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The Influence of Digital Transformation on Organizational Structure and Culture: A Cross Sectional Study

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Abstract

This article explores how organisational structure and culture are affected by digital transformation, highlighting how firms must change their vision, strategy, operational practises, and corporate culture to keep up with the rapidly evolving digital business environment. Strategic vision, investment alignment, promoting an innovative culture, developing digital competences, and efficient technology use are some of the crucial elements highlighted for a successful digital transformation. The paper also emphasises how crucial it is to adapt institutional and operational ecosystems to make room for cutting-edge corporate strategies and technologies. The findings emphasise the continued need for innovation and adaptation by highlighting the ongoing difficulties and transformational nature of digital change in the modern economy.

Key Words: - Transformation, Economy, Result, Strategy, Competition

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Introduction: -

Digital technology platforms are essential for conducting business in today's quickly changing corporate market. Beyond enterprises, the pervasive impact of digitalization is altering markets and industries. In order to be compliant with the dynamic digital business environment, organisations must review their vision, strategy, organisational structure, procedures, and culture. In order to acquire a competitive advantage, our study has identified six critical enterprise-level digital transformation factors. Examples of these dimensions include the company's strategic vision, the alignment of this vision with digital transformation investments, fostering an innovative culture, leveraging valuable intellectual property assets and know-how, nurturing digital talent and capabilities, and effectively utilizing digital technologies. By prioritizing these factors, a business can strategically position itself for success in the ever-changing digital landscape (Gurbaxani & Dunkle, 2019).

A thorough shift in techniques for generating income and jobs is included in the concept of digital transformation. It entails putting in place an adaptable management strategy that can successfully compete and react rapidly to shifting demands. A firm is reinvented through the digital transformation process by digitising activities and building broader supply chain linkages.

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Including design, production, marketing, sales, and data-driven management, the internet is essential to many facets of digital transformation. But it's crucial to understand that technology developments are only one aspect of the digital transition. To adopt new business strategies and attitudes, institutional and operational environments must be modified. Successful digital transitions may be observed across a number of industries, including the use of recycled glass in new containers, solar panels in place of traditional roofing tiles, and the transition from gas-powered to electric automobiles. These instances highlight the digital age's potential for innovation and sustainability. The flexibility of operations to adapt to the shifting requirements of the marketplace is ultimately critical in the journey towards digital transformation. Utilising innovation accelerators has considerably sped up the adoption of critical digital transformation components. The Internet of Things (IoT), robotics, 3D printing, artificial intelligence, augmented and virtual reality, next-generation security, simulation, horizontal/lateral software integration, cyber security, blockchain, nanotechnology, cloud computing, and big data are just a few of the cutting-edge techniques and technologies that these accelerators cover. Organisations may improve their efforts in digital transformation, streamline processes, increase efficiency, and seize new possibilities in the digital sphere by utilising these tools and skills. (Ulas, 2019)

Literature Review:

By enabling businesses to develop and enhance their goods and services, digital technologies increase the efficiency with which customers may access them. These technologies also make it possible to organise businesses in novel ways. Companies have the chance to entirely redefine themselves through digital transformation, encompassing their vision, strategy, organisational structure, processes, capabilities, and culture. Such changes not only affect specific businesses but also have the power to change marketplaces and entire sectors of the economy. Companies may handle the shifting business environment and maintain competitiveness in the digital era by adopting digital transformation. (Gurbaxani & Dunkle, 2019).

In an ever-evolving digital economy, digital transformation entails reorganising technology, business models, and procedures to create new value for customers and employees. The demands of consumers are what determine the speed of digital transformation. Companies can minimise the time it takes from product design to manufacturing, shorten the market entrance period, and quickly match consumer expectations with a variety of items by utilising digital technologies. This is made feasible by using numerical data to accelerate and make the best judgements possible across the whole production process. Operations become more productive as a result, which lowers costs for businesses. (Ulas, 2019).

Society and business have been significantly changed by the digital revolution. Traditional business paradigms are being disrupted by digital technologies like AI, 3D printing, and robotics. The platform economy and cloud computing have completely changed how companies are

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founded and run, enabling quick expansion and innovation. Although digitalization has already had a substantial influence, the early stages of business model disruption present both opportunities and risks. For existing businesses to succeed in this rapidly changing environment, innovation must be prioritised. Like the steam engine, digital technologies have the potential to fundamentally alter society and the economy in the future. (Vey et al., 2017).

The economy that is based on digital technologies includes new business models, goods, services, markets, and growing industries. Traditional business models are being replaced by digital business models, which entail the use of digital technologies for innovation. Digital technology-driven drastic changes in industry-specific business models that result in the creation of new values are referred to as disruptive innovations. The application of digital technology to create new revenue streams and business models is known as digital business transformation. A corporation can achieve this transition by simultaneously changing its strategy, organisational structure, operational procedures, and organisational culture. In the end, this change ensures the business's ability to compete in the market. (Boscovic et al., 2019).

Organisational transformation describes the basic adjustments made when an organization's core operations are modified. Working with individuals or groups inside the organisation, the organisational development (OD) methodology, which has its roots in psychology and behavioural sciences, strives to enhance organisational performance. Alpha and beta changes, which entail gradual corrections or adjustments within the current organisational structure, as well as gamma changes, which entail breaking the original rules and framework to bring about significant transformations and establish new standards, are three types of changes that require careful analysis when thinking about organisation development interventions. The organisational state is transformed by gamma transformation. (Zeng et al., 2008).

All corporate activities are now subject to digitalization, which calls for efficient organisational structures that encourage cooperation, knowledge sharing, and decentralised decision-making. There are four organisational models: Tactical (technology use at the unit level), Centralization (central strategy and implementation team), Champion (unit-specific strategies and knowledge exchange), and Business as Usual (complete digital integration). Aligning company strategy, infrastructure, technology, and information systems strategically is essential. For a competitive edge, cloud computing integration is essential. Structures, procedures, and strategies must be adjusted for successful digital transformation, with strategic alignment playing a key role. (Mirikovic, 2019).

Three essential components make up a digital business model: content, customer experience, and platform. The content component is concerned with reassessing the information that consumers consume, including digital items like software and electronic documents as well as other types of information like product and service descriptions. The customer experience element investigates

how to best package the material to meet client needs. This could entail developing a sense of community, offering individualised product experiences, or enabling free information access. The platform component gives the ability to deliver that experience and may do so through the use of open APIs, well-defined data management, or mobile device operating systems. (Brown et al., 2014).

Organisations must adjust to technology changes if they want to remain competitive and efficiently meet client expectations. Digital transformation is one area of concentration, particularly for businesses looking to create web-based electronic sales networks and gain an advantage over rivals. Organisations must make organisational adjustments that are in line with these digital transformation processes to maintain their commercial assets. By establishing a digital culture—which entails modifying their current culture to the novel digital format—they succeed in this difficult trip. The most vital component for the organization's ongoing success is its culture, which is crucial in retaining basic principles and promoting employee engagement with little resistance. (Çetin Gürkan & Çiftci, 2019).

The reengineering and optimisation of business processes in accordance with the organization's strategy is a critical component of a successful digital transformation. There is no one-size-fits-all method to digital transformation that works for all businesses; nevertheless, different approaches can vary depending on the company. All business units within the organisation must be connected via a single platform. Realising digital transformation is difficult without a unified platform. The goal should be to enable smooth client interaction at all points of contact with the company, creating a consistent and integrated customer experience. (Schwertner, 2017).

In a digital venture, various activities related to products, workplaces, and distribution can be conducted digitally, as opposed to traditional methods. A digital enterprise encompasses entrepreneurial activities that occur primarily in a digital format. When an organization undergoes digital transformation, it aims to leverage the full potential of digital technologies, which can lead to improvements in productivity, cost reduction, and technological innovation. Digital transformation is centred around the application and utilization of digital technologies as a driving force for change and growth within the organization. (Balakrishnan & Das, 2020).

Unique and enduring difficulties are presented by the digital transformation. The pervasiveness of the digital environment forces businesses to adopt strategic innovation to survive. Organisations struggle to keep up with the size and speed of digitalization. New institutional infrastructures are required because of how digital technologies redefine competitiveness and transform society. It will take time and might involve overturning current political and economic structures to provide an institutional foundation for the digital economy. (Deiser, 2018 To find out how digital transformation might help them achieve their key goals, such cost cutting and sustainability, businesses need to analyse their company strategy, objectives, and environment. They should

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evaluate their existing industry 4.0 maturity level and take the necessary steps to close the gap. Companies should pick digital transformation initiatives that have not yet been put into practise, connect them with their goals, and rank them in order of importance. All structural forces should be considered in the development of the measures, which will give SMEs a path for their digital transformation. (Stich et al., 2020).

Objective:

To find the influence of digital transformation on organizational structure and culture

Methodology:

This study is descriptive in nature in which the data were obtained from the 200 respondents to find the influence of digital transformation on organizational structure and culture. A checklist question was used to analyse and interpret the data. In a checklist question respondents choose “Yes” or “No” for all the questions.

Data Analysis and Interpretations:

Table 1 Influence of Digital Transformation on Organizational Structure and Culture

SL No.	Influence of Digital Transformation on Organizational Structure and Culture	Yes	% Yes	No	% No	Total
1	Digital technologies increase the efficiency with which customers access goods & services of a company	183	91.50	17	8.50	200
2	Companies can minimize the time it takes from product design to manufacturing	187	93.50	13	6.50	200
3	DT helps companies to shorten a particular product market entrance period	175	87.50	25	12.50	200
4	DT helps in quickly matching consumer expectations with a variety of items	191	95.50	9	4.50	200
5	DT helps in creating new revenue streams for the business	181	90.50	19	9.50	200
6	DT helps in creating incomes & jobs	172	86.00	28	14.00	200
7	DT helps in making the operations task	179	89.50	21	10.50	200

	flexible and hence reduces time					
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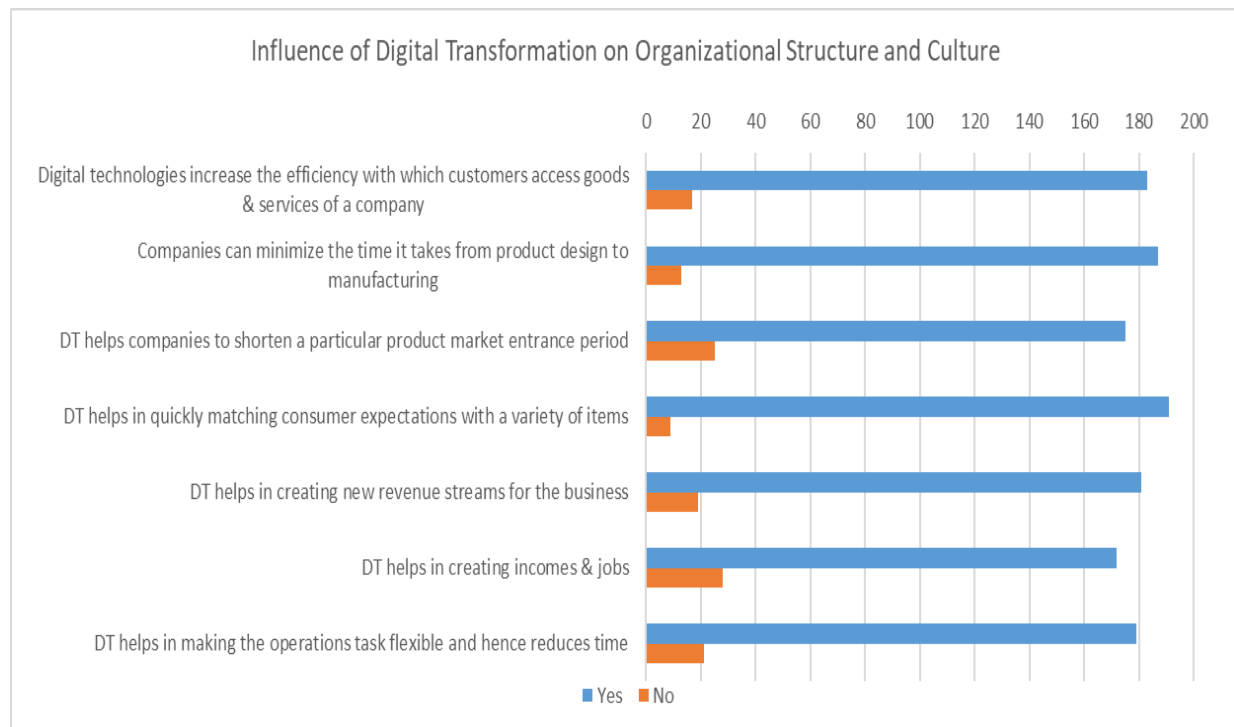


Figure 1 Influence of Digital Transformation on Organizational Structure and Culture

Table 1 and Figure 1 show the influence of digital transformation on organizational structure and culture. It was found that around 95.5% respondents believes that DT helps in quickly matching consumer expectations with a variety of items, Companies can minimize the time it takes from product design to manufacturing (93.5%), Digital technologies increase the efficiency with which customers access goods & services of a company (91.5%), DT helps in creating new revenue streams for the business (90.5%), DT helps in making the operations task flexible and hence reduces time (89.5%), DT helps companies to shorten a particular product market entrance period (87.5%), and DT helps in creating incomes & jobs (86.0%).

Conclusion:

The importance of digital transformation in fostering organisational change and reshaping corporate culture and structure is highlighted by this study's result. It emphasises how crucial it is for companies to adjust their vision, strategy, and competencies in order to keep up with the rapidly changing digital landscape. In order to sustain competitiveness in a rapidly changing company environment, successfully embracing digitization requires taking operational and cultural issues into account. The results emphasise the need for ongoing adaptation and

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innovation by highlighting the lasting impact and varied character of digital transformation in today's economy.

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