


Chapter 8

Organisational Changes in the Age of Digital Transformation

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ABSTRACT

The organization's culture is a key part of its successful move into the digital age. Industrial organisations are implementing company-wide digital transformation programmes in response to new risks and opportunities provided by fast emerging digital technologies. There is a serious shortage of adaptable project and organisational teams with a well-defined implementation approach. Companies must assess their current competencies, organisational structure, and corporate culture to identify which technologies are crucial and how they will be implemented. This chapter focuses on technology-based attributes like strategy, leadership, and culture. Researchers, practitioners, and industrial organisations will benefit from the findings of this study because it provides a digital strategy for commercial organisations. It is imperative to review the relationship between a company and its partners and customers in light of digital technology's impact on business operations and market offerings. This chapter makes it possible for future research, which helps this field and theories move forward.

INTRODUCTION

Technology is a powerful facilitator in the digital age. People are at the forefront of successful companies. Organisations nowadays confront several challenges: new technology, enormous data, creative collaborations, and unexpected competitors (Accenture, 2016). Industrial organisations are reacting to new threats and possibilities posed by rapidly evolving digital technology by implementing company-wide digital transformation programmes. A deeper understanding of the main enablers of digital transformation efforts that improve operational performance is required. Digital innovations are transforming businesses (Chanias & Hess, 2016). Better goods and services, a competitive edge, increased customer experience, business model innovation, and new business processes are all possible through digital transformation

DOI: 10.4018/978-1-6684-5864-8.ch008

(Niemi et al., 2021). Because of these potential benefits, digital transformation has become a strategic requirement for industrial organisations (Vial, 2019).

Organizational agility is gained by simultaneously exploiting and investigating what it provides (Hess et al., 2016). Disruptive changes, defined as changes in a corporation and its operational environment driven by digitalization, can create digital transformations in many situations. These developments cause a lot of uncertainty, so sectors and businesses strive to react in various ways. To stay competitive, innovative, agile firms include change in their plans. They respond to new possibilities and danger by doing so (Bondar et al., 2017). However, previous studies have failed to provide a comprehensive understanding of organizational change by presenting an integrated approach (Sony and Naik, 2020; Warner and Wäger, 2019). Determining clear standards for research and practice in organizational change management requires a complete knowledge of digital transformation. It tries to find and study digital technology enablers for digital transformation strategies in organizations.

The digital transformation of organisations is one of the most significant problems that they face today. New business models necessitate that organisations use digital technology to build and implement new capabilities, organisational structure, and culture so that they can identify and implement the appropriate technologies, as well as how they will be enacted in the organization's processes and products, among other things. Digital transformation needs organisations to identify what technologies are important and how they will be implemented in business solutions. Digital technology will have an effect on business strategies as companies look at how they look and how they work with their partners and customers. This chapter discusses organisations and their attempts to make sense of digital transformation as new technological advances bring their digital concerns to execute management operations.

BACKGROUND

The Industrial Revolution in electricity technology has far-reaching consequences for industry and society. To begin with, the need for fuel compelled the coal industry, which had already expanded significantly by the early 18th century, to continue expanding and innovating. The steam engine, which increased the demand for coal, helped people get more efficient mine pumps and better ventilation systems. When mechanical and analogue electronic technology were replaced by digital electronics in the final years of the twentieth century, this was known as the “digital revolution.” Using computers and other digital technologies has changed our relationship with our surroundings and continues to do so today. There have been a wide range of effects on the economy as a result of the digital revolution. Globalization, for example, would not be possible in today's world without the emergence of the internet. The revolution changed the way people and businesses interacted with one another and with the world around them. Small and medium-sized businesses now have access to large global markets. The widespread use of digital technology in recent years has been attributed to the rise in economic output and its associated activities. The digital revolution has led to a need for new work skills because of new technology.

The fourth industrial revolution is known as “disruption.” The disruptive phenomena that characterised the Industrial Revolution 4.0 period will usher in the technology revolution, which will indirectly alter our ways of living, thinking, working, and socialising. Leadership means being able to lead through all changes and differences. Leadership in the 4.0 industrial revolution requires the ability to unify and

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