

**THE ROLE OF DIGITAL LEADERSHIP, DIGITAL CAPABILITIES, AND
DIGITAL INNOVATION TOWARDS DIGITAL ECOSYSTEMS AND
DIGITAL TRANSFORMATION IN INDONESIAN SOE'S**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.



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ABSTRACT

THE ROLE OF DIGITAL LEADERSHIP, DIGITAL CAPABILITIES, AND DIGITAL INNOVATION TOWARDS DIGITAL ECOSYSTEMS AND DIGITAL TRANSFORMATION IN INDONESIAN SOE'S

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Purpose – This research investigates the role of digital leadership, digital capabilities, and digital innovation in shaping the digital ecosystem and driving digital transformation within Indonesian State-Owned Enterprises (SOEs)

Design/methodology/approach – Data were collected from 269 respondents out of the 300 targeted respondents (a response rate of 89%) across different industries. The questionnaire data were analyzed using structural equation modeling.

Findings – The findings reveal that Digital Leadership negatively affects both Digital Capabilities and Digital Innovation due to a lack of alignment with organizational strategies and poor communication, which can alienate employees. Digital Capabilities hinder effective participation in Digital Ecosystems, with cultural barriers and insufficient investments leading to missed opportunities. The study also identifies a negative link between Digital Ecosystems and Digital Transformation, caused by integration challenges and misaligned strategic goals. The research underscores the importance of strong leadership, investment in digital skills, and a collaborative

culture for successful digital transformation and effective engagement in digital ecosystems.

Practical implications – The study highlights the necessity of cultivating effective digital leadership within Indonesian State-Owned Enterprises (SOEs) to enhance digital capabilities and promote innovation. Establishing a robust digital ecosystem is essential for achieving successful digital transformation, especially in the competitive and fast-changing context of emerging economies. The research also underscores the importance of fostering a learning culture within organizations to improve their absorptive capacity, creativity, and resilience, ultimately sustaining their competitive advantage.

Research limitations/implications – The research was conducted using cross-sectional data; thus, causality among the constructs could not be fully established.

Originality/value – This paper contributes to the understanding of how digital leadership, capabilities, and innovation interact to shape ecosystems and transformation processes. By focusing on the unique context of Indonesian SOEs

Keywords: Digital Leadership, Digital Capabilities, Digital Innovation, Digital Ecosystems, Digital Transformation, State-Owned Enterprises (SOEs)

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DEDICATION

I dedicate this works for my job and government,
also my lovely family

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