

# **LEADING THROUGH DIGITAL DISRUPTION**

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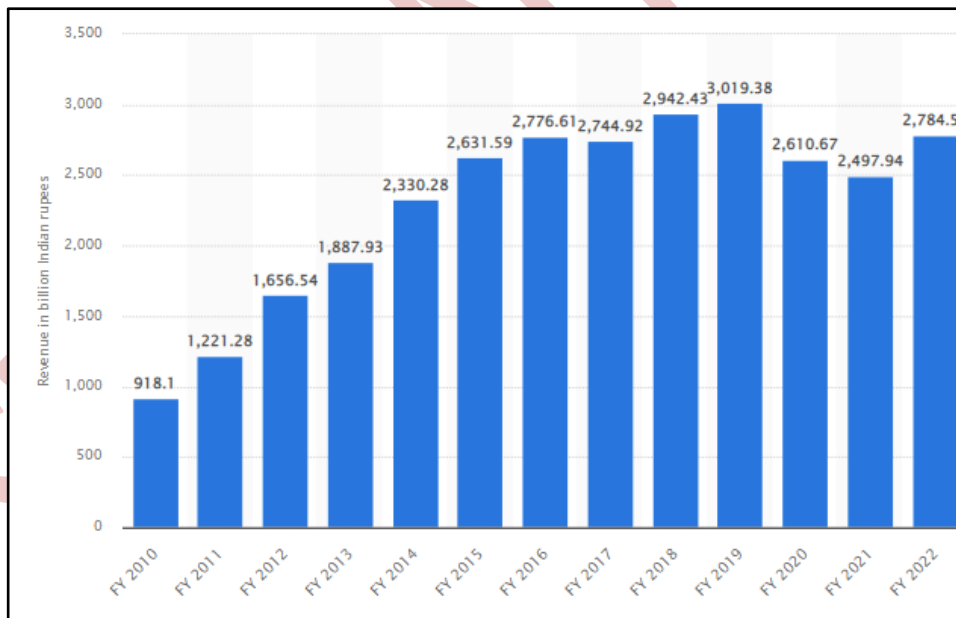
## Introduction

Digital disruption is the fundamental effect that brings changes within an organisation, which is expressed, through digital capabilities, assets, and channels. In this report, all the digitally disrupted areas of *Tata Motors* are described with critical evaluation and data analysis of the firm.

### Task 1: Change Analysis and Opportunities

#### *Organisational background*

Tata Motors is operating in the *automotive manufacturing industry* at the global platform as an Indian brand, which has its headquarters in Mumbai. The company is operating with a 35% EBITDA and 7.4% EBIT margins, which represent its market size (Tatamotors.com, 2023). The management of Tata Motors is operating with a strong market position with significant competitive advantages. Tata Motors is operating with 56,727 employees on the global platform (Tatamotors.com, 2023). *“Hydrogen fuel-based products”, “CNG-powered trucks,”* and *“Tata Ace EV”* are the core products of Tata Motors (Tatamotors.com, 2023). The large human resources base of the organisation represents its capability to deal with the changing digitalised environment in the market.



**Figure 1: Revenue growth of Tata Motors**

(Source: Statista.com, 2023)

The revenue of Tata Motors is fluctuating in the market effectively based on the analysis from the year 2020 to the year 2022. In the year 2022, the revenue of Tata Motors become \$3.4 billion which indicates a 24.2% growth rate compared to the revenue of the year 2021 (Statista.com, 2023). This revenue growth indicates significant business performance

improvement of Tata Motors to deal with its market position and enhance competitive advantages on the global platform.

### ***Digitally disrupted areas of Tata Motors***

Business transformation with the changing market demand is the significant factor that is working behind the successful performance of Tata Motors. The effects of digital disruption on the business performance of Tata Motors are significant and the management of this firm is dealing with these changes appropriately. The significant areas that are affected by digital disruption in Tata Motors are as follows:

- Transition of energy
- Resilient supply chain network
- Use of AI and ML in mainstream production

i) Energy transition: as a technical change, the firm is moving towards green mobility (Tatamotors.com, 2023). This is enhancing the rate of EVs within the production range of Tata Motors. Additionally, ii) a resilient supply chain management system with effective balance in the supply chain network is another area of Tata Motors that is affected due to digital disruption (Tatamotors.com, 2023). These changes within the organisation are capable of bringing effective improvement in their business performance for improving its sustainability in the market. iii) The use of machine learning and artificial intelligence are the significant areas of Tata Motors that are affecting their production and improvements of their products (Tatamotors.com, 2023). These three digital disruption effects are enhancing the productivity rate of Tata Motors. According to the chairperson of Tata Motors is creating a global talent pool for better management of its business to deal with digital disruption in the market of its operation.

### ***Key opportunities for successful digital transformation***

The CIO of Tata Motors based on all these digital disruptions can create significant opportunities for business performance improvement in future. Proper utilisation of resilient supply chain management system, AI and ML-based production and green technologies as digital disruption opportunities in Tata Motors are mentioned below:

- Tracking the uses of customers and their desire for the cars of Tata Motors through AI-based vehicles
- Due to the implementation of resiliency in a supply chain network management system tracking the data will become easier for inventory management
- Managing the green technologies within the organisation and production can bring opportunities to manage the carbon footprint rate within the firm

Based on this significant business performance management opportunity in Tata Motors the CIO can enhance the positive brand impression of the organisation. Using digital disruption as an opportunity for the firm is effective for the socio-technical concept of the organisation (Stormier, 2020). These changes can improve both products and human resources within Tata Motors.

## **Task 2: Digital Business Agility**

### ***Implementation of technology trends for identifying future trends and change management***

**Hyperawareness:** According to the model of Digital Business Agility Model, hyperawareness strategy refers to the ability of an organisation to detect, monitor, and understand the implication of changes for the business environment. The changes are associated with the use of machine learning and AI in Tata Motors as the management at this firm is utilising these technologies effectively to deal with the changing external environment. As commented by Jonathan and Siegfried (2021), the ability of an organisation to deal with unforeseen market changes with proper technologies is acknowledged the business agility model. In the case of Tata Motors, the firm is implementing ML and AI both in its production to keep track of the changing desires of its customers and manage its production unit efficiently. ***Reinforcement learning*** infrastructure is under development within Tata Motors for developing an initiative to utilise ML in its vehicles (Tatamotors.com, 2023). These strategic changes in Tata Motors indicate its preparedness to respond towards the changing external environment.

On the other hand, one of the significant competitors of Tata Motors is Tesla on the global platform and it is using AI significantly. Tesla Bot, Dojo Chip, and FSD Chip are examples of using AI and ML in the production of the automobile industry to manage business productivity (Tesla.com, 2023). It indicates hyperawareness regarding the changing external environment within the business is crucial for performance improvement. The management of Tata Motors has to be aware of the changing environment and the movements of its competitors to adapt to these changes to improve business performance.



**Figure 2: Digital Business Agility Model by Global Centre for Digital Business Transformation 2018**

(Source: Imd.org, 2023)

**Making informed decisions:** Based on this stage of the Digital business agility model the management of every organisation has to make sure that it is tackling informed decisions within the firm. As commented by Morawiec and Sołtysik-Piorunkiewicz (2023), appropriate digital transformation of the firms is associated with the development of effective communication and decision-making structure within the firm. IoT Platform development to design commercial vehicles for better user experience is one of the transformational infrastructures within Tata Motors (Tatamotors.com, 2023). Therefore, utilising information associated with customers and releasing products to satisfy the customers are effective in managing business performance in the digitalised era.

Implementation of this IoT technology for an effective production management system has helped the management of Tata Motors to successfully utilise the pieces of information regarding customer requirements. The use of the IoT platform helped to utilise 100+ end customer features for effective management of the production to increase sales in the year 2023 (Tatamotors.com, 2023). These features can be effective in managing the business performance of Tata Motors to make improvements in its business performance.

**Fast execution:** Making an analysis of the external situation and making the decision to adapt to the changes are capable of improving business initiatives only when the decisions are rapidly adapted within the organisation. In this context, Udovita (2020) has stated that the organisational ability to carry out plans quickly and effectively can be associated with efficient decision-making. The proper change management system of Tata Motors is

associated with effective and quick adaptation of their Virtual/Augmented Reality for improvement of the business performance. The development of market and customer-centric business models is identified to be effective for improving the business performance of Tata Motors.

The “*Charge and Accelerate cost-saving*” operation of Tata Motors has improved the £2.5 billion value of its business performance (Tatamotors.com, 2023). Resolving the car management issue of the customer regarding the EVs has helped the management of Tata Motors to improve its business performance. This rapid adaptation of green technologies associated with customer requirements within the business year 2021 to 2022 has worked effectively for Tata Motors. This Virtual/Augmented Reality has helped the firm to bring digital disruption appropriately to manage their business performance efficiently. “*Innovation and rapid technology change*” within Tata Motors based on a data analytics system to fulfil the customer requirements are effective for their fast execution strategies to make performance improvement (Tatamotors.com, 2023). Therefore, these strategic improvements are effective in managing the business performance with effective agility.

### **Task 3: Creating a Digital-Ready Culture**

Managing changes appropriately within the organisation to create a digital-ready infrastructure for better management of the firm based on data analysis is crucial for the firms. According to “*Think With Google*” customer, trends and forward-looking perspectives of the industry are identified effectively to deal with the changing environment (Thinkwithgoogle.com, 2017). "Think with Google" has mentioned the following elements that Tata Motors can use to build its digital-ready culture:

#### ***Innovative approaches for developing digital ready culture***

##### ***1. Putting customers first***

Analysing the touch points of the customers and evaluating their experiences with brands can be efficient for the management of Tata Motors to make changes in their business. As opined by Nam and Kannan (2020), analysing detailed customer journeys and identifying customer touch points are effective for the brands to improve business with appropriate digitalisation. Interaction with the customers and analysing their desires can be effective for the management of Tata Motors to deal with the digitalisation strategies of the organisation. In contrast to this, Trushkina *et al.* (2020) customer-centric organisational culture represents a significant level of agility of the firm to manage the business performance while transforming. This can also be utilised by the management of Tata Motors to deal with the

changing customer requirements based on the analysis of customers' experiences and their journey with the vehicles of Tata Motors.

## **2. Creating a collaborative culture**

Collaborative organisational culture development is essential for firms to manage their business effectively and deal with the challenging environment. The management of Tata Motors can implement a collaborative work culture to improve its problem-solving and decision-making system to increase agility to manage digital disruption in its firm. As highlighted by Eriksson *et al.* (2020), flexibility is the key success factor for organisational success while using collaborativeness to improve the productivity of the employees. This strategy can be efficient for the management of Tata Motors, as flexibility will enhance the productivity of its huge skilled employees. On the other hand, Lam *et al.* (2021) have stated that the long-term success of organisations is associated with a collaborative workplace culture within the firm. In this case, the management of Tata Motors can utilise this strategy to improve change management and digital disruption in their infrastructure. The management of Tata Motors has undertaken a collaborative action to reduce the rate of carbon emissions rate to enhance sustainability (Tatamotors.com, 2023). This innovative approach is also required to be utilised within the organisation for managing effective infrastructure.

## **3. Instilling a culture of innovation**

The higher performance of the firms is associated with its innovation and it bringing long-term success to the business performance. As narrated by Arsawan *et al.* (2022), implementing innovative sustainable practices can be effective for the management of every brand to reduce its negative environmental impacts. In the case of Tata Motors, this strategy can be influential to deal with the changing environment and meet the requirements of EVs among the customers. Taking an innovative approach can be effective for the management of Tata Motors to deal with its improvements for effective organisational performance management. In contrast to this, Yun *et al.* (2020) have commented that the orientation of innovative approaches within the organisation can be effective for developing a digitally ready culture and increasing competitiveness. Increasing the competitiveness of the businesses can be efficient for the management of Tata Motors to take innovative approaches to deal with the challenges.

## **4. Becoming a digital-champion**

Digital championship of the brands can enhance its digital skills to manage the customers and their desires to improve innovative approaches for managing business performance. In this

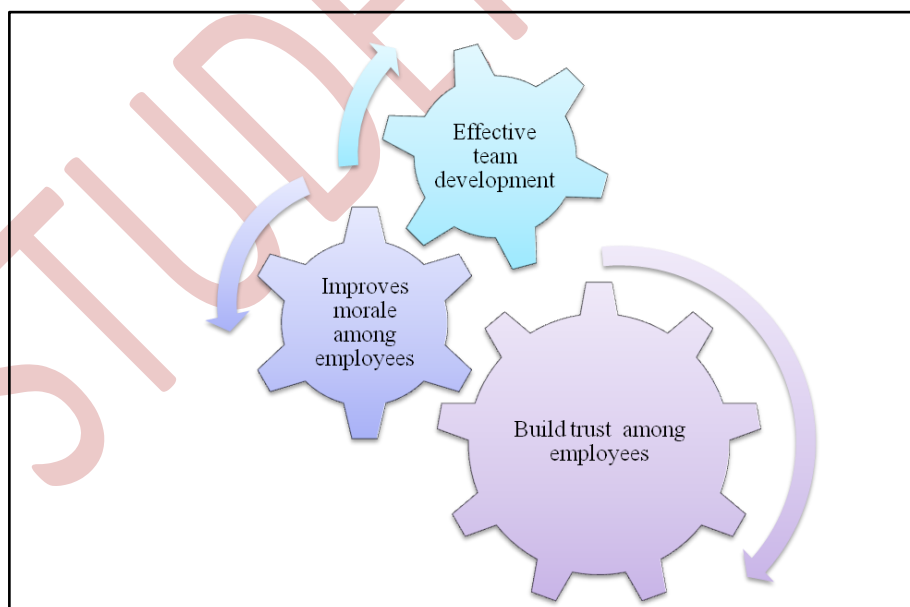


context, Casselden and Dawson (2019) have commented that the information strategy of the firms is capable to get enhancing the development of digital skills that are associated with digital championships. Innovative approaches for implementing chatbots and data analytics within the infrastructure can be effective for Tata Motors to manage its digital ready culture. Contradictorily, Wright and Gray (2022) have argued that the digital championship of the firms can be measured by the effective measurement of the “Digital Maturity Index.” Measuring this index allows brands to measure the changing effectiveness of the brands for better innovation management. These innovative approaches can work efficiently for the management of Tata Motors to deal with effective changes within the automotive industry.

#### **Task 4: Developing Digital Leadership**

##### ***Goleman’s leadership styles***

According to the Goalman’s leadership styles, the management of Tata Motors can develop coercive, visionary, democratic, pacesetter, affiliative and coaching leadership styles. However, the development of an ***affiliative leadership style*** can be effective for the brand to bring digital disruption. In this context, Sen *et al.* (2023) have stated that the gender and racial background of the leaders are not associated with their leadership strategies. The management of Tata Motors can use people from separate racial backgrounds within the organisation as leaders based on their team-building ability.



**Figure 3: Affiliative Leadership Style**

(Source: Influenced by Sen *et al.* 2023)

Distribution of work and workplace-related justice for trust development among employees are the concern areas of the affiliative leaders. As highlighted by KANDEMİR *et al.* (2019),

affiliated leaders are capable of influencing the perception of organisational justice among the employees to retain trust in human resources. This strategic employee management can be effective in bringing digital disruption within the firm. Affiliated leaders are team-oriented which makes change management more effective in dealing with digital disruption.

### ***Grow Model***



**Figure 4: Grow model of coaching**

(Source: Montenegro *et al.* 2019)

In terms of developing a digitally ready culture within the organisation, the management of Tata Motors can use the Grow Model for effective change management in the firm. Grow, reality, option, and will are the four stages that are required to be managed by the leaders to deal with the change in their organisation (Montenegro *et al.* 2019). These strategic improvements of the firms are capable of dealing with digital disruption. Implementation of a democratic leadership strategy in Tata Motors can be effective in managing its technical advancement and the use of ML and AI with the knowledge pool. The affiliated leaders are capable of developing a team-based culture where reality-based coaching becomes easier for the management of Tata Motors. Therefore, the implementation of the growth model with an affiliated leadership style can be influential in bringing a balance in front of digital disruption.

### **Conclusion**

Based on the analysis it can be concluded that the changes of digital disruption can be dealt with effective leadership strategies. The management of Tata Motors can take initiative in their organisation to proper use of self-aware human resources who are informed about the situation and its urgency. Hence, it can be concluded that the development of affiliated

leadership to follow the growth model can be effective in managing the effects of digital disruption within the infrastructure of Tata Motors.

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