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The Relationship between Digital Leadership and Employee Well-being: The Mediating Role of Trust in the Leader and Moderated by Digital Competencies

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This study explores the impact of digital leadership on employee well-being, specifically examining trust in the leader as a mediating factor and digital competencies as a moderating factor. With digital transformation accelerating globally, spurred notably by the COVID-19 pandemic, organizations face the dual challenge of maintaining operational efficiency and supporting employee well-being. This research thus contributes to the ongoing discourse (Amankwah-Amoah et al., 2021; Kadir & Broberg, 2020; Roman et al., 2019) on digital leadership, a concept that underscores the need for leaders to possess not only technological proficiency but also the capability to foster trust and mitigate potential stressors arising from digital changes.

The aim of the research is to analyze whether digital leadership significantly influences employee well-being, with a particular focus on how trust in leadership and digital competencies affect this relationship. The study objectives include defining the constructs of digital leadership, employee well-being, and trust in leaders; evaluating digital competencies within the workforce; and testing the moderating effect of digital competencies and the mediating role of trust in the leader.

Previous research has primarily addressed digital leadership in terms of the impact on digital leadership on employees' innovative behavior (Erhan et al., 2021) or organizational performance outcomes (Lathabhavan & Kuppusamy, 2023), with limited focus on its influence on employee well-being. Some studies indicate that that digital transformation has a direct negative effect on employee well-being (Kadir & Broberg, 2020), while others suggest that digital leadership might mitigate these effects by fostering a supportive and trusting environment (Zeike et al., 2019). This research thus fills an existing gap, considering digital transformation's nuanced impacts on individual well-being and the pivotal role of leader-employee trust.

Using quantitative methods, this study applied regression analysis and mediation-moderation models through SPSS to assess data from 243 participants who experienced organizational digital initiatives. Findings indicate a statistically significant positive impact of digital leadership on employee well-being, mediated by trust in the leader. However, the moderation effect of digital competencies on this mediation was not statistically significant, suggesting that while digital competencies are essential, they do not alter the relationship between leadership and trust.

The results underscore the necessity of trust-building within digital leadership frameworks to support employee well-being. Future research may further explore digital competencies' roles in different organizational contexts to refine digital leadership strategies for enhancing well-being.

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