

# Strategic Leadership and Digital Transformation: Enhancing Organizational Agility in the Post-Pandemic Era

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## Abstract

*The COVID-19 pandemic has fundamentally transformed organizational landscapes, accelerating digital transformation initiatives and highlighting the critical importance of organizational agility. This study examines the relationship between strategic leadership, digital transformation, and organizational agility in the Indonesian business context during the post-pandemic era. Using a mixed-methods approach combining quantitative surveys (n=284) with qualitative in-depth interviews (n=32), this research investigates how strategic leadership capabilities facilitate digital transformation and enhance organizational agility. The study employs transformational leadership theory, upper echelons theory, and dynamic capabilities framework to understand the mechanisms through which leadership drives organizational change. Findings reveal that strategic leadership significantly mediates the relationship between digital transformation initiatives and organizational agility, with Indonesian organizations demonstrating unique adaptation patterns influenced by cultural and contextual factors. The research contributes to leadership and organizational change literature by providing empirical evidence of how strategic leaders navigate digital transformation challenges while building organizational resilience. Practical implications suggest that organizations must develop adaptive leadership capabilities, invest in digital literacy, and create flexible organizational structures to thrive in the post-pandemic business environment.*

**Keywords:** leadership, digital, transformation

## Introduction

The global business landscape has experienced an unprecedented transformation since the emergence of the COVID-19 pandemic in early 2020, fundamentally altering how organizations operate, compete, and create value in an increasingly interconnected world. The pandemic has served as a critical catalyst for digital transformation across industries, compelling organizations to rapidly adopt technological solutions while simultaneously highlighting the essential role of strategic leadership in navigating unprecedented disruptions. In Indonesia, this transformation has been particularly pronounced, with the pandemic accelerating digital transformation initiatives by an estimated three to four years, forcing organizations across diverse sectors to rapidly adapt their business models, operational processes, and leadership approaches to survive and thrive in the new normal (Madzík & Sieber, 2024).

The magnitude of this transformation extends far beyond mere technological adoption; it represents a fundamental shift in organizational paradigms that demands sophisticated leadership capabilities capable of navigating complexity, inspiring change, and aligning organizational resources toward strategic objectives. Research indicates that the COVID-19 pandemic has intensified the importance of organizational agility as companies face ongoing volatility, supply chain disruptions, changing consumer behaviors, and technological

acceleration. Organizations that successfully navigated pandemic-related challenges demonstrated superior agility levels, characterized by decentralized decision-making, cross-functional collaboration, rapid experimentation, and continuous learning capabilities (Devie et al., 2023).

Indonesia, with its population exceeding 280 million people and a rapidly evolving digital economy projected to reach USD 146 billion by 2025, presents a unique and compelling context for examining the relationships between strategic leadership, digital transformation, and organizational agility. The country's digital transformation has been marked by significant government initiatives, including the National Digital Transformation Acceleration Agenda, which prioritizes digital infrastructure development, human resource development in the digital sector, and the preparation of digital transformation roadmaps across strategic sectors. By 2024, Indonesia's internet user base is projected to exceed 200 million, with internet penetration reaching 79%, creating unprecedented opportunities for digital innovation and business transformation.

The Indonesian business environment has demonstrated remarkable resilience and adaptability during the post-pandemic era, with organizations across various sectors—from manufacturing and services to technology and retail—implementing comprehensive digital transformation strategies. However, this transformation has not been without challenges. Indonesian Micro, Small, and Medium Enterprises (MSMEs), which constitute approximately 98.68% of the country's 64 million businesses, have faced significant vulnerabilities to internal and external economic shocks. Despite these challenges, successful digital adoption has enabled many organizations to achieve greater market reach, operational efficiency, and competitive positioning, with digital trade valuation reaching IDR 401 trillion in 2021 (Prasidya & Dewi, 2023).

The post-pandemic business environment has intensified the importance of organizational agility as organizations face what experts term VUCA conditions—environments characterized by Volatility, Uncertainty, Complexity, and Ambiguity. Organizational agility, defined as the ability to quickly sense, respond, and adapt to environmental changes while maintaining operational efficiency and strategic focus, has emerged as a fundamental capability for business survival and success. Research demonstrates that companies with high organizational agility delivered up to five times higher financial performance than their less agile counterparts, underscoring the strategic value of this capability in navigating turbulent business conditions (Fauzan & Syara, 2025).

In the Indonesian context, studies have revealed that organizations with higher agility levels experienced better pandemic recovery outcomes and stronger post-pandemic growth trajectories. The hospitality industry, one of the sectors most severely impacted by the pandemic, has particularly emphasized the importance of organizational agility in their recovery strategies. Indonesian organizations that successfully integrated robust risk management practices with agile organizational structures demonstrated superior performance in maintaining operational efficiency and driving innovation during the crisis period.

Strategic leadership has emerged as the pivotal factor that determines whether organizations successfully navigate digital transformation while building sustainable organizational agility. Strategic leaders must possess the vision to anticipate market changes, the capability to mobilize resources effectively, and the emotional intelligence to guide their organizations through uncertainty and change. The Indonesian business context presents unique cultural and contextual factors that influence how strategic leadership manifests in practice, including the concept of "gotong royong" (collective cooperation) and hierarchical

respect ("hormat") that shape organizational dynamics and transformation approaches.

Research conducted in Indonesian organizations has identified five critical leadership behaviors that facilitate successful digital transformation: visionary communication, adaptive decision-making capabilities, digital literacy, stakeholder engagement and coalition-building, and resilience and persistence. These leadership competencies have proven essential for overcoming resistance to change and building transformation momentum in Indonesian organizational contexts. Furthermore, studies have shown that strategic leadership significantly influences organizational agility both directly and through digital transformation initiatives, with cultural and contextual factors playing important moderating roles.

Despite growing recognition of the importance of strategic leadership in digital transformation and organizational agility, there remains a significant gap in empirical research examining how these relationships manifest specifically in the Indonesian context during the post-pandemic era. This gap is particularly pronounced given Indonesia's unique cultural, economic, and technological landscape, which differs substantially from Western contexts where much of the existing leadership and transformation research has been conducted. The Indonesian market's rapid digitalization, combined with its diverse economic sectors and cultural considerations, creates a compelling need for context-specific research that can inform both academic understanding and practical management approaches.

The business environment in Indonesia continues to evolve rapidly, with new technologies such as artificial intelligence, blockchain, and Internet of Things (IoT) reshaping competitive landscapes and organizational capabilities. The Indonesian Digital Transformation Market is expected to reach USD 24.37 billion in 2025 and grow at a CAGR of 19.44% to reach USD 59.23 billion by 2030, indicating the sustained importance of understanding how organizations can effectively manage this transformation. Additionally, the government's ambitious target to have 30 million MSMEs digitally onboarded by 2024 underscores the national importance of successful digital transformation initiatives.

## LITERATURE REVIEW

### 1. Strategic Leadership Theory

Strategic leadership represents a critical organizational capability that encompasses the ability to anticipate, envision, maintain flexibility, and empower others to create strategic change. Drawing from upper echelons theory, strategic leaders' cognitive bases, values, and demographic characteristics significantly influence organizational outcomes and strategic decisions. The theory emphasizes that senior managers' interpretations of strategic situations shape their decisions, ultimately affecting organizational performance and market positioning (Eaton et al., 2024).

Transformational leadership theory provides a foundational framework for understanding how leaders inspire and motivate followers to achieve extraordinary outcomes. Transformational leaders exhibit four key behaviors: idealized influence (serving as role models), inspirational motivation (articulating compelling visions), intellectual stimulation (encouraging innovation), and individualized consideration (attending to followers' individual needs). Research demonstrates that transformational leadership significantly enhances organizational performance, innovation capacity, and employee engagement, particularly during periods of change and uncertainty (Kim Quy et al., 2023).

Recent studies have expanded transformational leadership theory to address digital transformation contexts, showing that leaders who effectively combine visionary thinking with technological acumen are better positioned to drive organizational change. Digital leadership encompasses traditional leadership competencies while adding technology-focused

capabilities such as digital literacy, data-driven decision-making, and virtual team management. These leaders create cultures of experimentation, embrace failure as learning opportunities, and foster continuous adaptation to technological changes (Kollmann et al., 2023).

## 2. Digital Transformation and Organizational Change

Digital transformation represents a fundamental shift in how organizations operate, create value, and interact with stakeholders through the integration of digital technologies across all business functions. Unlike digitization or digitalization, digital transformation involves comprehensive organizational change that affects business models, operational processes, customer experiences, and organizational culture. The COVID-19 pandemic served as a catalyst for digital transformation, accelerating adoption timelines and forcing organizations to rapidly implement technologies that might have taken years to deploy under normal circumstances (Kiran Kumar Lekkala, 2025).

The strategic importance of digital transformation extends beyond operational efficiency to encompass competitive advantage, innovation capacity, and organizational resilience. Organizations that successfully navigate digital transformation demonstrate enhanced agility, improved customer responsiveness, and greater adaptability to market changes. However, digital transformation initiatives face significant challenges, including technological complexity, change resistance, skills gaps, and resource constraints (Mrugalska & Ahmed, 2021).

Research in the Indonesian context reveals unique patterns of digital transformation adoption, with small and medium enterprises (SMEs) facing particular challenges related to technological readiness, financial constraints, and digital literacy. Studies show that 90% of Indonesian MSMEs operated conventionally before the pandemic, highlighting the magnitude of transformation required. However, successful digital adoption has enabled these organizations to achieve greater market reach, operational efficiency, and competitive positioning.

## 3 Organizational Agility in the Post-Pandemic Era

Organizational agility encompasses the ability to rapidly detect and respond to opportunities and threats while maintaining operational excellence and strategic focus. The concept extends beyond flexibility to include proactive sensing capabilities, rapid decision-making processes, and effective resource reallocation mechanisms. Agile organizations demonstrate superior performance in dynamic environments characterized by uncertainty, complexity, and rapid change (Pulakos & Kantrowitz, 2020).

The post-pandemic business environment has intensified the importance of organizational agility as companies face ongoing volatility, supply chain disruptions, changing consumer behaviors, and technological acceleration. Research indicates that agile organizations were better positioned to navigate pandemic-related challenges, adapt to remote work requirements, and capitalize on emerging opportunities. These organizations typically exhibit decentralized decision-making, cross-functional collaboration, rapid experimentation, and continuous learning capabilities (Bukola A. Odulaja et al., 2023).

Studies in the Indonesian context demonstrate that organizations with higher agility levels experienced better pandemic recovery outcomes and stronger post-pandemic growth trajectories. However, building organizational agility requires systematic attention to leadership development, organizational culture, technological infrastructure, and human capital capabilities. The relationship between digital transformation and organizational agility

is particularly complex, with technology serving both as an enabler and a potential constraint depending on implementation approaches and leadership effectiveness (Subariyanti et al., 2025).

#### 4 Theoretical Framework Integration

This study integrates multiple theoretical perspectives to understand the complex relationships between strategic leadership, digital transformation, and organizational agility. Upper echelons theory provides insight into how leaders' characteristics and decision-making processes influence organizational outcomes. Transformational leadership theory explains the mechanisms through which leaders inspire and enable organizational change. Dynamic capabilities theory illuminates how organizations build, integrate, and reconfigure resources to address changing environments.

The integrated theoretical framework suggests that strategic leaders serve as catalysts for digital transformation by creating compelling visions, mobilizing resources, and fostering organizational cultures that embrace change and innovation. These leaders develop dynamic capabilities that enable their organizations to sense opportunities, seize strategic initiatives, and transform operational processes to enhance agility. The framework also recognizes that cultural and contextual factors, particularly relevant in the Indonesian business environment, moderate these relationships and influence transformation outcomes

#### METHOD

This study employs a mixed-methods approach utilizing both quantitative and qualitative research methods to provide comprehensive insights into the relationships between strategic leadership, digital transformation, and organizational agility. The mixed-methods design enables triangulation of findings, enhances validity through multiple data sources, and provides both breadth and depth of understanding. The research follows an explanatory sequential design, beginning with quantitative data collection and analysis, followed by qualitative interviews to explain and contextualize the quantitative findings.

The choice of mixed-methods design aligns with the complexity of the research phenomenon and the need to understand both measurable relationships and underlying mechanisms. Quantitative methods provide statistical evidence of relationships and enable generalization across the Indonesian business context, while qualitative methods offer rich insights into leadership behaviors, transformation processes, and cultural influences.

#### Population and Sampling

The study population consists of organizations operating in Indonesia across various industries, including manufacturing, services, technology, and retail sectors. The target respondents include senior managers, middle managers, and employees involved in digital transformation initiatives within their organizations. This multi-level approach recognizes that strategic leadership and organizational agility manifest at different organizational levels and require diverse perspectives for comprehensive understanding.

For the quantitative phase, a stratified random sampling approach was employed to ensure representation across industry sectors, organizational sizes, and geographic regions within Indonesia. The sample size was determined using power analysis calculations, resulting in a target of 300 respondents to achieve adequate statistical power for structural equation modeling analysis. The final sample consisted of 284 valid responses, representing a response rate of 71.2%, which exceeds recommended thresholds for organizational research.

The qualitative phase employed purposive sampling to select 32 participants representing diverse organizational contexts, leadership roles, and transformation experiences. Selection criteria included: senior leadership positions, direct involvement in digital transformation initiatives, minimum three years of organizational tenure, and willingness to participate in in-depth interviews. The sample included 18 C-level executives, 10 department heads, and 4 transformation specialists from organizations ranging from 50 to 5,000 employees.

### **Data Collection Instruments**

**Quantitative Instruments:** The study utilized validated scales adapted for the Indonesian context through translation and back-translation processes. Strategic leadership was measured using the Transformational Leadership Inventory (TLI) adapted from Bass and Avolio, incorporating dimensions of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Digital transformation was assessed using a comprehensive scale measuring technology adoption, process digitization, business model innovation, and cultural transformation.

Organizational agility was measured using the Agility Capability Scale, incorporating dimensions of sensing capability, decision-making speed, implementation velocity, and learning orientation. All scales employed 7-point Likert formats ranging from "strongly disagree" to "strongly agree," with additional demographic and organizational context questions.

**Qualitative Instruments:** Semi-structured interview protocols were developed to explore leadership behaviors, transformation challenges, agility-building strategies, and contextual factors influencing organizational change. Interview questions were designed to complement quantitative findings while allowing for emergence of themes not captured in structured measures. Interview protocols underwent expert review and pilot testing to ensure clarity, cultural appropriateness, and alignment with research objectives.

### **Data Collection Procedures**

Quantitative data collection occurred over a four-month period from August to November 2024, utilizing online survey platforms with multiple distribution channels including professional networks, industry associations, and direct organizational contacts. Survey invitations included research purpose explanations, confidentiality assurances, and estimated completion times. Follow-up reminders were sent at two-week intervals to enhance response rates while maintaining participant voluntary participation.

Qualitative interviews were conducted between December 2024 and February 2025, with each interview lasting 60-90 minutes. Interviews were conducted in Bahasa Indonesia and English based on participant preferences, with all sessions recorded and transcribed for analysis. Interview locations varied between organizational offices, neutral venues, and virtual platforms to accommodate participant preferences and ensure comfort levels.

### **Data Analysis Methods**

**Quantitative Analysis:** Data analysis employed structural equation modeling (SEM) using AMOS 26.0 to test hypothesized relationships between strategic leadership, digital transformation, and organizational agility. Preliminary analyses included descriptive statistics, reliability testing using Cronbach's alpha, and exploratory factor analysis to confirm scale structures. Confirmatory factor analysis was conducted to assess measurement model fit before testing structural relationships.

The analysis followed a two-step approach: first establishing measurement model adequacy, then testing structural relationships and mediation effects. Model fit was evaluated using multiple indices including chi-square statistics, comparative fit index (CFI), tucker-lewis index (TLI), and root mean square error of approximation (RMSEA). Mediation analysis employed bootstrap procedures to test indirect effects and confidence intervals.

**Qualitative Analysis:** Interview transcripts underwent thematic analysis using NVivo 12.0, following Braun and Clarke's six-phase approach: familiarization, initial coding, theme development, theme review, theme definition, and report writing. Analysis was conducted by multiple researchers to enhance reliability and reduce bias, with inter-rater agreement assessed through Cohen's kappa coefficients.

The analysis process involved both deductive coding based on theoretical frameworks and inductive coding to identify emergent themes. Data saturation was assessed through ongoing analysis, with no new themes emerging after 28 interviews, confirming adequacy of the 32-interview sample. Quality assurance measures included member checking, peer debriefing, and thick description to enhance trustworthiness

## RESULTS AND DISCUSSION

This study employed a comprehensive mixed-methods approach to examine the relationships between strategic leadership, digital transformation, and organizational agility in Indonesian organizations during the post-pandemic era. The research utilized an explanatory sequential design, beginning with quantitative data collection and analysis, followed by qualitative interviews to explain and contextualize the statistical findings. This approach enabled triangulation of findings and provided both breadth and depth of understanding regarding the complex relationships under investigation.

The integration of quantitative and qualitative data was conducted through multiple analytical frameworks, including triangulation protocols, following-a-thread methodology, and mixed methods matrices to ensure comprehensive understanding of the research phenomena. The systematic integration of both data types allowed for the emergence of additional insights that extended beyond the separate results of individual methodological approaches.

### Sample Demographics and Characteristics

The final quantitative sample consisted of 284 valid responses from Indonesian organizations across diverse sectors and organizational levels. The demographic distribution revealed comprehensive representation across key organizational characteristics that enhanced the generalizability of findings within the Indonesian business context.

**Industry Distribution:** Manufacturing sector represented the largest proportion at 32.4% (n=92), followed by services at 28.9% (n=82), technology at 21.5% (n=61), retail at 12.0% (n=34), and other sectors comprising 5.2% (n=15). This distribution reflects Indonesia's diverse economic structure and the widespread nature of digital transformation initiatives across various industries.

**Organizational Size Representation:** Small enterprises (50-250 employees) constituted 28.5% (n=81) of the sample, medium-sized organizations (251-1,000 employees) represented 35.9% (n=102), while large corporations (over 1,000 employees) comprised 35.6% (n=101). This balanced distribution ensured adequate representation across organizational complexity levels and resource availability categories.

**Geographic Coverage:** Jakarta and surrounding metropolitan areas provided 45.8% (n=130) of responses, reflecting the concentration of business activities in Indonesia's capital region.

Surabaya contributed 18.3% (n=52), Bandung 12.7% (n=36), Yogyakarta 10.6% (n=30), with other Indonesian cities representing 12.6% (n=36), ensuring national coverage of the research findings .

### **Descriptive Statistics and Scale Reliability**

All measurement instruments demonstrated excellent psychometric properties with Cronbach's alpha coefficients exceeding the recommended threshold of 0.80 . Strategic leadership achieved  $\alpha = 0.92$ , digital transformation  $\alpha = 0.89$ , and organizational agility  $\alpha = 0.91$ , confirming the internal consistency and reliability of the measurement scales .

Mean scores across all constructs indicated moderate to high levels of strategic leadership practices and organizational capabilities among Indonesian organizations . Strategic leadership demonstrated a mean score of 5.24 (SD = 1.18) on a 7-point scale, suggesting that Indonesian leaders generally exhibit transformational leadership behaviors conducive to organizational change .

Digital transformation initiatives showed a mean score of 4.87 (SD = 1.32), indicating moderate progress in digital adoption across Indonesian organizations, which aligns with national digital transformation indicators . Organizational agility recorded a mean score of 5.06 (SD = 1.25), suggesting that Indonesian organizations have developed reasonable agility capabilities to respond to environmental changes .

### **Structural Equation Modeling Results**

The measurement model demonstrated excellent fit indices ( $\chi^2 = 187.42$ ,  $df = 87$ ,  $p < 0.001$ ; CFI = 0.95; TLI = 0.93; RMSEA = 0.064), confirming the validity and appropriateness of the measurement instruments for the Indonesian context . The structural model testing hypothesized relationships achieved acceptable fit ( $\chi^2 = 201.56$ ,  $df = 89$ ,  $p < 0.001$ ; CFI = 0.94; TLI = 0.92; RMSEA = 0.067), supporting the theoretical framework .

Direct Effects Analysis: Strategic leadership demonstrated a strong positive relationship with digital transformation ( $\beta = 0.67$ ,  $p < 0.001$ ), explaining 45% of the variance in digital transformation initiatives . This finding confirms that transformational leadership behaviors significantly facilitate digital transformation processes in Indonesian organizations .

Digital transformation showed a significant positive relationship with organizational agility ( $\beta = 0.58$ ,  $p < 0.001$ ), accounting for 34% of the variance in agility capabilities . The direct relationship between strategic leadership and organizational agility was also statistically significant ( $\beta = 0.43$ ,  $p < 0.001$ ), indicating multiple pathways through which leadership influences organizational capabilities .

Mediation Analysis: Bootstrap analysis with 5,000 iterations confirmed significant partial mediation effects of digital transformation on the relationship between strategic leadership and organizational agility (indirect effect = 0.39, 95% CI [0.28, 0.52]) . The partial nature of the mediation suggests that strategic leadership enhances organizational agility both directly through cultural and structural changes and indirectly through digital transformation initiatives .

### **Participant Characteristics and Interview Process**

The qualitative phase involved 32 in-depth interviews with senior managers and executives from Indonesian organizations representing diverse industries and organizational contexts . Participants included 18 C-level executives (56.3%), 10 department heads (31.3%), and 4 digital transformation specialists (12.5%), ensuring comprehensive perspectives on strategic leadership and organizational change .



Interview duration ranged from 60 to 90 minutes, with all sessions conducted in participants' preferred language (Bahasa Indonesia or English) to ensure authentic expression of experiences and perspectives. Data saturation was achieved after 28 interviews, with no new themes emerging in the final four interviews, confirming the adequacy of the sample size.

### Thematic Analysis Results

The thematic analysis revealed five major themes explaining how strategic leadership facilitates digital transformation and enhances organizational agility in Indonesian organizations. Each theme was supported by multiple data sources and demonstrated clear patterns across different organizational contexts.

Table 1: Qualitative Themes and Supporting Evidence

Theme	Definition	Representative Quotes	Organizational Context	Frequency (n=32)
Visionary Digital Communication	Leaders articulate compelling digital futures connecting technology to organizational purpose	"We don't sell technology; we sell dreams of what our organization can become" (CEO, Manufacturing)	Large enterprises emphasizing digital transformation vision	28 (87.5%)
Adaptive Decision-Making Capabilities	Shift from traditional planning to agile, iterative decision processes emphasizing experimentation	"We had to abandon five-year plans and embrace monthly pivots" (COO, Technology)	Organizations facing rapid market changes	26 (81.3%)
Cultural Integration Strategies	Balancing Indonesian cultural values with digital transformation requirements	"Gotong royong helped us build digital communities within our organization" (Director, Services)	Companies successfully navigating cultural transformation	24 (75.0%)
Stakeholder Coalition Building	Systematic engagement of internal and external stakeholders to overcome resistance	"Digital transformation is not a technology project; it's a people project" (CTO, Retail)	Organizations with complex stakeholder environments	22 (68.8%)
Resilience and Learning Orientation	Persistent commitment to transformation despite setbacks and continuous learning adaptation	"Every digital failure taught us something valuable about our customers" (GM, Finance)	Companies demonstrating sustained transformation efforts	20 (62.5%)

Leaders who successfully drove digital transformation demonstrated exceptional ability to articulate compelling visions that connected technological capabilities with organizational purpose and employee aspirations. This theme emerged as the most frequently mentioned

leadership behavior, appearing in 87.5% of interviews across all organizational types .

Indonesian leaders emphasized the importance of storytelling and metaphorical communication to help employees understand abstract digital concepts . One manufacturing CEO explained: "We transformed our factory narrative from 'making products' to 'creating intelligent solutions that improve lives through technology'" . This approach proved particularly effective in traditional industries where employees had limited exposure to digital technologies .

The visionary communication extended beyond internal stakeholders to include customers, suppliers, and community partners . Leaders described the necessity of building "digital ecosystems" that aligned various stakeholder interests with transformation objectives . Service sector leaders particularly emphasized the role of customer-centric digital narratives in driving organizational change.

The transition from traditional hierarchical decision-making to more agile, iterative processes emerged as a critical leadership capability for digital transformation success . Leaders described fundamental shifts in planning horizons, risk tolerance, and decision-making criteria to accommodate digital transformation uncertainty .

Traditional Indonesian business practices often emphasized long-term planning and consensus-building, which proved inadequate for digital transformation requirements . Successful leaders developed "hybrid approaches" that maintained cultural respect for consultation while accelerating decision-making processes . One technology sector director noted: "We kept the wisdom of consultation but compressed the timeline from months to weeks" .

The adaptive decision-making capability included sophisticated risk management approaches that balanced innovation requirements with operational stability . Leaders described implementing "portfolio approaches" to digital initiatives, combining high-certainty incremental improvements with experimental breakthrough projects.

Indonesian cultural values, particularly "gotong royong" (collective cooperation) and "hormat" (hierarchical respect), significantly influenced digital transformation approaches and outcomes . Leaders who successfully navigated cultural integration achieved superior transformation results compared to those who ignored cultural considerations .

The concept of gotong royong was strategically leveraged to build collaborative digital transformation efforts . Leaders framed digital initiatives as community endeavors requiring collective participation rather than top-down mandates . A services director explained: "We transformed digital adoption from individual competition to community achievement, celebrating collective learning milestones" .

However, hierarchical respect sometimes created barriers to innovation when employees hesitated to challenge existing processes or suggest improvements . Successful leaders developed "respectful innovation protocols" that encouraged creative thinking while maintaining cultural sensitivity . These protocols included structured forums for anonymous suggestions and rotating leadership opportunities for junior staff.

Digital transformation success required systematic engagement of diverse internal and external stakeholders to overcome resistance and build transformation momentum . Leaders described digital transformation as fundamentally a "people project" requiring sophisticated relationship management capabilities .

Internal coalition building focused on identifying and developing "digital champions" across organizational levels and functions . These champions served as transformation ambassadors, providing peer-to-peer education and support . One retail CTO noted: "Our most effective digital training came from employees teaching employees, not consultants teaching

employees" .

External stakeholder engagement involved customers, suppliers, regulatory bodies, and community organizations . Leaders emphasized the importance of "digital ecosystem thinking" that aligned transformation initiatives with broader stakeholder value creation . This approach proved particularly important for Indonesian organizations operating in relationship-intensive business environments.

Sustained digital transformation required exceptional resilience and commitment to continuous learning despite inevitable setbacks and challenges . Leaders described transformation journeys characterized by multiple failures, course corrections, and adaptive responses .

The learning orientation encompassed both individual leader development and organizational capability building . Successful leaders invested heavily in their own digital literacy while simultaneously building organizational learning systems . A finance general manager explained: "I spent two hours daily learning about fintech innovations so I could ask intelligent questions and provide meaningful guidance" .

Organizational learning systems included formal training programs, communities of practice, knowledge management platforms, and experimentation protocols . Leaders emphasized the importance of "intelligent failure" - systematic approaches to learning from unsuccessful initiatives . This approach proved particularly valuable in Indonesian contexts where face-saving considerations could inhibit honest assessment of project outcomes.

The mixed-methods approach revealed complementary insights that enhanced understanding of strategic leadership-digital transformation-organizational agility relationships . Quantitative findings demonstrated strong statistical relationships between constructs, while qualitative findings explained the underlying mechanisms and contextual factors shaping these relationships.

Table 2: Integrated Findings Matrix

Research Question	Quantitative Evidence	Qualitative Evidence	Integrated Interpretation
How does strategic leadership influence digital transformation?	$\beta = 0.67, p < 0.001$ (45% variance explained)	Visionary communication (87.5%), Adaptive decision-making (81.3%)	Leaders drive transformation through compelling vision articulation and agile decision processes
What mediates leadership-agility relationships?	Partial mediation (indirect effect = 0.39)	Cultural integration strategies (75.0%), Stakeholder coalition building (68.8%)	Digital transformation serves as primary but not exclusive pathway
How do cultural factors influence outcomes?	Moderate effect sizes across constructs	Cultural integration success determines transformation effectiveness	Indonesian values require strategic integration for optimal results
What sustains transformation	High reliability scores suggest	Resilience and learning orientation	Continuous adaptation and learning commitment essential

Research Question	Quantitative Evidence	Qualitative Evidence	Integrated Interpretation
efforts?	stable constructs	(62.5%)	for success

The qualitative findings provided detailed explanations for the quantitative mediation effects discovered through structural equation modeling . The partial mediation of digital transformation on leadership-agility relationships was explained through multiple qualitative mechanisms .

Leaders described digital transformation as providing "technological infrastructure for agility" while simultaneously requiring "cultural and structural changes" that directly enhanced organizational responsiveness . This dual pathway explanation aligned perfectly with the partial mediation statistical results .

The moderate effect sizes observed in quantitative analysis were contextualized through qualitative descriptions of implementation challenges and cultural adaptation requirements . Leaders emphasized that statistical relationships represented "potential capabilities" that required systematic development and cultural alignment to achieve practical benefits

Indonesian cultural and economic contexts emerged as significant moderators of the leadership-transformation-agility relationships . Organizations that successfully integrated cultural considerations achieved effect sizes above the sample means, while those ignoring cultural factors demonstrated below-average performance .

The geographic distribution of quantitative responses was explained through qualitative descriptions of infrastructure availability, talent concentration, and market sophistication differences across Indonesian regions . Jakarta-based organizations demonstrated higher digital transformation scores, which qualitative data attributed to superior infrastructure and talent availability .

Industry sector differences in quantitative analysis were contextualized through qualitative descriptions of regulatory environments, customer readiness, and competitive pressures . Technology sector organizations showed the highest agility scores, explained qualitatively through cultural norms emphasizing experimentation and rapid adaptation.

**DISCUSSION**

The quantitative analysis revealed a strong positive relationship between strategic leadership and digital transformation ( $\beta = 0.67, p < 0.001$ ), indicating that transformational leadership behaviors significantly impact the extent and success of digital initiatives in Indonesian organizations. This finding aligns with existing leadership literature that positions transformational leadership as a critical enabler of organizational change (Dukanac et al., 2025). Leaders who articulate a compelling vision, inspire followers, stimulate intellectual curiosity, and provide individualized consideration create an environment conducive to embracing new technologies and innovative business models.

The qualitative findings deepen this understanding by highlighting specific leadership behaviors essential for digital transformation success. Visionary digital communication emerged as a dominant theme, with leaders emphasizing the importance of connecting technological adoption to organizational purpose and employee aspirations. This resonates with transformational leadership theory's emphasis on inspirational motivation and idealized influence, where leaders act as role models and articulate a clear, compelling future. In the Indonesian context, this visionary communication often took culturally resonant forms, such as

framing digital transformation as a collective journey ("gotong royong") that aligns with communal values (Awaliya & Utami, 2024).

Adaptive decision-making capabilities also surfaced as a critical leadership competency, reflecting the need to shift from traditional hierarchical and long-term planning approaches to more agile, iterative decision processes. This finding supports recent scholarship on digital leadership, which underscores the importance of flexibility, rapid experimentation, and risk tolerance in technology-driven change. Indonesian leaders demonstrated a hybrid approach, blending cultural norms of consultation and respect with accelerated decision cycles, thus balancing tradition with innovation. This nuanced leadership adaptation highlights the importance of contextualizing leadership theories within local cultural frameworks, extending the upper echelons theory by illustrating how leader cognition and values interact with national culture to shape strategic choices (Shu et al., 2025).

The mediation analysis confirmed that digital transformation partially mediates the relationship between strategic leadership and organizational agility, with an indirect effect of 0.39 [95% CI [0.28, 0.52]]. This partial mediation suggests that while digital transformation serves as a critical pathway through which leadership enhances agility, strategic leadership also exerts direct effects on agility through other mechanisms such as cultural change and organizational restructuring.

This finding contributes to the organizational agility literature by empirically validating the role of digital transformation as a dynamic capability that enables organizations to sense, seize, and respond to environmental changes. Digital technologies provide the infrastructure for rapid information processing, process automation, and customer engagement, all of which are fundamental to agility. However, the partial mediation also underscores that technology alone is insufficient; leadership must simultaneously cultivate an organizational culture and structure that supports agility.

Qualitative data elucidated this dual pathway by revealing how leaders fostered cultural integration strategies and stakeholder coalition building to complement technological initiatives. For instance, leveraging "gotong royong" to promote collective ownership of transformation efforts and creating respectful innovation protocols to encourage employee participation despite hierarchical norms were critical in building an agile culture. These findings extend dynamic capabilities theory by emphasizing the social and cultural dimensions of capability development, particularly in emerging market contexts where cultural values strongly influence organizational behavior (Laksana & Widjaja, 2025).

The study's findings affirm the centrality of organizational agility as a critical capability for post-pandemic recovery and sustained competitive advantage. Indonesian organizations demonstrated moderate to high levels of agility ( $M = 5.06$ ,  $SD = 1.25$ ), reflecting their ability to rapidly sense and respond to market changes despite the unprecedented disruptions caused by the pandemic.

The qualitative themes of resilience and learning orientation provide rich insights into how agility is cultivated in practice. Leaders emphasized sustained commitment to transformation despite setbacks, adopting a mindset of intelligent failure and continuous learning. This aligns with the concept of a learning organization and recent agility frameworks that highlight the importance of adaptive learning cycles and psychological safety for experimentation.

Moreover, the findings highlight the importance of structural flexibility, including flatter hierarchies, cross-functional teams, and project-based work arrangements, in enabling agility. These organizational design elements facilitate faster decision-making, knowledge sharing, and innovation, which are essential in volatile and complex environments. The

emphasis on agility metrics in performance management systems further institutionalizes agility as a strategic priority.

A key contribution of this research lies in its nuanced understanding of how Indonesian cultural values and contextual factors moderate the relationships between leadership, digital transformation, and agility. The integration of cultural values such as "gotong royong" and "hormat" into transformation strategies was critical for success. These cultural dimensions influenced leadership behaviors, employee engagement, and change management approaches.

The concept of "gotong royong" facilitated collaborative transformation efforts by framing digital initiatives as communal endeavors, fostering collective responsibility and motivation. Conversely, "hormat" sometimes inhibited innovation by reinforcing hierarchical norms that discouraged dissent or challenge to the status quo. Leaders who successfully navigated these cultural tensions developed respectful innovation protocols that balanced cultural respect with the need for creative problem-solving.

Geographic and industry contexts also shaped transformation outcomes. Organizations in Jakarta and other metropolitan areas generally exhibited higher digital transformation and agility scores, attributed to superior digital infrastructure, talent availability, and market sophistication. Industry differences reflected varying regulatory environments and competitive pressures, with technology sector firms demonstrating the highest agility levels due to their inherent innovation orientation.

These findings underscore the importance of contextualizing leadership and organizational theories within local cultural and economic realities. They challenge the universality of Western-centric leadership models and highlight the need for culturally informed leadership development and change management practices in emerging markets

## CONCLUSION

This study provides compelling evidence that strategic leadership plays a critical role in driving digital transformation and enhancing organizational agility within Indonesian organizations in the post-pandemic era. The mixed-methods approach confirmed that transformational leadership behaviors—such as visionary communication, adaptive decision-making, and stakeholder coalition building—significantly influence the success of digital initiatives. Digital transformation, in turn, acts as a key mediator that enables organizations to develop agility capabilities essential for responding rapidly to volatile and uncertain environments. Importantly, the research highlights that digital transformation alone is not sufficient; strategic leadership must also foster cultural integration and structural flexibility to fully realize organizational agility. Indonesian cultural values, including gotong royong (collective cooperation) and hormat (hierarchical respect), play a vital moderating role, shaping how leadership and transformation efforts are enacted and received. Leaders who effectively integrate these cultural dimensions into their change management strategies achieve superior transformation outcomes and higher agility levels. The findings contribute to leadership and organizational theory by extending transformational leadership and dynamic capabilities frameworks within an emerging market context. Practically, the study underscores the need for leadership development programs that enhance digital literacy and adaptive capabilities, alongside culturally sensitive change management practices. Organizations should embed agility metrics into performance systems and cultivate resilience and continuous learning to sustain transformation momentum.

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