# Chapter 2 Incidence of Organizational Culture in Digital Transformation Projects

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# **ABSTRACT**

Organizational culture can be defined as the set of characteristics that distinguish one organization from another through the establishment of norms and values that describe the behavior of the people who work there. Little by little, organizations have realized that digital transformation goes far beyond a simple technological change; it requires the alignment of organizational strategy, people, culture, mentality, the development of human talent, and leadership. The purpose of this research work is to identify, through the application of a correlational statistical model, the impact of the organizational culture on the success of digital transformation projects.

#### INTRODUCTION

Under the current scenario of economic uncertainty, little by little more companies, from different industries, sectors and sizes, have become interested in incorporating technological tools in their organizational processes in order to improve their competitiveness and position in the market (Lee, 2021). The concept of digital transformation is increasingly common in the lexicon of managers, who have understood the importance of integrating digital capabilities into their organizational structures in order to achieve high

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rates of efficiency, quality and adequate risk management. This has a positive impact on the generation of value in the different market segments (Elia, Margherita, & Passiante, 2020).

Reducing uncertainty through proper data management allows companies to develop statistical models capable of predicting market behavior, anticipating the needs of their customers. In this way, innovation in products and services is done with greater precision, improving the management of resources and the profitability of companies (Nam, 2019).

However, digital transformation goes far beyond technology, its real focus is oriented to support of the organizational strategy, improving the processes and the operation of the companies. Deploying technology without a clear purpose can backfire for companies. Therefore, organizational culture plays a determining role in the execution of digital transformation projects; because people, with their capacities and limitations, are the ones who allow the correct adaptation of technological tools. Undoubtedly, an open and purposeful organizational culture, oriented to change, innovation and teamwork, is the most appropriate environment to carry out projects of this nature (Spencer, 2018).

This research work aims to identify, through the application of a correlational statistical model, the impact of the organizational culture on the success of digital transformation projects. For its development, 270 managers of small and medium-sized companies belonging to various sectors and industries from Bogotá have been surveyed, who were asked about their perception of the culture of their organizations and how it may or may not assist the execution of a digital transformation project. In addition, the success of digital transformation projects was defined in two perspectives: in the first instance, from the correct management of the project's life cycle; and in the second instance from the appropriation made by the different interest groups of the results achieved with the Project. In this sense, the following research question is proposed:

RQ: Can the organizational culture be defined based on specific attributes in such a way that it positively affects the success of digital transformation projects?

# THEORETICAL FRAMEWORK

This research is framed from the analysis of three fundamental concepts: organizational culture; digital transformation and project success. In this sense, from the theoretical approach, these three concepts have been defined as key support in the process of technological adoption in organizations. In this way, the three of them will be described:

# **Organizational Culture**

Organizational culture can be defined as the set of characteristics that distinguishes one organization from another, through the establishment of norms and values that describe the behavior of the people who work there. Each organization has its own character and personality. This is derived from its culture, which allows it to understand and face its environment with a greater or lesser degree of adaptation. Organizational culture is expressed in the way operating activities are carried out from the relationship of the different processes, in addition to the existence of shared norms and values, the collective understanding of reality, attitudes towards change, willingness to take risk and commitment to common purpose (Metwally, Ruiz-Palomino, Metwally, & Gartzia, 2019).

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