of future social changes called "third wave" was successfully explained and processed by the authors. At this work, as we can see in the figure 1, society divided into four groups with three evolutionary changes wave. The rise and the rapid development of information technology have made Toffler to predict the coming of the new age, the information age. This information era has changes society faster than in any other era before it. Innovation is born at an amazing speed because there has been a shifting in the form of the information form physical (e.g. newspaper, brochure.) into the digital or digitalization process. The information is now reduced to bits stored in a computer and instantly sends through the network (Tapscott, 1995). Hence the new digital economy was born and growing by the support of the development of information technology. Digitalization has changed human behavior and how they interact with each other in society. According to the Digital 2022 Global Overview report, the latest data shows that 67.1 percent (5.31 Billion) of the world population are unique mobile phone users; 62.5 percent (4.95 Billion) of the world population is now connected to the internet, and 58.4 percent (4.62 Billion) of the world population are active social media users. According to this report people spend almost seven hours per day (i.e 6 Hours & 58 Minutes) on the internet, which means they use half of their productive time living in the digital society. The analysis on the report clearly indicates that internet users are more than doubled over the past ten years, climbing from 2.18 Billion at the start of year 2012 to 4.95 Billion at the

start of year 2022. These internet usage growth and data are the reason why companies are transforming themselves into digital. The Internet has provided infinite possibilities in ways to create business and doing business. As society transforms into digital, so as the way of people doing business. While the need for change is digitally driven, it can only be achieved through people. The role of leaders is therefore pivotal. To this end, organizations to survive in the new digital era by adapting and transforming business strategies, digital leadership is crucial.

2.1.2 Leadership in the Digital Era

Leaders play a vital role to capitalize the value of digitalization by retaining talent, engaging, and nurturing employees on the digital culture (Harvard Business Review, 2017). Leaders also need to be held accountable also for addressing new ethical concerns arising from the dark side of digital transformation such as unethical use of data. (Cortellazzo, Bruni & Zampieri, 2019).

2.1.2.1 Leadership and Digitalization

In various studies of the effects and the use of digital technologies, we meet with the terms digitization & digitalization and digital transformation. Digitization and digitalization are visually similar terms that are closely associated and often used interchangeably (Owens & Padilla (2020). According to Gartner's Glossary, digitization is the process of the conversion of analog data to the digital form of zeroes and ones. Digitization requires an analog process and turns it into a digital form without any other kind of changes to the process itself Gartner (2022). The shift from analog electronic technology to digital technology is the driving force of today's digital revolution. As market-watch reported in April 25, 2022, analog to digital converters market size is expected to grow from 2748.9 million USD. In 2020, to reach 4525.9 Million USD by 2026. The sudden outbreak of Covid-19 has its own effect on the growth of conversion as the report stated. These figures indicate that the world is only moving toward more and more digitization, and necessity is always the mother of invention. According to these facts, we can say that the data that are a part of business processes are often processed through advanced digital technologies. This leads to fundamental changes in business processes (Owens & Padilla (2020). For these changes, we use the term digitalization.

As digitalization impacts nearly every business operation in today's businesses (El Sawy, Kraemmergaard, Amsinck, & Vinther, 2016) the question arises as to whether and how digitalization can be achieved. Digitalization is the hottest topic that is been discussed across industries and organizations. Growth affects the manner in which executives are leading and communicating with employees. For example, that the use of emerging technology in organizations affects the skills needed, behavioral preferences, and self-awareness of the workforce, as well as the way in which work is performed and organized (Colbert, Yee, & George, 2016). Besides, digital technologies allow employees for new ways to connect and engage with one another (Phelps, 2014) and build new job possibilities, while at the same time changing traditional practices considerably, or even making them redundant (Hunt, 2015).

As Deloitte puts it "It's coming to all of us. Sooner or later. It might come from deep within the organization, emerging through disparate teams, processes or business units. It might be forced from the outside through market disruption from challenger start-ups or innovative competitors in the market" digitalization is a must but organizations progress through on their journey from 'doing' digital to 'being' digital. The question is what sort of leaders do we need to drive this evolution? Hence, the issue strikes at the core of leadership. Leader is a role figure who ensures digital maturity of an organization with a digital vision and strategy (Sainger, 2018). The rapid changes associated with digital disruption can be disorienting and thus organizations require strong leaders at the helm (Kane, Phillips, Copulsky, & Andrus, 2019).

2.1.2.2. Leading Digital Change

Now diving in to the scarce intersection between leadership studies and digitalization, as described above in 2.2.1, digital transformation involves the reshaping of the very context and structure of organizations (Rogers, 2016). This has strong implications on leadership practice and theory in regards to leader's abilities, capabilities and how they implement this change (Korhonen, 2015).

Digital transformation emphasizes the rearrangements of the organizational structure in the context of digital change (Rogers, 2016). This digital change has a strong impact on leadership practice and theory in relation to the abilities as well as the capabilities occupies by the leader and also with the fact that how they tackle this change in a moderate way (Korhonen, 2015). To understand this

digital change two important sections are identified to pave the age of digital transformation are as follows; (1) Capabilities of the leadership (2) How they deal and implement with digital change. Now, these two areas are explained one by one under the findings of Westerman (2014). Leadership capabilities necessary for success is described as the ability to (a) create a transformative digital vision, (b) energize employees by engagement, (c) focus on the digital governance and (d) building technological leadership (Westerman et al., 2014). The first two are rather self-explanatory in the sense that they are previously acknowledged leadership practices (Kotter, 1996). Digital governance however is the process of steering a company's digital activities towards the strategic vision, while building technological leadership entails the enabling and merging of IT leaders with the present business conduct (Westerman, 2014).

Currently, we are noticing how digital technologies have been widely integrated in different sectors and within every dimension of human life. The digitization, digitalization and digital transformation through digital technologies can potentially change almost every aspect of our modern society. Digital technologies are transforming dimensions and sectors such as communication, education, work, politics, culture, administration, businesses and science. These transformations result in fundamental changes to how services are delivered, businesses are operated and how values are delivered to customers. Institutions, companies and organizations have already faced with huge technological transformation and are even expecting more challenges in the near future (Petry, 2018).

Westerman et al. (2014) in "Leading Digital" concludes that digital masters – companies with significantly higher drivers of performance and productivity, are rare. Most companies fail to become digital masters, and those who succeed do so by their ability to lead this digital transformation and change (Rogers, 2016; Westerman et al., 2014).

2.1.2.3. Leadership Challenge in the Digital Age

As we observed due to digitalization, leadership practices will face challenges in the future, because geographical and physical presence will be less important. Everything will be on virtual platforms including sharing, learning, and communicating. Workplaces will be more mobile, flexible, adaptable, multilingual, and culturally sensitive (Tshabangu, 2015). Yet there are practices and skills which are difficult or cannot be computerized: perception and manipulation

(physical flexibility, dexterity, and balance); creative intelligence (artistic ability, originality); and social intelligence (persuasion, negotiation, caregiving) (Clerkin, 2015).

Organizations need to invest early in digital technologies, and this involves organization-wide changes that pose significant challenges and uncertainties to business leaders. Digital transformation requires an organization to set clear ambitious goals have a digital vision and need capable leaders with innovative thinking and deep knowledge of the external market to drive the transformation and gain competitive advantage in the digital era (Bongiorno, Rizzo & Vaia, 2018). Digital transformation is challenging for organizations as they have to try to strike a balance in four main areas; building innovation capabilities along with existing product innovation, process and product innovations, collaboration between employees and external partners, and redesigning flexible and manageable governance structures (Svahn, Mathiassen, & Lindgren, 2017).

With regard to organizational challenges, key issues that arise include managing inter-generational teams (Gratton, 2016), ensuring the adequate use of modern technologies, and establishing suitable boundaries between work and non-work contexts (Tarafdar, 2016).

Technically apt executives have to reconcile employees with different degrees of technological aptitude, thereby focusing on those who tend to oppose the adaptation of new technology or lack knowledge (Dimitrov, 2018). When managing digitalization-induced change processes, executives have to strive for a balance between the old and the new and bring all of their employees on board (Colbert et al., 2016).

Through the extensive use of mobile devices and email, executives and employees alike may experience work content encroaching on their personal life and, thereby, have heightened levels of stress (Schwarzmuller, Brosi, Duman & Welpe, 2018). This can be further aggravated for executives, as they encounter large amounts of information to sift through and must deal with an increasingly diverse range of topics (Schwarzmüller et al., 2018). Moreover, due to a business environment which is developing fast as a result of digitalisation, people's workloads are increasing and tasks must be fulfilled swiftly; the accelerating pace that accompanies digitalisation is a recurring theme in contemporary literature (Gordon & Martin, 2019 & Schwarzmüller et al., 2018). For example, Kane, Phillips, Copulsky & Andrus (2019) identify the speed of change as the single most defining characteristic of the digital business environment. The fast-paced digital

era requires executives to make quick decisions that cannot be entirely habitual but need to include some element of innovation (Pulley & Sessa, 2001).

Closely related to this is the need for personnel development. Digitalization calls for employees with a digital skill set, and it is the executive's task to promote this (Kohnke, 2017). Identifying the skills needed and spreading them within the workforce through adequate personnel development is a major new challenge for executives. In addition, digitalization exposes contemporary organizations to new risks, which executives have to cope with. In this context, IT security has been identified as a particularly pressing challenge for leaders (Kappelman, McLean, Luftman, & Johnson, 2013).

2.1.2.4. Traditional Leadership Vs. Leadership in the Digital Age

How does Leading in the digital age differ from traditional leadership? To answer these questions, we must first understand what digital leadership solves. Leadership in the digital change stands for everything that a lot of organizations currently lack: "innovative spirit, value orientation, potential for disruption and contradiction, flexibility in the matter at hand, but also steadfastness in essence, a high level of social competence and a great deal of courage" Teichmann and Huning (2018). This requires a leader with quick and right decision making who can influence other people's actions to induce desired and effective performance (De Waal, Outvorst & Ravesteyn,(2016). The decision making, faster design and delivery of these digital services require agility within the information technology under the co-leadership of IT executives i.e. digital leader (Tanniru, 2018), with the central role in driving fast decision-making process and propelling the change (Li, Liu, Belitski, Ghobadian & O'Regan, 2016).

Whereas In traditional theories of leadership, the leader is viewed as the source of leadership, and how it is transmitted and measured is based on the styles or behaviors of that leader (Hernandez, Eberly, Avolio & Johnson, 2011). According to Michael & Tonny (2018), traditional leadership proven leadership concepts that have been studied and written about in the leadership literature for many years. The four dimensions of traditional leadership are intellectual stimulation, idealized influence, inspirational motivation, and individualized consideration (Bass & Avolio, 1994).

Unlike the traditional leader technology will enable the digital leader to understand complex flows of interactions and activities in agile networks of teams connects the digital leader and their

followers (Micheal et el, 2018). In this way, the digital leader will exemplify traditional leadership concepts while embracing new trends to influence their peers and drive performance outcomes.

2.1.2.5. E-Leadership vs. Digital Leadership

Whilst the term e-leadership (leadership through digital tools) started to become popular from the early 2000s, the term 'digital leadership' is a relatively recent one in the domain investigating the relationship between leadership and new technology at work (Torre & Sarti, 2020). Analyzing different digital technology leadership studies viewed digital leadership and e-leadership in the following three aspects.

❶ the relation between e-leadership and digital leadership is unclear in the current literature state. Avolio, Kahai, and Dodge (2018) define e-leadership as "a social influence process mediated by advanced information technologies (AIT) to produce a change in attitudes, feelings, thinking, behavior and/or performance of individuals, groups, and/or organizations". Therefore, e-leadership will not change the fundamentals of business but the execution of business as supported by technology (DasGupta, 2011). Klus & Muller (2018), meanwhile, use E-leadership and digital leadership as synonyms.

❷the analyzed literature provides abstract definitions of digital leadership (El Sawy, Kraemmergaard, Amsinck, & Vinther, 2016) that impede the differentiation between e-leadership and digital leadership. For example, Meffert & Swaminathan (2018)] define digital leadership as an approach suitable for the digital age, which is similar to (El Sawy, et al, 2018) who understands "doing the right things for the strategic success of digitalization for the enterprise and its business ecosystem" as digital leadership.

❸finding speaks against using e-leadership and digital leadership as synonyms, as digital leadership is more extensive than e-leadership. While E-leadership uses technology to support existing business (DasGupta, 2011), digital leadership is an instrument to achieve the target of digitally enabled business models (Oberer & Erkollar, 2018)], digital organization (Kane, Nguyen, Copulsky & Andrus 2019) and employee management. To influence these dimensions, DL adjusts different determinants in the company (El Sawy, et al, 2018).

2.1.3. Conceptualizing Digital Leadership

According to Robini Thoughlab (2022) in its project work of 'the race to digital leadership' 99% of the organizations are in the process of digital transformation including universal and retail banks, alternative investment and asset management firms, private banks and investment advisors, and broker dealers and institutional investors. It is also true across geographic regions and institution sizes. Though these institutions are doing so at different speeds the works of James (2019) put his words in his book of Evolving Digital leadership said 'disruption, innovation, turbulence, change, and competition are words that define our world today. If you aren't aware of this already, you're in trouble! If you are, then you have likely been looking at how best to respond to these changes'. In the digital age, leadership needs new attitudes, new skills, and new knowledge that respond to social changes and are acquired through unique professional experiences (Wilson III, 2004).

Some scholars defined digital leadership as a process of a societal influence at which the changes are brought in terms of attitudes, feelings, thoughts, behavior and organization, backed by information technology (Antonakis, Avolio and Sivasubramaniam, 2003). The concept of digital leadership refers to leaders who primarily use technological intervention in their leadership work. Today, business leaders reflect a competitive degree of global focus, versatility, and one or more styles of approaches to leadership (Pisano, 2015).

Sow & Aborbie (2018) have described digital Leadership as exertion of influence for adopting strategies for demonstrated digital transformation processes and Mihardjo & Sasmoko (2019) have noted that digital Leadership is a combination between digital culture and digital competence. The study of digital leadership can be considered as part of the study about leadership based upon the upper echelon theory where organization output can be predicted by manager characters (Hambrick & Mason, 1984).

Due to the nature of digital where the information can be assessed globally, real time, transparent, hence the leadership in digital era have following characteristics: creative, deep knowledge, strong network and collaboration, loyal participation via vision (Toduk & Gande 2016). Another study, Zhu (2015) found similar characteristic of digital leadership consists of five style as follow creative thinkers, global visionary and willing to collaborate, inquisitive leader and profound leader.

In the context of leadership, digital leadership refers to core competence in communication, content, and computing as a contribution toward a knowledge society (Goethals, Sorenson & MacGregor Burns, 2002). The nature of digital leadership is dynamic and central to driving digital transformation (Oberer & Erkollar, 2018), integrating culture and competence in optimizing digital technology to create value (Mihardjo & Rukmana, 2018). The characteristics of leadership in the digital age comprise (Toduk & Gande, 2016): entrepreneurship related to creativity and innovation, digital skills to make a competitive difference with technology and strengthen the personal value of knowledge, implementing digital technology to create strong domestic and global networks and enable collaboration, and inspiring loyal participation in an overall vision.

Technology has forever altered the way we do things, and the pace of change is only accelerating. What was hot last year or even last month may be of little interest today. Since the digital leadership is the critical part to drive the transformation toward digital capability firms of any organizations (Oberer & Erkollar, 2018), we need to look literatures on educational leaders that keep up with the daily onslaught of information.

In the study of Kofler (2018) digital leaders are expected to act as enabling creativity through diversity, experimenting, letting employees thinking, talent recruitment and management, coaching and fault tolerance. According to Bolte,Dehmer & Niemann (2018) the qualities needed by leaders in the digital age are carrying out intense communication between the management and employees, having knowledge about the importance of change initiated by digitalization, implementing adequate company culture, coaching openness and transparency, building trust and freedom within the workplace regarding time, place and content of work, focusing on employees growth and wellbeing, living in an error culture to enable innovation. Another study by Larjovuori,Bordi & Heikkila-Tammi (2018) found almost similar aspects of digital leadership: strategic vision and action, leading cultural change, enabling networks (coaching, motivating and inspiring employees and promoting participation), leading networks/systems (customer orientation and collaboration and partnership).

Robini Thoughlab (2022) examined and showed the common characteristics of digital leaders. In their research, in order to create values to their firms' digital leaders excel in seven key areas: in a digital vision and business case; in cogent digital transformation plan; in culture of innovation; in customer-centric mind-set; in agile product development process; in early adoption of advanced technology & in digital team to drive change.

Jordan (2012) defined competencies as a mix of experience, skillsets & capabilities that is needed by certain job requirement, and which when acquired, enable the leader to carry out a job or assignment to the highest level of proficiency and effectiveness (Tajpour & Salamzadeh, 2019). Competencies can be viewed in personal and professional aspects. Van Wert (2004) and Dole, Hurch & Liebst (2005) concur that skillset, character, and principle that is the basis of the work are group under personal aspects sides; while the professional aspect is on the way in which we apply the knowledge to work in an organizational setting.Hence, in this study, considering the personal and professional aspect and based on the above generally outlined capabilities expected from digital leaders we use the following dimensions of digital leadership as the independent variables of the study: Excellence in Professional Practice, Visionary Leadership, Digital-age Learning Culture & Systemic Improvement

2.1.4 Conceptualizing Organizational Performance

The concept of performance, which can be considered the degree to which organizations reach success, can be briefly defined as the contributions made to the objectives of the organization (Bass, 1985). Performance is a widely used concept in the socio-economic field. Bank performance is considered as the level of success that banks achieve in allocating input resources to optimize output, reflecting the level of use of resources (human, resources, material resources, capital) to achieve defined goals (Shakeel, Majeed, Eleftherios and Yannis, 2021). Organizational performance is the 'transformation of inputs into outputs by achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness)' (Chen, 2002, as cited in Karamat, 2013). Daft and Marcic (2009) define organizational performance as the measure of when and how an organization determines its own objectives. The way an organization performs to reach these objectives is a determinant of the important role of managers in their display of leadership behaviors (Bass, 1985).

2.1.4.1 Measurement of Organizational Performance

According to Moullin (2003) defined performance measurement as the evaluation of how well organizations are managed and the value they deliver for customers and stakeholders. He argued

that his definition clearly shows the purpose of performance measurement and emphasizes both the value the organization gives to its stakeholders and the way the organization is managed. Amaratunga and Baldry (2002) provided a more specific definition of performance measurement; "Measurement provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, helps to identify areas of strengths and weaknesses, and decides on future initiatives, with the goal of improving organizational performance".

There was also inconsistent measurement of organizational performance- although most researchers (Kotter & Heskett, 1992) measured organizational performance by using quantitative data like return on investments, return on sales and so forth. The definition of performance has included both efficiency-related measures, which relate to the input/output relationship, and effectiveness related measures, which deal with issues like business growth and employee satisfaction.

Juliana (2007) posited that high performing firms generate both firm based benefits and society benefits. Therefore an accurate measure of performance could generate insights into what affects performance and the subsequent actions which could facilitate meeting stakeholder expectations. Behn (2003) posited that performance measures serve different purposes in an organization. He observed that performance enables managers to evaluate, control, budget, motivate, promote, celebrate, learn and improve different aspects in an organization.

When it comes to measuring the performance of financial institutions, Jacob & Bos (2008) suggested in his study that the efficiency of financial institutions, the quality of their products and the reliability of them in terms of solvency and of whether customers can be sure to get their money back are what the customers are mainly interested in.

Recently, there has been a drift from financial measures to incorporate non-financial indicators such as market, business processes, and learning and growth perspectives. Chakravarthy (1986) cited in (Julian 2007) posited that performance is a multidimensional construct and observed that any single index may not provide a comprehensive understanding of the performance relative to different constructs. Further, Kaplan and Norton (2008) emphasized on the comprehensive performance measurement systems comprising of both financial and non-financial measures through the balanced score card.

A variety of performance measurement frameworks from a variety of origins have evolved over time to measure business performance. Lisiecka and Czyż-Gwiazda (2013) analysed the literature and presented among others the models developed for a large number of organisations. Some of the models have gone through some empirical testing while the others have gone through theoretical development. The BSC performance models that link leadership, employees, customers and financial results.

2.1.4.2 BSC & Organizational Performance

The concept of BSC was introduced following the deficits of financial measures to evaluate the performance of a firm. Kaplan & Norton (1992 and 1996) popularized the BSC as a combination of non-financial and financial measures of performance and on the belief that it brings all the strategic objectives of management into a single and comprehensive performance model. The concepts contained in the BSC framework (see figure 2.2) to develop performance measurement.

The framework identifies the four related critical performance measurement areas necessary for the development of a comprehensive performance model: (1) learning and growth perspective, (2) internal process areas, (3) customer perspective, and (4) financial perspective where management should ensure the vision and strategy of the firm are in congruence.

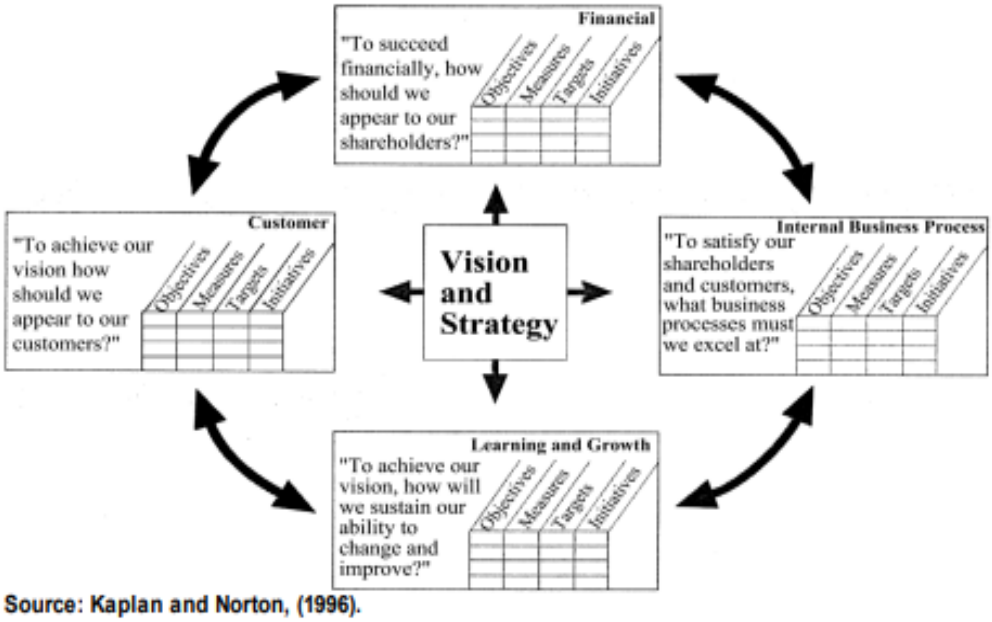

Figure: 2.1. the Structure of the Balanced Score Card

As shown in Figure 2.2 above, each of the perspectives consists of relevant goals, indicators and measures to achieve. Advocates of the BSC such as Cravens (2000) commend that this approach provides a powerful means for translating a firm's vision and strategy into a tool that effectively communicates strategy and motivates performance against established strategic goals. According to Kaplan et.el (2008) a firm has, therefore, to define its strategic vision and translate it into a strategy map. A strategy map envisions and communicates a strategy through cause-and effect relationships. Each of the perspectives is discussed below.

Financial Perspective

The financial measurement of performance is the traditional and most commonly used tool as a measure of an organization's performance. Financial measures are typically focused on profitability, market value of the firm, return on assets, investment and equity, liquidity and various other ratios.

Customer Perspective

This perspective will aid the company in addressing the important concerns of the customers and build continued patronage. Hence, to put the balanced scorecard to work, core measures ought to include overall indicators such as customer satisfaction, customer complaints, production of new products, retention of customer, customer profitability, on-time delivery etc. This can be summarized under clearly defining goals for time, quality, performance and service and converting these goals into specific measures. In view of all this, organizations must yet still remain sensitive to the cost of their products.

Internal Business Perspective

This perspective aims at the identification and improvement of critical internal business processes that yield a competitive edge and result in greater customer satisfaction. The internal business perspective is based on the assumption that to satisfy customers and earn a financial return, the organization must be efficient and effective at what it does. Thus, this perspective's measurements are typically based on the objective of producing products and providing services that meet customer satisfaction efficiently and effectively.

Innovation and Learning Perspective

Innovation has become a key factor in the knowledge economy. This innovation and learning perspective can be measured in a variety of ways, these may include; the speed of transactions, IT usage, training and development, new product and services development and strategic alliance and partnership. An organizations ability to innovate and learn, improves its operating efficiency causing the organization to grow and thereby increase shareholder value.

2.1.4.3 RBV and Organizational Performances

The resource-based view (RBV), or resource-based theory, is a classical and influential theory in the field of information systems. The theory, derived from Edith Penrose's (1959) theory of firm growth, was introduced by Wernerfelt (1984) and popularized by Barney (1991), the Resource-based view (RBV) has emerged to be a dominant framework in the study of determinants of inter-firm performance differences. (Liu, 2010).

The supporters of this view argue that organizations should look inside the company to find the sources of competitive advantage instead of looking externally at the competitive environment for it. According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity. In the RBV model, resources are given the major role in helping companies to achieve higher organizational performance.

According to this theory, organizations are consisting of a variety of resources generally including four categories physical capital, financial capital, human capital, and corporate capital. The availability of resources held by firms can contribute and determine their level of performance in the organization.

Resource-Based View (RBV) theory is popular in information system-related research related to performance. Research also shows that RBV is affecting resources and performance (Wade & Hulland, 2004). Digital leadership is part of the IS research area, and hence, it is suitable to apply RBV theory in this study. RBV theory refers to a firm that groups all the resources in order to allow it to grab the market opportunities so that it can improve that firm's performance (Penrose,

1959). Resources are the basic elements in a firm's processes (Grant, 1991), and the availability of resources in an organization will allow a particular firm to sustain itself in that industry.

2.1.5 The effect of Digital Leadership on Organizational Performance

As it has been stated on the above section of Theoretical Literature Review, digital leadership is created by combining the leadership skill and the digital capability to optimize the benefit of digital technology in order to increase the organization performance. Organizations that have digital leaders strive to develop new digital capabilities and are making significant changes to their strategy-making process and organizational culture (Della Corte, Del Gaudio, & Sepe, 2019).
The successful coping with digital transformation depends first and foremost on motivated employees and good leadership. Digital change needs digital leaders, which bring together technology and people in a meaningful way. Digital leadership was measured as indicated by the previous literature through a set of dimensions that can be classified in different directions by different scholars. However, for this study we have proposed a four dimensional model for measuring digital leadership, which consists of visionary leadership, digital-age learning culture, excellence in professional development & systemic improvement.

All organizations are under an obligation to their stakeholders to perform well. To do this they depend on the quality, dedication, enthusiasm, expertise and skill of the people working in them at all levels.

According to the resource-based model, differences in the firm's performance across time are due primarily to their unique resources and capabilities rather than the industry structural characteristics.

Performance is the output of a list of activities in an organization (El Talla et al., 2018). It is a result of investing various resources in an organization to meet the goals and maintain performance. According to Daft (2000), organizational performance is the organization's ability to attain its goals by using resources in an efficient and effective manner. Quite similar to Daft (2000), Richardo (2001) defined organizational performance as the ability of the organization to achieve its goals and objectives. According to the resource-based model, differences in the firm's performance across time are due primarily to their unique resources and capabilities rather than the industry structural characteristics.

Supported by resource based view theory and the stated digital leadership dimensions on this theoretical literature the study will examine the roles of visionary leadership, digital-age learning culture, professional excellence and systemic improvement influencing the performance of the one of the financial institutions in the bank industry in Ethiopia - Bank of Abyssinia.

2.2 Empirical Literature Review

Digital leadership research is still at the infancy stage. According to Julia & Paul (2021) digital leadership is at an early research stage. At the end of their research the writers of the study in reviewing related literature on digital leadership suggested as their conclusion and limitation of their study though digital leadership is important in practice, it is at an early research stage and it requires further investigations by different scholars of leadership.

However, as we might observed the last two years due to required social distancing to avoid the distribution of the Corona virus disease 2019, companies have enabled employees to work from home and adjust their business models to the resultant new demands. Automotive companies started to produce medical components, authority visits were digitalized, schools initiated remote education, and doctors offered virtual consultation hours.

Despite the high relevance of digital leadership in practitioner outlets, the year 2020 has turned out to be an unplanned milestone in the progress of its definition and development (Julia & Paul, 2021). Step by step the journey to finding different definitions and determinants of digital leadership led us to understand through a review its development and developing new leadership competencies. Most companies are now evaluating and planning the adoption of digital leadership as a leadership approach aiming at supporting the realization of digitally enabled business models by changing the behavior of leaders, organizational structures and employee management (Oberer & Erkollar 2018). As a result different scholars, for instance. Prince (2018), and Klus & Muller (2018) analyzed single determinants of digital leadership in their studies.

Petry (2018) highlighted in his study that digital leadership is the new leadership in the dynamic digital era. To be a digital leader means to have a futurist entrepreneurial mentality (Sikora, 2017On the other hand the digital leader should know that innovation is learnable (Oberer & Erkollar, 2018), so it creates room for innovations and an innovation-oriented culture in the company. Noeme (2019) also stated that visionary leaders are more open to new information and

persist in putting in innovation elements with the aid of technology. This helps those who are weak in digital-age learning and may lead to professional excellence. With this, leaders may improve the systems more systematically.

Nevertheless, reliable scales or empirical tests of digital leadership are virtually nonexistent, according to European Commission, Horizon (2020), based on the grant agreement from September, 2020 up to August 31, 2022 in their project of new leadership style in their digital age wishes to systematize knowledge on leadership as a regulator of technological job characteristics in the workplace; construct and test a digital leadership inventory to measure digital leadership in organizations and translate this knowledge to the public and professional sphere. The term digital leadership is becoming more prevalent in scholarly journals over time (Kokot, Kokotec and Calopa, 2021). In this context, while expanding the literature on the developing concept of digital leadership, it is anticipated that the study will contribute significantly to the adoption of digital leadership practices with a view toward digital transformation by reviewing managers' current leadership practices in order to improve managerial effectiveness in practice.

2.3 Conceptual Framework

The conceptual framework is developed after review of different literatures and empirical studies to gain insights and background information. The theoretical model is adopted from a set of digital leadership characteristics and dimensions where it includes four dimensions: visionary leadership, digital-age learning culture, excellence in professional practice & systemic improvement. Since the technology leaders in International Society for Technology in Education usage and practice fits with the study area of interest about the leaders' vision, learning, technical skills and proper management ISTE(2022), conceptual framework was created for the study of the effect of digital leadership on organizational performance of Abyssinia Bank.

The organizational performance which is the dependent variable in this study and digital leadership (visionary leadership, digital-age learning culture, excellence in professional practice & systemic improvement) which are the independent variables. A conceptual framework has been constructed to show the link between the dependent and the independent variables:

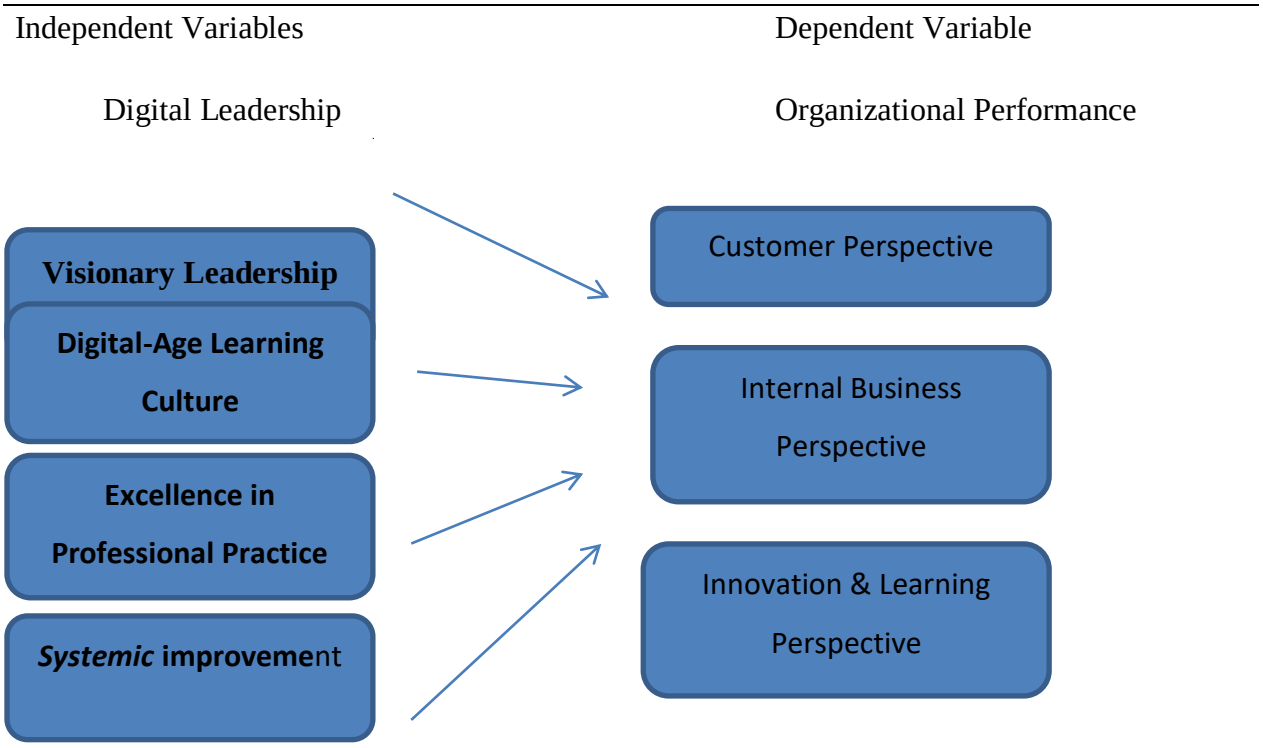

Figure 2.3: Conceptual Framework Source: ISTE (2022)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The methodology focuses on research approach, research design, variables, target population, sampling technique, sample size, data collection instrument, method of data collection and data analysis and presentation tools to report the study results.

3.2. Research Design & Approach

The research approach will be a quantitative analysis that will be undertaken by conducting a survey amongst leaders in the Bank of Abyssinia on the City of Addis Ababa to ascertain the effect of digital leadership on the organization performance. The independent variables are: Visionary Leadership, Digital-Age Learning culture, Excellence in Professional Practice and Systemic Improvement and the dependent variable was organizational Performance. This project's research design consists of four fundamental steps:

i. selecting the possible sample size from the available population
ii. Selecting the appropriate questionnaire
iii. Interpretation and
iv. Analysis

3.3 Research Area

This study was conducted to assess the effect of digital leadership on the organization performance in bank of Abyssinia S.C. The organization has numerous branches and is located in different cities. Therefore, it was difficult to collect data in all branches. The study was more of focused in some of Addis Ababa branches and three departments at Head Office.

3.4 Types and sources of data

This study employs both primary and secondary data sources for the study

3.4.1 Primary Source The primary data will be collected through questionnaires by setting self-administered question in person. Questionnaires will be administered to all concerned managerial staff operating the digital banking service.

3.4.2 Secondary Source

Secondary data will be gathered from various documents, brushers, annual reports, directives, and various books written on issues related to the topic.

3.5. Population and Sampling Procedure

3.5.1 Population of the Study

According to Ngechu (2004) cited in International Journal of Social Science and Entrepreneurship (2014), a population is a well-defined set of people, services, elements, events, and group of things that are being investigated .The study was conducted in Bank of Abyssinia S.C. To get relevant information about the effect of digital leadership on organizational performances collected from BoA Managers and Senior staff in Addis Ababa. The target populations of this study were consisted of 258 managers and senior officers.

3.5.2. Sample Size

It is difficult to consider the whole population as a source of information for a stud.

For this study, the simplified sample size determination formula of Yamane (1967) will be used. The formula is given by $n = N/\mathbf{1}+ (\boldsymbol{e})$, where:

N = total number of leaders who are directly managing the digital banking services of the bank at Head office and in the branches working in the city of Addis Ababa

n = sample size of the study

e = the level of precision

By considering 93% confidence level (e = 0.07),

N = 258, hence, the calculated sample size of n was 113.

3.6. Data collection method/instrument

Based on the above calculated sample size a questionnaire will be distributed. Different literatures and empirical studies were reviewed to gain insights and background information about the effect of digital leadership on organizational performance. This helps to better understand the problem of the study and adopt measurement scale. For the digital leadership in order to save time & effort, some questions from International Society for Technology in Education (ISTE) taken with some amendments. This is due to ISTE standards of Leaders technology usage and practice fits with the study area of interest about the leaders' vision, learning, technical skills and proper management. Performance measurement scale has taken from Kaplan and Norton (1996). Accordingly, the data collection method questionnaire was developed having three parts: Part I is to collect the respondents basic/demographic information, Part II is questions to assess the respondent's level of agreement on the digital leadership aspects of the bank and Part III contains questions to assess to what extent the performance is achieved according to the respondent. (Please look the annex).

The measurement scales involve closed ended questions with Likert scale was applied from Strongly Disagree (1) to Strongly Agree (5) to what extent the respondent agree for dependent and independent variables list of questions. On the other hand, performance related items have five scales having values 1 to 5 to what extent Bank of Abyssinia achieves its digital banking performance mentioned under (1) To a very little extent, (2) To a little extent, (3) To some extent, (4) To a considerable extent, (5) = To a very great extent

3.6.1. Data Collection Procedure

First, the study proposal was developed and gets approval from the advisor. After the proposal approved a formal letter was sent to BOA to request a permission to carry out the study. Once the permission was granted by BoA, the researcher develop questionnaire piloted the study tool with 5 respondents for validity test. Feedback from the questionnaire pilot was used to simplify the language and to clearly state questions. The questionnaires were printed and physically distributed to the respondents. Respondents were given two days but due to their work nature some of them take up to 4 days to fill in the questionnaire.

After the sample identification, the writer of this research in the first activity will make contact with the managers, i.e. Leaders at the digital banking services. Then with the necessary permission from the respective bank organ, the researcher will contact list of manager in the area. In the second round activity, pilot test will be conducted to enhance the transparency of the questions for the study and lastly, questionnaires will be distributed to the respondents of sampled areas.

Some branch managers did not respond due to training and leave of absence, so it was not possible to collect data from 4 employees. As a result, completed data was collected from only 109managers and senior officers of Abyssinia Bank in Addis Ababa branches and HO. The data obtained was organized and presented in Statistical package for Social Science (SPSS) version 23.0.

3.7. Method of Data Analysis

After participants responding to the questionnaires, raw data were cleaned, sorted and entered using statistical data entry form designed in Statistical Package for Social Sciences (SPSS) software for analysis according to the objectives of the study. Data will be organized and analyzed using a 5-point Likert scale.

The researcher analyzed and interpreted the data by using Statistical Package for Social Sciences (SPSS) 23, descriptive and inferential analysis methods. This cross-sectional data / single point in time responses was analyzed and interpreted through Pearson Correlation and regression analysis to determine the relationship and the effect of the two variables by using SPSS 23. The data was analyzed using descriptive and inferential statistics helpful to identify and describe how the independent variables (organizational performance) affect dependent variables (visionary leadership, digital-age learning culture, excellence in professional practice and systemic improvement) and lastly to give some recommendation based on the findings from the analysis. Lastly major findings were interpreted based on the result from the analysis. All data was analyzed using SPSS and study was descriptive; hence it was analyzed in terms of mean, standard deviation, and correlation matrix

3.8. Ethical Consideration

By noting the importance of ethics in research work, the researcher has attempted to keep a high level of confidentiality as much as possible. The responses of the participants who were involved in the study were kept in secrete and used only for the academic purpose.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1. Introduction

This chapter describes the analysis and interpretation of the collected data about the effect of digital leadership on organizational performance of Abyssinia Bank S.C as a case company. The chapter is consisting of different topics such as: introduction, response rate, demographic characteristics of respondents, data analysis on the dimensions of digital leadership – visionary leadership, digital-age learning culture and systemic improvement. Finally, the chapter presents the relationship and effect of digital leadership on organizational performance using correlation and regression analysis

The main objective of the research was to determine the effect of digital leadership on organizational performance at the Bank of Abyssinia Share Company in Addis Ababa, Ethiopia. To attain this objective, the research was guided by the following leading questions:

- What is the relationship between visionary leadership and organizational performance?
- What is the relationship between digital-age learning culture and organizational performance?
- What is the relationship between professional excellence and organizational performance?
- What is the relationship between systemic improvement and organization performance?

To provide answers for the above questions, data was collected from managers and senior officers of BoA in Addis Ababa branches and Head Office. The main data gathering instrument employed in this study was questionnaire that concerned with the demographic characteristics of respondents, leadership role in the digital services provided to customers and their performances in the company.

4.2. Response rate

The study targeted 113 respondents to provide the information of the study and 113 questionnaires were distributed to the respondents who composed the sample size of the study. Out of the 113 distributed questionnaires, 109 usable questionnaires were returned giving a response rate of 96.46% which was acceptable for the study. According to Cooper and Schindler (2014), 50%

response rate is adequate for analysis, while 60% is good and 70% excellent response rate for analysis. Therefore, the study's response rate of 96.46% which is excellent to start working the study data analysis.

Table 4.1: Response Rate

Target population	Total questionnaire Distributed	Questionnaire returned	Not Responded	Response Rate
258	113	109	4	96.46%

4.3. Demographic Characteristics of the Respondents

The respondents were asked to indicate their personal background information before providing their response to the items prepared for the issue under study. The details of their characteristics are shown in the table below.

Table 4.2: Demographic Characteristics of Respondents

Factor	Category	Frequency	Percent (%)
Work Unit	Branch	99	90.83
	Head Office	10	9.17
	Total	**109**	**100.00**
Position	Manager	22	20.18
	Manager Banking Bus.	33	30.28
	Manager Banking Opr'n	34	31.19
	Senior Banking Bus. Off.	14	12.84
	Senior Banking Opr'n Off.	6	5.50
	Total	**109**	**100.00**
Age	< 25	5	4.59
	25-35	82	75.23
	36-45	20	18.35
	> 45	2	1.83
	Total	**109**	**100.00**
Gender	Male	80	73.39

	Female	29	26.61
	Total	**109**	**100.00**
Academic Qualifications	BA	55	50.46
	MA & Above	54	49.54
	Total	**109**	**100.00**
No. of Service Yrs. In BoA	< 3 yrs	33	30.28
	3-5 Yrs	25	22.94
	5-10 Yrs	36	33.03
	> 10 Yrs	15	13.76
	Total	**109**	**100.00**
No. of Service Yrs. In the current Position	< 3 Yrs.	77	70.64
	3-5 yrs	19	17.43
	> 5 Yrs	13	11.93
	Total	**109**	**100.00**

Source: Own survey, 2022

From the total respondents 91% is from the branch, where all the daily digital channels sold and operated and only 9% was taken from Head Office who contacted and checked branches about the smoothness of daily digital operation of the bank.

From the 109 respondents 80(73.39%) were male and 29(26.61%) of the respondents were female. The majority respondent's age was between 25 to 35 years which is 82 in number & holds 75.23% from the total. And others which constitute 18.35% lie in age between 36 to 45 year of the respondents. Two respondents were above 45 years. Regarding educational level, 55 of the respondents are first degree holders and again 54 staff of the respondents are post graduates and above.

When we come to respondents work experience both at the their total service years and years at their current position, 36(33.03%) of the respondents are working at BoA for the last 5 to 10 Years but 33 (30.28%) are new staff working at BoA less than 3 years & who came from different private & commercial banks due to the new structure, strategy and incentive scheme of the bank. Whereas 25 (22.94%) and 15(13.76%) are served the bank 3 to 5 years and greater than 10 Years, respectively. 77(70.64%) respondents were less than 3 years in the current positions. Regarding

respondent's position in the bank, 34 operation manager, 33 business managers, 22 managers & 22 senior officers are participated in responding the questionnaires.

4.4. Analysis of Data

The data collected from managers and senior officers of BoA in order to determine the relationship between four different digital leadership dimensions employed in the company (i.e. visionary leadership, digital-age learning culture, excellence in professional practice & systemic improvement) and the performance of BoA was calculated using Pearson's product correlation coefficient.

4.4.1. Descriptive Analysis on Digital Leadership

In order to understand the digital leadership at Bank of Abyssinia, managers and senior staff were asked to give their level of agreement to statements with regard to the four dimensions- visionary leadership, digital-age learning culture, excellence in professional practice & systemic improvement. Respondents are rating in five points of Likert scale are then analyzed with descriptive statistics of mean and standard deviation. A 5-point Likert scale was used to rate the various indicators whereby 1 point was accorded to "Strongly disagree", 2 point as "Disagree", 3-point as "Neutral/ undecided", 4-point as "Agree", and 5-point as "Strongly Agree". The analysis results are presented in subsequent tables each deals with one dimension of digital leadership at Bank of Abyssinia. According to Zaidation and Bagheri (2009), the mean score below 3.39 is considered as low, the mean score from 3.40 up to 3.79 is considered as moderate and mean score above 3.8 is considered as high. In this section, frequency distribution and the percentage of respondents for each dimensions of digital leadership of BoA will be presented.

4.4.1.1. Effect of Visionary Leadership on Organization Performance

This section discusses about the visionary leadership dimension of the digital leadership of Bank of Abyssinia. This dimension is evaluated with respect to its four statements. The result of the analysis is depicted under table 4.3 below.

Table 4.3: Visionary Leadership dimension at BoA

Description	Frequency					Mean	Std. Dev
	SD	D	N	A	SA		
I facilitate a change that maximizes performance goals using digital channels.	1	3	4	61	40	4.25	3.79
I engage in an ongoing process to develop, implement and communicate the strategic plans of the BoA digital channels	1	4	11	48	45	4.21	3.77
I communicate effectively with stakeholders to gather input on the plan, to celebrate success or to improve failures on the digital banking services of BoA	0	10	27	54	18	3.73	3.30
I inspire the growth and implementation of a shared vision to synthesize technologies in order to achieve organizational excellence.	1	3	9	54	42	4.22	3.77
Over all perception of Visionary Leadership						4.10	3.66

One of the digital leadership dimensions, visionary leadership with four statements scored mean ranges from the smallest 3.73(I communicate effectively with stakeholders to gather input on the plan, to celebrate success or to improve failures on the digital banking services of BoA) to the largest 4.25 (I facilitate a change that maximizes performance goals using digital channels). The visionary leadership is found to be a common practice with a mean score, M=4.10 which is considered as a high agreement. In general, the visionary leadership dimension is evaluated to have been practiced to the level M=4.10 and this result shows that BoA has a high practicing visionary digital leadership according to the frame work suggested by Zaidation and Bagheri (2009). The standard deviation of visionary leadership measurement is 3.66 which is nearly approaching the mean as depicted on table 4.3 this shows most of the respondents are near to the average.

4.4.1.2. Effect of Digital-age Learning Culture on Organization Performance

This section discusses about the digital-age learning culture dimension of the digital leadership of Bank of Abyssinia. This dimension is evaluated with respect to its three statements. The result of the analysis is depicted under table 4.4 below.

Table 4.4: Digital-Age Learning Culture dimension at BoA

Description	Frequency					Mean	Std. Dev
	SD	D	N	A	SA		
I set goals to remain current on emerging technologies and advancements	8	22	58	21	8	3.84	3.79
I ensure effective practice in the usage of digital banking channels in the workplace.	0	4	53	51	0	4.40	3.77
I promote and participate in learning emerging digital banking services.	4	5	50	50	4	4.34	3.30
Over all perception of Digital-Age Learning Culture						4.20	3.74

One of the digital leadership dimensions, digital-age learning culture with three statements scored mean ranges from the smallest 3.84(I set goals to remain current on emerging technologies and advancements) to the largest 4.40 (I ensure effective practice in the usage of digital banking channels in the workplace). The digital-age learning culture is found to be a common practice with a mean score, M=4.20 which is considered as a high agreement.

In general, the digital-age learning culture dimension is evaluated to have been practiced to the level M=4.20 and this result shows that BoA has a high practicing digital-age learning culture according to the frame work suggested by Zaidation and Bagheri (2009). The standard deviation of visionary leadership measurement is 3.74 which is nearly approaching the mean as depicted on table 4.4 this shows most of the respondents are near to the average.

4.4.1.3. Effect of Excellence in Professional Practice on Organization Performance

In this section discussed about digital leadership of Bank of Abyssinia using the professional excellence practice of BoA. It is evaluated with respect to three dimension questions of digital leadership. The result of the analysis is depicted under table 4.5 below.

Table 4.5: Excellence in Professional Practice dimension of BoA

Description	Frequency					Mean	Std. Dev
	SD	D	N	A	SA		
I stay up to date on emerging technologies on the banking industry.	1	4	13	56	35	4.10	3.66
I promote effective communication among stakeholders on usage of different digital channels of the bank.	1	2	9	49	48	4.29	3.84
I allocate time, resource and access to ensure on going professional growth on digital banking among staff	0	4	9	49	47	4.28	3.82
Over all perception of Excellence in Professional practice						4.22	3.77

One of the digital leadership dimensions, excellence in professional practice with three statements scored mean ranges from the smallest 4.10(I stay up to date on emerging technologies on the banking industry) to the largest 4.29 (I promote effective communication among stakeholders on usage of different digital channels of the bank.). The Professional excellence practice is found to be a common practice with a mean score, M=4.22 which is considered as a high agreement.

In general, the Professional excellence practice digital dimension is evaluated to have been practiced to the level M=4.22 and this result shows that BoA has a high practicing professional practice to the frame work suggested by Zaidation and Bagheri (2009). The standard deviation of excellence in professional practice measurement is 3.77 which is nearly approaching the mean as depicted on table 4.4 this shows most of the respondents are near to the average.

4.4.1.4. Effect of Systemic Improvement on Organization Performance

In this section discussed about the digital leadership of Bank of Abyssinia using the systemic improvement of BoA. It is evaluated with respect to three dimension questions of digital leadership. The result of the analysis is depicted under table 4.5 below.

Table 4.6: Systemic Improvement dimension of BoA

Description	Frequency					Mean	Std. Dev
	SD	D	N	A	SA		
I establish and maintain a robust infrastructure for technology to support the bank's digital banking operations	2	13	27	44	23	3.67	3.28
I recruit highly competent personnel who use technology to advance the daily digital banking operations	0	9	15	47	38	4.05	3.62
I lead purposeful change to reach the bank's goals using the digital channels	1	5	10	52	41	4.17	3.73
Over all perception of Systemic Improvement						3.96	3.55

One of the digital leadership dimensions, systemic improvement with three statements scored mean ranges from the smallest 3.67 (I establish and maintain a robust infrastructure for technology to support the bank's digital banking operations) to the largest 4.17 (I lead purposeful change to reach the bank's goals using the digital channels.). The systemic improvement is found to be a common practice with a mean score, M=3.96 which is considered as a high agreement.

In general, the Professional excellence practice digital dimension is evaluated to have been practiced to the level M=3.96 and this result shows that BoA has a high systemic improvement to the frame work suggested by Zaidation and Bagheri (2009). The standard deviation of excellence in professional practice measurement is 3.55 which is nearly approaching the mean as depicted on table 4.4 this shows most of the respondents are near to the average.

4.1.5 Descriptive analysis on Organization Performance

In this section organizational performance is assessed using non-financial performance indicators i.e. the BSC, which is developed by Norton and Kaplan (1992). According to this work, organizational performance is evaluated with respect to its three sub-dimensions each having three questions each i.e. Customer perspective, Internal process perspective and Innovation and Learning perspective. Managers and senior officers of BoA then rated these statements with a five-scale agreement and it is presented as follows the result of the analysis is presented in table 4.7 as depicted under here.

Table 4.7: Organization Performance at BoA

Description	Frequency					Mean	Std. Dev
	SD	D	N	A	SA		
Customers are satisfied with the BoA's digital banking quality services	1	3	19	58	28	4.00	3.55
The bank has a good relationship with customers relative to other competitor banks.	0	1	11	41	56	4.39	3.93
The bank has recognizable image and favorable reputation by its customers regarding its digital services	1	3	10	47	48	4.27	3.82
Customers who are using BoA's digital banking services are served as per their expectations	4	6	18	72	9	3.70	3.27
BoA has satisfactory digital banking variety of products/services variety for its customers.	1	1	9	51	47	4.30	3.84
Customers are happy by the BoA after using the digital banking services	2	0	14	46	47	4.25	3.80
BoA employees are operationally efficient on the delivery of the digital banking service.	0	2	9	60	38	4.23	3.76
I believe that my digital leadership to the bank and the contributions that I have made are appreciated.	0	2	12	67	28	4.11	3.63
The people with whom I work have the appropriate skill set to contribute to the Bank's success on the digital channels.	2	0	10	47	50	4.31	3.86
Over all perception of Organizational Performance						4.17	3.72

The average agreement to these statements ranges from the smallest mean 3.70(Customers who are using BoA's digital banking services are served as per their expectations) to the largest mean 4.39(The bank has a good relationship with customers relative to other competitor banks). This indicates that digital leadership has a high level of rating to the performance of BoA..

Overall, the organization performance level digital leadership of BoA as perceived by the sampled respondents is computed to the level M=4.17, which is a high level of performance. This implies that digital leadership affects the performance highly to the level M=4.17 The standard deviation of organizational performance measurement is 3.72 which is high as depicted above on table 4.7 this shows most of individual responses for this dimension are close to the average /mean.

4.5. Reliability and validity of the instruments

Validity is the most crucial criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari C., 2008). In order to insure validity, the study has reviewed previous literatures and adopted instrument used in previous research.

In order to analyzed and interpreted using appropriate method, the collected data reliability of the research instrument was checked by Cronbach's alpha statistic with the help of SPSS version 23.. The Cronbach's alpha reliability test result of the study result was summarized below. These values confirmed that the reliability of the result was acceptable.

Table 4.8: Reliability Test (Cronbach's Alpha)

Description of variable	No. of Item in the scale	Cronbach's Alpha
Visionary Leadership	4	0.768
Digital-Age Learning Culture	3	0.755
Professional Excellence practice	3	0.768
Systemic Improvement	3	0.773
Organizational Performance	9	0.879
All items	22	0.867

Source: SPSS Regression results output, 2022

4.6. Relationship between Digital Leadership and Organizational Performance

One of the objectives in this research is to study the effect of digital leadership on organizational performance of Boa. In order to evaluate this effect, a Pearson Product Movement Correlation Coefficient is conducted with the result shown in the matrix below. As per Saunder, Philip & Adrian (2009), a correlation coefficient enables to quantify the strength of the linear relationship between variables. This coefficient is usually represented by "r" and can take only the value from -1 to +1.

4.6.1 Pearson Correlation Analysis

This study implements correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo & Festinger, 2005). Pearson correlation is +1 in the case of a perfect increasing (positive) linear relationship (correlation), -1 and 1 in all other case indicating the degree of linear dependency between variable. To determine the relationship between the four digital leadership dimensions and organizational performance of Bank of Abyssinia. Pearson correlation was computed. Table 4.8 the correlation analysis matrix, presents the results of Pearson correlation on the relationship

Table 4.8: Correlation Analysis Matrix

		Organizational Performance
Organizational Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	109
Visionary Leadership	Pearson Correlation	.368**
	Sig. (2-tailed)	.000
	N	109
	Pearson Correlation	.451**

Digital-Age Learning Culture	Sig. (2-tailed)	.000
	N	109
Professional Excellence practice	Pearson Correlation	.432**
	Sig. (2-tailed)	.000
	N	109
Systemic Improvement	Pearson Correlation	.577**
	Sig. (2-tailed)	.000
	N	109

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Regression results output, 2022

Accordingly, from the above correlation analysis table 4.8 results, noted that there is significant positive relationship between organizational performance and the identified digital leadership dimensions (visionary leadership, digital-age learning culture, excellence in professional practice and systemic improvement). The systemic improvement dimension is the dimension with strong relationships with performance indicated by r=0.577, followed by the digital-age learning dimension with r=0.451, excellence in professional practice dimension with r=0.432 and the visionary leadership dimension with r=0.368

Since the correlation value was positive for all the dimensions, the relationship occurred between the dimensions of digital leadership and organization performance variables was strong and direct relationship. That is, as digital leadership dimensions of BoA employed, the performance of the bank would be improved. These strong positive relationships indicate that the performance has increased due to the adequate level practice of digital leadership at BoA. So, the high moderate level of performance at BoA, M=4.17 influenced by the perception of managers and senior officers on the digital leadership of the bank.

In General, systemic improvement had stronger positive and significance correlation with organizational performance than the other digital leadership dimensions. Digital-age learning and professional excellence practice had strong and positive correlation to the performance. However, visionary leadership was relatively less strong positive correlation to the performance than other digital leadership dimensions. Over all digital leadership dimensions of systemic involvement, digital-age learning, excellence in professional practice and visionary leadership had significant

positive correlation to organizational performance of Bank of Abyssinia. This implies when there is an increase on those digital leadership or when these digital leadership become strong the performance of the bank will increase significantly

4.7 Multiple Regression Analysis for the Effect of Digital Leadership on Organization performance

Multiple regressions are the most common and widely used to analyze the relationship between a single continues dependent variable and multiple continues on categorical independent variable. In this study multiple regression analysis was employed to examine the relationship between digital leadership dimensions (visionary leadership, digital-age learning culture, excellence in professional practice and systemic improvement) and performance. The coefficient of regression which is represented by R^2 measures the proportion in a dependent variable that can be explained by the independent variables. The following table presents the results of multiple regressions analysis. Here the squared multiple correlation coefficients (R^2) which tells the level of variance in the dependent variable (Organziational Performance of Bank of Abyssinia) that is explained by the model summary under.

4.7.1 Model Summary

Table 4.9: Model Summary of Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605[a]	.366	.341	.44133

a. Predictors: (Constant), Systemic Improv., Digital-Age Learning Culture, Excellence in Professional Practice, Visionary Leadership

Source: SPSS Regression results output, 2022

The results of multiple regressions, as presented in table 4.9 above, the coefficient of determination, i.e adjusted R Square, is computed to be 0.341=34.1%. That implies 34.1% of the variation of performance can be predicted by the independent variables visionary leadership, digital-age learning, professional excellence practice and systemic improvement. That is the digital leadership at BoA has 34.1% influences on its organizational performance. The remaining 65.9%

of the variation on performance can be explained by other variables. This implies that digital leadership at BoA considerably influences the bank's performance.

4.7.2 ANOVA

Table from the ANOVA ie. table 4.10 shows that accepting at least one of the digital leadership of Bank of Abyssinia (visionary leadership, digital-age learning culture, excellence in professional practice and systemic improvement) had a significant relationship on using organizational performance measures, since the p-value for F-Statistics (0.000) less than the significance level 0. 05.

Table 4.10: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.680	4	2.920	14.992	.000[b]
	Residual	20.256	104	.195		
	Total	31.937	108			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Systemic Improv., Digital-Age Learning Culture, Excellence in Professional Practice, Visionary Leadership

Source: SPSS Regression results output, 2022

4.7.3 Coefficients

Based on the table 4.11, the unstandardized beta coefficient, which tell us the unique contribution of each factor to the model. A high beta value and a small p value (0.05) indicate the predictor variable has little or no significant contribution to the model. The under depicted Table 4.11 Coefficients also indicates that only systemic improvement had significant relation to organizational performance of Bank of Abyssinia at 95% confidence level, since their p-values 0.000 less than the significance level 0.05. But visionary leadership, digital-age learning culture and professional excellence practice had no significant influence to performance since their p-value is greater than the significance level 0.05.

Table 4.11: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.160	.319		6.761	.000
	Visionary Leadership	-.128	.116	-.145	-1.104	.272
	Digital-Age Learning Culture	.217	.124	.242	1.744	.084
	Excellence in Professional Practice	.064	.101	.076	.636	.526
	Systemic Improvement	.343	.072	.480	4.759	.000

a. Dependent Variable: Organization Performance
b. Predictors: (Constant), Systemic Improv., Digital-Age Learning Culture, Excellence in Professional Practice, Visionary Leadership

Source: SPSS Regression results output, 2022

To further assess the effect of digital leadership on organizational performance, multiple linear regression analysis was conducted and indicated as follows.

a. Predictors: (Constant), Systemic Improvement, Digital-Age Learning Culture, Excellence in Professional Practice, Visionary Leadership.

b. Dependent Variable: Organizational Performance

Multivariate regression model is applied to determine how digital leadership in BoA affects performance. The following model is used with four predictor variables that is X1, X2, X3and X4.

Where Y is the organization performance, X1 is the visionary leadership, X2 is the digital-age learning culture, X3 is the Professional excellence practice and X4 is the systematic improvement, e is the error term.

From the significant and insignificant digital leadership dimensions to Organizational Performance of Bank of Abyssinia can construct the model as follows.

Organizational Performance = 2.160 - 0.128 visionary leadership + 0.217 digital-age learning culture + 0.064 Professional excellence practice + 0.343 systematic improvement.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study findings and results and based on the key findings and results, conclusions are drawn and some recommendations are given accordingly.

The main objective of this study was to assess and identify the effect of digital leadership on the organizational performance of the case of bank of Abyssinia. Therefore; the researcher has summarized the findings, and has given conclusions and recommendation based on the information collected and analyzed.

5.2 Summary of Findings

On this section the researcher presents the summary of key findings of the study and they are outlined as follows. Descriptive report from the Analysis:

- From digital leadership dimensions, visionary leadership of are measured and found M=3.73 which is moderate agreement. The digital-age learning culture, excellence in professional practice and systemic improvement dimensions are measured and found M=4.20, M=4.22 & M=3.96, respectively are high agreement.
- The organizational performance was assessed with nine performance indicator statements. The average agreement to these statements ranges from the smallest 3.70 to the largest 4.39. For all these statements, the non-financial performance level of Bank of Abyssinia is computed to the level M=4.17, which is a high level of performance.
- From the Correlation Analysis Matrix, it is found that all the four digital leadership dimensions- visionary leadership, digital-age learning culture, excellence in professional practice and systemic improvement are found to have positive correlation with the organization performance. The systemic improvement dimension is the most related to performance with r=0.577 followed by the digital-age learning dimension with r=0.451,

excellence in professional practice dimension with r=0.432 and the visionary leadership dimension with r=0.368..

- To further assess the effect of digital leadership on organization performance using Multiple Regression Analysis (model summary) was conducted, from the regression result, the coefficient of determination, i.e R Square, is computed to be 0.341=34.1%.
- Using ANOVA regression analysis, the unstandardized beta coefficient, which tells us the unique contribution of each factor to the model. A high beta value and a small p value (the model. since the p-value for F-Statistics (0.000) is less than the significance level 0. 05.
- Coefficients also indicates that only systemic improvement had significant relation to organizational performance of Bank of Abyssinia at 95% confidence level, since their p-values 0.000 less than the significance level 0.05. But visionary leadership, digital-age learning culture and professional excellence practice had no significant influence to performance since their p-value is greater than the significance level 0.05.

5.3 Conclusion

Based on the above findings on each research objective, the next section gives the conclusion in relation to each digital leadership components and its impact on organizational performance of the bank.

This research work justified that digital leadership has positive relationship and effect on the bank of Abyssinia's performance. Systemic improvement had stronger positive and significance correlation with organizational performance than the other digital leadership dimensions. Digital-age learning and professional excellence practice had strong and positive correlation to the performance. However, visionary leadership was relatively less strong positive correlation to the performance than other digital leadership dimensions.

In addition, the relationship of the different dimensions of digital leadership on organization performance, the effect of these four digital leadership dimensions constitutes 34.1%. The percentage contribution and effect on performance is increasing when it adds-on or strengthens digital leadership dimensions like visionary leadership, digital-age learning culture, excellence in professional practice and systemic improvement.

5.4 Recommendations

Based on the findings of the study, in order to evaluate the success of an organization, digital leadership and performance are among the key influential factors. It is well recognized that organization's success indirectly depends on its existing digital leadership. In order to foster the performance of the banks, there should be continuous effort to maintain and enhance the existing digital leadership practice of the bank. Digital leadership in this study is defined as the use of technology and digital instruments to stimulate working areas and eventually improve organization performance. Digital leadership helps to understand further which elements are playing an important role while moving towards a high performance institution

According to the overall study findings, the digital leadership at Bank of Abyssinia, as evaluated by the identified four digital leadership dimensions and as perceived by its managers and senior staff, is found to be good. The relationship between the digital leadership and the bank's performance is manifested through the four types of digital leadership dimensions. However, in order to keep this momentum going and to the strengthening of this leadership in the future, the following recommendations are suggested by the researcher.

5.4.1 Recommendations to Bank of Abyssinia

Based on the findings of the study, it was recommended for the company the following strategic points:

- The Bank should review the existing digital leadership once in a while, whether it is towards to the objective of the bank or not.
- Among the digital leadership dimensions under review systemic improvement has a significantly higher impact on performance. Therefore, the bank should give a priority for the systemic improvement of the digital channels
- With regard to the study findings digital-age learning culture and excellence in professional practice has the second highest significant impact on performance. Therefore, for a better performance the bank should work on these two dimensions.
- The cumulative effect of the four digital leadership dimensions shows that digital leadership has a very significant impact on performance of the bank. Therefore, the existing

leadership can serve as a competitive advantage for the bank because digital leadership the main factor in todays digitalized working environment. The digital leadership at BoA has 34.1% influences on its organizational performance. The remaining 65.9% of the variation on performance can be explained by other variables. This 65.9% still impacts the performance of the bank; hence, the bank should look for those contributing factors.

5.4.2 Recommendations for further studies

The following are some of the recommendations for future studies:

While the objectives of this study were successfully accomplished, there are some points to be addressed by future research.

- This study was done based on the dimensions of digital leadership supported by the resource-based view theory; further research on the same organization can be done using a different dimensions of digital leadership because these days work places are highly affected by the digital operations and this in turn impacts organizational performance. Organization should bear in mind digital leadership is popular internationally and affecting every sector.
- This study was on the effect of digital leadership on organizational performance; whereas, it is recommended further research to be done on the effect of digital leadership on both the financial and non-financial targets of the bank and its contribution to the annual profits of the organization which is very visible and an interest of all stake holders.
- A limited study has been done in Ethiopia for digital leadership and its impact on organization performance, especially in the banking industry in Ethiopia. This study findings contribute to the future researchers who are going to do related research

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Appendix 1:

Dear Respondent:

I am conducting a research for the partial fulfillment of the requirement of master's degree in Business leadership. This questionnaire is designed to collect relevant information for the research carried out on the topic "The effect of digital leadership on Organizational Performance: The case of Bank of Abyssinia S.C". The study is conducted only for academic purpose. Hence, your responses will be kept confidential.

The soundness and validity of findings highly depend on your honest and thoughtful responses. I'd like to ask you to spend some of your important time (5-10 minutes) filling out this questionnaire to the best of your ability.

There is no need to write your name.

Thank you in advance for your kind cooperation!

Part I: **General Information about the Respondents**

1. Work unit: _____

For the following questions, please put "tick mark" (√) in the boxes provided.

2. Position: Manager ☐ Business Manager ☐ Operation Manager ☐
Senior Business Officer ☐ Senior Operation Officer☐

3. Age: Less than: 25 ☐ 25-35 ☐ 36-45 ☐ more than 45 ☐

4. Gender: Male ☐ Female ☐

5. Academic qualification: Bachelor's Degree ☐ Master's degree & above ☐

6. No. of service years in BoA: Less than 3 ☐ 3-5 ☐ 5-10 ☐ More than 10 ☐

7. No. of service years in the current position: Less than 3☐ 3-5 ☐ More than 5 ☐

Part II: **Digital Leadership**

Direction: The sets of statements are intended to assist you in assessing your feelings or impressions about your leadership role in the delivering the digital service to customers. You are asked to rate yourself in relation to each statement to show your level of agreement/disagreement with what the statement is suggesting, where the following ratings are:

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Please put "tick mark" (√) in the boxes:	1	2	3	4	5
I. Visionary Leadership					
1. I facilitate a change that maximizes performance goals using digital channels.					
2. I engage in an ongoing process to develop, implement and communicate the strategic plans of the BoA digital channels					
3. I communicate effectively with stakeholders to gather input on the plan, to celebrate success or to improve failures on the digital banking services of BoA					
4. I inspire the growth and implementation of a shared vision to synthesize technologies in order to achieve organizational excellence.					
II. Digital-Age Learning Culture					
5. I set goals to remain current on emerging technologies and advancements					
6. I ensure effective practice in the usage of digital banking channels in the workplace.					
7. I promote and participate in learning emerging digital banking services.					
III. Excellence in Professional Practice					
8. I stay up to date on emerging technologies on the banking industry.					
9. I promote effective communication among stakeholders on usage of different digital channels of the bank.					
10. I allocate time, resource and access to ensure on going professional growth on digital banking among staff					

IV. Systemic Improvement					
11. I establish and maintain a robust infrastructure for technology to support the bank's digital banking operations					
12. I recruit highly competent personnel who use technology to advance the daily digital banking operations					
13. I lead purposeful change to reach the bank's goals using the digital channels					

Part III. **Organizational Performance of Bank of Abyssinia S.C.**

Direction: Please indicate 1 to 5 to what extent Bank of Abyssinia achieves its digital banking performance mentioned under:

(1) To a very little extent, (2) To a little extent, (3) To some extent, (4) To a considerable extent,

(5) = To a very great extent,

To what extent does Bank of Abyssinia achieve its digital banking service performance?

	1	2	3	4	5
Customer Perspective					
1. Customers are satisfied with the BoA's digital banking quality services					
2. The bank has a good relationship with customers relative to other competitor banks.					
3. The bank has recognizable image and favorable reputation by its customers regarding its digital services					
Internal Business Perspective					
4. Customers who are using BoA's digital banking services are served as per their expectations					
5. BoA has satisfactory digital banking variety of products/services variety for its customers.					
6. Customers are happy by the BoA after using the digital banking services					
Innovation & Learning Perspective					
7. BoA employees are operationally efficient on the delivery of the digital banking service.					
8. I believe that my digital leadership to the bank and the contributions that I have made are appreciated.					
9. The people with whom I work have the appropriate skill set to contribute to the Bank's success on the digital channels.					