

How to adequately prepare an organizational structure that supports digital transformation?

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Changes in the business environment toward digitalization significantly impact all market participants, especially organizations. To operate efficiently, organizations are forced to adopt new business patterns and adequately apply innovative organizational solutions inherent to the modern digital age. Digital transformation is an imperative for organizations due to their necessity to stay competitive in the market, so organizations should experience significant structural changes. Some of the most common organizational barriers to digital transformation are unclear vision and objective of digital transformation, lack of management understanding, knowledge, and experience, lack of leadership skills, lack of organizational agility, rewards and incentives that are not aligned to digital transformation, unclear measurement and rewarding system, lack of employee involvement and engagement and employee resistance to change. Digital transformation should be considered as a journey and long-run process which make the organization more adaptable to the requirements of modern business. It brings a lot of advantages to the company, but we also should take into account some challenges those leaders and managers are faced with. One of those challenges is adequately preparing an organizational structure that supports digital transformation. Speed and collaboration are the key factors that organizations need to achieve and master. That consequently means reducing the number of hierarchical levels, decentralization of decision making, and greater collaboration among employees. As the traditional bureaucratic organizational models are rigid, without the potential for further improvement in terms of new market conditions, it is evident that new forms of organizational structure should be introduced.

Keywords: digital transformation, management, organizational structure, organizational design, digital organizational models.