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ORGANIZATION'S DIGITAL CULTURE AS A FACTOR IN SUCCESSFUL BUSINESS TRANSFORMATION

Digital transformation (DT) has become a key direction of modern organizational development; however, its success depends not only on the implementation of advanced technologies but also on profound changes in organizational culture. Digital culture encompasses a system of values, norms, beliefs, and behavioral patterns that shape how employees perceive and utilize digital technologies. It acts both as a prerequisite for and an outcome of digital transformation, determining the organization's ability to adapt to change and integrate innovation into its activities [1-2].

A well-developed digital culture ensures the effective integration of technologies into business processes, business models, and organizational structures. Organizations with a strong digital culture demonstrate superior transformation outcomes, including improved operational efficiency, increased revenue from digital products and services, and enhanced customer experience. In contrast, conservative, fragmented, or purely technocentric cultures often hinder the achievement of digital transformation goals, even when significant investments in technology are made [3]. Key characteristics of an effective digital organizational culture include a shift from risk aversion to experimentation, the elimination of organizational silos, the development of a customer-centric approach, and leadership that models digital behaviors. An essential element is the creation of psychological safety, which enables employees to share ideas openly, learn from failures, and continuously improve organizational processes [3].

Research highlights that organizational culture is a critical factor in enabling data-driven transformation and unlocking value from data. The integration of social systems with rapidly evolving digital technologies requires significant cultural change, as the misalignment between culture and technological advancement can limit the effectiveness of digital innovations [4]. At the same time, previous studies emphasize the broader role of organizational culture in shaping professional environments, communication practices, and behavioral norms within organizations [8, 9], as well as the importance of understanding nature and types of organizational culture for effective implementation in practice [10].

Digital leadership plays a pivotal role in shaping and sustaining digital culture. Leaders with digital competencies can foster innovation, enhance organizational agility, and support a culture of continuous learning. Empirical evidence shows that transformational leadership positively influences digital transformation outcomes, especially when supported by a coherent digital strategy and adaptive culture [5].

Digital culture is also closely linked to the development of digital capabilities and innovation, which together contribute to organizational resilience and competitive advantage. The rapid advancement of technologies such as artificial intelligence, machine learning, and cloud computing intensifies the need for a culture that supports employee adaptability and readiness for new business models and operational practices.

At the same time, the formation of digital culture is influenced by both enabling and constraining factors. Managerial perceptions, organizational practices, and existing cultural patterns can either facilitate or hinder transformation processes. For example, speculative or short-term oriented mindsets may reduce innovation capacity and limit the effectiveness of digital initiatives [6]. The COVID-19 pandemic has accelerated the need for digital transformation and highlighted the critical importance of digital culture in ensuring business continuity. It has reinforced the understanding that digital transformation is fundamentally a cultural transformation rather than solely a technological shift. Thus, successful digital transformation requires a deliberate focus on developing digital culture as a strategic priority. It involves building competencies, reshaping behavioral patterns, and fostering openness to change at all organizational levels. Organizational readiness for change, including collective commitment and efficacy, becomes a decisive factor in determining the success of transformation initiatives.

Without addressing human and cultural dimensions, even substantial technological investments may fail to deliver the expected results [7].

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