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“The role of Transformational Leadership in Driving AI Adoption and Digital Innovation”



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ABSTRACT

In this thesis, it is explained how transformational leadership affects digital innovation in the Pakistani telecom industry, which is the mediator as AI adoption and as the moderator as organization culture. A quantitative research design was used where 260 employees of various big telecom companies such as Zong, Jazz, Telenor and Ufone participated in the study design. Analysis of data was done by Partial Least Squares Structural Equation Modeling. Based on the results, it could be concluded that the transformational leadership significantly positively influences digital innovation process and the use of AI. Digital innovation has similarly a positive high correlation with the adoption of AI. However, when the organizational culture in an environment has no particular effect on the relationship between transformational leadership and AI adoption, the influence of leadership on technological change can be different from that with the support of culture in the face of rapid disruption. The research also contributes to the body of knowledge of the Transformational Leadership Theory and offers practical tips for organizations to develop their leadership skills and integrate AI into their systems as a strategic priority to ensure digital innovation.

Keywords: *Transformational leadership, Adoption of AI, Digital Innovation, Organizational Culture, Telecom Sector, PLS-SEM.*

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