

# Research on Organizational Change of Enterprises under the Background of Digital Transformation

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**Abstract:** *In the context of digital transformation, organizational change has become a key factor driving the sustainable development of enterprises. This article explores the profound impact of digital transformation on organizational structure, management models, and culture of enterprises. Through the analysis of organizational structure optimization, change management strategies, the combination of technology and human factors, and data security challenges, this article reveals the core elements for successfully implementing digital transformation. Research has found that companies need to pay attention to the balance between technology application and employee adaptation during the transformation process, strengthen change management, and ensure data security. Meanwhile, future research directions should focus on the impact of emerging technological trends on organizational change and how to achieve effective transformation in different market environments. This article provides theoretical basis and practical guidance for enterprises to cope with challenges and optimize organizational structure in the process of digital transformation.*

**Keywords:** *digital transformation, enterprise organizational change, change management, technology application, data security*

## 1. Introduction

In today's rapidly developing technological environment, digital transformation has become a key factor in enhancing the competitiveness of enterprises. With the widespread application of advanced technologies such as artificial intelligence, big data, and cloud computing, enterprises are facing unprecedented challenges and opportunities. This transformation is not only about upgrading technology, but also involves profound changes in the organizational structure, business processes, and culture of the enterprise. Organizational change in enterprises is particularly important in the context of digital transformation, as it directly affects the success or failure of the transformation and the future development of the enterprise.

This study aims to explore the phenomenon and impact of organizational change in enterprises under the background of digital transformation. Specifically, we will analyze the main driving factors of digital transformation, explore adjustments to organizational structure and business processes, and evaluate changes in personnel roles and corporate culture. Through in-depth analysis of successful and failed cases, this study will provide effective change strategies and implementation recommendations for enterprises, helping them achieve strategic goals in the digital wave.

In terms of structure, this article first reviews relevant theories to provide a foundation for research; Then explore the driving factors of digital transformation and key aspects of organizational change; Finally, propose implementation strategies and suggestions, and summarize the main findings and future research directions.

## 2. Theoretical basis

Before delving into the organizational changes of enterprises in the context of digital transformation, it is necessary to understand the relevant theoretical foundations. This section will systematically introduce the definition and theory of digital transformation, the theoretical model of organizational change in enterprises, and the specific impact of digital transformation on organizational change.

### ***2.1 Definition and theory of digital transformation***

Digital transformation refers to enterprises fundamentally changing their business models, processes, and organizational structures by adopting emerging digital technologies to adapt to the constantly changing market environment and customer needs [1]. This process involves not only technological updates, but also deep changes in corporate culture and business processes. The core of digital transformation lies in utilizing data-driven decision-making, automated processes, and enhanced customer interaction to achieve operational efficiency improvement and business innovation.

The theory of digital transformation can be understood from multiple perspectives [2]. Firstly, the technology driven theory emphasizes that technological innovation is the core driving force for transformation. Technological advancements, such as artificial intelligence, big data, and cloud computing, provide new tools and platforms for businesses to improve operational efficiency and customer experience. Secondly, the theory of organizational change holds that the introduction of technology inevitably requires organizations to make corresponding adjustments in structure, processes, and culture. This includes the internal communication and collaboration methods, decision-making processes, and redefinition of employee roles within the organization. Finally, the theory of strategic adaptation suggests that enterprises need to adapt to changes in the external environment through digital transformation in order to maintain their competitive advantage. This requires companies to re-plan at the strategic level to align with the new opportunities and challenges brought about by technological advancements.

### ***2.2 Theoretical model of enterprise organizational change***

Enterprise organizational change refers to the adjustment and restructuring of structure, processes, culture, and other aspects that an enterprise undergoes in the face of internal and external environmental changes [3]. The theoretical model of organizational change helps to understand and guide these change processes. Kuter's change management model, John Kuter's eight step change model, is one of the most influential organizational change models. This model includes establishing a sense of urgency, forming a strong change team, developing vision and strategy, communicating vision, authorizing action, generating short-term victories, consolidating victories, and integrating new methods into culture. This model emphasizes the systematic and gradual nature of change, and proposes specific implementation steps to ensure the success of change. Lewin's three-stage model of transformation, Kurt Lewin's three-stage model includes thawing, transformation, and refreezing. The thawing stage aims to break through existing inertia and barriers, the change stage is to implement new change measures, and the re-freezing stage is to solidify new practices into routine organizational behavior. This model emphasizes psychological and organizational adaptation in the process of change. Adka's change model emphasizes that change requires not only organizational measures, but also the participation and support of individual employees by introducing five elements: Awareness, Desire, Knowledge, Ability, and Reinforcement. These theoretical models provide theoretical support and practical guidance for organizations in implementing change, helping them better plan and execute change strategies.

### ***2.3 The impact of digital transformation on organizational change***

The impact of digital transformation on organizational change is multifaceted, including organizational structure, business processes, corporate culture, and other aspects. The specific impact can be analyzed from the following aspects: organizational restructuring, digital transformation usually requires enterprises to restructure their organizational structure to adapt to new business models and technological environments. For example, traditional functional organizational structures may need to be transformed into more flexible matrix or network structures to facilitate cross departmental collaboration and information flow. In addition, digital transformation may also drive the emergence of new types of positions, such as data analysts and digital marketing experts, thereby affecting the job setting and division of responsibilities within organizations. The optimization of business processes and the introduction of digital technology enable enterprises to achieve automation and optimization of business processes. For example, by introducing enterprise resource planning (ERP) systems and customer relationship management (CRM) systems, companies can improve the efficiency and transparency of business processes, reduce manual operations and errors, and thus enhance overall operational efficiency. The transformation of corporate culture and digital transformation not only involves technological changes, but also has a profound impact on corporate culture. Enterprises need

to cultivate a culture of openness, collaboration, and innovation to adapt to rapidly changing market demands. Digital transformation also requires business leaders to possess digital thinking and foresight to guide and support the process of change. With the application of digital technology, the roles and skill requirements of employees have also changed. Traditional work methods may be replaced by new tools and platforms, requiring employees to possess new technical skills and adaptability. This requires companies to make corresponding adjustments in employee training and career development to enhance employees' digital literacy and change capabilities.

In short, the impact of digital transformation on organizational change in enterprises is comprehensive, involving multiple levels such as organizational structure, business processes, culture, and personnel. Understanding these impacts can help businesses develop more targeted change strategies when implementing digital transformation, and effectively address potential challenges that may arise during the transformation process.

### **3. Driving factors for digital transformation**

#### ***3.1 Technology driven: artificial intelligence, big data, cloud computing, etc***

Technology is the core driving force behind digital transformation. Artificial intelligence (AI), through its deep learning and machine learning capabilities, enables enterprises to automate complex decision-making processes, provide personalized customer service, and gain insights in data analysis. Big data technology helps businesses understand market trends, customer behavior, and operational bottlenecks by collecting and analyzing large amounts of structured and unstructured data, in order to make data-driven decisions. Cloud computing provides flexible and scalable computing resources, enabling enterprises to quickly deploy applications, optimize resource allocation, reduce IT costs, and enhance business agility and response speed. These technological advancements not only drive innovation in business models, but also significantly enhance the operational efficiency and market competitiveness of enterprises.

#### ***3.2 Market driven: Changes in customer demand, competitive pressure***

Market driven is another important factor driving digital transformation. The rapid changes in customer demands require companies to quickly adapt to market trends and provide more personalized and customized products or services. Digital technology enables enterprises to analyze customer feedback and behavior in real-time, thereby accurately meeting customer needs, improving customer satisfaction and loyalty. Meanwhile, competitive pressure forces companies to constantly innovate in order to maintain their market position. With the popularization of digital technology, competitors are constantly using new technologies to improve business efficiency and customer experience. Enterprises must undergo digital transformation to cope with the constantly upgrading market challenges and maintain competitive advantages.

#### ***3.3 Internal drivers: Operational efficiency, management requirements***

Internal driving factors also play an important role in digital transformation. Enterprises pursue operational efficiency and expect to simplify business processes, reduce redundant operations, and improve productivity through digital technology. For example, automation tools can reduce manual operations and errors, thereby improving work efficiency and accuracy. Management needs are also a key factor driving transformation, and enterprises need to improve their management level and decision-making ability through digital technology. For example, integrated data analysis platforms and business intelligence tools can provide real-time business insights to help management make more strategic decisions. In addition, digital transformation can also support the improvement of internal communication and collaboration within enterprises, optimize project management and resource allocation, thereby promoting overall business optimization and growth.

### **4. Key aspects of organizational change in enterprises**

#### ***4.1 Organizational structure adjustment***

In the process of digital transformation, the adjustment of organizational structure is the key to

ensuring that enterprises can effectively implement new technologies and strategies. The traditional organizational structure is usually divided based on functional departments, which may appear rigid when dealing with rapidly changing market environments. To meet the needs of digital transformation, enterprises may need to redesign their organizational structure to achieve more efficient collaboration and faster response. A common adjustment method is to implement flat management, reduce management levels, and make the decision-making process more efficient. Flattening the structure helps enhance the flexibility and innovation ability of the team, as it reduces communication barriers between levels. In addition, enterprises can also introduce matrix structures or project-based organizations to form cross departmental teams around specific business projects or customer needs. This structure can promote close cooperation between different functional departments, improve overall business response speed and execution. In addition, to cope with the technological challenges and opportunities brought by digitization, enterprises may need to establish specialized digital departments or positions, such as data scientists, digital marketing experts, or IT innovation teams. The introduction of these new roles can ensure that enterprises maintain a leading position in technology and market trends, driving digital applications and innovative practices within the organization.

#### ***4.2 Business process optimization***

Business process optimization is an area that enterprises must focus on in the process of digital transformation. Optimizing business processes can not only improve efficiency, but also reduce costs and enhance customer experience. Through digital tools and technology, enterprises can comprehensively examine and improve their business processes to achieve more efficient operations. Process automation is the core of business process optimization. Automated tools can replace tedious manual operations, improving work efficiency and accuracy. For example, Robotic Process Automation (RPA) can automatically handle repetitive tasks such as data entry, report generation, and order processing, freeing up employees' time to focus on more creative and strategic work. Data driven process optimization is also crucial. By utilizing big data analysis, enterprises can identify bottlenecks and inefficient processes in their workflow and optimize them through data insights. For example, by analyzing customer purchasing behavior and feedback, companies can adjust product development, supply chain management, and customer service processes to better meet market demand. Enterprises should also pay attention to the flexibility and adaptability of their processes. Digital transformation often means rapid changes in the market and technology, and enterprises need to establish process mechanisms that can be quickly adjusted and optimized. This can be achieved by introducing agile management methods to drive continuous improvement and iteration, ensuring that the enterprise remains competitive in a changing environment.

#### ***4.3 Personnel role and cultural change***

The role of personnel and cultural change are another key aspect of successful digital transformation. With the continuous advancement of technology and changes in business models, enterprises need to adjust their employee roles and organizational culture to adapt to new work environments and requirements. Firstly, the transformation of employee roles includes skill enhancement and role redefinition. Digital transformation typically requires employees to possess new technological skills, such as data analysis, artificial intelligence applications, and digital marketing. Therefore, companies need to invest in employee training and career development to help them acquire new skills and adapt to new job roles. In addition, some traditional positions may be replaced by automation technology, and companies need to provide transformation opportunities for these employees, such as retraining or adjusting job responsibilities to fully utilize their experience and abilities. Secondly, the transformation of organizational culture is the foundation for driving digital transformation. Corporate culture needs to encourage innovation, collaboration, and data-driven decision-making. To cultivate such a culture, companies should promote open and transparent communication, encourage employees to propose ideas and feedback, and support cross departmental collaboration and knowledge sharing. In addition, companies need to establish a customer-centric culture to ensure that all business activities and decisions are centered around meeting customer needs. Finally, leadership plays an important role in personnel roles and cultural change. Leaders need to lead by example, drive digital transformation, and provide employees with a clear vision and goals. Effective leaders can motivate employees to accept change, enhance team cohesion and execution, thereby ensuring the smooth progress and successful implementation of digital transformation.

## **5. Implementation strategies and suggestions**

### ***5.1 Best practices for implementing digital transformation***

In the process of digital transformation, enterprises should adopt a series of best practices to ensure successful implementation. Firstly, it is crucial to clarify the transformation goals and strategies. Enterprises should develop a clear transformation vision, set specific and measurable goals, and ensure that these goals are closely aligned with the overall business strategy. Secondly, establishing cross departmental collaboration teams can help drive the transformation process and ensure coordination and resource sharing among various functional departments. Enterprises should also choose appropriate technology platforms and tools that are flexible and scalable to adapt to constantly changing business needs. Thirdly, regularly monitoring and evaluating the progress of transformation, and making adjustments based on feedback, can help companies identify problems and optimize the implementation process. Fourthly, successful transformation also requires emphasis on change communication, transparently conveying the reasons and benefits of change to employees, and enhancing their sense of participation and support.

### ***5.2 Change management strategy***

Effective change management strategies are crucial for the success of digital transformation. Leaders need to actively participate in and support change, set an example, motivate employees, and provide clear direction and resources. Conduct a comprehensive change assessment, identify potential resistance and risks, and develop corresponding response measures. This includes conducting risk analysis on the impact of change, developing emergency plans, and implementing strategies to mitigate resistance. Change management also needs to pay attention to employee training and support, provide necessary skills training and psychological support, and help employees adapt to new technologies and processes. Communication is also an important component of change management. Enterprises should ensure transparency and timeliness of information, establish two-way communication channels, and allow employees to express their doubts and suggestions. Finally, when implementing changes, attention should be paid to establishing incentive mechanisms, recognizing and rewarding employees who have performed outstandingly in the transformation process, in order to improve overall change enthusiasm and execution.

### ***5.3 Future research directions and challenges***

The future research direction of digital transformation mainly focuses on the combination of technological progress and humanistic factors. Firstly, with the continuous evolution of technologies such as artificial intelligence, blockchain, and the Internet of Things, future research should explore how these technologies can be better integrated into the business processes of enterprises to drive innovation and efficiency improvement. Secondly, data security and privacy protection will continue to be important research areas, and enterprises need to constantly update and strengthen their security measures to cope with increasingly complex network threats. In addition, the role of human resource management in digital transformation is also worth paying attention to. How to achieve employee skill enhancement and role adjustment in a technology driven environment will be a key challenge. The transformation of social and organizational culture is also a focus of future research, studying how to effectively implement digital transformation in different cultures and organizational structures to ensure their long-term success and sustainability.

## **6. Conclusion**

In the context of digital transformation, organizational change has become a key factor in promoting sustainable development of enterprises. Through in-depth research on the impact of digital transformation on organizational change, we can draw the following conclusion: digital transformation drives organizational structure optimization. The application of digital technology not only improves the operational efficiency of enterprises, but also promotes the flattening and flexibility of organizational structures. By introducing advanced information technology systems, enterprises have achieved automation and collaboration of business processes, reduced intermediate management levels, and enhanced organizational responsiveness and flexibility. This structural optimization enables enterprises to adapt more quickly to market changes and improve overall competitiveness. The core

role of change management in the transformation process. Effective change management is the key to successful digital transformation. Enterprises must comprehensively evaluate the impact of changes, develop scientific implementation plans, and engage in continuous communication and feedback throughout the process. The support of leadership and the participation of employees are two important aspects of change management. Only through clear goal setting, appropriate training, and incentive measures can the transformation process be smoothly promoted, resistance be reduced, and the smooth implementation of change be ensured. The combination of technology and humanistic factors is the key to success. The combination of technology application and humanistic factors is crucial in the process of digital transformation. Technology provides tools and platforms, but successful transformation also requires consideration of employee skill development, cultural adaptation, and psychological support. Enterprises should focus on technical training, enhance employees' digital skills, and create a culture that supports change to promote the effective application of new technologies and processes. The challenges of data security and privacy protection. The digital transformation has brought about a surge in data volume and changes in processing methods, which have raised higher requirements for data security and privacy protection. Enterprises need to constantly update their security strategies, implement advanced technological means to protect sensitive information, and comply with relevant laws and regulations to cope with constantly changing security threats.

Future research should further explore how new technological trends emerging in digital transformation affect organizational change, such as the application of artificial intelligence, blockchain, and the Internet of Things. Meanwhile, attention should also be paid to how to implement digital transformation in different cultural and market environments to ensure success on a global scale. In addition, researching how to maintain employees' innovation ability and job satisfaction in a technology driven environment will also become an important research direction.

Overall, organizational change in the context of digital transformation is a complex and ongoing process that requires comprehensive adjustments in multiple aspects such as technology, management, and culture. Only by comprehensively considering these factors can enterprises achieve sustained growth and success in the fierce market competition.

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