Organizational Change Management in Digital Transformation: A Framework for Success

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Abstract

The application of new digital technology to modernise operations, create fresh, creative business models, and improve consumer experiences is known as digital transformation. Organisations must consider opportunities, challenges, digital transformation models, and trends in order to achieve digital transformation. Organisations boost the Indian economy by creating jobs, making a significant GDP contribution, and encouraging the growth of new business owners. Even while organisations have a major role in economic development, little is known about how SMEs might adapt to the digital age. Organisations are adopting digital transformation later than major enterprises. This dissertation investigates analytics-based digital transformation. India is among the digital consumer markets with the quickest rate of growth. Every area of the Indian economy will alter as a result of technology, adding jobs. This activity will educate organisation managers and persuade them to adopt digital transformation in their businesses.

Keywords: Digital; Organization; Business Analytics.

I. INTRODUCTION

The process of using digital technologies to enhance procedures, organisational culture, and consumer experiences is known as "digital transformation." Organisations are adapting to generate and seize value. The process of restructuring economies, institutions, and society is known as digital transformation (Tungpantong et al., 2021). There are various ways to look at digital transformation. It is defined as a strategy by one author, a process by another, and a disruptive element by a third. This variation results from a lack of clarification. An organization's digital transformation strategy is a road map for integrating digital technology. The term "digital transformation" refers to the distinctive adjustments in business operations and value creation that are built upon the foundation of digital technologies. The term "digital transformation" refers to an organisational shift brought about by technology that aims to enhance current procedures and explore new avenues for digital innovation, which may ultimately change the business model (Lauer, 2020). The application of new digital technology to enable major business advances, like improving customer experience and developing new business models, is known as digital transformation. Using digital technologies, new models are created through digital transformation. Adopting disruptive technology to boost social welfare, value generation, and productivity is known as digital transformation. The goal of the digital transformation process is to enhance organisational changes by utilising connection, information, and communication technologies in combination. For many writers, digital technology is a key component (Butt, 2020). A researcher describes digital transformation as the simple use of new and existing technologies to enhance consumer value and boost business performance. The 2018 valuation of the digital transformation market in India is projected to be $24.5 billion. From 2019 to 2024, it is projected to expand at a CAGR of 74.7%. The country's growing industrial sector and the growing use of the internet of things (IoT) are the main factors driving the market. In the next five years, positive adoption of digital transformation is projected in India (Hanelt et al., 2021). Figure 1 displays the components of digital transformation.

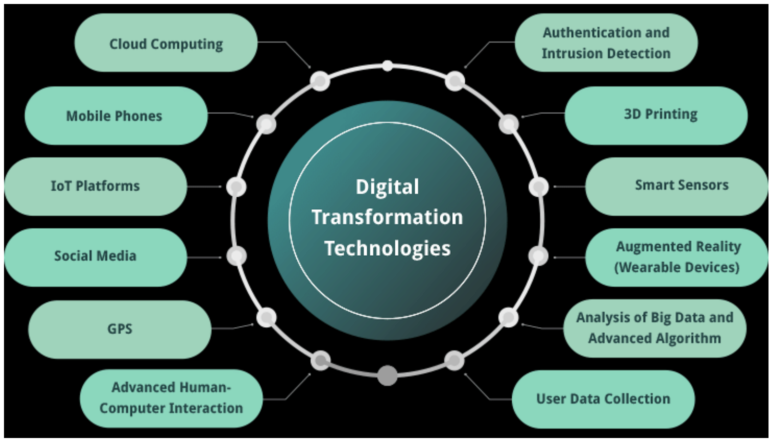

Figure 1: Components of DT (Source: Web)

Digital transformation (DT) has gained importance in COVID recently for both business and research. It is the manner in which businesses function and produce value through innovative goods, services, and business plans. Big businesses may afford to take on greater risk than smaller ones since they have more manpower and financial resources. Businesses are struggling to adopt digital transformation because of a shortage of trained personnel and competences. Businesses must adapt their business models to the digital age. Financial resources and senior management support results in awareness, an innovative culture, and the adoption of a new attitude, according to the Resource-Process-Value (RPV) framework. It is difficult for small and medium-sized businesses to adjust to the digital revolution. They need to understand how change is influenced by key performance indicators (KPIs). KPI is used to assess an individual's, a team's, and an organization's performance (Vogelsang et al., 2018).

In this case, the introduction is examined in section 1 of the article. Section 2 and 3 explains the goal of the work digital technologies, and Section 4 concludes the project.

II. DIGITAL TRANSFORMATION FRAMEWORKS

Organisational leaders employ frameworks as instruments for business analysis and change support. It is an organisational, strategic, and planned shift. It is the development of fresh, technologically supported business models. Framework is used to increase cost effectiveness and organisational efficiency. It makes possible the plan and strategy that let businesses of all sizes adapt and succeed in the flexible marketplaces. Frameworks for digital transformation offer substantial advantages for corporate operations in the twenty-first century. In order to achieve change, leaders must discover innovative and agile ways to do so (Gimpel et al., 2018).

Consumers of today are aware of emerging technology, and they anticipate that companies will use them as soon as feasible. If companies do not adopt the newest technologies, clients will switch to another business. DT frameworks assist organisations embrace digital, which helps them address IT-related problems like cloud computing, big data, machine learning, and artificial intelligence.

- Automation in business processes
- Increase productivity of employees, as employees understand the future change and they have to involve in change
- Improves consumer experience
- Facilitate communications and innovations across all departments
- Encourage digital culture
- Increase growth and profits

For the digital transformation of large organisations, numerous frameworks are available. Organisations must select a framework that is appropriate, flexible, and advances. Companies must have an operational vision, mission, and strategy in place to handle any changes that may arise. All personnel must be made aware of the digital revolution by their organisations. To gain insights and decide what needs to change in the future, they must employ analytics and data. The organisation must designate a leader to spearhead the digital transformation, and all board members, chief executives, and staff members must fully support the DT shift. Companies must to have a digital strategy that outlines their starting point and capacity building to support the achievement of the digital transformation. In order to evaluate their performance, organisations must use the appropriate metrics and key performance indicators (KPIs). Companies ought to implement specialised initiatives to foster a digital culture within the company (Verina & Titko, 2019).

Organisations must use analytical tools to assess KPIs in order to track their progress and make necessary adjustments in order to meet their objectives. Organisations must avoid focussing too much on technology (Saihi et al., 2023). Operating in silos prevents ideas from being shared, which causes confusion and slows down the pace of development. Payback of the digital transformation framework is crucial. Businesses that can adapt to changing consumer needs and provide cutting-edge goods and services will be around for a long time. Figure 2 shows the technologies of digital transformation.

Figure 2: Digital Transformation Technologies (Source: Web)

The investment needs to be particular because one of the biggest obstacles to DT in organisations is funding. Businesses that have the right personnel, procedures, tools, and structure for digital transformation will remain competitive. Effective leaders surround themselves with like-minded individuals and adjust to the demands of the company. By adhering to the steps outlined in the digital transformation framework, organisations can successfully implement radical change (Konopik et al., 2022). Scholars have investigated the digital revolution in the fields of manufacturing and services. Managers of organisations can apply DT in their company by using these tools and methods. Organisations can select from a wide variety of frameworks to accommodate change. Both short- and long-term goals should be included in a good framework. Implement a strategy to enhance the customer experience and look into expansion prospects (Konopik et al., 2022). A framework ought to offer detailed instructions for altering the organisation environment. It ought to specify the technologies needed for business. Businesses must sort through the various types of modern technology to determine which ones are most appropriate for their needs. These includes:

- Big Data
- Cloud services
- Mobile technology
- The Internet of Things
- Machine Learning/Artificial intelligence
- Robotics
- Additive manufacturing
- Web technology

Framework should define types of challenge, guiding policy to overcome the challenge and activities to carry out the successful change.

III. DISCUSSION OF DIGITAL TRANSFORMATION STRATEGY

Organisations require a digital transformation strategy in the current business environment to stay competitive. The organisational need will determine the digital transformation framework. Managers of organisations must take into account the following elements to successfully execute digital transformation (Errida & Lotfi, 2021). The organization's comprehensive plan for using technology to improve procedures, culture, and customer experiences is known as the digital transformation strategy. establishing short- and long-term goals for digital transformation along with a roadmap for business outcomes. Before beginning a transformation, managers must have a clear vision of what they hope to accomplish. To attract clients, businesses must employ increasingly technologically advanced tools (Kala Kamdjoug, 2024). Supervisors must establish objectives and create a strategy to meet them. In light of the organization's resources and capabilities, the plan should be reasonable. Managers must plan their digital transformation strategy taking into account organisational changes, value generation, technology utilisation, and financial considerations. Technology use deals with how organisations adjust to new technologies. Figure 3 shows the integration of digital and technology.

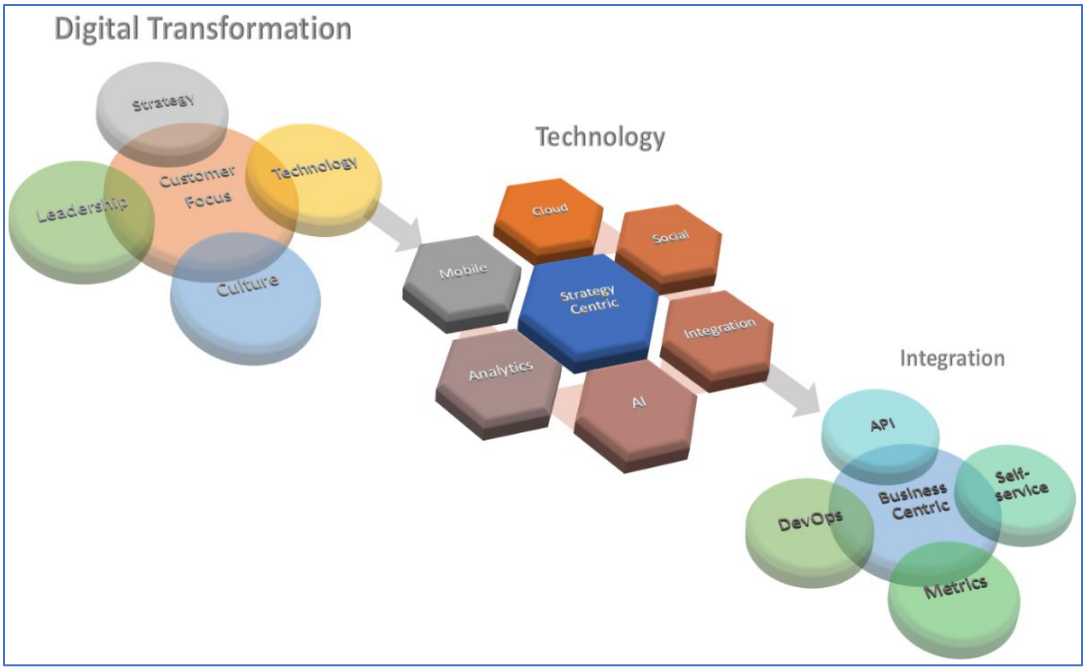

Figure 3: Integration of Digital + Technology (Source: Web)

To improve their everyday operations, businesses are implementing technologies like social media, the internet of things, cloud, big data, and analytics (Errida & Lotfi, 2021). These technologies alter and add value to corporate operations. According to the 2013 MIT Sloan Management review study, executives and managers thought that operational procedures would need to undergo a digital revolution. Leaders in business and technology claimed that their companies were losing out on innovative operations made possible by technology (Harvard Business Review Analytics Services, 2014) (Liere-Netheler et al., 2018). Businesses have a lot of opportunity to change their operational procedures. Now is the moment for businesses to reconsider their operational and technological strategies in order to take advantage of new technologies and revolutionise their processes. It illustrates the role that organisations play in digital transitions. Technology-enabled ERP systems and radical evolutionary processes are examples of digital transformation. Because digital technologies are disruptive, they are leveraging change. Businesses that want to successfully undertake digital transformation must make adjustments to their core competencies, reorganise their organisational structures and processes, engage their leaders, and adopt a digital culture. Technologies have the potential to generate new ideas, alter current procedures, and develop brand-new business models (Levkovskyi et al., 2020). For instance, being a disruptive technology, e-commerce necessitates significant adjustments to organisational skills, culture, and processes. Prior company transformations mostly concentrated on implementing enterprise resource planning (ERP), customer relationship management (CRM), and management information systems (MIS). These modifications were only made to enhance internal business procedures. Business models undergo significant changes as a result of modern technology like big data analytics, 3D printing, and IoT devices (Levkovskyi et al., 2020). The adaptable IT platforms of today are a component of organisational agility.

IV. EXPERIMENTAL ANALYSIS

This study's primary goal is to investigate the ways in which businesses may promote digital transformation (DT). The Awareness-Begin-Capacity-Drive framework developed by researchers will assist SMEs in initiating the new digital transformation. Without realising it, SMEs have begun implementing some digital transformation strategies (Arbaiza, 2018). In the new ecosystem created by digital transformation, organisations need to consider their business model, strategy, partnerships, and new platforms (Carujo et al., 2022). Data has been gathered by researchers for SMEs who are prepared for DT transformation. Respondents were invited to complete a survey in order to assess the use of digital transformation in small and midsize firms in order to achieve business growth. The outcomes are spoken about in the section below Figure 4.

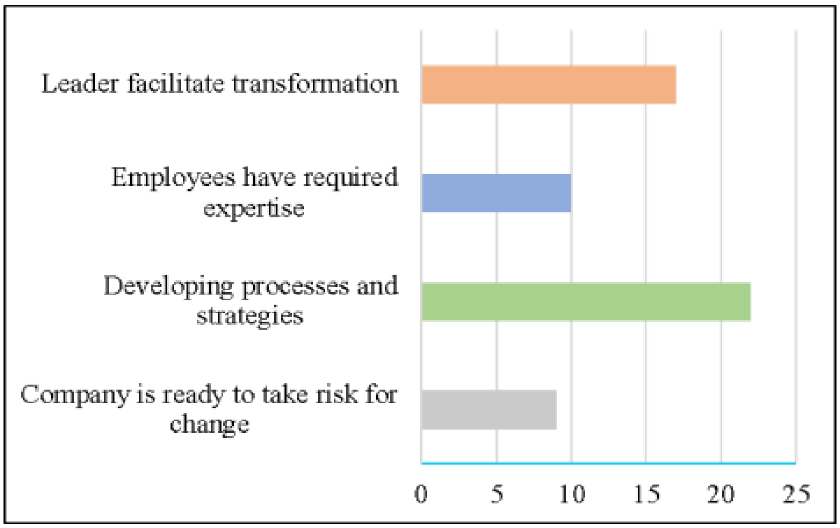

Figure 4: DT Awareness in Organization

An organization agility is their ability to respond to change (Kidd, 1995). It's a company system designed to react quickly to changes in the market (Strohmaier et al., 2005). In a cutthroat market, agility is the key to success shows in Figure 5.

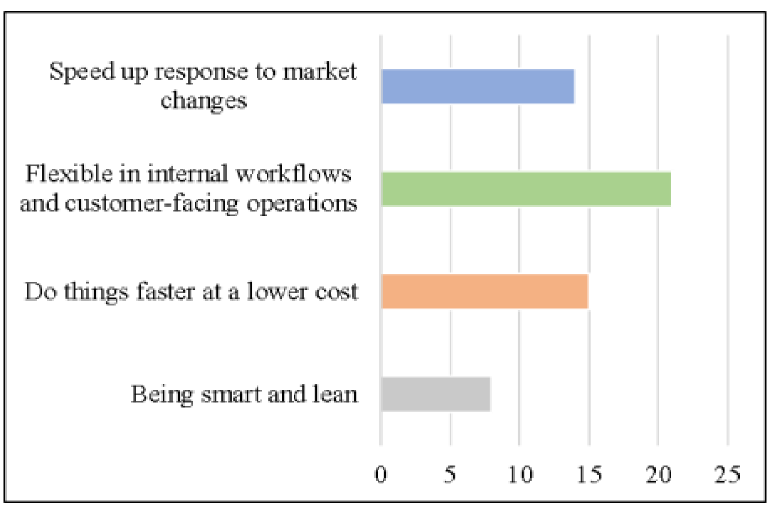

Figure 5: Agility in Organization

Because of the new technology, DT may have an effect on the innovation process in Figure 6 (Imran et al., 2021). It brings about changes to established business practices as well as innovations in goods, services, and business models.

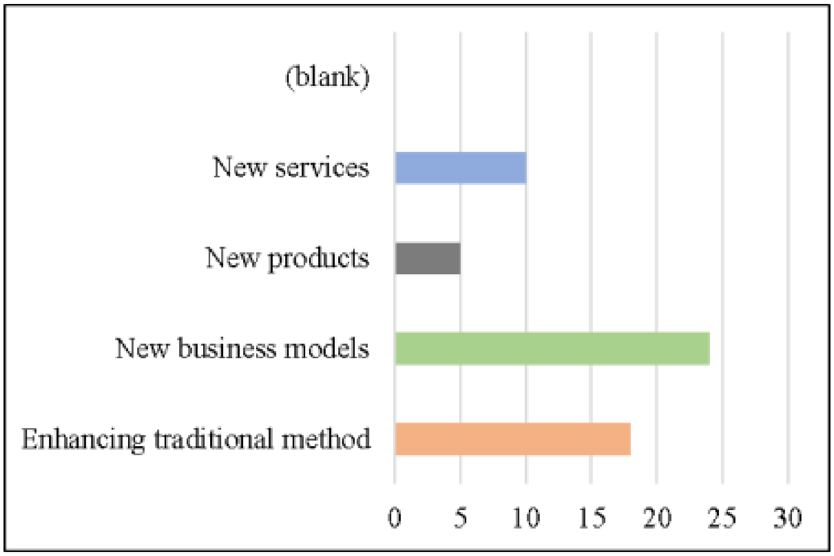

Figure 6: Digital Transformation Influence Innovation

Organisations must adapt to shifting market conditions and customer demands for creative ways to deliver goods and services. Leaders in the organisation and staff members should strive to fulfil business needs, promote innovation, and advance continuous development. The organisation is prepared to enhance their business through digital transformation (Morakanyane et al., 2020) Figure 7. For them to succeed, metrics are necessary.

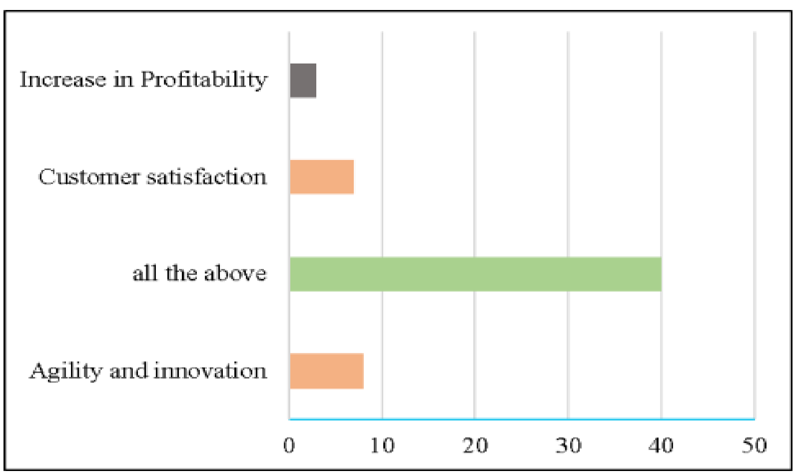

Figure 7: Digital Transformation Measurement

Key Performance Indicators (KPIs) are metrics that organisations use to gauge the effectiveness of their digital transformations. Agility, creativity, customer happiness, and increased profitability were cited by survey participants as being crucial for the shift towards a digital transformation. From 2019 to 2025, the digital transformation market is projected to expand at a compound yearly growth rate of 23% in Figure 8.

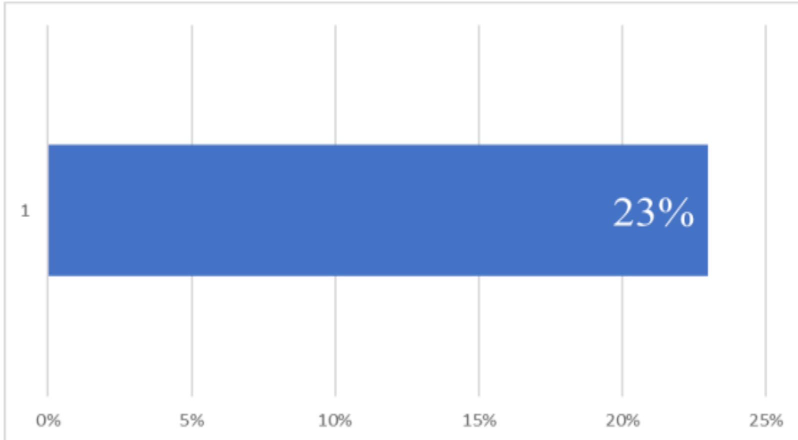

Figure 8: Digital Transformation Market Size Growth (Source- Industry Report Secondary data)

First digital strategy adopted by companies Figure 9.

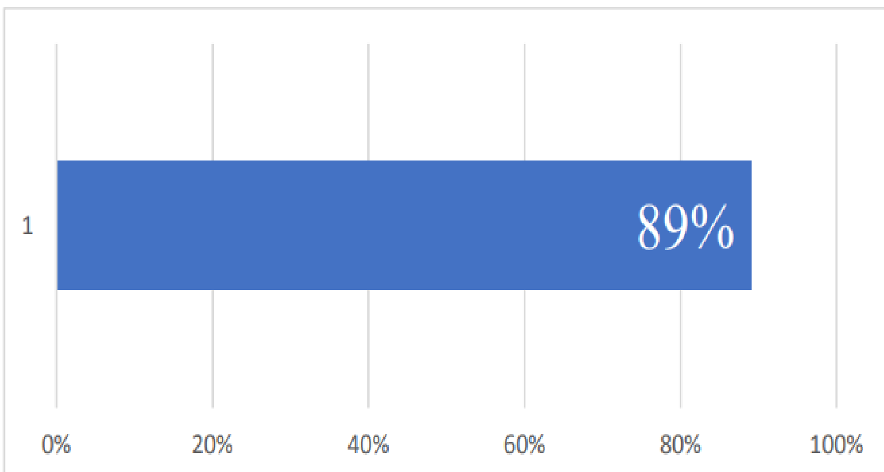

Figure 9: Business Adoption (Source- Industry Report Secondary data)

In Figure 10, Executives say top benefits of digital transformation is improved operational efficiency.

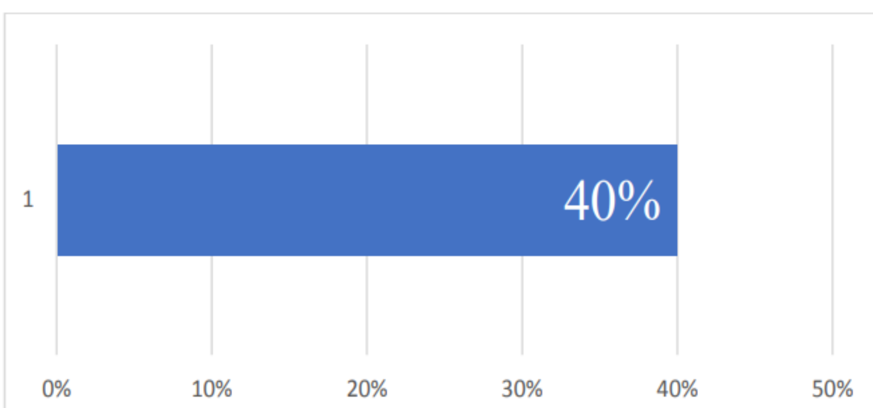

Figure 10: Improved Operational Efficiency (Source - Industry Report Secondary Data)

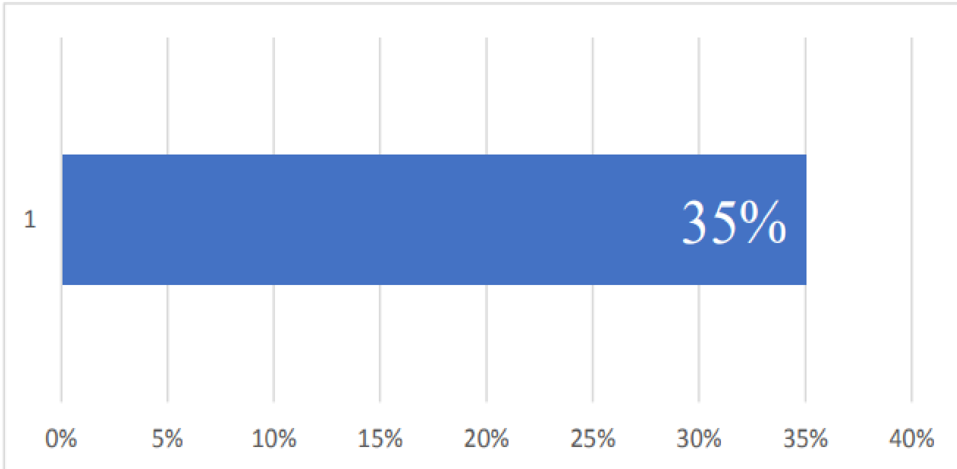

Figure 11: Improved Customer Experience (Source- Industry Report Secondary data)

A digital transformation strategy is a comprehensive plan for enhancing manufacturing and service businesses via the use of digital technology. Frameworks for digital transformation (DT) offer a plan for adjusting to digital change Figure 11. SMEs are preparing for the shift to digital. International Data Corporation (IDC) predicts a sharp rise in worldwide digital spending.

V. CONCLUSION

This research thesis's primary goal is to investigate the ways in which organisations might promote digital transformation (DT). The Awareness-Begin-Capacity-Drive framework developed by researchers will assist organisations in initiating new digital changes. Without realising it, SMEs have begun implementing some digital transformation strategies. In the new ecosystem brought about by digital transformation, organisations need to consider their business model, strategy, partnerships, and new platforms. Data has been gathered by researchers for organisations prepared to implement DT changes. Respondents were invited to complete a survey in order to assess the use of digital transformation in small and midsize firms in order to achieve business growth. An organisation needs both trained labour and access to technology in order to implement digital change. They must assess the skills of the present workforce and make plans to hire additional tech-savvy employees. To accomplish goals, they need carefully plan their strategy. Managers can execute change by setting minor goals.

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