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DEVELOPMENT OF ORGANIZATIONAL CULTURE, EMPLOYEE RESILIENCE AND BUSINESS IN THE ERA OF DIGITAL TRANSFORMATION: ATTITUDES OF CROATIAN MANAGERS AND EMPLOYEES

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ABSTRACT

This paper explores the impact of digital transformation on organizational culture, employee resilience, and business operations, analyzing the attitudes of managers and employees. Digital transformation represents a key challenge for organizations, as it not only changes the technological aspects of business operations but also shapes the way organizations work, communicate, and interact with each other. The focus of this research is on how organizational culture evolves in the context of digitalization and how employees develop resilience to changes caused by new technologies and business practices. Through an analysis of the attitudes of managers and employees, the paper explores how different groups perceive organizational changes, the challenges of adapting to new technologies, and the impact of these changes on the work environment, productivity, and innovation. It also emphasizes how employee resilience can be key to successfully managing transformation, maintaining high performance, and preserving organizational culture in times of rapid technological change. The research results indicate the importance of actively involving all stakeholders in the digital transformation process, as well as the need to develop strategies that support employee resilience and preserve a positive organizational culture, which is crucial for long-term competitiveness and business success.

KEYWORDS

Digital Transformation, Organizational Culture, Business, Research, Managers, Employees, Employee Resilience

1. INTRODUCTION

The COVID-19 pandemic has resulted in an accelerated digital transformation of numerous organizations to strengthen their resilience, competitiveness and visibility in the market. Digital transformation is no longer just a technical-technological issue but requires a holistic approach and responsible leadership. However, despite its numerous benefits, this process often encounters employee resistance, which can represent a significant obstacle to the successful implementation of digital strategies.

Organizational transformation is not an easy task, as evidenced by the data from research conducted by McKinsey (2018) that less than 30% of transformations are successful. More advanced industries such as the hi-tech, media and telecommunications industries also face implementation challenges, and success depends on the size of the organization. The recipe for success that the authors offer lies in choosing the right leader who will direct the organization towards digital, strengthening the capacity of the workforce, empowering people, continuous upgrading of digital tools and a combined approach (McKinsey, 2018).

Analysis of investments in digital transformation in the countries of Southeast Europe showed that there is still room for improvement, which results in reduced productivity and economic sustainability. Globalization challenges demand an effective response to business ideas, as well as information management with the aim of ensuring corporate efficiency. The need for digital infrastructure is a significant part of the sustainable goals in the agendas of most corporations until 2030. Although many agree that digital transformation contributes to the development of sustainable business, Mutsunska Palevska et. al. (2022) state that there are also those who do not share that opinion. The goals of the EU countries refer to the need to invest 3% of GDP in development, research and innovation by 2030, but it is already clear that we are still far from the stated goal. Everyday interaction with digital technologies requires their stronger action in operational business, and this includes the concrete adaptation of digital technologies in everyday business. The comparative analysis showed that the largest investments in infrastructure are in Serbia (which is not an EU member), and the smallest in Macedonia. At the same time, the largest application of digital applications is found in Spain, and the smallest in Macedonia (Mutsunska Palevska et al., 2022: 197, 198). Paradoxically, the countries that are most promoting the EU agenda have the lowest level of implementation. The indicators of the situation in Croatia for 2023 also confirm that the country is lagging behind in fulfilling the European strategic goals by 2030 (Dokler, 2024; Croatia Digital Decade Report, 2024) mainly due to the limited budget for innovation, insufficient digital skills and resistance to change. This is also confirmed by the research conducted by Butković and Samardžija (2018), who advocate improving education systems and encouraging digital literacy in order to prepare workers for new digital jobs. The key to successful digital transformation is the transformation of employees and the acceptance of new technologies, but above all, the acceptance of change, which is a prerequisite for successful persuasion (Reardon, 1998; Manning, 2012). The existence of resistance is expected and understandable as a kind of fear of change, but its impact will also be minimized if the prerequisites for implementing digital transformation are ensured. The key to action lies in quality internal communication - listening and responding to feedback on the effects of changes at the individual level, as well as measuring the effectiveness of the same (Harkness, 2000). At the same time, not all generations react equally to changes. Previously conducted research (EURES, 2023; Parmelee, 2023; Cubukcu Cerasi & Balcioglu, 2024) shows greater courage of millennials and Generation Z when it comes to changing jobs

or openness to learning. Internal communication implies giving continuous feedback, employee education, as well as monitoring progress as part of it.

This paper explores the impact of digital transformation on organizational culture, employee resilience, and business, with a particular focus on managing employee resilience in the face of rapid technological change. Digital transformation not only impacts the technological aspects of business but also changes the way people work, interpersonal relationships, and organizational dynamics themselves. This research focuses on understanding how organizations can effectively manage employee resilience to successfully adapt to new challenges and changes brought about by digitalization. The research results demonstrate the importance of actively managing employee adaptation processes to change, developing mentoring and educational programs that foster resilience, and the need to maintain an organizational culture that strengthens employees' ability to cope with challenges. These strategies are key to successfully managing digital transformation and maintaining high performance in the organization. Through in-depth interviews with managers, IT experts and employees, information will be collected on employee adaptation strategies to digital changes, methodologies and tools that facilitate the adoption of digital technologies, and key obstacles and resistances in the digitization process. A literature review of key concepts from previous research, a description of the research methodology and key findings, and a discussion and conclusions will enable a summary of the theoretical and practical benefits of the research, as well as an understanding of the limitations that need to be considered.

2. LITERATURE REVIEW

In this chapter, we will present a review of the literature related to the digital transformation process, analyze its impact on organizational culture, and also show how the mentioned process is viewed by key stakeholders – managers and employees.

2.1 Digital Transformation - Definition of the Concept and Characteristics

Perkov (2022) recalls the broad definition of digital transformation depending on the source (EU, OECD), adding that it is a process that conditions the survival of organizations and is no longer a question of choosing a modern business. The digital transformation of an organization includes the following indicators: user experience, business processes and business models (Westerman et al., 2011, according to Turuk et al., 2022: 112). Digitally transformed companies are more competitive, more productive and more open to new business opportunities thanks to digital networking. The concept of digital transformation is associated with the concepts of digitization and digitalization, the confusion of which Lozić (2023) attributes to the linguistic context and similarity of the concepts. While digitization „converts analog information into digital content without any impact on production processes“ (Lozić, 2023: 112), digitalization refers to the comprehensive use of technology. Furthermore, Lozić uses a third term in explaining digital transformation – „digital optimization, which denotes the process of using digital technology to improve existing operational processes and business models (Patel, 2019)“ (according to Lozić, 2023: 214). This is a short-term activity that seeks to ensure a better market position and progress in the production and sales process. Finally, the author also discusses the

concept of digital transformation as a much broader concept that affects the organizational structure. Its goal is to add value to process-oriented management strategies and to ensure support for the organization's core strategies (Lozić 2019, according to Lozić 2023: 215; Pradana et al., 2022).

Lugavić and Rožajac talk about the multidisciplinary character of digital transformation and state its three phases: „digitization, digitization and digital transformation" (2022: 49). Furthermore, they present a model of discussion about digital transformation that rests on three pillars: 1) external factors of digital transformation (digital technology, digital competition and digital consumers), 2) stages of digital transformation and 3) models of digital transformation (Lugavić and Rožajac, 2022, 47-53). It was also determined that, the greatest advantages of the digital transformation of the human resources management function are lower operating costs, simpler and faster processes, less bureaucracy and the possibility of working from home" (Perkov, 2022: 85).

From a marketing level, it involves observing redefined product values and their existence (Fernandez-Vidal et al., 2022: 30). Cultural adaptation and effective evaluation (metrics) of results are also key to successful digital transformation. Namely, the cultural dimension encourages a shift in focus away from technological orientation. Finally, measuring the evaluation of digital transformation through previously clearly defined KPIs contributes to the concretization of transformation efforts. Feliciano-Castero et al. (2023) have shown the dual effects of digital transformation on the internationalization of business at the individual, organizational and macro levels. One of the biggest challenges that organizations face in implementing digital transformation solutions is employee resistance, which shows the need for preventive action and preparing the workforce for continuous changes in the digital environment. The changes resulting from digital transformation are significant, so it is important to have managers who understand the talent needs (Singh and Heiss, 2017; Cortellazzo et al., 2019, Fuller et al., 2020; Senotto et al. 2021 according to Fernandez-Vidal et al. 2022: 38). It should be noted that observing digital transformation through a copy-paste model is not always applicable everywhere because its implementation depends on the organizational context and industry specifics.

2.2 The Role of Internal Communication in Building Organizational Culture and Strengthening Organizational Resilience

For many managers, introducing changes in the organization requires immediate action, but they often forget about the necessity of communicating strategic plans to employees and providing time for adaptation and understanding. Therefore, the focus is often placed on the communication system through which the flow of information should be ensured. Poltoratska et al. (2024: 74) state that many try to build their own models, but fail due to lack of motivation, insufficient level of digital literacy (digital skills) of employees, and the gap between strategic goals and team goals.

The issue of trust is becoming one of the key ones that communicators across the EU are focusing on since it contributes to strengthening resilience (Otola, Grabowska, & Krupka, 2023). The European Communication Monitor (ECM) research, which is conducted on a sample of communications directors (CCOs) representing 300 leading European companies using a combined methodology (quantitative and qualitative), covers three topics/areas: „(1) the need for companies to deal with geopolitical risks; (2) the adoption of artificial intelligence in

communication departments; and (3) the managerial learning practices of CCOs that ensure innovation and excellence." (Zerfass et al., 2024: 5). For example, geopolitical risks place demands on managers to adjust and balance business perspectives and stakeholders' expectations. This requires frequent modification of strategies and development of risk scenarios and crisis management. Furthermore, the development of artificial intelligence has provided numerous perspectives for communication departments, but at the same time, its uncontrolled progress is worrying, which puts communication professionals in a state of continuous tension due to the gap between the desire to achieve greater efficiency on the one hand and minimizing risk on the other. Finally, there is a growing need for continuous learning and personal development of managers, and most of this form of training is mainly based on experiments and mobility, while the support of the academic community in the form of concrete scientific publications is lacking (Zerfass et al. 2024: 5).

The use of digital tools also increases the possibility of interaction at the organizational level, although it has been shown that information is filtered at the middle management level. However, improving internal communication is not only a matter of using tools, but also of building relationships between employees, as well as their connection to the organization. At the same time, organizations must invest efforts in building a clear and measurable strategy (Sanchez, 2004 according to Gustafsson et. al. 2018: 9). Therefore, it is important to ensure a quality flow of information, and in the long term, to connect employees with organizational values in the form of courses or workshops (Peschl & Schüth, 2022). Previous research shows that there is a difference in satisfaction with receiving information between top management and middle and operational levels in favor of the first group (Gray and Laidlaw, 2002 according to Gustafsson et al. 2018, 16).

Wuersch et al. (2023) remind that the interest in studying digital internal communication is growing even after the pandemic. Although most authors focus on the scope and depth of the concept, the authors try to find meaning in everything through a humanocentric perspective, i.e., the community of interpersonal relationships and the people who make it up (Meske and Junglas, 2021; Andersson and Weiland, 2023). In doing so, they rely on the socio-technological framework of study (Rogala and Bialowas, 2016). The study explores digital internal communication as a socio-technical system, emphasizing its impact on the development of competencies, building trust and organizational communication strategies. It provides a conceptual model that illustrates how digital internal communication operates within organizations, balancing technical efficiency with social needs (Van der Schaft et al., 2024) and encouraging collaboration at hierarchical levels.

2.3. Digital Transformation from the Perspective of Managers and Employees

Digital transformation contributes to attracting a diverse workforce (Bovee and Thill, 2012) and improving organizational adaptability to new work models, as well as generational differences. This is a great opportunity for organizations in the context of improving innovation culture and organizational effectiveness. At the same time, employees must work on the continuous adoption of digital skills and collaborative practices to remain competitive in the labor market. The results of research conducted by Yildiz et al. (2024) showed that the use of digital tools and processes improves employee performance. A positive perception of digital transformation by employees also increases their general well-being, which shows that digital initiatives in

organizations act as a kind of mediator between perception and productivity (Guse et al., 2022). It is a dynamic process of sensemaking that helps managers see how employees experience and react to certain processes (Van Der Schaft, 2024). Digital transformation requires understanding and integration of various factors at multiple levels (Trenerry et al., 2024): individual („technology adoption, perceptions and attitudes, skills and education, resilience and adaptability, perceived well-being"), group („team communication and teamwork, cohesion and relationships within the team") and organizational („leadership, human resources and organizational culture"). Vuchovski et al. identified 10 challenges related to„ team digital transformation at the organizational level: employee availability, onboarding challenges, barriers in the virtual environment, interpersonal relationships, lack of motivation, employee organization, slow processes, slow decision-making and the need for new challenges" (2023: 13). The needs of the organization must come first, not slaves to technological solutions (Fišter, 2024: 2) because dominant reliance on them is not a guarantee of success (Van Der Schaft, 2024).

3. RESEARCH METHODOLOGY

The research methodology in this paper is based on a mix of quantitative and qualitative methods to gain comprehensive insight into how digital transformation shapes organizational strategies, structures, and culture. The research was conducted on a sample of 150 organizations from various sectors, including retail, manufacturing, healthcare, education, and the IT industry. The sample includes large corporations that have already implemented digital transformation, medium-sized and small companies that are in the transformation phase, and start-ups that are digitally oriented from the very beginning. The qualitative approach included in-depth interviews with key people responsible for digital strategy and transformation within the organizations. These interviews provided a deeper understanding of the specific challenges and opportunities that digital transformation brings, as well as the strategies that organizations use to implement new technologies and adapt organizational structures successfully. The interviews focused on key issues such as leadership in digital transformation, changes in organizational culture, agility and innovation, and strategic orientation. The quantitative approach involved a survey conducted among 500 employees and 50 managers. The study aimed to collect data on the perceptions of employees and managers regarding the implementation of digital tools, changes in the organizational structure, and the impact of these changes on daily business. The survey questions were designed to cover key aspects of digital transformation, including strategy, technology, changes in work processes, and culture.

The research focused on three main aspects of digital transformation:

- Culture: How digital transformation affects organizational culture, including changes in the way people work, collaborate, and communicate, and the focus on innovation.
- Structure: How organizational structure changes to support new business models and technologies and how new roles and departments are created within the organization.
- Strategy: How organizations adapt their strategies in the context of digital transformation, including alignment with market needs and global trends.

The data collected from the survey and in-depth interviews were processed using statistical and qualitative analysis methods. Quantitative data were analyzed using descriptive statistical

techniques, while qualitative interview data were interpreted through thematic analysis to identify key patterns and insights.

Digital transformation is one of the most significant features of modern business, reshaping the way organizations operate, communicate, and create value. In the context of global competitiveness and accelerated technological progress, organizations are faced with the necessity of adapting to digital innovations to maintain or increase their efficiency and relevance in the market. Digital transformation does not only imply the implementation of new technologies but also includes changes in organizational structures and processes. Research shows that the key challenge of digital transformation is the adaptation of employees and managers to new working conditions while maintaining a high level of productivity and motivation. Managers are the key actors in managing organizational changes, while employees represent the foundations on which the success of transformation processes rests. Their perceptions, experiences, and readiness for change are crucial for the successful implementation of digital transformation. The main objective of this research is to analyze the impact of digital transformation on organizational changes from the perspective of managers and employees. The specific objectives of the research are:

- Analyze the obstacles that organizations face during the implementation of digital transformation.
- recognize the possibilities that digital transformation provides for the non-advancement of business and organizational culture processes;
- Determine the key success factors of digital transformation.

The hypotheses of this work are:

Hypothesis H1: An organizational culture that supports innovation and change-oriented leadership significantly contributes to the effective management of business processes.

Hypothesis H2: Optimizing business processes through digital transformation significantly contributes to the development and implementation of strategic orientation.

The research was conducted using a quantitative methodology, where data were collected through a structured survey questionnaire. The questionnaire was designed to assess the perception of employees and managers about the key variables of digital transformation and their impact on strategic orientation.

3.1 Results of In-Depth Interviews with Managers

This research aimed to gain insight into the real-world challenges, benefits and strategies that experts use when leading digital transformation processes. Through interviews with managers, IT professionals and leaders in the digitalization sector, we analyzed key aspects of transformation initiatives, including change management, technology selection, integration of new systems into business processes and the challenges they face daily. Our respondents' responses provide a deep understanding of the real-world experiences and strategies that companies use to adapt successfully to the digital era.

What traits and skills do you consider to be key to successfully leading a digital transformation?

Certain traits and skills are essential for successfully leading a digital transformation, enabling leaders to effectively manage change, integrate new technologies, and ensure that the organization remains competitive in the digital environment. Here are a few key traits and skills that I consider to be the most important.

How did you ensure the engagement and support of all levels of the organization during the implementation of digital solutions?

We engaged key stakeholders (managers, executives, and influencers within the organization) from the very beginning, allowing them to actively participate in the selection and implementation of digital solutions. This involvement allowed us to ensure that the solutions being introduced met the real needs of the organization and employees, thereby reducing resistance and uncertainty. Managers were also responsible for communicating the changes within their teams. We paid great attention to training employees in new tools and technologies. We developed a comprehensive training plan that covered different levels of the organization, from basic user training for operational employees to more advanced technical seminars for IT teams.

How did you ensure that the organization's values were aligned with the new ways of working based on digital transformation?

Ensuring that the organization's values were aligned with the new ways of working based on digital transformation required changes in organizational culture, processes, and ways of interacting within the team. To align the organization's core values with new digital tools and technologies, we took several key steps:

- Review and adapt organizational values
- Embed digital principles in the organization's mission and vision
- Promote a culture of openness and innovation
- Work flexibility and support for work-life balance
- Create a shared sense of responsibility and collaboration
- Invest in continuous learning and employee development
- Support leadership in the change process
- Connect new technologies with social responsibilities.

How did you adapt your business strategy to embed digital transformation into the foundation of your business model?

Adapting your business strategy to embed digital transformation into the foundation of our business model requires a thorough review of your existing business processes, business objectives, and structures. To successfully integrate digital transformation, we took several key steps that enabled technology to become an integral part of our strategy and operations. Agility has become a key element of our business strategy. We recognized the need for faster decision-making and faster adaptation to the market and changes in technology. We have designed business processes to be more flexible and scalable so that they can be quickly adapted to new digital solutions. We implemented agile methodologies in the development and implementation of new projects and technologies, which enabled faster iterations and a better response to market demands.

What are the key factors that shaped your digital strategy, and how did you align that strategy with the organization's long-term goals?

The key factors that shaped our digital strategy are based on a combination of internal and external factors, as well as on the recognition of changes in market conditions, user needs and technological progress. For the digital strategy to be successful and aligned with the long-term goals of the organization, we have carefully integrated these factors into the development of the strategy and its implementation. We recognized how these technologies can improve our business processes, provide better customer service, optimize operations and enable faster data-driven decision-making. Innovation was at the heart of our digital strategy. From the beginning, we have focused on digital transformation not only as a tool for optimizing existing

processes but also as a tool for developing new business models and expanding the market h segments. Through constant investment in research and the development of new digital services, we have sought to create a long-term advantage that enables growth and innovation.

3.2 Survey Research Results

This chapter discusses the key factors that influence the strategic orientation of organizations in the context of digital transformation. Using a survey that includes variables such as technological development, organizational culture and leadership, business processes and efficiency, and data and analytics, their interrelationships and impact on the ability of organizations to adapt to market changes and achieve competitive advantages were explored. The results of the analysis indicate that although all of these factors have a significant impact on the success of digital transformation, some aspects, such as business process optimization and the use of data analytics, have a particularly pronounced impact on the strategic orientation of organizations. This research provides a deep understanding of the key variables that shape successful digital transformation and strategic decisions within organizations, with an emphasis on the importance of data and analytics, as well as the need for agile business processes in a dynamic market environment.

Table 1. Descriptive statistics of selected key indicators of digital transformation and reliability of the measuring instrument

Variables	AS	SD	Cronbach Alpha
TECHNOLOGICAL DEVELOPMENT			0.871
It includes the introduction of advanced technologies such as artificial intelligence, blockchain, the Internet of Things (IoT) and 5G, which directly changes the way an organization organizes the business process.	2.67	1.28	
Using advanced analytical tools and big data to make informed decisions and predict trends	2.71	1.26	
ORGANIZATIONAL CULTURE AND LEADERSHIP			0.886
The process involves creating a culture that embraces change, innovation and experimentation. Employees become open to new technologies and ways of working.	3.12	1.26	
Leaders must be prepared to lead change, set a clear vision and strategy, and inspire employees to embrace digital solutions.	3.42	1.21	
ORGANIZATIONAL STRUCTURE			0.916
Organizations must adapt to new market conditions faster than before, which requires reducing bureaucracy and introducing agile methodologies into business processes.	3.14	1.14	
With digital transformation, there is a shift in the functions and responsibilities of employees. New jobs and skills become necessary, and existing positions adapt to new technologies.	3.39	1.10	

BUSINESS PROCESSES AND EFFICIENCY			0.896
Digital transformation enables the optimization of business processes through better resource management, faster decision-making and reduction of disorder.	3.48	0.83	
By introducing digital platforms to monitor and analyze real-time data, organizations can make decisions much faster with less risk.	3.69	0.91	
DATA AND ANALYTICS			0.914
Digital transformation enables organizations to collect large amounts of data from different channels, which are then analyzed to make better business decisions.	3.69	0.75	
Using advanced analytical tools to predict trends, user behavior, and future market needs, thereby improving strategic planning.	3.72	0.79	
STRATEGIC ORIENTATION			0.925
Organizations need to develop and implement strategies that integrate digital transformation into every aspect of the business, from marketing to supply chain management.	3.91	0.84	
Organizations that successfully use digital technologies can gain competitive advantages, whether through faster market responses, personalized offerings, or greater efficiency.	3.86	0.87	

Source: author's work.

Technological development is a key variable in the digital transformation of organizations. According to the data, the introduction of advanced technologies such as artificial intelligence, blockchain, IoT and 5G has a direct impact on the way organizations organize their business processes. The average value for this area is 2.67, with a standard deviation of 1.28, which indicates a diverse perception among employees and managers regarding the implementation of these technologies. These technologies enable organizations to optimize business processes, reduce operating costs and improve efficiency. Furthermore, the use of analytical tools and big data enables better decision-making and forecasting of market trends (average value 2.71, SD 1.26), which makes organizations more agile and able to react quickly to changes in the market. Organizational culture and leadership play a key role in the success of digital transformation. The transformation process requires changes in culture, where employees become open to new technologies and ways of working. The average value for this factor is 3.12, with a standard deviation of 1.26, indicating the relative readiness of organizations to adopt innovations.

The average value for this variable is 3.14 (SD 1.14), which indicates a high level of understanding of the need for agility. Also, digital transformation often leads to shifts in employee functions and responsibilities, creating new positions and skills and adapting existing ones, thus enabling better alignment with new technologies. The average value for this variable is 3.39 (SD 1.10), reflecting the need for constant adaptation. human resources with new technologies. One of the most important aspects of digital transformation is the optimization of business processes. Digital technologies enable organizations to better manage resources, make faster decisions, and reduce clutter, thereby increasing efficiency and reducing operating costs.

The average value for this variable is 3.48 (SD 0.83), which indicates the significant impact of technology on improving business processes. The introduction of digital platforms for monitoring and analyzing data in real time allows organizations to make decisions with less risk and greater accuracy, thus ensuring a faster response to market changes. The average value for this variable is 3.69 (SD 0.91), which confirms the positive impact of digital tools on the speed of decision-making.

Table 2. Correlation matrix

VARIABLES	TECHNOLOGICAL DEVELOPMENT	ORGANIZATIONAL CULTURE AND LEADERSHIP	BUSINESS PROCESSES AND EFFICIENCY	DATA AND ANALYTICS	STRATEGIC ORIENTATION
TECHNOLOGICAL DEVELOPMENT	1				
ORGANIZATIONAL CULTURE AND LEADERSHIP	0.798**	1			
BUSINESS PROCESSES AND EFFICIENCY	0.561**	0.564**	1		
DATA AND ANALYTICS	0.595**	0.608**	0.603**	1	
STRATEGIC ORIENTATION	0.498**	0.419**	0.642**	0.712**	1

One of the key findings of this correlation matrix is the high positive correlation between technological development and organizational culture and leadership (0.798). This result indicates that technological changes within the organization directly affect the development and adaptation of organizational culture. Given that digital transformation requires changes in the way of working, communication and approach to innovation, employees and leaders become more open to new technologies. Technological development leads to changes in attitudes, values and behaviors within the organization, making it more ready for further innovations and digital strategies. Technological development also has a moderate correlation with business processes and efficiency (0.561). This connection suggests that the introduction of new technologies allows organizations to optimize their business processes, which results in greater efficiency. Digital technologies, such as automation and analytical tools, enable faster decision-making and reduce operational costs, which is crucial for competitiveness in the market. A similar correlation of 0.595 also exists between technological development and data and analytics, which shows how technologies enable better collection, storage and analysis of data. Organizations that use advanced technologies are better able to manage large amounts of data, allowing them to make informed decisions based on real, accurate information. Finally, the

correlation between technological development and strategic orientation (0.498) indicates that digital technologies influence the shaping of an organization's strategy but not to the same extent as organizational culture. While technology enables faster adaptation and innovation, strategic orientation also depends on many other factors, including market conditions and competition.

However, the correlation between organizational culture and leadership and strategic orientation (0.419) is somewhat weaker, but there is still a positive connection. This result suggests that organizations with a culture that supports technology and innovation tend to develop a strategy that includes digital transformation, although this is not always as strong as with other variables. The correlation between business processes and efficiency and data and analytics (0.603) also indicates a significant association. Using data to analyze and optimize business processes allows organizations to improve their operations.

Finally, Data and analytics have the strongest correlation with strategic orientation (0.712), confirming the importance of data analysis in shaping strategic decisions. Using advanced analytics tools to predict market trends, user behavior, and business needs enables organizations to develop strategies that are better aligned with market demands. This result clearly shows how data is becoming key to successful management and competitive advantages in the digital age.

Table 3. Multiple regression analysis for the variable predicting strategic orientation

Indicators	
Correlation coefficient R	0.769
Coefficient of determination R^2	0.591
Adjusted R^2	0.588
Standard error	1.948
F ratio	172.971
Sig.	0.000

Independent variables	**b**	**Beta**	**t**	**Sig.**
Constant	2.818		9.250	0.000
Technological development	0.063	0.050	0.986	0.325
Organizational culture and leadership	-0.231	-0.178	-3,499	0.001*
Business processes and efficiency	0.502	0.376	9.640	0.000*
Data and analytics	0.416	0.564	13.880	0.000*

Note: dependent variable – strategic orientation; B – unstandardized coefficient; Beta – standardized coefficient; * - significance at the $p<0.01$ level.

The aim is to analyses how four key variables – technological development, organizational culture and leadership, business processes and efficiency, and data and analytics – influence the strategic orientation of the organization. Below, we will explain in detail the results of the multiple regression analysis presented in Table 3, with a special emphasis on the key indicators and their interpretations. The correlation coefficient (R) is 0.769, which suggests that there is a strong positive relationship between the combination of all independent variables (technological

development, organizational culture and leadership, business processes and efficiency, data and analytics) and the dependent variable – strategic orientation. An R-value of 0.769 means that these variables are significantly related to the strategic orientation of the organization. The coefficient of determination (R^2) is 0.591, which means that 59.1% of the variation in strategic orientation can be explained by the variables included in the regression analysis. This value indicates that the model has good predictive capacity, as more than half of the variation in strategic orientation can be explained by a combination of technological development, organizational culture, business processes and data. The adjusted coefficient of determination (adjusted R^2) is 0.588, which is very close to R^2, confirming that all relevant factors are taken into account in the model, without overfitting the model with unnecessary variables. This value indicates that the variables included in the model are justified and contribute to predictive accuracy. The F ratio is 172.971, with a p-value of 0.000. This result confirms that the entire regression model is statistically significant. A high F ratio indicates that the variables included in the model are collectively significant for predicting the strategic orientation of the organization. A p-value of less than 0.01 (0.000) confirms that the model is statistically significant and that we cannot reject the hypothesis that there is a significant relationship between the independent variables and strategic orientation.

This result is statistically significant ($p < 0.01$), meaning that there is a clear negative association between this variable and strategic orientation. Based on this finding, it could be interpreted that, although organizational culture and leadership play an important role in digital transformation, in the context of this model, their current impact on strategic orientation is not positive. For business processes and efficiency, coefficient B is positive and highly significant. This result shows that better optimization of business processes has a very positive impact on the organization's strategic orientation. The standardized Beta coefficient of 0.376 confirms that business efficiency is one of the strongest predictors of strategic orientation. Given the p-value of 0.000, we can confirm that this result is statistically significant and crucial for predicting strategic orientation. Data and analytics have a very strong positive impact on strategic orientation. The results of the multiple regression analysis indicate that business processes and efficiency and data and analytics have a significant positive impact on the strategic orientation of the organization. On the other hand, organizational culture and leadership show a negative correlation, while technological development is not a statistically significant predictor of strategic orientation. These results emphasize the importance of optimizing business processes and a strong focus on the use of data in shaping the organization's long-term strategy.

Table 4. Simple regression analysis for the variable "Successful introduction of digital transformation brings competitive advantage through faster market reactions, personalized offer or greater efficiency

Indicators				
Correlation coefficient R			0.767	
Coefficient of determination R^2			0.589	
Adjusted R^2			0.588	
Standard error			1.922	
F ratio			687.909	
Sig.			0.000	
Independent variables	**b**	**Beta**	**t**	**Sig.**
Constant	2.382		9.293	0.000
Strategic orientation	0.788	0.767	26.228	0.000*

His aim is to investigate how the strategic orientation of the organization (independent variable) influences the successful implementation of digital transformation as a factor that brings competitive advantages, such as faster market reactions, personalized offers or greater efficiency (dependent variable). The correlation coefficient (R) is 0.767, which shows that there is a very strong positive correlation between strategic orientation and the successful implementation of digital transformation. This result suggests that the more strategically oriented the organization is towards digital transformation, the greater the chances of achieving competitive advantage, whether through faster market reactions, personalized offers or greater efficiency. The coefficient of determination (R^2) is 0.589, which means that 58.9% of the variation in the success of the implementation of digital transformation can be explained by the strategic orientation variable. This result indicates that the model provides a solid explanation of how strategic orientation influences the success of digital transformation, while the rest of the variation may be caused by other factors not included in this model. The adjusted coefficient of determination (adjusted R^2) is 0.588, which is very close to R^2, confirming that the model is good and that the variables in it form a relevant predictor for the dependent variable without over-adjusting to unnecessary variables. The F ratio is 687.909, and the p-value is 0.000. An F ratio of such a high value indicates that the model is statistically significant, meaning that strategic orientation has a strong and significant impact on the success of introducing digital transformation as a competitive advantage. A p-value of 0.000 confirms that the model is highly significant and that there is no chance of a relationship between the variables. The standardized Beta coefficient is 0.767, which suggests that strategic orientation is a very important predictor of the success of introducing digital transformation. This high value of the Beta coefficient confirms that strategic orientation is one of the most important factors for achieving competitive advantage, as it has a high impact compared to other possible predictors that are not included in this model. The t-value for strategic orientation is 26.228, which is extremely high, and the p-value of 0.000 confirms that this result is statistically significant at the $p < 0.01$ level. This result clearly shows that strategic orientation has a very significant impact on the competitive advantage of the organization.

Table 6. Statistical significance and Beta coefficients of Digital transformation as a strategic orientation

Path	Standardized coefficient (β)	Significance	Interpretation
Technological development → Strategic orientation	β = 0.050	not significant	Technological development in itself does not have a significant impact on strategic orientation.
Organizational culture and leadership → Strategic orientation	β = -0.178*	significant (p < 0.01)	Negative impact – possible resistance to change, cultural mismatch with digital goals.
Business processes and efficiency → Strategic orientation	β = 0.376*	significant (p < 0.01)	Positive and strong impact – agile and optimized processes support strategic orientation.

Path	Standardized coefficient (β)	Significance	Interpretation
Data and analytics → Strategic orientation	β = 0.564*	significant (p < 0.01)	The strongest predictor of strategic orientation – points to the importance of a data-driven approach.
Strategic orientation → Competitive advantag	β = 0.767*	significant (p < 0.01)	Very strong influence – strategically focused organizations have a greater market advantage.

The structural equation modeling (SEM) results provide critical insights into the mechanisms through which different dimensions of digital transformation influence an organization's strategic orientation and, ultimately, its ability to achieve competitive advantage. This essay discusses the statistical significance and standardized beta coefficients derived from the SEM model, with a focus on how each path contributes to shaping strategic decisions in the digital era. The path from technological development to strategic orientation exhibits a standardized coefficient of β = 0.050, which is not statistically significant. This finding is notable because it challenges common assumptions that technology adoption alone is sufficient to steer organizational strategy. While technologies such as AI, IoT, and blockchain are often considered catalysts for transformation, this result suggests that unless such innovations are embedded within broader organizational capabilities and cultures, their impact on strategic orientation remains marginal. The weak relationship implies that investment in technology must be complemented with strategic intent and organizational alignment to yield transformative outcomes. In contrast, organizational culture and leadership show a statistically significant negative effect on strategic orientation (β = -0.178, $p < 0.01$). This counterintuitive result may reflect the tensions and resistance that often arise during digital transformation initiatives. Leadership that is rooted in traditional managerial practices or a rigid corporate culture may hinder rather than facilitate strategic reorientation. The negative coefficient indicates that in some organizations, cultural inertia or lack of leadership adaptability can become obstacles to achieving a digital vision. It underscores the need for transformational leadership and a culture that embraces change, agility, and innovation. The influence of business processes and efficiency is both positive and statistically significant (β = 0.376, $p < 0.01$). This supports the hypothesis that agile and optimized internal operations are critical enablers of strategic adaptation in the digital landscape. Organizations that streamline workflows, reduce redundancy, and accelerate decision-making processes are better positioned to align with digital strategies. This path validates the importance of process digitization and operational excellence as foundations for strategic agility and responsiveness to market dynamics. The most powerful direct predictor of strategic orientation is data and analytics, with a beta coefficient of 0.564 and high statistical significance ($p < 0.01$). This result confirms the growing centrality of data-driven decision-making in modern strategic management. Organizations that harness data not only gain insight into current performance but are also able to anticipate trends, model consumer behavior, and allocate resources more effectively. The strength of this relationship emphasizes that digital transformation is not merely about adopting new technologies but about building analytical

capabilities and embedding data literacy across organizational layers. Finally, strategic orientation itself strongly predicts competitive advantage, with a standardized coefficient of $\beta = 0.767$, significant at the $p < 0.01$ level. This relationship illustrates the mediating role of strategic orientation: it is the conduit through which internal capabilities (e.g., data, processes, leadership) are converted into external performance outcomes. Organizations that develop coherent, forward-looking digital strategies are more likely to respond quickly to market demands, offer personalized services, and achieve higher levels of efficiency—factors that together create a sustainable competitive edge.

3.3 Discussion and Implications

The discussion of the research results indicates the key factors that shape the strategic orientation of organizations in the context of digital transformation. The research included four variables – technological developments, organizational culture and leadership, business processes and efficiency, and data and analytics – to analyze their impacts on organizations' strategic decisions. First, technological developments, although important for the modernization of business processes, show a weak impact on the strategic orientation of organizations. Although digital technologies such as artificial intelligence, blockchain, and IoT enable greater optimization, their impact on strategic goals is not statistically significant, which may indicate the need for additional investment in technology development or better implementation in strategic plans. Data and analytics have the greatest impact on strategic orientation. Using advanced analytical tools to predict market trends, user behavior and future needs enables organizations to develop strategies that are better aligned with market conditions. This factor has the strongest positive impact, which confirms the increasing role of data in making business decisions. Overall, the results suggest that for a successful digital transformation of an organization, investment in business process optimization and the use of data and analytics is crucial, while technological development and organizational culture and leadership must be further adapted and integrated into the strategic framework. These findings highlight the importance of a combination of technological tools and strategic management skills to achieve competitive advantages in the market.

Research on the impact of digital transformation on organizational change provides significant insights, but like all research, it has its limitations. These limitations can affect the generalization and interpretation of the results and the overall conclusion on the topic. One of the main challenges is the use of mixed research methods, which include both quantitative and qualitative approaches. While this combination allows for a deeper understanding of the complexities of digital transformation, it can also make it difficult to interpret the results. For example, quantitative data collected through surveys may provide statistically significant results, but they cannot fully reflect the depth of subjective experiences and perceptions recorded in qualitative interviews. It is possible that some key aspects of transformation do not emerge clearly in the surveys, while new and unforeseen perspectives are revealed during the interviews. Second, the sample of 150 organizations has homogeneous questioning. The organizations that participated in the research come from different sectors, but there may be systemic differences within each industry that affect outcomes. For example, large corporations that have already gone through a digital transformation phase have different challenges and resources than mid-sized and small businesses that are just embarking on the process. This difference can affect the insights they provide. interactions and perceptions of employees and managers.

4. CONCLUSION

Digital transformation represents a key change that manifests itself through changes in technology, strategy, structure and culture of organizations. The main objective of this research was to analyze the impact of digital transformation on organizational change, focusing on three main aspects: organizational culture, structure and strategy. The results of the research, conducted on a sample of 150 organizations from various sectors, indicate a clear connection between digital innovations and the success of organizational change. The research confirmed that technology and analytics are key factors that enable organizations to optimize business processes and improve efficiency. The use of advanced analytical tools helps organizations make informed decisions and adapt their strategies to market changes, which ensures competitive advantages. Given the high correlation between data use and strategic orientation, data plays an increasingly important role in shaping business strategies in the digital age. However, the results also pointed to the challenges that organizations face. Organizational culture and leadership have proven to be factors that, although crucial for the success of transformation, do not always have a positive impact on the strategic orientation of organizations. This may indicate the need for better integration of technologies into broader strategic plans, as well as the necessity of investing in the development of human resources that will be able to use these technologies. Digital transformation is not only a technological change but also a significant impetus for the overall transformation of organizations. In the future, organizations must direct their strategies towards optimizing business processes, encouraging innovation and developing a culture of openness and continuous learning. This research provides the basis for further analysis and development of practices that will enable organizations not only to survive but also to thrive in a fast and complex digital environment.

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