PERSPECTIVES AND DIRECTIONS OF DEVELOPMENT OF ORGANIZATIONAL CULTURE IN THE DIGITAL AGE

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Abstract: In the conditions of the strong development of digital technologies, the business of organizations in a traditional environment becomes very tight. New digital technologies have implications for modern business operations. Digital trends require changes not only in the way business organizations work (jobs, workplaces and employees) but also a change in the entire concept of organizational culture (behavior and thinking of employees). In order for digital technologies not to become an obstacle to the business of modern organizations, in our work we will identify a new organizational culture that is able to support new technologies. At the same time, we will look at the key elements of the traditional organizational culture, which we have to transform. In the final part, with the aim of improving the business of business organizations, guidelines will be given for the development of a new digital organizational culture that will contribute to the improvement of business, all in the context of adapting to new digital technologies. In the study of digital transformation and organizational culture, the authors employ analytical and synthetic approaches to achieve a deeper understanding. The analytical approach deconstructs elements through qualitative analysis, while the synthetic approach integrates information and theories to form a comprehensive concept. These approaches enable the identification of optimal strategies for different contexts, which is crucial for this study. Overall, the study contributes to theoretical understanding of digital transformation and organizational culture, while also offering practical guidance for organizations undergoing the process of digital transformation.

Keywords: organizational culture, digital technologies, digital organizational culture, knowledge, transformation

INTRODUCTION

In the modern business environment, in response to the challenges of the global market, organizations face the need to introduce new digital technologies in order to achieve their goals. Digital technologies provide enormous opportunities for the creation of new products and services, making them more competitive. By using digital tools, organizations do not benefit only for themselves, but significantly contribute to the development of the entire society. Whether it is a small or a large organization, recognizing the importance of digital technologies is essential for doing business in the modern world. Through the process of digital transformation, every organization should shape a new digital culture that will support all
aspects of the new business model and ensure success in the digital age. Digitization brings greater efficiency, agility, flexibility, readiness for changes and taking risks in business. However, it also brings with it the need to abandon traditional business approaches and adopt new ways of working that require changes in organizational culture. Therefore, the creation of a new organizational culture becomes crucial for a successful digital transformation and opens new paths to innovative business.

The work is structured in two parts. The first part explores the key factors for successful digital transformation, focusing on the role of digital technologies in improving business processes for their effective implementation. This process requires the development of an innovative organizational culture within organizations. Bearing in mind the frequent changes in organizational culture for the successful implementation of digital transformation and the utilization of its full potential, the second part of the paper is focused on the analysis of organizational culture in the context of the digital age. Considering the complexity and speed of changes arising from digital transformation, it is desirable that organizations have defined guidelines and strategies in order to successfully go through this process. Therefore, in the final part of the paper, guidelines are offered that are crucial for adapting the organizational culture to the requirements of the digital age.

1. Digital transformation

1.1. Key steps towards the implementation of new technologies

In today's business context, the integration of digital technologies becomes necessary for the improvement of business strategy, operational processes, products and services of organizations. This process requires the implementation of digital transformation, which entails adapting the business strategy to new digital opportunities. Effective implementation of this process requires a comprehensive plan that involves different levels of employees in shaping the strategy, starting from operational teams and ending with management. On the way to a successful digital transformation, organizations face certain aspects that require careful consideration. These aspects include the organization's vision and goals, technology and infrastructure, human resources and organizational culture, processes and operations, security and data protection, as well as continuous monitoring and adaptation. They are essential for the successful implementation of digital transformation, enabling organizations to adequately respond to the changes brought about by the digital environment (Fichman, Dos Santos & Zheng, 2014; Fitzgerald et al.; 2014, Bogdan, 2023).

In connection with the above, digital technologies play a key role in improving the business of modern organizations. Digitization enables effective communication and exchange of information inside and outside the organization, which significantly contributes to better business. Through the implementation of technological solutions such as the Internet, mobile devices, cloud computing and Big Data software analysis, companies can improve the quality of products and services, optimize business processes, and reduce business costs. The concept of "Internet" enables the connection of various devices to the Internet for more efficient information gathering and remote control. "Smart companies" integrate information and
production, creating smart products with detailed information for users. Through the use of cloud computing, companies can use applications faster by sharing resources. The application of tools such as Customer Relationship Management (CRM) enables the improvement of connection with customers through the efficient management of data on their engagement. Also, virtual teams enable organizations to achieve effective communication and collaboration without geographical limitations, which further contributes to productivity and innovation in business. Computer networks are crucial for the efficient exchange of information, knowledge, and skills among employees, regardless of their physical location and different time zones. With this system, managers can monitor the work of a large number of employees without the need for direct communication. The use of digital technology brings significant benefits to the organization, which would be limited in a traditional work environment. In this context, it is especially important to empower employees by providing training in the use of advanced technology, which allows them to assume greater responsibilities and authority in the performance of their work tasks (Westerman, Bonnet & McAfee, 2014; Brynjolfsson & McAfee, 2014; Woerner & Wixom, 2015; Gjoni & Elezi, 2023; Blichfeldt & Faullant, 2021).

At the same time, new digital technologies require changes at the management level of the organization, on the part of the management. Managers are required to encourage employees to adopt new skills and technologies through education (education/training). Investing in employee education becomes essential for creating agile teams that are able to quickly adapt to changes and take advantage of digital tools. Through continuous education, organizations can ensure that their employees remain relevant and competitive in the digital era, following the latest trends and technological opportunities (Martínez-Caro; Cegarra-Navarro & Alfonso-Ruiz, 2020; Zhang, Xu & Ma, 2023; Hashimova, 2023).

1.2. Advantages and disadvantages

Digital transformation, although a necessity for organizations in the modern business environment, brings with it both positive and negative sides. The primary advantage of digital transformation is in increasing the efficiency of business processes through automation, optimization of work and elimination of manual processes, which results in faster decision-making and higher productivity. In addition, digital transformation enables organizations to be more innovative, to respond faster to changes in the environment and to provide a more personalized experience to users, which can be key to achieving a competitive advantage (Wokurka, et.al. 2017; Haleem et al, 2022; Davronovich & Mansurjonovich, 2023).

However, the process of digital transformation brings with it certain disadvantages and challenges. The financial investments required to implement new technologies and infrastructure can be significant, which can be a burden for many organizations, especially small and medium-sized ones. Additionally, changes in organizational culture and work processes can cause employee resistance, requiring training, support and engagement to achieve successful integration of new technologies. Also, due to the risk of cyber attacks and violations of data privacy, it is necessary to ensure data protection and security (Haleem et al, 2022).
Therefore, digital transformation is proving to be a necessary process for organizations in the modern business environment, providing significant advantages, primarily increasing efficiency and innovation (Jilcha, 2020). However, it also brings with it certain challenges, such as high financial investments, employee resistance and increased risk of data security, which require careful management and adequate solutions for successful implementation. Therefore, finding a balance between advantages and disadvantages is crucial for the successful implementation of digital transformation, through properly exploiting its positive sides and minimizing negative effects (Wokurka et al., 2017; Nadkarni & Prügl, 2021).

In the context of digital transformation, it is important to recognize that changes are not limited to the operational aspects of business, but also encompass deep transformations in organizational culture. In fact, the values and norms of employees represent essential elements in the formation of a new organizational culture that require alignment with the new requirements and goals of the organization in the digital context, and the creation of a new, innovative and successful organizational culture (Haleem et al., 2022).

2. Understanding organizational culture in the digital age

2.1. Concept and classification of organizational culture

Digital transformation also affects the organizational culture, which should adapt to the requirements of digital transformation. Bearing that in mind, in this part we will point out the organizational culture by looking at its concept, key aspects and its improvement. Organizational culture can be defined in different ways, but essentially it represents the way the organization functions, the normative expectations of behavior in it, and the context in which employees and teams operate. (Mumford et al., 2011). It affects the success of the organization and represents its identity that distinguishes it from others (Nyarugwe et al., 2016). Organizational culture can be seen as a set of informal rules (assumptions, beliefs, values, norms of behavior) that the members of the organization adhere to. This perspective, proposed by the authors Deal and Kennedy (1982), emphasizes the structure of organizational culture that shapes the way of working within the organization. Furthermore, research by authors such as Hofstede (2001), Barbera (2014), Petitte et al. (2017) also confirm this approach, emphasizing that organizational culture is a combination of shared knowledge and experiences of organizational members that define the work atmosphere. It is important to note that the process of forming an organizational culture is long-term and complex, with part of the content being of a subconscious nature, which represents an additional challenge in changing the organizational culture (Alvesson, 2012).

Regardless of the variations in the definition of organizational culture, the essence of the concept of organizational culture is the formation of a system of values, beliefs and norms within the organization, which is a powerful means of shaping the behavior of employees and is often the focus of organizational changes. When employees within the organization adopt basic values and rules of conduct, it leads to a stronger connection with the goals of the organization and a better fit into it. Such acceptance can result in the formation of a strong and recognizable organizational culture (Barbera, 2014).
Different definitions of organizational culture offer different classifications of organizational culture, taking into account the way in which organizations function and shape the behavior of their members. According to Deal and Kennedy (1982), organizational culture can be classified according to the degree of risk, while Cameron and Quinn (2011) offer a classification according to the flexibility and stability of the company. Handy (1996) distinguishes types of organizational culture according to the distribution of power and orientation to people or tasks. Denison and Mishra (1995), as well as Hartnell et al. (2016) classify organizational culture according to the adaptability and involvement of employees in the organization. Sonnenfeld and Ward (2008) identify organizational culture types according to employee behavior. It is noted that different types of organizational culture can have different characteristics, which support digital technologies to a greater or lesser extent. Accordingly, organizational cultures can be described as modern or traditional. Modern organizational cultures usually support digital technologies and tend to adapt to new technological trends. On the other hand, traditional organizational cultures often show resistance to digital technologies, making it harder for them to adapt to new technological innovations (Wokurka et al., 2017).

Classifications of organizational culture in the context of digital transformation are important precisely because of the need for different adaptations. Digital transformation requires specific approaches and strategies in order for the organization to successfully adapt to new technologies, changed business models and market demands. Here are some reasons why classifications of organizational culture are important in this context: (Williams, 2012; Wokurka et al., 2017; Hartl & Hess, 2017).

- **Different approaches to innovation**: Different cultures have different attitudes towards innovation and change. For example, modern cultures are more open to experimentation and risk, while more traditional cultures are much more cautious. Understanding these differences enables organizations to tailor their approaches to innovation in line with their existing culture.

- **Agility and adaptability**: Cultures that are flexible and adaptable tend to cope better with the changes brought about by digital transformation. Identifying and understanding a culture that supports agility enables organizations to develop strategies to strengthen these characteristics within their organization.

- **Different levels of participation**: Digital transformation often requires the active participation of employees in the changes. Cultures that encourage collaboration and participation can be key to the successful implementation of digital initiatives. Understanding the differences between cultures that support or limit participation enables organizations to adjust their employee engagement strategies.

- **Change management**: Digital transformation usually involves changes in work processes, technology, roles and responsibilities. Therefore, organizations develop different strategies to manage these changes in a way that best suits their specific situation.

In short, different classifications of organizational culture in the process of digital transformation are important because they allow organizations to adapt their strategies and processes in order to better cope with changes and successfully implement digital technologies.
2.2. Key aspects of organizational culture

Organizational culture is a key but invisible aspect within business organizations. Its role is reflected in the fact that it serves as an invisible structure that connects different segments of the company and directs the actions of employees, and therefore has a significant impact on the success or failure of the organization. In the context of digital technologies, understanding the key aspects of organizational culture becomes crucial, given that it has the ability to support or limit the integration of new technological solutions (Williams, 2022).

There are numerous aspects that support digital transformation by creating an environment for knowledge exchange, agility and adaptability, encouraging innovation, as well as employee motivation and engagement (Azeem et al., 2021; Cook, 2020). First, organizational culture plays a vital role in supporting the digital transformation process. Cultures that are open to change and innovation facilitate the adoption of new technologies and business models. By fostering innovation and continuous learning, organizational culture can create an atmosphere that supports digital transformation. Second, organizational culture serves as an environment for knowledge exchange among employees. In the digital age, the exchange of knowledge becomes crucial for innovation and competitiveness. Cultures that support open communication, collaboration and information sharing facilitate this process, encouraging the development of new ideas and solutions. According to KPMG research, most leading companies in Europe and America are focusing on using virtual components such as the Internet and data storage to improve knowledge sharing among employees. Also, research by Ernst & Young shows that a large number of American and European companies are introducing technological capacities. These results indicate the dominant role of technological initiatives in business environments. Third, agility and adaptability are recognizable elements of organizational culture in the digital context. Rapid changes in the market and the technological field require organizations that are able to quickly react and adapt to new situations. Through flexibility and quick adaptation, organizational culture can facilitate this process. Fourth, organizational culture can foster innovation by supporting creativity, experimentation, and risk-taking. Digital technologies often offer new opportunities for innovation, and cultures that support innovative thinking can be the basis for the creation of new products, services and business models. Finally, organizational culture can motivate and engage employees in the digital context through support, recognition of contributions and rewarding success. Motivated and engaged employees influence the success of the organization in the digital age, and organizational culture can provide a framework for achieving this goal (Wokurka et al., 2017). Adaptability, openness to innovation and support for teamwork are often highlighted as key elements for improving organizational culture in the digital age (Nikčević, 2023). These aspects will be discussed in more detail later in the text, through Handy's classification of organizational cultures.

2.3. Improvement of organizational culture through Handy's classification

Management theory starts from the assumption that a strong organizational culture is a very important factor in business success. However, whether organizational culture will
positively affect business success depends on its values and beliefs. When the values and beliefs of the organization are aligned with the demands of digitalization, the organizational culture becomes a powerful tool that inspires employees to integrate their knowledge and ideas through a common digital strategy, thus creating a favorable environment for success and progress. Therefore, the extent to which the organizational culture will support digitalization processes depends more on its content than on the strength of the specific culture. Thus, organizational culture can have a positive influence in a way that will support these processes. While a strong organizational culture with wrong beliefs can have a negative impact on the implementation of a digital strategy (Brynjolfsson & McAfee, 2014).

For a better understanding of organizational culture in this context, we will start from Handy's classification of organizational culture, which distinguishes: culture of power, culture of roles, culture of tasks and culture of support. Understanding their differences can help to improve organizational culture in a digital context.

Organizations with an emphasized culture of power can show resistance to changes brought by digital technologies, because changes in the organization can be experienced as a threat to the existing hierarchy and control. However, research shows that the proper implementation of digital technologies can encourage transparency and participation, which can weaken centralized power and encourage cooperation. Organizations with a pronounced role culture are usually more open to the application of digital technologies because they are focused on defined roles and responsibilities. Digital technologies can improve collaboration and coordination between different roles and teams, thus supporting a role culture. Cultures that emphasize achieving goals and solving problems are often open to experimenting with new technologies that improve business efficiency. Digital technologies can support organizational agility and rapid adaptability to change, which is consistent with the task culture. Organizations that support support and understanding among team members can use digital technologies to strengthen teamwork, communication and collaboration. Digital tools like idea sharing platforms or project management software can support a culture of support. These different types of organizational culture reflect different patterns of behavior within organizations. It is important to recognize the dominant culture in a particular organization in order to understand how that organization responds to the challenges of digitization. The organizational culture that supports the digitization process is usually based on principles such as agility, flexibility and quick adaptations to new digital tools. These organizations are open to change, strive for innovation and support teamwork, democratic leadership style and achieving results. This type of culture provides a favorable environment for the successful integration of new technologies, enabling faster adaptation to changes. Conversely, organizational cultures that are often not adequate for the demands of the modern digital age require adaptation. In these cultures, we typically encounter hierarchical structures where decisions are centralized and made by senior managers (Piccinini et al., 2015; Nafei, 2016).

According to Handy's model of organizational cultures, task culture often stands out as the most suitable for the digital age because of its orientation towards teamwork, creativity and innovation. (Janićijević, 2013). Therefore, it can be said that task culture, according to Handy's model, is closely related to digital culture.
3. INSTEAD OF A CONCLUSION - A NEW DIGITAL CULTURE AND DIRECTIVES FOR ITS IMPLEMENTATION

Bearing in mind the above, digital culture encompasses a number of characteristics that are key to the success of organizations in the digital age. Firstly, innovation is highlighted as a fundamental principle, which implies a constant search for new ideas and technological solutions. In addition, the agility of organizations is emphasized, which means their ability to quickly adapt to changes in the environment, be it technological innovations or changes in the market.

Furthermore, digital culture promotes teamwork as an important component for achieving organizational goals. Collaboration within teams is essential for solving complex problems and implementing innovative solutions. Also, transparency and openness in sharing information within the organization is emphasized, which encourages cooperation, knowledge sharing and faster decision-making.

Flexibility is also an important characteristic of digital culture, given the need for organizations to quickly adapt to changes in the environment. In addition, employees in organizations with a digital culture possess digital skills and are able to effectively use various digital tools and technologies in their work.

Support for continuous learning is an important characteristic of digital culture, because organizations recognize the importance of continuous professional development of employees in order to be ready for new challenges and technological changes. Finally, digital culture creates an inspiring environment that supports creativity and the generation of new ideas through freedom of expression and experimentation.

If the existing culture does not have the key elements of digital culture, measures should be taken in the direction of its redefinition and adaptation to digitization. The transformation of organizational culture requires a systematic approach that includes gradual evolution and a long-term process. Therefore, digital transformation requires the simultaneous evolution of organizational structures and organizational culture. Below, we will highlight several guidelines that can serve as useful directions for this process.

Encouraging creativity and experimentation - Organizations striving for success in the digital age should be ready to embrace and experiment with new ideas and technologies. In this sense, they must encourage creativity among employees. It is also important that organizations create an environment where reflection is encouraged, while mistakes are seen as opportunities for learning.

Adapting to new technologies and changes - Organizations in the digital age should be open to change and adapt quickly to new technologies. In this sense, they should adapt to new circumstances, situations, business requirements and all the challenges brought by the digitization of business.

Transparent communication - In the digital age, it is necessary to establish transparent communication so that employees are informed about all changes and strategies. Open communication will encourage better understanding, cooperation and trust among employees.
This creates a positive atmosphere that strengthens the organizational culture and facilitates the process of business digitalization.

Investing in employee skills development – This guideline is very important for organizations in the digital age. Given that technology is advancing, it is necessary for employees to acquire new knowledge and skills through various trainings. This is the only way they can master digital tools. Therefore, organizations that recognize the importance of continuous education of their employees have an advantage, because they have a team that is able to adapt to rapid changes, which makes them more vital and competitive in the market.

Inclusiveness and diversity - An inclusive culture means creating an atmosphere where employees feel a sense of belonging to the organization. Therefore, their opinion is highly valued and respected. Diversity implies different experiences and skills of employees who will be able to solve problems through new ideas.

Therefore, in the digital age, perspectives on the development of organizational culture include adapting to new technologies and tools in order to improve business efficiency, encourage an innovative approach to work, facilitate communication and cooperation among employees, and promote transparency and openess in the organization. Also, it is important to focus on the development of employees' skills, support continuous learning and adaptation to new trends, as well as preserve the human factor in the process of digital transformation.

The focus on organizational culture as a key factor for successful digital transformation contributes to the theoretical understanding of the interaction between organizational processes, technology, and human resources. The paper emphasizes the importance of adapting organizational culture to the new demands of the digital age to ensure the success of digital initiatives implementation.

Identification of key aspects of organizational culture, such as innovativeness, agility, teamwork support, and continuous learning, provides a deeper understanding of how organizations can shape their culture to effectively integrate digital technologies and achieve competitiveness. Additionally, practical guidelines are offered for organizations seeking to transform their culture to better adapt to the digital era. These guidelines can serve as a foundation for the development of strategies and approaches to change within organizations.

REFERENCES


