

LEADERSHIP WITH A FOCUS ON PEOPLE IN THE MODERN DIGITAL WORKPLACE: HOW TO MOTIVATE EMPLOYEES AND MAXIMIZE THEIR POTENTIAL

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ABSTRACT

Organizations are now under pressure to strike a balance between technological integration and human-centered methods as a result of the fast digitization of workplaces, which has reshaped leadership practices. Efficient digital tools come with new problems when it comes to trust, collaboration, and employee engagement. Focusing on tactics that boost engagement and performance, this article delves into the idea of people-centered leadership in the context of the modern digital workplace. This article suggests that adaptability, inclusion, and empathy are crucial leadership characteristics in the digital age by referencing literature on organizational behavior, digital workplace research from the past several years, and theories of leadership. A sustainable and high-performing digital work environment can be fostered, according to the recommendations presented for leaders.

Keywords: Digital Workplace, People-Centered Leadership, Employee Engagement, Performance, Hybrid Work.

INTRODUCTION

The twenty-first century has been characterized by swift technological progress and digital transformation, altering organizational operations and leadership approaches to workforce management. The emergence of the digital workplace—defined by virtual collaboration, hybrid work arrangements, and technology-facilitated communication—has generated novel prospects for efficiency, flexibility, and global connectivity (Carnevale & Hatak, 2020). Simultaneously, it has presented considerable issues, including digital fatigue, employee isolation, and diminishing engagement (Wang et al., 2021). In this context, leadership is crucial for harmonizing technical efficiency with employee welfare, motivation, and performance.

Current research highlights that effective leadership in digital environments relies on implementing people-centered strategies that emphasize empathy, trust, and support (Eva et al., 2019). Transformational leadership, emphasizing the inspiration and motivation of employees, has been thoroughly examined in both conventional and virtual environments, consistently associated with enhanced engagement and performance (Bass & Riggio, 2006; Zhu et al., 2023). Nonetheless, a significant portion of this research is either conceptual or qualitative, with comparatively few extensive quantitative studies investigating the ways in which leadership enhances engagement and performance in digital work environments. Furthermore, research predominantly emphasizes transformative leadership, neglecting the efficacy of servant or people-centered leadership methodologies in tackling concerns like digital well-being and weariness.

A secondary gap pertains to the methods and boundary conditions that connect leadership to outcomes. Although involvement is frequently recognized as a mediator, limited quantitative research examines mediators such as digital well-being, autonomy, or psychological safety, as well as moderators such as age, digital literacy, or cultural environment. The utilization of Self-Determination Theory (SDT) in workplace leadership research is similarly constrained, despite its capacity to elucidate how leaders address employees' requirements for autonomy, competence, and relatedness in digital contexts (Deci & Ryan, 2000; Ryan & Deci, 2017). Ultimately, the majority of empirical research on digital leadership is Western-centric, constraining its applicability across diverse cultures (Liu et al., 2022). Moreover, although the relationships among leadership, engagement, and performance are often examined, the association between people-centered leadership and creativity in digital work environments is still inadequately investigated. This overlooks a crucial conclusion in the contemporary knowledge-driven economy, where innovation is essential for organizational viability. Collectively, these deficiencies underscore the necessity for quantitative, theory-based research that amalgamates transformational and servant leadership within a Self-Determination Theory framework, while prioritizing digital well-being and creativity as primary outcomes. This study fulfills the demand by creating and statistically evaluating a people-centered leadership model for digital workplaces, emphasizing tactics to improve engagement, performance, and innovation.

LITERATURE REVIEW

The digital workplace has emerged as a hallmark of modern enterprises, marked by technology-facilitated communication, remote and hybrid work arrangements, and heightened dependence on collaboration platforms. This transition has improved flexibility and efficiency but has also brought forward issues such as digital fatigue, alienation, and reduced participation (Wang et al., 2021). Leadership is universally acknowledged as a crucial element in addressing these difficulties. Nonetheless, a significant portion of the current study is either conceptual or qualitative, with comparatively fewer extensive quantitative studies examining the influence of leadership styles on employee experiences and performance in digital environments (Carnevale & Hatak, 2020).

Human-Centric Leadership in the Digital Age

Research on leadership in digital contexts frequently highlights transformational leadership, which inspires followers through vision articulation, performance motivation, and innovation promotion (Bass & Riggio, 2006). Empirical research validates its beneficial impact on engagement and performance in digital and remote environments (Zhu et al., 2023). A significant shortcoming is the excessive focus on transformational leadership, overshadowing alternative people-centered methodologies like servant leadership, which emphasizes empathy, humility, and staff development (Eva et al., 2019). Limited quantitative research has examined the comparative impacts of transformational and servant leadership on digital outcomes, including well-being, digital weariness, and creativity.

Employee Engagement and Digital Well-Being

Employee engagement has persistently served as a mediator connecting leadership to corporate outcomes (Schaufeli, 2021). In digital workplaces, engagement is crucial since it mitigates burnout and promotes sustained performance (Kniffin et al., 2021).

Nonetheless, empirical evidence regarding the impact of digital well-being and weariness is still insufficiently developed. Although researchers emphasize digital tiredness as an increasing worry (Camacho & Barrios, 2022), there is a scarcity of validated quantitative studies investigating how leadership alleviates this problem. This difference indicates the necessity for empirical examination of digital well-being as a mediating or moderating variable in the relationship between leadership and performance.

Self-Determination Theory and Psychological Requirements

Self-Determination Theory (Deci & Ryan, 2000; Ryan & Deci, 2017) offers a robust framework for comprehending the impact of leadership on motivation through the satisfaction of autonomy, competence, and relatedness demands. Although Self-Determination Theory (SDT) has been extensively utilized in educational and health psychology, its incorporation into studies on digital workplace leadership remains constrained. Limited quantitative research directly examines how people-centered leadership satisfies psychological demands in virtual environments, despite robust theoretical congruence. This indicates a substantial void in empirical study, as Self-Determination Theory could elucidate the mechanisms by which leadership fosters engagement and innovation in digital work.

Cross-Cultural and Innovation Perspectives

The majority of quantitative research on digital leadership and engagement is performed in Western environments, such as North America and Europe. Comparative or cross-cultural empirical investigations are limited, prompting inquiries regarding the generalizability of findings across various cultural or institutional contexts (Liu et al., 2022). Moreover, although the impact of leadership on engagement and performance has been studied, the quantitative relationship between people-centered leadership and creativity in digital workplaces is yet insufficiently investigated. Comprehending how leadership cultivates innovation, problem-solving, and adaptation in virtual environments would substantially enhance the literature.

Recognized Research Deficiencies

This review reveals significant quantitative deficiencies:

1. Absence of extensive empirical research examining leadership–engagement–performance frameworks in digital work environments.
1. Excessive focus on transformative leadership with insufficient examination of servant leadership or alternative frameworks.
2. Insufficient quantitative research on mediators (engagement, digital well-being) and moderators (age, digital skills, culture).
3. Insufficient incorporation of Self-Determination Theory in workplace leadership studies.
4. Limited cross-cultural quantitative research examining the universality of people-centered leadership in digital environments.

Insufficiently examined relationships between leadership and innovation results in digital contexts.

The identified shortcomings constitute the basis for the current study, which formulates and experimentally evaluates a people-centered leadership paradigm within the digital workplace, rooted in transformational leadership, servant leadership, and Self-Determination Theory.

Research Objectives and Hypotheses

This study aims to enhance the quantitative comprehension of people-centered leadership in digital workplaces, addressing the shortcomings found in the literature. It specifically incorporates Transformational Leadership, Servant Leadership, and Self-Determination Theory (SDT) to analyze how leadership enhances employee engagement, digital well-being, innovation, and performance in technology-oriented environments.

Research Objectives

1. To examine the influence of transformative and servant leadership on employee engagement inside digital environments.
2. To examine the mediating function of employee engagement in the correlation between people-centered leadership and performance results.
3. To evaluate the impact of digital well-being on alleviating digital tiredness and improving engagement.
4. To evaluate if people-centered leadership enhances innovation capacity in digital contexts.
5. To examine cultural and contextual factors in digital workplace leadership.

Hypotheses

In accordance with the objectives and theoretical framework, the subsequent assumptions are posited:

H₁: Transformational leadership exerts a beneficial impact on employee engagement within digital environments.

H₂: Servant leadership exerts a beneficial impact on employee engagement within digital work environments.

H₃: Digital well-being enhances employee engagement and mitigates digital fatigue.

H₄: Employee engagement favourably impacts employee performance in digital environments.

H₅: Employee engagement serves as a mediator in the interaction between transformative leadership and employee performance.

H₆: Employee engagement serves as a mediator in the interaction between servant leadership and employee performance.

H₇: Employee engagement serves as a mediator in the link between digital well-being and employee performance.

H₈: People-centered leadership, encompassing transformational and servant styles, positively impacts innovation capabilities via employee engagement.

RESEARCH METHODOLOGY

This research employs a quantitative design utilizing a cross-sectional survey method to evaluate the proposed associations. Structural Equation Modeling (SEM) was chosen as the analytical method because to its capacity to concurrently evaluate various associations among leadership traits, mediating variables, and outcome measures (Hair et al., 2022).

Demographics and Sampling Methodology

The study's population consisted of personnel from digitally enabled enterprises across many industries, including education, IT, finance, and services. A purposive sample technique was utilized to select personnel possessing a minimum of six months of remote or hybrid work experience. A total of 350 replies were gathered, with 320 valid responses kept following data filtering, yielding a 91.4% useable response rate.

Measures

Validated scales from previous investigations were utilized, with slight contextual modifications:

- Transformational Leadership: Assessed using 7 questions from the Multifactor Leadership Questionnaire (Bass & Avolio, 1995).
- Servant Leadership: Assessed using six items derived from Liden et al. (2015).
- Digital Well-being: Assessed using five items modified from Zheng et al. (2021).
- Employee Engagement: Assessed using nine items from the Utrecht Work Engagement Scale (Schaufeli et al., 2006).
- Performance: Assessed using five items from Koopmans et al. (2014).
- Innovation Capability: Assessed using six items derived from Janssen (2000).

All items employed a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree).

Data Collection Methodology

Data were gathered by an online poll disseminated via professional networks (LinkedIn, organizational email lists). Participants were guaranteed secrecy and anonymity. Ethical approval was secured from the host institution before data collection commenced Tables 1-4.

Data Analysis and Empirical Results

The data were examined in SmartPLS 4.0 utilizing the Partial Least Squares Structural Equation Modeling (PLS-SEM) methodology. Analysis comprised:

1. Testing for reliability and validity (Cronbach's alpha, composite reliability, average variance extracted).
2. Discriminant validity assessed by Fornell–Larcker and HTMT criteria.
3. Structural model evaluation with bootstrapping (5,000 samples) for hypothesis verification.

R^2 and Q^2 values for assessing prediction accuracy and relevance.

Table 1 RELIABILITY AND CONVERGENT VALIDITY OF CONSTRUCTS				
Construct	Items	Cronbach's α	Composite Reliability (CR)	Average Variance Extracted (AVE)
Transformational Leadership	7	0.88	0.90	0.61
Servant Leadership	6	0.86	0.88	0.57
Digital Well-being	5	0.80	0.84	0.55
Employee Engagement	9	0.90	0.91	0.63
Performance	5	0.84	0.85	0.55
Innovation Capability	6	0.87	0.91	0.62

- Cronbach's $\alpha > 0.7$ for all constructs $\rightarrow$ items are internally consistent.

- Composite Reliability (CR) > 0.7 → strong construct reliability.
- AVE > 0.5 → good convergent validity; constructs explain majority of their item variance.
- Overall → measurement model is reliable and valid, suitable for SEM analysis.

Table 2 DISCRIMINANT VALIDITY (HTMT RATIOS)						
Construct	TL	SL	DW	EE	PERF	IC
Transformational Leadership (TL)	1	0.55	0.47	0.61	0.41	0.44
Servant Leadership (SL)		1	0.43	0.57	0.40	0.42
Digital Well-being (DW)			1	0.51	0.37	0.41
Employee Engagement (EE)				1	0.62	0.56
Performance (PERF)					1	0.54
Innovation Capability (IC)						1

- HTMT values < 0.84 for all construct pairs → satisfactory discriminant validity.
- Each construct is distinct from other constructs, confirming they measure unique concepts.
- Overall → the measurement model shows good discriminant validity, supporting SEM analysis.

Table 3 STRUCTURAL MODEL: PATH COEFFICIENTS, T-VALUES, AND SIGNIFICANCE				
Hypothesized Path	β (Standardized)	t-value	p-value	Result
Transformational Leadership → Engagement	0.34	6.11	<.001	Supported
Servant Leadership → Engagement	0.27	4.87	<.001	Supported
Digital Well-being → Engagement	0.23	4.21	<.001	Supported
Engagement → Performance	0.62	9.46	<.001	Supported
Engagement → Innovation Capability	0.55	8.91	<.001	Supported
Transformational Leadership → Performance	0.14	2.03	.041	Supported
Servant Leadership → Performance	0.11	1.96	.048	Supported

- All proposed pathways are statistically significant ($p < 0.05$).
- Transformational leadership ($\beta = 0.35$) and Servant leadership ($\beta = 0.28$) exert a beneficial influence on Employee Engagement.
- Employee engagement is a significant predictor of performance ($\beta = 0.60$) and innovation capability ($\beta = 0.58$).
- Direct relationships between leadership and performance are beneficial albeit modest ($\beta = 0.12$ – 0.15).
- The findings substantiate the mediating function of engagement and affirm the significance of people-centered leadership in enhancing performance and innovation.

Table 4 PREDICTIVE ACCURACY AND RELEVANCE (R^2 AND Q^2 VALUES)			
Endogenous Construct	R^2	Q^2	Interpretation
Employee Engagement	0.43	0.31	Moderate predictive accuracy (Hair et al., 2022)
Performance	0.51	0.34	Moderate to strong predictive relevance
Innovation Capability	0.33	0.26	Moderate predictive relevance

- R^2 denotes the proportion of variance elucidated in the endogenous concept. Values exceeding 0.25 are deemed moderate, whereas those surpassing 0.50 are regarded as large (Hair et al., 2022).
- Q^2 signifies predictive significance derived from blindfolding techniques. Values exceeding 0 signify that the model possesses predictive relevance for the endogenous construct.

These values complement path coefficients table and show that model explains a meaningful portion of variance in engagement, performance, and innovation.

DISCUSSION

This study's findings offer robust empirical evidence for the essential function of people-centered leadership in the digital workplace. Transformational leadership ($\beta = 0.35$) and servant leadership ($\beta = 0.28$) significantly affect employee engagement, aligning with existing work that emphasizes the motivational and supportive characteristics of both leadership styles (Bass & Riggio, 2006; Eva et al., 2019). Leaders may augment engagement in digitally mediated work environments by cultivating trust, recognition, and inspiration.

The research highlights the significance of digital well-being ($\beta = 0.25$) as a catalyst for engagement, addressing rising issues of digital weariness and burnout in remote and hybrid work settings (Wang et al., 2021). Leaders that advocate for healthy work practices, endorse breaks, and grant autonomy in digital tasks empower employees to sustain attention and motivation, hence reinforcing the mechanisms of Self-Determination Theory (SDT). Engagement serves as a crucial mediator, converting leadership behaviors and well-being interventions into performance ($\beta = 0.60$) and innovative capability ($\beta = 0.58$).

The direct impact of leadership on performance ($\beta = 0.12\text{--}0.15$) indicates that leaders affect outcomes both indirectly via involvement and directly through strategic direction, acknowledgment, and assistance. This corresponds with previous research indicating that transformational and servant leadership can directly improve task performance and discretionary effort, particularly when combined with psychological empowerment (Deci & Ryan, 2000; Liden et al., 2015).

The findings indicate that employee involvement somewhat mediates the association between leadership and creativity. In digital workplaces, where information sharing, virtual collaboration, and adaptive problem-solving are essential, leaders who foster engagement enhance employees' creativity, risk-taking, and solution-oriented behaviors. This validates the theoretical amalgamation of Transformational Leadership, Servant Leadership, and Self-Determination Theory, elucidating a mechanism-based rationale for how people-centric leadership yields performance and innovative results.

The findings indicate that leadership development programs ought to concurrently focus on transformational behaviors (vision, inspiration) and servant behaviors (empathy, support), while organizations should prioritize digital well-being initiatives to maintain employee engagement. The model's moderate-to-strong R^2 values for engagement (0.44), performance (0.50), and innovation capability (0.34) demonstrate that these characteristics account for significant variance in employee outcomes, hence affirming the predictive efficacy of the integrated leadership-engagement framework.

Ultimately, our findings enhance the literature by offering quantitative data within a digital framework, so addressing deficiencies in prior research that predominantly relied on qualitative methods or concentrated on conventional work environments. The research enhances both theoretical and practical understanding by demonstrating that people-centered leadership is not just motivational but also essential for operations, influencing engagement, performance, and creativity in digitally enabled businesses.

Practical Implications

The study offers actionable insights for three stakeholder groups:

Implications for Leaders

Leaders play a pivotal role in translating strategy into outcomes and sustaining employee motivation. Key takeaways include:

Embrace a people-centric leadership approach: Integrate transformational behaviors (inspiring vision, intellectual stimulation) with servant leadership traits (empathy, active listening, support) to optimize engagement.

Emphasize digital wellness: Promote healthy digital practices, including designated breaks, adaptable task organization, and effective online workload management to avert burnout.

Empower employees: by delegating responsibility, granting autonomy in task execution, and acknowledging accomplishments to improve competence and motivation, in accordance with Self-Determination Theory.

Promote innovation: Promote risk-taking, experimentation, and the exchange of ideas within virtual teams to convert engagement into innovative results.

Evaluate engagement: Utilize digital instruments and feedback surveys to measure employee engagement and react pre-emptively when motivation wanes.

Implications for Organizations

Organizational policies and culture significantly shape the effectiveness of leadership and employee outcomes. Recommendations include:

Allocate resources to leadership development initiatives: Educate leaders in transformative and servant leadership skills tailored for remote and hybrid work settings.

Execute digital well-being initiatives: Offer directives on screen time, ergonomic practices, workload administration, and mental health assistance.

Promote a psychologically secure environment: Foster transparent communication, cooperation, and constructive feedback to enhance participation and innovation.

Utilize engagement and performance metrics: Monitor employee engagement, productivity, and innovation to pinpoint areas for enhancement and assess leadership effectiveness.

Promote interdisciplinary cooperation: Encourage the exchange of knowledge and collaboration via digital platforms to enhance innovation and learning.

Implications for Employees

Employees also have a role in maximizing their engagement and performance in digital work contexts:

Implement self-management techniques: Establish boundaries for digital tasks, allocate breaks, and uphold work-life equilibrium to preserve energy and concentration.

Participate in skill enhancement: Engage in training programs to enhance digital literacy, innovation proficiency, and occupational competence.

Articulate requirements and provide feedback: Offer constructive criticism to leaders and organizations regarding workload, resources, and well-being requirements.

Utilize autonomy to foster creativity: Exhibit proactivity in resolving issues and disseminating knowledge to enhance team innovation.

Engage proactively in involvement initiatives: Participate in virtual team activities, conversations, and collaborative projects to enhance connectivity and motivation.

The study emphasizes that people-centered leadership, together with organizational support and proactive employee behaviors, fosters a highly engaged, inventive, and high-performing digital workplace. Adopting these guidelines can assist firms in addressing the difficulties of remote work while optimizing human potential.

CONCLUSION AND FUTURE RESEARCH DIRECTIONS

This study highlights the crucial importance of people-centered leadership—combining transformational and servant leadership behaviors—in improving employee engagement, performance, and innovation within digital workplace settings. The results indicate that leaders who promote psychological support, autonomy, and well-being can maintain elevated engagement levels, therefore enhancing both individual and organizational outcomes. Moreover, digital well-being has become a vital element, alleviating weariness and fostering sustained engagement, hence underscoring the necessity of addressing employees' psychological requirements in highly digitalized work environments.

Theoretical Contributions

- Affirms the significance of Transformational Leadership, Servant Leadership, and Self-Determination Theory (SDT) in digital work environments.
- Offers quantitative evidence supporting the mediation function of engagement in converting leadership behaviors into performance and innovative results.
- Emphasizes digital well-being as a nascent concept that interacts with leadership to affect staff engagement and productivity.

Pragmatic Contributions

- Provides pragmatic insights for leaders, companies, and people to improve engagement, well-being, and innovation in remote and hybrid work environments.
- Proposes ideas for leadership development, digital well-being initiatives, and employee self-management to enhance outcomes in the digital workplace.

Prospective Research Directions

AI & Leadership: Examine the influence of AI-driven tools, like as chatbots, analytics, and performance monitoring systems, on leadership styles, employee engagement, and autonomy. This can elucidate how digital augmentation influences the efficacy of people-centered leadership.

Digital Well-being and Burnout Prevention: Implement longitudinal research to investigate the enduring impacts of digital fatigue interventions and well-being initiatives on engagement, productivity, and innovation.

Cross-Cultural Digital Leadership: Examine the impact of cultural disparities on the efficacy of transformational and servant leadership within digital contexts, especially in global virtual teams.

Hybrid Work and Organizational Design: Examine the impact of hybrid and remote work frameworks on leadership strategies, engagement methods, and innovation potential.

Integration with Additional Psychological Constructs: Augment the model by integrating constructs such as resilience, adaptability, psychological safety, and digital literacy to foster a more holistic comprehension of digital workplace dynamics.

CONCLUSION

This study emphasizes that people-centered leadership, along with organizational support and a focus on digital well-being, is crucial for promoting engagement, innovation, and high performance in digitally enabled workplaces. By confronting the changing problems of remote and hybrid work, organizations can implement leadership strategies that are both human-centric and digitally adaptable. Subsequent study ought to persist in examining the interaction between leadership, technology, and employee well-being to formulate evidence-based approaches for sustainable digital work environments.

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