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Organizational Culture Transformation and Its Impact on Performance in the Digital Era

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Abstract: Organizational culture transformation has become an urgent need in the digital era, marked by rapid technological advancements and changing work patterns. This article discusses how organizational culture transformation impacts employee performance and the overall organization. The research is conducted through literature review and empirical analysis, revealing that adopting digital cultural values, such as collaboration, innovation, and flexibility, plays a crucial role in enhancing productivity and organizational competitiveness. Additionally, this transformation requires leadership commitment to create an adaptive work environment, empower employees through digital training, and ensure transparent communication. These findings provide insights for leaders to prioritize culture transformation as a key strategy to address digital era challenges and achieve organizational sustainability. Organizational culture transformation also faces challenges such as resistance to change, digital skills gaps, and the need for work process restructuring. Therefore, successful organizational culture transformation necessitates a holistic approach that includes strategic planning, stakeholder engagement, and continuous evaluation to ensure the changes align with the organization's vision and mission. The implications of this cultural transformation extend beyond improving organizational performance. It also contributes to individual employee development, fosters a more inclusive work environment, and encourages diversity in ideas and innovation. Thus, organizational culture transformation becomes a critical element in creating sustainable competitiveness amidst increasingly intense global competition.

Keyword: Organizational Culture Transformation, Performance, & Digital Era

INTRODUCTION

Development digital technology has change method organization operate and interact with internal and external environment external. Culture the previous organization nature hierarchical and rigid now face challenge for adapt become more flexible and innovative. Organizational culture transformation involves not only changing values, but also mindsets, behaviors, and work structures.

This article aims to explore the impact of organizational culture transformation on performance in the context of the digital era. This study highlights how digitalization affects elements of organizational culture, including communication, decision-making, and management. source Power human. More far, article This also examines factors Supporter success transformation culture, such as visionary leadership, mastery technology, and management effective change.

Through approach multidisciplinary, articles This give description deep about importance create culture adaptive and innovative work for support success organizations in the digital age. In addition, the article This offer recommendation strategic for leaders and practitioners organization in design and implement transformation effective culture for reach objective term length and increase Power competitive in the global market. Transformation culture organizations also play a role important in increase involvement employees, encourage collaboration cross function, and speed up innovation. In the context of the digital era, organizations sued for integrating technology into their work culture, such as leveraging digital collaboration platforms, process automation, and data analytics for evidence-based decision making.

However, this process is not always smooth. This article also discusses the challenges that organizations face, including resistance to change, lack of digital competency, and generational gaps in the workplace. Addressing these challenges requires a focused training strategy, open communication, and efforts to build trust among all stakeholders.

In addition, the transformation culture organizations in the digital era must consider aspect sustainability and responsibility answer social. With adopt values like inclusivity, diversity, and sustainability, organization No only can increase reputation them, but also attract and retain talent the best that has vision term long.

This article ended with emphasis on the need for evaluation sustainable and approach adaptive in manage change culture organization. With implementing the right strategy, organization can utilise transformation culture as foundation for reach sustainable success in a dynamic and competitive digital era.

METHOD

This article use approach qualitative with method studies literature. Data collected from journal academic, report industry, and studies case related transformation culture organizations in the digital age.

RESULTS AND DISCUSSION

For create successful transformation in culture organization, important for leader for understand that change No only just change artifact or the values adopted, but also involves change deep in assumptions the underlying basis method think and act member organization. This process needs time, patience, and strong commitment from all over stakeholders' interest in organization.

1. Change Artifact

Changes to artifacts can happen with introduce technology new, tool digital communication, or even to design repeat room work to be more support collaboration and creativity. This is the most visible level and is often the one step First in transformation culture. For example, the introduction of a digital collaboration platform or room Work open can facilitate interaction freer between team.

2. Changes in Adopted Values

For support change in culture organization, the underlying values decisions and behavior member must be customized with challenges and demands of the digital era. Values like openness to change, learning sustainable, and diversity need strengthened. Organization must

ensure that values This translated to in policies, training, and rewards that support culture adaptive work.

3. Change Basic Assumptions

Changes at this level is challenge the biggest. Assumption base about How work should do, who made it? decisions, and how communication ongoing, often already embedded so in in organization. For reach significant changes, organization need start with discuss and reveal assumption base this, invites member for evaluate and formulate repeat method they see role technology, leadership, and work team in organization.

As For example, in the digital era, the assumption base about hierarchical communication can replaced with more views open and horizontal, which allows collaboration between more departments effective and responsive to change fast.

With manage third level culture this, organization can create environment more work dynamic, flexible and innovative. Success in change culture organizations can also contribute to the improvement performance organization in a way overall, creating profit sustainable competitive, and supportive Power competition in an increasingly global market connected and technological tall.

4. Transformation Culture in the Digital Age

Transformation culture organization involving adjustment values and practices that support adaptation technology, collaboration cross function, and retrieval decision data- based. The digital era demands organization for:

- a) Adopt digital technology in operation daily.
- b) Push innovation through approach collaborative.
- c) Integrate flexibility in structure work.

Adopt digital technology in operation Everyday Transformation culture organization need utilization digital technology for increase efficiency and effectiveness operational. This includes implementation digital tools and platforms such as device soft collaborative, system management project cloud-based, and intelligence artificial intelligence (AI) that can support taking decisions, data analysis, and faster and more integrated communications. Organizations that are able to integrate digital technology into various aspects of their operations will be more adaptable to market changes and customer needs.

Driving innovation through a collaborative approach A culture of collaboration is at the heart of successful digital transformation. Organizations need to create space for innovative ideas to thrive through collaboration across teams, departments, or even with party external like partners and customers. Approach collaborative This support learning together and accelerate the innovation process, by utilize various styles expertise and perspective. Therefore that, organization must remove existing silos, strengthening communication between function, and push openness to change and experimentation.

Integrate flexibility in structure Flexibility work in structure work is very important in face rapid changes in the digital age. This includes implementation of a more advanced work model adaptive, such as Work distance remote (remote work), flexible working hours, as well as structure more organization flat and responsive. With structure flexible work, organization can respond challenge with more fast, reduce bureaucracy, and giving room for employee For Work more independently and creatively. Flexibility also allows organizations to recruit talent from various locations without being limited by geographical distance, as well as creating a more inclusive work environment.

By implementing these three elements adoption of digital technologies, innovative collaboration, and flexibility in work structures organizations will be able to create a culture that supports sustainability and growth amidst the dynamics of the digital market. In addition, this cultural transformation will help organizations to be better prepared to face the challenges

presented by the revolution industry 4.0 and the future that is increasingly connected and based technology. In addition, adopt digital technology, driving collaboration, and integration flexibility in structure work, there is a number of aspect additional necessary be noticed for ensure success transformation culture organizations in the digital age:

Development digital skills for Transformation employees successful culture need development digital skills for all over member organization. Training and development programs that focus on digital skills, such as use tool collaborative, data analysis, security cyber, and intelligence artificial, very important. Investment in training This No only increase ability technical employees, but also strengthens the sense of trust self they in face change. Skilled employees in technology will more Ready adapt with tools and systems new implemented in organization, as well as can play a role active in push innovation and efficiency.

Empowerment leader in create culture Adaptive leader own role key in lead transformation culture organization. They need show commitment to change and become example in adopt technology as well as push culture collaboration and flexibility. In addition, leaders must also capably create atmosphere inclusive and supportive work participation active from all over member organization. With empowering leader for lead with clear and inspiring vision, they can push change sustainable and effective culture.

Build databased culture The digital era demands organization for focus on taking decision data based. Therefore that, building culture that encourages data usage in every aspect taking decisions are very important. Organization must ensure that the data is relevant available, can accessed, and analyzed with Good For support planning strategic, assessment performance, as well as repair sustainable. Culture data- based also supports more decisions objective and measurable, and minimize reliance on intuition or assumptions that are not can accountable.

Create environment inclusive and diverse work Transformation culture organizations in the digital era must also covers effort for create environment more work inclusive and diverse. An organization that prioritizes diversity in idea, background, experience, and perspective can to achieve profit more competitive big. Deep diversity allow organization for respond challenge with a better way creative, innovative, and effective. Therefore that, culture organization must ensure that every individual feel appreciated, have equal opportunity for growing, and driven for contribute in making decision strategic.

Evaluation sustainable and feed Back to transformation effective culture need evaluation sustainable to results and impacts. Organization must develop system for monitor and evaluate success initiative transformation culture they. This is covers use relevant metrics, surveys satisfaction employees, as well as bait come back direct from stakeholder's interest related. Evaluation process This allow organization for identify areas that need repaired and ensured that transformation culture still in accordance with objective strategic organization.

With notice various aspect said, transformation culture organization No only will prepare organization for success in the digital era, but also ensure sustainability in term long. Successful organizations manage change culture This will capably create environment dynamic, innovative and adaptable work with fast to change technology and markets.

5. Organizational Performance

Organizational performance measured based on effectiveness, efficiency, productivity, and capability adaptation to change environment. Research show that culture positive organization can increase performance with method strengthen commitment employees, communication, and innovation. Culture positive organization give solid foundation for build more relationship Good between employees, improve satisfaction work, and create a strong sense of belonging to objective organization. This in turn can increase effectiveness and

efficiency operational. Here is a number of method culture positive organization can influence performance organization:

a. Increase Commitment Employee

Culture strong and positive organization can strengthen commitment employee to vision and mission organization. Employees who feel valued and connected with core values of the organization tend own level more loyalty high, which leads to an increase retention employees and decline level changeover employees strong commitment this also has an impact positive to performance, because committed employees will work harder for reach objective organization.

b. Increase Communication Effective

An open and transparent culture create channel more communication effective between managers and employees. Clear and open communication allow employee for understand objective organization, obtain bait constructive feedback, as well as own chance for share ideas and concerns. When communication in organization walk with smooth, coordination between the team also improved, which supports improvement efficiency more operational and decision making good.

c. Push Innovation and Creativity

Organization with supportive culture innovation tend own more employees creative and ready for face challenge with solution new. Culture innovative push employee for think outside the box existing limitations, explore new ideas, and dare to take risks that can occur produce progress or improvement. In a supportive environment experiment and acceptance to failure, innovative ideas easier develop and contribute to progress organization.

d. Increase Productivity

A culture positive organization can also increase productivity employees. When employees feel comfortable and motivated, they will more focus on work them and produce more output high. Recognition to performance employees, giving opportunity development yourself, and creation environment supportive work balance life work is elements culture that can strengthen motivation intrinsic employees. This is contributed to the improvement productivity whole inside organization.

e. Ability Adaptation to Change

Culture strong organization also improves ability organization for adapt with change external. In an increasingly global world connected and changed with fast, organization need own ability for respond and adapt with market dynamics, developments technology, and change regulation. Flexible and open culture to change allow organization for more fast identify opportunities and challenges new, and adjust strategies or work processes as necessary for still competitive.

In general, overall, culture positive organization No only play a role in create atmosphere fun work, but also as booster main performance superior organization. With strong commitment, open communication, and a supportive environment innovation, organization can increase effectiveness, efficiency, and productivity, all at once ensure that they can adapt with fast in face challenges in the digital era and globalization.

CONCLUSION

This article use approach qualitative with method studies literature. Data collected from journal academic, report industry, and studies case related transformation culture organizations in the digital age.

1. Elemen Transformation Culture Organization

a. Digital Collaboration: Uses digital tools for increase Work team cross function.

b. Flexibility Job: Adoption policy Work flexible such as remote working.

c. Innovation Based on Technology: Use technology for create products and services new.

2. Impact on Performance

- a. **Productivity:** Transformation culture push efficiency operational through automation and reduction bureaucracy.
- b. **Involvement Employees:** An inclusive and people -based culture technology increase satisfaction and loyalty employee.
- c. **Competitiveness:** Organization with digital culture more capable adapt to market dynamics. Challenges in Transformation Culture Organization Although transformation culture organization give Lots benefits, this process also faces a number of challenges that must be overcome for ensure success its implementation. Some challenge main issues faced organization in the process of transformation digital culture includes.
- d. **Resistance to Change**
One of challenge the biggest in transformation culture is resistance to changes. Many employees Possible feel No comfortable with changes are coming, especially If they have used to with method Work traditional. For overcome this, organization need involving employee in the process of change, providing adequate training, as well as show benefit direct from changes made.
- e. **The Gap Digital Skills**
Employees who do not own adequate digital skills can feel difficulty for adapt with tools and technology newly introduced. Therefore that's important for organization for provide ongoing training programs for increase employee digital skills, ensuring they own necessary knowledge for work with efficient in digital environment.
- f. **Need will Work Process Restructuring**
Business processes and structures organization that has There is Possible need changed for support transformation culture. This is Possible involving change in method taking decision, structure hierarchy, as well as distribution duties and responsibilities answer. This process often requires time and resources significant power as well as willingness management for face obstacle in implementation restructuring this.
- g. **Ineffective Communication**
Transformation culture organization need clear and transparent communication. Lack of effective communication can cause his confusion employee related goals and directions change desired culture. Organization need ensure that all stakeholders interest get the right information time and relevance related to the ongoing transformation process walk.
- h. **Recommendation For Success Transformation Culture Organization**
for transformation culture organization can successful and impactful positive to performance, following a number of recommendations that can considered by the organization.
- i. **Build Supportive Leadership Leader**
Leader organization hold role important in transformation culture. They must become agent changes that can be made give clear, inspiring direction employees, and ensure that vision and goals transformation understood with good by all member organization. Strong and inclusive leadership will create supportive environment transformation.
- j. **Involvement Employee in the Process of Change**
Employee must involve in every stage of the transformation process. This includes collection bait come back they, give chance for participate in discussion, as well as offer training and support needed. Employees who feel involved in the process of change will more accept and commit for success transformation culture.
- k. **Apply Policy Awards and Recognition**
Organization must ensure that transformation positive culture recognized and appreciated. Giving award to successful employee apply values culture new in work they can increase motivation and creating example positive for employee other.

1. Compilation Plan Comprehensive Transformation

Transformation culture no can be done in a way in a hurry. Organization must plan every stage transformation with careful, identify potential obstacles, as well as set steps concrete for overcome it. The evaluation process periodic must done for evaluate progress and adjust strategy if required.

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