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Digital Leadership in the Modern Workplace: Leading with Purpose to Engage Employees

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Introduction

The animating concern of this volume is how leaders act beyond management to sustain employee engagement through purpose. In digitally mediated workplaces, purpose cannot remain rhetorical; it must be translated into practical structures, communication patterns, and enabling conditions that make work feel meaningful and allow people to see how their contributions matter. Digitalisation makes this translation both more possible and more complex. On one hand, digital tools expand the ways leaders can communicate, model behaviours, and create transparency. On the other hand, the same tools can fragment attention, deepen overload, and obscure the connective tissue that holds purpose and engagement together.

Leadership in the digital era sits at this intersection. The scholarly literature underscores that while the fundamental processes of leadership – sense-making, influence, trust, coordination – remain central, the contexts in which these processes unfold have shifted markedly (Bauwens and Cortellazzo, 2025; Banks et al., 2022). Hybrid work introduces new interdependencies, asynchronous rhythms, heightened expectations for responsiveness, and vulnerabilities associated with technostress and overload. Rather than constituting a wholly new leadership archetype, digital leadership reflects the ongoing evolution of influence under conditions of pervasive connectivity, ubiquitous data, and networked collaboration (Bauwens and Cortellazzo, 2025; Banks et al., 2022). Leaders, therefore, must craft conditions that enable purposeful work at scale, and this requires competence, intentional structuring, and the design of everyday routines that align technology with human needs.

Three complications blunt impact. First, persistent conceptual fragmentation – e-leadership, virtual leadership, digital leadership – often obscures *how* leaders produce people-centred outcomes across contexts (Bauwens and Cortellazzo, 2025; Banks et al., 2022). Second, a practical implementation gap remains: organisations frequently endorse digital leadership but under-specify the routines and artifacts through which leaders and followers enact it (Eberl et al., 2025). Third, digital environments can generate strain and asymmetry: technostress erodes performance via defensive routines (Yang et al., 2025), while unskilled channel choices can depress motivation and output (Nieken, 2023); transformation tactics that are task-focused but not people-oriented also risk backlash (Weber et al., 2022).

This chapter is conceptual. It offers a synthesis aligned with the book's purpose-driven engagement theme. First, it articulates a capability-and-practice perspective

that situates a validated competence anchor – Leader Digital Competence (LDC) – alongside a routines-and-artifacts lens explaining how leaders and followers co-produce purpose-aligned outcomes in everyday work (Roodt et al., 2025; Eberl et al., 2025). Second, it connects digital leadership to employee engagement through the ability–motivation–opportunity (AMO) lens and recent evidence that digitalisation coupled with an inclusive climate strengthens workforces (Zahoor et al., 2024). Third, it traces result chains from digital leadership to innovation and competitive advantage and to environmental performance, drawing on studies in which ambidextrous innovation, value co-creation, digital technology alignment, and digital innovation act as mechanisms and contingencies (Chavez et al., 2025; Wang et al., 2025; Cai et al., 2024).

Theoretical Foundations: Capabilities, Routines, and Result Chains

A state-of-the-art review maps the “who, what, when, where, why” of leadership in the digital era, arguing that while the tools and settings of influence have shifted (virtuality, data/AI, platforms), core social-influence processes persist (Banks et al., 2022). A complementary synthesis identifies six perspectives linking leadership, technologies, and institutions, cautioning against leader-only or technocentric explanations and advocating mutual shaping (Bauwens and Cortellazzo, 2025). Together, these reviews support treating digital leadership as capabilities enacted through practice and situated in context. Leader Digital Competence (LDC) provides a concise, empirically grounded scaffold for capabilities: digital interaction (selecting and using channels to sustain clarity and trust in virtual communication), digital openness (curiosity and enthusiasm toward new technologies), and digital role modelling (visible, exemplary tool use and explicit norm-setting that enables others). Multi-study validation shows reliability, discriminant validity, measurement invariance across languages, and predictive/incremental validity for leadership effectiveness, employee performance, engagement, coordination, and communication-norm alignment (Roodt et al., 2025). We mobilise LDC as a conceptual anchor for the skill side of digital leadership.

Capabilities create value through practice. A routines-and-artifacts lens explains how digital leadership is enacted: leaders and followers perform task-oriented sequences whose outcomes depend on the roles artifacts play in bridging the organisation’s ostensive (“how we do things here”) and performative (what people actually do) aspects of routines. Six roles – envisioning, facilitating, empowering, supporting, clarifying, enforcing – either stabilise or flexibilise routine performance; because an artifact’s role is shaped by users’ interpretations, leadership development must involve followers as well as leaders (Eberl et al., 2025). This mapping aligns tightly with purpose-driven engagement: envisioning artifacts anchor the “why”; facilitating and em-

powering artifacts create opportunities to contribute; supporting and clarifying artifacts reduce ambiguity and sustain psychological safety; enforcing artifacts protect fairness and integrity.

The AMO lens (ability–motivation–opportunity) clarifies the people outcomes. According to this lens, engagement is sustained when employees have the ability to meet role demands, the motivation to invest effort, and the opportunity to contribute. For instance, among 400 managers at a primary health clinic in Poland, this combination allowed employees to quickly switch to remote consultations, redistribute work across sites, and maintain essential services despite surging demand and uncertainty during COVID-19. This is a pattern that is consistent with digital leadership which builds capability, cultivates belonging, and structures participation (Zahoor et al., 2024).

Result chains specify where digital leadership effects are strongest. For instance, at their study, Cai et al. (2024) revealed that in highly dynamic industries (such as: software firms, electronics manufacturing), the high degree of dynamism can necessitate the leaders to focus their digital leadership strategy towards innovation. On the other hand, the industries with a stable competitive environment (such as: large food, beverage, and household goods producers) can influence a more exploitative digital leadership strategy from the leaders that induces them towards focusing more towards stability and consistency (Cai et al., 2024).

When it comes to strain and media effects, multi-source field evidence shows technostress undermines technology-enabled performance via defensive routines, whereas digital leadership buffers these harms by providing vision, competence scaffolds, and supportive norms (Yang et al., 2025). Experiments on communication channels reveal a clash between the messages and the media that is being used. For instance, studies show that a neutral video can depress output relative to text/audio, whereas charismatic video recovers or exceeds performance (Walter and Gioglio, 2014). Thus, leaders need channel competence, not simply richer media (Nieken, 2023). Digital transformation behaviours must be balanced with people-orientation to sustain desirable change responses (Weber et al., 2022).

For sustainability, a healthcare study shows Digital Leadership Capability (DLC) improves environmental performance directly and indirectly through Digital Technology Alignment (DTA) – the fit between new/legacy technologies, processes, and structures – and digital innovation; DTA and digital innovation also mediate in serial, clarifying how leadership visions become aligned platforms and, subsequently, greener processes and services (Chavez et al., 2025).

Deepening the Practical Applications of Digital Leadership

The practical implications of digital leadership are best understood by examining how leaders shape capability, clarity, connection, and contribution in digitally mediated environments. The concepts above – LDC, artifact roles, AMO dynamics, and result chains – offer a blueprint for purpose-aligned engagement, which can be enriched with insights on flourishing, compassion, responsible HRM, responsible innovation, and resilience.

Developing Digital Capability as a Foundation for Purpose

First, digital leadership contributes to engagement when it strengthens leader and follower capability. The effectiveness of digital tools depends less on the tools than on how they are used. Leaders who display confident, intentional digital interaction encourage employees to approach tools with similar openness, dissolving apprehension and reducing defensive routines (Yang et al., 2025). Capability extends beyond technical fluency to critical digital judgment: choosing channels that fit message intent, pacing communications, documenting decisions transparently, and scheduling synchronous touchpoints when nuance or belonging is at stake. Evidence on resilience in virtual teams shows that deliberately designed patterns of reflection, recovery, and coordination restore momentum after setbacks – key to sustaining engagement in hybrid work (Degbey and Einola, 2020).

Designing Purposeful Routines Through Artifacts

Second, purpose becomes tangible through routines and artifacts that embody it. Envisioning artifacts (purpose statements, narrative exemplars) guide sense-making; empowering artifacts (distributed decision frameworks) widen scope for initiative; supporting artifacts (coaching templates) scaffold development; clarifying artifacts (values-in-use) reduce ambiguity; enforcing artifacts (security/privacy protocols) protect fairness and integrity (Eberl et al., 2025). In hybrid settings, clarifying and facilitating artifacts that codify expectations for response times, decision documentation, and rotation of meeting roles prevent inequities and reinforce AMO by increasing ability (through guidance), motivation (through meaning), and opportunity (through voice).

Safeguarding Flourishing, Ethics, and Care in Digital Settings

Third, purpose-driven digital leadership integrates flourishing and moral obligation into everyday practice, especially under uncertainty. Research shows that moral obligation and leader responsiveness help sustain vitality and growth in extreme conditions; digital leaders can translate this into visible fairness in workload allocation, timely accommodations for wellbeing, and explicit escalation pathways when demands overwhelm (Zoogah et al., 2025). Responsible people practices also matter: socially responsible HRM fosters ethical climates and better employee outcomes, reinforcing trust in digitally intensive environments (Pham et al., 2024). Compassion is an operational competence as much as a virtue: guidance on compassionate management – privacy-preserving coordination, flexible role redesign, regular check-ins – demonstrates how to embed dignity and support into digital routines, particularly when health or caregiving challenges intersect with work (Ogbonnaya et al., 2024).

Strengthening Hybrid Connectedness

Fourth, leaders enhance engagement by structuring hybrid connectedness. Digital leadership neither romanticises physical presence nor treats digital channels as full substitutes; it recognises that each mode has affordances and limits. Channel competence becomes a lever of inclusion and motivation: leaders choose richer media when relational work is needed and leaner media for efficiency, and they pair transformation messages with people-oriented framing to preserve trust (Nieken, 2023; Weber et al., 2022). Rhythm also matters. Predictable routines – weekly asynchronous updates, scheduled check-ins, structured agenda-setting, intentional reflection – help people make sense of their contributions, remember the “why,” and maintain continuity across projects (Degbey and Einola, 2020).

Supporting Innovation and Learning Cycles with Co-Creation

Fifth, digital leadership fosters a culture of innovation and learning. Exploration and exploitation are complementary but not symmetrical: exploration benefits from co-creation and diverse input, while exploitation requires disciplined refinement. Leaders implement this by pairing exploratory sprints (prototyping, cross-functional experiments, stakeholder co-design) with exploitation tracks (process audits, incremental improvements), and by matching artifact roles – facilitating/empowering for exploration; clarifying/enforcing for exploitation (Eberl et al., 2025; Cai et al., 2024). A responsible orientation deepens legitimacy: customers can drive responsible innovation through co-active issue-selling that places societal concerns at the heart of exploration, aligning purpose and performance (Degbey et al., 2024).

Reducing Strain and Ethical Risks in Algorithmic Workplaces

Sixth, leaders reduce friction and ethical risk by pacing change, sequencing literacy before mandates, clarifying expectations, and embedding supportive artifacts – interventions that prevent technostress from spiralling (Yang et al., 2025). As algorithms increasingly inform HR and operational decisions, purpose-driven leaders prioritise algorithmic transparency and fairness, preserve human oversight, and explain the “why” behind decisions, so that engagement is not undermined by opacity (Rodgers et al., 2023 is illustrative, though not counted among the five focal works). The common thread is dignity: ensure that digital experimentation respects privacy and autonomy, with red lines codified in clear policies.

Embedding Inclusion and Equity Into Digital Structures

Seventh, inclusion must be designed, not left to chance. Hybrid work can peripheralise some voices. Leaders counter this by structuring asynchronous input windows, documenting contributions in shared platforms, rotating facilitation and scribing, and acknowledging contributions publicly. Such practices align with SR-HRM and inclusive-climate evidence (Pham et al., 2024) and with flourishing research that highlights the moral obligations leaders shoulder in challenging contexts (Zoogah et al., 2025).

Anchoring Sustainability and Legitimacy in Digital Transformation

Eighth, digital leadership connects purpose-driven engagement with sustainability through careful alignment. The DLC → DTA → digital innovation chain shows that environmental outcomes require compatibility work and innovation sequencing, not slogans (Chavez et al., 2025). Purpose-congruent co-creation – inviting customers and communities into exploration – adds legitimacy and orients innovation toward grand challenges (Degbey et al., 2024).

Emerging Challenges and Paradoxes

Digital leadership contains paradoxes that must be navigated, not eliminated.

Balancing conceptual breadth and operational focus. Breadth risks overwhelm; operational focus makes practice tractable. LDC and artifact roles concentrate attention on clarity, care, capability, and connection (Eberl et al., 2025; Roodt et al., 2025; Banks et al., 2022).

Stabilising and flexibilising simultaneously. Some domains (privacy, security, ethics) demand stability; others (innovation, teaming, learning) need flexibility. Explicitly pairing clarifying/enforcing with facilitating/empowering artifacts allows both to coexist (Eberl et al., 2025).

Navigating media richness with intention. Rich channels can help or hinder. Neutral video can depress performance relative to text/audio; charismatic, well-designed video can reverse the effect, and people-orientation is essential in transformation communication (Nieken, 2023; Weber et al., 2022).

Harnessing digitalisation without triggering strain. The more we digitise, the more human-centred leadership matters. Purposeful pacing, learning, and psychological safety turn digitalisation into an enabler rather than a stressor (Yang et al., 2025; Degbey and Einola, 2020).

Designing inclusion and legitimacy in a hybrid world. Distance can create invisibility; structure restores voice and equity. Responsible HRM principles and flourishing-oriented leadership help convert inclusion from aspiration to routine (Zoogah et al., 2025; Pham et al., 2024).

Aligning sustainability intent with operational reality. Environmental intent requires alignment and innovation, not mere aspiration. Sequencing DTA and digital innovation operationalises purpose in this arena (Chavez et al., 2025).

Conclusion

Viewed through the lens of leading with purpose to engage employees, digital leadership is best understood as capabilities enacted through routines in digitally intensive contexts. This chapter synthesised scholarship to show how Leader Digital Competence anchors capability; how routines and artifacts allow purpose to be enacted every day; how AMO dynamics structure engagement; and how result chains link digital leadership to innovation, competitive advantage, resilience, and sustainability.

The central argument is that digital leadership strengthens engagement not through technical proficiency alone but through the design of human-centred digital environments. Leaders who cultivate capability, structure routines intentionally, choose channels with discernment, balance exploration with disciplined exploitation, reduce technostress, embed inclusion, and align digital transformation with sustainability create the conditions under which purpose is lived and engagement becomes durable. Evidence on flourishing, compassion, responsible HRM, responsible innovation, and virtual-team resilience deepens this argument: purpose is enacted when people are enabled, treated fairly, cared for in hardship, invited to co-create, and protected by transparent digital guardrails.

In innovation terms, the design choice is to use co-creation to amplify returns to exploration, while governing exploitation with tighter guardrails so it remains effi-

cient without crowding out discovery (Cai et al., 2024). Leaders who invest in competence, routines, channel choice, and alignment will convert digital turbulence into durable capability and keep purpose visible, actionable, and engaging.

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