

Digital Leadership and Strategic Transformation: Unlocking the Competitive Potential of Digital Procurement

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Abstract— Digital Procurement Transformation (DPT) is also taking the form of a strategic capability that transforms procurement into more of a value-generating centre in the supply chain ecosystem rather than a transactional and cost-oriented operation. The paper explores the management ambition and digital leadership which are driving DPT through testing a leadership-focused model that incorporates four enabling factors (digital strategy, skill upgradation, collaborative networks, and supply chain uncertainties) and four barrier factors (poor strategy, skill gaps, lack of collaboration, and supply chain barriers). The result, based on online survey of 50 international procurement and supply chain professionals and Partial Least Squares Structural Equation Modelling (PLS-SEM) is that collaborative network development and skill upgradation did have significant strengthening effect on management ambition, whereas poor digital strategy and lack of improvement in skills had their material weakening effect; on the contrary, digital strategy (as a direct facilitator) and supply chain uncertainties did not exhibit statistical significance in this model. The paper is valuable and directly contributed to vital information in terms of procurement leadership and digitalization, because it (i) empirically confirms a leadership-based DPT framework that simultaneously models enabling and inhibiting factors, (ii) pinpoints the organisational drivers that are most closely related to management ambition, and (iii) translates the findings into practical advice that procurement leaders should follow regarding adopting an ecosystem

collaboration strategy, building workforce capabilities, and implementing a strategy.

Keywords— Digital Procurement Transformation, Digital Procurement, Digital Leadership, PLS-SEM, Supply Chain Management.

1. INTRODUCTION

1.1 Background and Statement of Problem

The fourth industrial revolution is the combination of digital, biological, physical technologies, which is radically transforming the global value chains [35]. In this paradigm, the procurement department is experiencing a radical transformation into a transactional, cost-focused department into a strategic, value-generating nexus of the organisation [9]; [30]. It is a transformation in the digital procurement process, which is also known as Digital Procurement Transformation (DPT) or Procurement 4.0, which entails the implementation of disruptive technologies, including Artificial Intelligence (AI), Robotic Process Automation (RPA), Big Data analytics, Blockchain, and the Internet of Things (IoT), to automate processes, develop predictive insights, and allow proactive management of supplier relationships [17]. According to a recent literature, the adoption of AI has a positive impact on procurement performance in the form of improved supplier selection, automation of workflows, better accuracy of forecasts, and supply chain resiliency [2].

The benefits of DPT are significant: it reduced

costs (by 15-20 percent), improved the efficiency of the processes (30-50 percent better productivity), and increase the visibility of the spend, enhanced risk management, and generated new value propositions based on innovation networks [22]; [32], [10]. Thus, the leaders of businesses are starting to consider procurement as the focus of leading strategic digital initiatives [50]. The process to complete digital procurement is, however, not without challenges. Digital transformation projects have a high failure rate, with industry reports and academic research indicating an estimate of 70-84 percent failing to achieve their goals [57]; [44]. This gap between the potential and the realisation is a problem of critical research and practical problems. The evidence in the recent past has shown that digitisation plus visibility enhances the efficiency of the supply chain with the following outcomes: shorter lead times, better inventory management and greater responsiveness [39].

One of the most common trends in literature on setback of digital transformation is the failure to take into account the non-technological factors. As investments are being made in cloud platforms, AI algorithms, and data lakes, however organisations fail to consider the underlying aspects of change in leadership, strategy, culture, and skills [36]; [59]. In particular, the management ambition, which can also be called the top management ambition, is the hypothesised key distinguishing factor between success and failure [61]; [56]. Management ambition summarises the vision, determination and proactive spirit of leadership to envisage and implement a digital future of the procurement function.

Although this has been realised, there is limited empirical research exploring the antecedents and outcomes of management ambition in the context of DPT. The majority of the research concentrates on technological applications or provides descriptive case studies, which creates the gap in the quantitative modelling of the relationships between strategic, human, and collaborative factors and the leadership drive necessary to implement change. Moreover, as much as barriers have been enumerated, their particular connexion to the erosion or carving of management ambition is not well studied.

Objective(s)

This study aims to address this gap by exploring two central research questions:

- What critical organisational factors (enablers) positively influence management

ambition for digital procurement transformation?

- What key barriers negatively impact (or are perceived as challenges influenced by) management ambition that potentially leading to transformation failure?

1.2 Construct(s)

To provide the answers to these questions, the given research constructs and validates a conceptual model in which Management Ambition of Procurement Digitalisation (MAPD) is the key latent construction. It is postulated to be enabled by four major enablers namely Digital Strategy (DSPD), Skill Upgradation (STPD), Collaborative Network (CNPD), and Supply Chain Uncertainties (SUPD) and at the same time challenged by four major barriers namely Poor Digital Strategy (BDS), Lack of Skill Upgradation (BSU), Lack of Collaboration (BCN), and Supply Chain Barriers (BSC). This paper aims to confirm these connexions with the help of data provided by procurement professionals all over the world and examined through the PLS-SEM.

The results are relevant to the existing literature in operations and supply chain management since they offer an empirically validated, leadership-based approach to DPT. To practitioners, it is a clear guideline: to speed up the process of digital procurement, organisations have to develop a digital leadership that is strategic in prioritising ecosystem collaboration and workforce building, rather than pursuing technology in isolation.

2. LITERATURE REVIEW

2.1 The Evolution and Imperative of Digital Procurement Transformation

Procurement digitalization has developed throughout decades. The trip started with Material Requirements Planning (MRP) and Enterprise Resource Planning (ERP) systems that computerised data on inventory and simple transactions [24]. The revolution was then followed by the e-procurement revolution which applied web-based systems to automate the sourcing, ordering, and payment procedures with the aim of enhancing efficiency and control over spending [14]; [13]. Nevertheless, e-procurement was process-oriented and not quite analytical and predictive.

DPT or Procurement 4.0 has emerged due to the current era that is driven by Industry 4.0. This is a paradigm shift towards automation to

intelligence. DPT can be described as the deployment of disruptive technologies that allow Strategic Sourcing (S2C) to be predictive, the automation of Transactional Procurement (P2P) to take place, and Supplier Risk Management (SRM) to be proactive [17]. It is identified by the uninterrupted stream of

analysis and processing of interconnected external and internal data which allows making autonomous decisions and providing dynamic supplier partnership and developing new business models [6]; [34]. Table 1 presents the major differences between e-procurement and digital procurement.

Table 1: Contrasting E-Procurement and Digital Procurement

Theme	E-Procurement	Digital Procurement / Procurement 4.0
Core Focus	Process automation and efficiency.	Strategic value creation, intelligence, and ecosystem innovation.
Data Utilisation	Structured data from transactions; limited analytics.	Big data from IoT, social media, sensors; predictive and prescriptive analytics.
Supplier Relationship	Arm's length, transactional.	Collaborative, strategic partnership; integrated digital networks.
Decision-Making	Reactive, based on historical data.	Proactive and predictive, based on real-time insights and AI.
Technological Scope	Web portals, e-catalogs, e-auctions.	AI, Machine Learning, RPA, Blockchain, IoT, Advanced Analytics.
Outcome	Reduced process cost and cycle time.	Enhanced innovation, risk resilience, new revenue streams, and sustainable value.

Sources: Adapted from [14]; [13]; [9]; [6]; [34].

The necessity of DPT is dictated by several factors: growing competition in the world, increasing supply chain complexities, unstable markets, and increased requirements towards sustainability and transparency [10]. The COVID-19 pandemic was a powerful catalyst that revealed the weaknesses of the traditional and linear supply chains and compelled organisations to find out digital solutions to agility, visibility, and remote collaboration [25]; [8]. In that regard, DPT is not only an option but a foundation of resilience of supply chain and competitive strategy.

2.2 The Centrality of Management Ambition and Digital Leadership

One of the core conclusions in the transformations in digital literature is that technology is not enough. The quote by [36] has made the statement that digital transformation is not driven by technology as it was often known and said before. Leadership is at the core of the successful strategy. Management ambition means the overall desire, sight, and proactive interest of the most senior leaders of an organisation in radically transforming business processes and models with the help of digitality [61]. Within the procurement context, it is the

momentum that commits resources, promotes change, establishes the digital agenda and endures through the unavoidable hardships of change. This aligns with recent research that emphasising that transformation value is maximised, when technological foundations are combined with human-centric leadership and socio-technical integration [53].

The concept of digital leadership, which falls under the category of management ambition, entails the capacity to establish a digital vision, create a digital culture, make strategic decisions regarding investments in technology and the development of talent [37]; [56]. Others Transformation is a holistic process requiring people, processes, and technology and this is the insight of effective digital leaders in procurement. They go beyond the IT procurement mentality to being digital supply ecosystem architects. Recent literature (e.g., [33]; [51] supports the fact that an insufficient amount of such leadership is one of the key causes of the unsuccessful digital transformation. Consequently, it is important to get an insight into what drives or blocks this ambition.

3. HYPOTHESIS

3.1 Hypothesised Enablers of Management Ambition for DPT

Based on the existing literature, the enablers proposed in this study are four in number and are known to positively impact management ambition.

3.1.1 Digital Strategy (DSPD): Consistency of the digital strategy offers the transformation roadmap. It is used to align technology investments and business objectives, specify the target digital capabilities and control the change management plan [46]. A lack of a clear strategy makes the digital efforts scattered and tactical and they do not add cumulative value. [55] writes that strategy comes first, technology, whereas [23] calls it a roadmap to the digital path. The top management support is essential in the development and approval of this strategy [11]; [60]. Thus, we hypothesise: **H1:** An organisation's digital strategy is positively related to management ambition for digital procurement transformation.

3.1.2 Skill Upgradation and Talent Retention (STPD): The human factor is the most essential one. DPT needs new competencies: data analytics, AI literacy, digital relationship management and strategic thinking [31], [19]. There is a great digital talent divide between industries [49]. The ambition of the management should, thus, include an obligation to reskill the workforce available and recruiting/maintaining new digital skills. According to [37], re-thinking talent management is one of the main factors of digital success. **H2:** Skill upgradation and talent retention are positively related to management ambition for digital procurement transformation.

3.1.3 Collaborative Network Development (CNPD): DPT goes beyond the organisational boundaries. Its complete potential is achieved due to digital cooperation with suppliers, logistics partners, and even clients [40]. To create a joint virtual network, it is necessary to invest in compatible platforms, data-sharing standards, and trust [21]. The strategic choice of partners and the readiness to invest in digital connectivity are encouraged by management ambition. It has been revealed that top management commitment is crucial to the creation of an effective buyer-supplier collaboration

[62]; [45]. **H3:** Collaborative network development is positively related to management ambition for digital procurement transformation.

3.1.4 Supply Chain Uncertainties (SUPD): The external pressures may change agents. Geopolitical risks, disruptions in supply chains, volatility in demand and competitive activities may prompt the management to pursue digital solutions that will provide them with visibility, agility, and risk mitigation [15]. The COVID-19 pandemic acts as an excellent case, as it forced the digital transformation to become an ascending corporate agenda [43]. The quest to digitalise by the management could be driven by the necessity to operate in a volatile operating environment. **H4:** Supply chain uncertainties are positively related to management ambition for digital procurement transformation. Resilience through procurement has become a strategic priority and evidence has identified resilient supply chain networks, supplier diversification and digital solutions as crucial in mitigating disruption effect [7].

3.2 Hypothesised Barriers Impacting Management Ambition for DPT

On the other hand, certain difficulties may adversely affect or manifest themselves as indicative of poor management ambitions. This research argues that the existence of these barriers is positively correlated with (i.e. increases the probability of) the lack of management ambition or a mis-directed management ambition resulting in failure.

3.2.1 Poor Digital Strategy (BDS): A siloed or technology-oriented digital strategy is one of the significant obstacles. Strategy that is not clear and aligned to the business does not provide a guide, and cannot achieve buy-in, which results in investments being wasted and disappointment [12]. This kind of strategic failure will demotivate the management and undermine their desire to proceed with the transformation process. **H5:** An organization's poor digital strategy positively impacts (hinders) management ambition for digital procurement transformation.

3.2.2 Lack of Skill Upgradation (BSU): The lack of a strategy to realise the digital skills gap is a bottleneck. The unwillingness of employees to change or the lack of the

required skills may undermine new systems [47]. The inability of management to give this area high priority shows that the management is not ambitious about the human aspect of the transformation and thus the technological investment is lost. **H6:** Lack of skill upgradation and talent retention positively impacts (hinders) management ambition for digital procurement transformation.

3.2.3 Lack of Collaboration (BCN): Resistance to digital collaboration, be it inside the company and functions or outside to suppliers, kills transformation. The flow of data and value cannot occur due to internal silos and unwillingness of the suppliers to integrate [3]. This deficiency may be caused by or lead to a management team that is too conservative to dismantle the traditional boundaries and create digital ecosystems. **H7:** Lack of collaboration positively impacts (hinders) management ambition for digital procurement transformation.

3.2.4 Supply Chain Barriers (BSC): The barriers include real obstacles such as high implementation costs, cybersecurity consideration, and integration of the legacy system that can discourage the digital

investment [1], [16]. Perceived financial risks and technicalities may limit management ambition. Lacking ambition is represented as reluctance to find the budget or manoeuvre through these very complicated hindrances. **H8:** Supply chain barriers positively impact (hinder) management ambition for digital procurement transformation.

4. RESEARCH GAP AND CONCEPTUAL FRAMEWORK

A review of recent literature indicates that there is a gap that exists. Although technologies [6], strategies [9], and analytics capabilities [29] have been studied in DPT, none of them have been combined into a single model that focuses on the impact of leadership ambition. Empirical research is required to test in a quantitative way the contribution of these enablers and barriers used together to determine the driving force of transformation, which is the management ambition. This study fills that gap.

Based on the above hypotheses, the following conceptual framework (Figure 1) is proposed. It positions Management Ambition for Procurement Digitalisation (MAPD) as the pivotal outcome variable, influenced by a set of four enabling constructs and four barrier constructs.

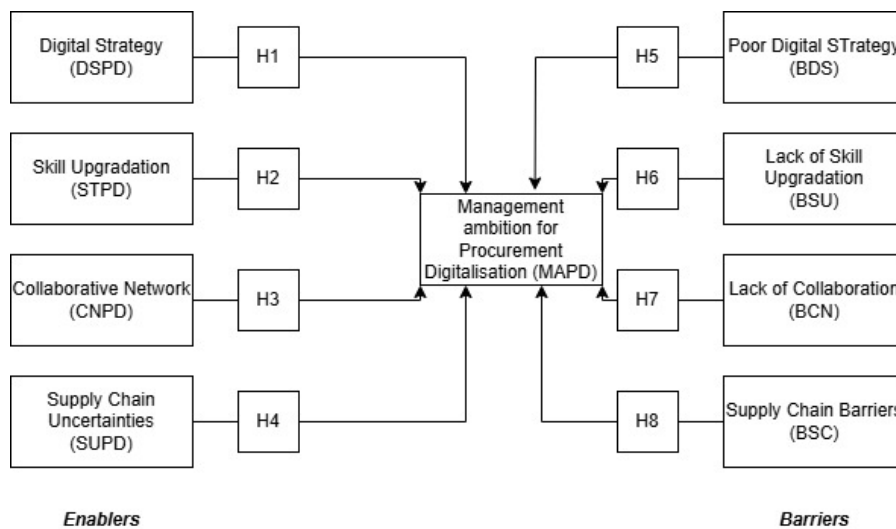


Figure 1: Conceptual framework depicting hypothesized relationships between enablers, barriers, and management ambition for digital procurement transformation.

Table 2: Synthesis of Research Gaps

Authors	Key Focus Area	Identified Research Gap (Addressed by this Study)
[9]	Procurement digitisation factors & barriers.	Limited empirical validation of the relationship between leadership ambition and specific barriers like collaboration.
[6]	Procurement 4.0 in circular economy.	Need for research on leadership and skill development in digital transformation contexts.
[41]	Cost reduction via digitisation.	Requires deeper exploration of digital strategy formulation and collaborative challenges.
[29]	Data analytics capabilities & performance.	Does not explicitly model the role of management ambition in leveraging analytics for transformation.
[34]	Challenges in adopting Procurement 4.0.	Calls for empirical testing of identified challenges (like supplier willingness) in a causal model.

This Study Management ambition is a central catalyst. Provides an integrated, empirically tested model linking key enablers/barriers to management ambition for DPT.

5. RESEARCH METHODOLOGY

5.1 Research Philosophy and Approach

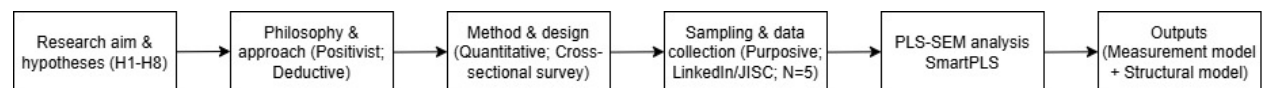
The research philosophy in this study is *positivism* that presupposes that reality is objective and can be quantified by observable facts [54]. It is in line with the aim of measuring hypotheses relating to the relationship between the established constructs (e.g., digital strategy, collaboration) and management ambition objectively. A *deductive* mechanism is used, with hypotheses being formulated on the basis of the existing theory and literature (as in the

preceding section) and then being subjected to empirical data collection [38].

5.2 Research Method and Design

The research method was quantitative and conducted by means of a survey. This approach is suitable in the establishment of relationships among variables, generalisation of the findings of a sample to the population as well as testing a theoretical model [5]. It is a cross-sectional study where the researcher gathered information on procurement managers at one moment.

Figure 2: Research Design and Data Analysis Workflow



5.3 Population, Sampling, and Data Collection:

The intended audience included procurement and supply chain experts in the world. A purposive sampling approach that is non-probability was utilised to identify the sample of individuals possessing the relevant experience in the sphere of procurement and exposure to the ideas of digital transformation. The recruiting strategies included the LinkedIn network and

professional groups of researchers. The survey was distributed as an online survey that was hosted on the JISC platform. Out of the 160 invitations dispatched, 50 full responses were obtained resulting in a response rate of 31.25%. The sample is quite small, but it is sufficient to conduct PLS-SEM analysis that can be conducted using smaller samples [28].

5.4 Survey Instrument and Measurement:

The questionnaire was divided into 3 sections: The demographic and organisational profile (A), the evaluation of the current use of technologies (B1), and the measurement of the main construct (B2). Part B2 items were created according to a thorough literature review and derived from

well-known scales in cases when needed (e.g., [58]; [4]). Each of them was rated on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Table 3 provides a description of the constructs and associated measurement items.

Table 3: Constructs, Measurement Items, and Sources

Latent Construct (Code)	Indicator Code	Measurement Item	Source/Adaptation
Management Ambition (MAPD)	MAPD01	Digital transformation largely depends on the company's leadership.	[58]
	MAPD02	Good procurement practices play a critical role at both strategic and operational levels.	[4]
Digital Strategy (DSPD)	DSPD01	Management of the organization should focus on a clear digital strategy.	[9]
	DSPD02	Existing IT Infrastructure is highly developed and structured to deal with digital transformation.	[6]
Skill Upgradation (STPD)	STPD01	Companies are adequately investing in employee's skill up-gradation for digital transformation.	Author development
	STPD02	Employees have the necessary skills to undertake the new role if there is digital transformation.	[6]
Collaborative Network (CNPD)	CNPD01	Buyer-Supplier collaboration is critical for digital procurement transformation.	Author development
	CNPD02	The procurement department exchanges information with the supplier through a digital platform.	Author development
	CNPD03	The procurement department is connected digitally with other cross-functional teams (e.g., manufacturing, sales).	[48]
Supply Chain Uncertainties (SUPD)	SUPD01	Global supply chain uncertainties are influencing digital procurement transformation.	[25]
	SUPD02	Digital procurement transformation through real-time data can help to avoid supply chain disruption.	Author development

Latent Construct (Code)	Indicator Code	Measurement Item	Source/Adaptation
Barrier: Poor Strategy (BDS)	BDS01	Digital procurement transformation heavily relies on effective digital strategy rather than understanding how technology works.	Author development
	BDS02	Organizations should focus on change management to avoid risk during IT systems integration (e.g., legacy systems).	Author development
Barrier: Lack of Collaboration (BCN)	BCN01	Adequate technological infrastructure is highly required for suppliers to integrate into digital procurement platforms.	[34]
	BCN02	The willingness of the supplier to integrate a digital platform is a priority for successful DPT.	[34]
Barrier: Lack of Skill (BSU)	BSU01	Companies need to nurture skill up-gradation and talent retention.	[58]
	BSU02	Company old policies and practices in a new digital environment must be reviewed before digital transformation.	Author development
Barrier: Supply Chain (BSC)	BSC01	Cyber-Security is a critical problem for digital networks.	[26]
	BSC02	Investment is high for automating process improvement to get long term benefits.	[4]
	BSC03	Significant investment is required to establish robust infrastructure, requiring detailed financial analysis.	[34]

5.5 Data Analysis Technique: Partial Least Squares SEM (PLS-SEM)

These data were assessed with help of Structural Equation Modelling (SEM) based on variance with the usage of SmartPLS 3.3.3. PLS-SEM has been chosen as a preference to covariance-based SEM (CB-SEM) because of a number of reasons related to this study: (1) The study is an exploratory study that will focus on predicting and explaining the variation of the key dependent construct (MAPD) [28]. (2) PLS-SEM can be applied with smaller samples and data that is not normally distributed [52]. (3) The model has both formative and reflective constructs and PLS-SEM can effectively manage these constructs [27]. The procedure of analysis took two steps (a) measurement model (reliability and validity) and (b) structural model

(hypothesis testing).

6. DATA ANALYSIS AND RESULTS

6.1 Sample Profile

Table 4 summarises the profile of the 50 respondents. The sample was mostly in the field of private sector (74%) and was of high age group as 54% were Directors or Senior Manager and 88% had more than 10 years' experience. Telecommunications (44) and other industries such as Fintech and NGOs (36) were the major industries. The dominant response of 66% was in Asia. According to this profile, the respondents were experienced professionals who would probably have informed opinions about digital transformation.

Table 4: Profile of Survey Respondents (N=50)

Metric	Category	Frequency	Percentage
Nature of Organization	Private Sector	37	74%
	Third Sector	7	14%
	Public Sector	6	12%
Professional Role	Director/Senior Manager	27	54%
	Manager	13	26%
	Specialist/Officer/Other	10	20%
Primary Industry	Telecommunication	22	44%
	Other (NGO, Fintech, Gov.)	18	36%
	Logistics, Education, etc.	10	20%
Years of Experience	10 Years +	44	88%
	5 to 10 years	4	8%
	Less than 5 years	2	4%
Department	Sourcing & Procurement	32	64%
	Supply Chain	12	24%
	Other (Logistics, etc.)	6	12%
Geographical Location	Asia	33	66%
	UK	9	18%
	Europe, Africa, Americas	8	16%

6.2 Assessment of the Measurement Model

Measurement model was evaluated in terms of reliability, convergent and discriminant validity. All constructs have shown good reliability as indicated in Table 5 with Composite Reliability (CR) scores that are significantly higher than the recommended value of 0.70 [28]. The

convergence validity was determined by the fact that the Average Variance Extracted (AVE) of the constructs was more than 0.50 and the indicator loadings were significant and greater than 0.708 (see Appendix 1) (indicating significant and important loadings).

Table 5: Reliability and Convergent Validity of Constructs

Construct	Composite Reliability (CR)	Average Variance Extracted (AVE)
Management Ambition (MAPD)	0.854	0.747
Digital Strategy (DSPD)	0.708	0.548
Skill Upgradation (STPD)	0.969	0.940
Collaborative Network (CNPd)	0.850	0.655
Supply Chain Uncertainties (SUPD)	0.874	0.777
Barrier: Poor Strategy (BDS)	0.824	0.704
Barrier: Lack of Collaboration (BCN)	0.800	0.667
Barrier: Lack of Skill (BSU)	0.838	0.722
Barrier: Supply Chain (BSC)	0.810	0.588

In measuring discriminant validity, the Fornell-Larcker criterion was utilised [18]. Table 6 indicates that the square root of the AVE of the constructs (bold diagonal values) is larger than any highest correlation with any other construct, which proves that each construct is unique.

Table 6: Discriminant Validity (Fornell-Larcker Criterion)

Construct	BCN	BDS	BSC	BSU	CNPd	DSPD	MAPD	STPD	SUPD
BCN	0.816								
BDS	0.473	0.839							
BSC	0.422	0.570	0.767						
BSU	0.392	0.566	0.544	0.850					
CNPd	0.575	0.563	0.407	0.476	0.809				
DSPD	0.465	0.407	0.374	0.238	0.360	0.741			
MAPD	0.459	0.550	0.426	0.527	0.605	0.233	0.864		
STPD	0.108	0.138	0.086	0.107	0.223	0.403	-0.123	0.969	
SUPD	0.366	0.511	0.465	0.438	0.302	0.185	0.194	0.152	0.881

6.3 Assessment of the Structural Model and Hypothesis Testing

Once the valid measurement model was confirmed, there was the evaluation of the structural model. R^2 was used to measure the predictive ability of the model. Endogenous construct, Management Ambition (MAPD) had an R^2 value of 0.56 that means that the model conveys 56 percent of management ambition, which is

regarded as an average to high degree of explanatory power in behavioural study [28].

Path coefficient (β) significance was tested through a bootstrapping process that has 5,000 subsamples. Table 7 shows the results of the hypothesis testing and Figure 2 depicts them.

Table 7: Results of Hypothesis Testing

Hypothesis	Path Description	Path Coefficient (β)	t-statistic	p-value	Supported?
H1	Digital Strategy (DSPD) -> Management Ambition (MAPD)	0.012	0.080	0.468	No
H2	Skill Upgradation (STPD) -> Management Ambition (MAPD)	-0.261	1.740	0.041	Yes (Negative)
H3	Collaborative Network (CNPD) -> Management Ambition (MAPD)	0.386	2.239	0.013	Yes
H4	Supply Chain Uncertainties (SUPD) -> Management Ambition (MAPD)	-0.174	0.950	0.171	No
H5	Barrier: Poor Digital Strategy (BDS) -> Management Ambition (MAPD)	0.237	1.799	0.036	Yes
H6	Barrier: Lack of Skill (BSU) -> Management Ambition (MAPD)	0.241	2.199	0.014	Yes
H7	Barrier: Lack of Collaboration (BCN) -> Management Ambition (MAPD)	0.090	0.711	0.238	No
H8	Barrier: Supply Chain (BSC) -> Management Ambition (MAPD)	0.063	0.407	0.342	No

Note: Significance level $p < 0.05$.

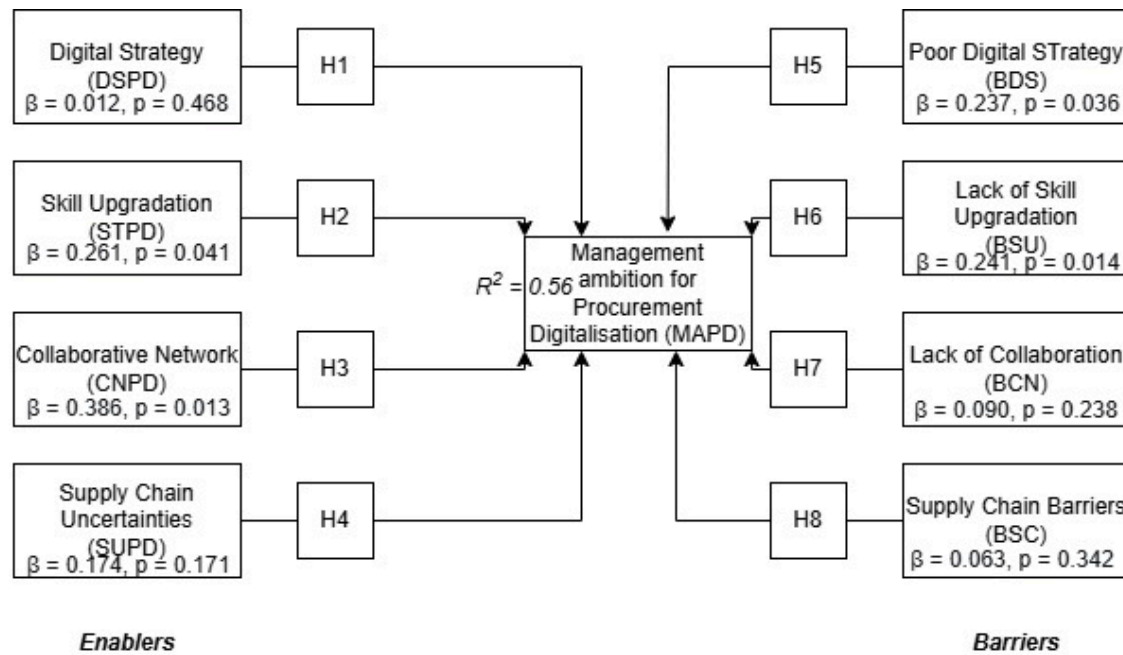


Figure 2: Structural Model with Path Coefficients and Significance

*Figure 2: Results of the PLS-SEM analysis. * $p < 0.05$, * $p < 0.01$. Note: H2 shows a significant negative relationship.

7. DISCUSSION

This paper aims to explore what makes and impedes management ambition, which is the core driver of Digital Procurement Transformation (DPT). The conclusions present complex pieces of information that validate and refute dominant assumptions in literature.

7.1 The Power of Collaboration and the Paradox of Skill: The most significant finding is the strong and positive influence of Collaborative Network Development (CNPD) on Management Ambition ($\beta = 0.386$, $p < 0.05$). This supports growing consensus that DPT is an ecosystem to play [40]; [20]. It suggests that management ambition is stimulated by and in turn drives the vision of a digitally connected value chain. Leaders who see the strategic potential in digitally integrating with key suppliers and internal functions are more ambitious to pursue DPT. On the other hand, the significant negative relationship between Skill Upgradation (STPD) and Management Ambition ($\beta = -0.261$, $p < 0.05$), which was unexpected. A possible interpretation is to reverse causality or a perception gap in organisations where management ambition is perceived as low and professionals may more acutely feel and report the need for skill investment. It may indicate that an obvious skills gap is

often characteristic of or reveals a lack of management commitment to human capital development in the digital context.

7.2 Barriers as Mirrors of Leadership

Failure: The results clearly identify two critical barriers that significantly challenge management ambition. First, Poor Digital Strategy (BDS: $\beta = 0.237$, $p < 0.05$) and second, Lack of Skill Upgradation (BSU: $\beta = 0.241$, $p < 0.05$). This aligns strongly with practitioner reports [42] and academic work [12]; [47]. These are not just operational challenges, but also, they are perceived as direct consequences of inadequate leadership. An inarticulated strategy and neglected of workforce readiness decline confidence in the transformation journey and directly impact on perceived level of management ambition. Interestingly, while Lack of Collaboration (BCN) as a barrier was not significant, its mirror enabler (CNPD) that was strongly significant. This implies that the *presence* of collaboration is a powerful enabler, but its *absence* is not perceived as the most critical barrier compared to flawed strategy and skills.

7.3 The Non-Significant Factors: Strategy as

Enabler and External Pressures: On the contrary to H1, a well-defined Digital Strategy (DSPD) did not significantly enable management ambition. This may be

because a strategy on paper is not enough. Its impact is facilitated through execution and communication. A strategy that is not actively supported by leadership may not translate into perceived ambition. Similarly, neither Supply Chain Uncertainties (SUPD) nor Supply Chain Barriers (BSC) showed a significant direct relationship. This suggests that while external pressures like COVID-19 are cited as accelerants [43], their direct effect on stimulating sustained and ambitious leadership for a complex transformation like DPT may be less pronounced than internal strategic and organisational factors. The high cost and cybersecurity concerns (BSC) are acknowledged challenges but may not be the primary determinants of leadership's ambition level.

7.4 Synthesis and Theoretical Implications: The validated model underscores that management ambition for DPT is primarily a function of *strategic connectivity* (collaboration) and is critically jeopardised by *strategic failure* (poor strategy) and *human capital neglect* (skill gaps). This places digital leadership directly at the center of the transformation equation. It opens dialogue beyond the checklist of technologies and barriers to dynamic interplay where leadership ambition is to both an outcome of strategic vision for collaboration and cause of addressing foundational flaws in strategy and skills. The study thus answers the call for more integrated, leadership-centric models of digital transformation in operations management [33].

8. MANAGERIAL IMPLICATIONS

The results provide a clear direction for top management and procurement managers:

Lead with an Ecosystem Vision for management ambition: Invest in a digitally collaborative network vision by inspiring and communicating it. Highlight pilot projects which prove worth in supplier integration and cross-functional information sharing.

Close Strategy Action Opening: The digital strategy should not be just a document. It demands ruthless communication, plausible resources and milestones. To develop an ambition of being perceived to be ambitious, leadership should be observably and persistently linked to its implementation.

Turn Talent into a Strategic Pillar, not an Afterthought: Be proactive about the skills gap. Invest in skills development initiatives, develop

new digital buying positions, and synchronise talent management with the digital roadmap. This is a physical indication of management ambition.

Identify Barriers as Leadership Gaps: In cases where transformation halts, the first investigation should be on the standard of strategy and the condition of workforce capability. These are not operations alone, but indications of leadership concentration and dedication.

9. LIMITATIONS AND FUTURE RESEARCH

The paper has limitations that can be used to conduct future research. First, the sample size is sufficient to conduct PLS-SEM, but it is small and geographically biased in Asia, which can be a limitation to the generalisation. The model needs to be put to test by future studies using larger and more geographically diverse samples. Second, the cross-sectional design only takes images of perceptions at a single time. Longitudinal research would be able to follow the development of these relationships in the various stages of the transformation process. Third, the unfavourable result of skill-upgrading should be investigated qualitatively to unravel the causal process. Fourth, the mediating variables (e.g., digital culture, middle-management support) might be added to the future models to further describe the strategy-ambition translation. Lastly, a comparison between this model and SMEs and large enterprises or across industries may provide some useful contextual data.

10. CONCLUSION

This paper establishes that the move towards a full digital procurement is essentially a leadership change process, not exactly a technological upgrade. The empirical outcomes indicate that the management ambition, which is the main driving factor of DPT, is greatly reinforced by the strategic formulation of partnering digital networks and long-term investment in skills upgradation and weakened by poor digital strategy formulation and inadequate workforce capability development. These results make three important contributions. To start with, the research provides empirically tested leadership-based model that incorporates enablers and obstacles to explain DPT ambition. Second, it explains which organisational levers are most definitely consistent in developing ambition (collaboration ecosystems and workforce capability) and which

ones undercut it (poor strategy and stagnant skills). Third, it applies such findings to practical advice: organisations that want to speed up DPT are advised to view digital strategy as a means of execution, focus on talent development, and establish cross-partner connectivity and trust as strategic resources. Finally, the ability to achieve digital procurement competitive advantage will not be through the acquisition of the most advanced technology, but rather by the development of leadership ambition that can help in the mobilisation of people, partners and strategy towards transformation outputs.

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