


# Chapter 10

## Digital Transformation on Organizational Performance: A Literature Review Analysis

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### ABSTRACT

*The massive development of digital technology accelerated the pace of disruption in almost every industry, creating immense ambiguity and continuing to accelerate uncertainty in the business environment. The essentiality for an organization to adapt to rapid digital transformation led businesses to remain competitive and relevant in the industry. With the rise of the pandemic Covid 19, creating more challenges for organizations in the effort to improve digital maturity. This study focuses on digital transformation and its impact on an organization's performance while narrowing down the research to the telecommunication industry in the Brunei Darussalam context. The contribution of this study is expected to fill the gap in the literature regarding antecedents of a successful digital transformation.*

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## **INTRODUCTION**

Digital development is imposing corporations to rethink their administrative models. Some companies display a better ability to exploit digital technologies to obtain a competitive advantage over the market in several industries. Traditional companies, with their closed, centralized, hierarchical, top-down organizational structures, are incapable to change and develop at the speed needed by digital distraction (Imran et al., 2018). To endure, traditional corporations must question their administrative models, learn from digital disruptors, and shift their organizational models and attitude (Imran et al., 2018).

Humans are transitioning towards a digital economy and social interactions and behavior. Though already underway for approximately half a century, the pace of change has quickened with the additional deployment of digital infrastructure, the propagation of smartphones that permit ubiquitous computing, and the generation of massive volumes of all types of data. These evolutions have turned data into a significant strategic resource (Hinings et al., 2018). At present many of them made a comparison between the former industrial transformations driven by general-purpose technologies like electricity or steam and digital transformation. Whether it is the Second Machine Age (Baptista et al., 2020), the Third Wave (Prester, Julian, Dubravka Cecez-Kecmanovic, Daniel Schlagwein, 2020), or Industry 4.0 (Bodrow, 2017), important shifts are in progress in society and the economy more generally. With this transformation, come erratic chances to improve well-being and express persistent social problems from health care to education and the environment (Mubarak, M.F. et al., 2018; Vial, 2019; Hess et al., 2016). Yet, such advantages arise with new challenges as digital transformation changes the structure and nature of markets and companies, increases concerns around occupations and skills, security, privacy, economic and social interaction (Ebert, 2019), the creation and composition of societies, and concepts of equity and inclusion in the present-day of industry 4.0. Researchers have recognized the important positive impacts of the digital transformation of industries on efficiency and performance on a macro level (Schwertner, 2017; Heavin & Power, 2018).

Against the framework of digitalization, globalization, changes in demography, and lack of resources, it is important for corporations to understand the effects and impacts associated with these megatrends and to prepare themselves for the upcoming. The world is becoming more and more digitized and crystal clear for all stakeholders because of innovative technologies, interconnectedness, algorithms, and big data storage. It is no longer only about a marketing policy to affect consumers, company branding to sustain workers, or to find methods to improve methods or systematize the manufacturing. At the present not only the integration and usage of state-of-the-art technologies and commercial models matter, but it is also significant to identify the interdependencies and influences on the basics of organizational behavior, such as the interaction among the two determining factor; skill and individuals. Hence, and due to the actuality of the topics, the effects of digitalization on management, and employees were reviewed and examined to proactively manage the required change to make sure the sustainability of the company and to sustain or extend their position in the market.

Information, communication, and connectivity technologies have enhanced greatly during the past period producing new functionalities (Anshari & Almunawar, 2021). These new digital technologies additionally empower the manufacturing, storage, and management of information, and enable interaction between electronic systems and human beings (Bodrow, 2017). Companies like Netflix, Amazon, Google, and Apple have effectively adapted these innovative digital technologies and have increased to excessive heights whereas others who did not adapt have not and became outdated. At present several organizations feel pressured to change to encounter client demands and competitive pressure through

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