

The Impact of Digital Transformation Strategies on Organizational Competitiveness: Evidence from Organizations in Jiangyang City

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Abstract

The objectives of this study were (1) to examine how digital transformation strategies are strategically designed and implemented by organizations in Jiangyang City, (2) to explore organizational stakeholders' perceptions of the influence of digital transformation on organizational competitiveness, and (3) to analyze the organizational, leadership, and environmental factors that enable or constrain the effectiveness of digital transformation strategies. This study employed a qualitative research design. The population comprised organizations operating in Jiangyang City that are actively engaged in digital transformation initiatives, and a purposive sampling technique was used to select 18 key organizational stakeholders, including senior managers, IT leaders, and innovation officers. The primary research instrument was a semi-structured interview guide designed to elicit in-depth insights into participants' experiences and perceptions of digital transformation. Data were collected through interviews and analyzed using thematic analysis. The study's results found that digital transformation is widely perceived as a strategic necessity driven by increasing competitive pressure and market uncertainty rather than as a purely technological initiative. Organizations increasingly embed digital transformation within broader strategic planning processes and implement it through phased and incremental approaches to manage risk and facilitate organizational learning. Digital transformation strategies were perceived to positively influence organizational competitiveness by enhancing operational efficiency, decision-making speed, customer responsiveness, and innovation capacity. However, the findings also indicate that these benefits are contingent upon strategic alignment, organizational readiness, leadership effectiveness, and supportive environmental conditions. Organizational culture, employee digital skills, strong digital leadership, and external support mechanisms emerged as critical determinants of successful digital transformation outcomes.

Keywords: Digital transformation; Organizational competitiveness; Digital leadership; Strategic alignment; Qualitative research

Introduction

In recent years, rapid advances in digital technologies such as artificial intelligence (AI), big data analytics, and digital platforms have profoundly reshaped the competitive environment in which organizations operate. Organizations across industries are increasingly compelled to pursue digital transformation as a strategic response to intensified competition, evolving customer expectations, and accelerating market volatility. Digital transformation is no longer limited to the adoption of new technologies; rather, it represents a comprehensive organizational process that integrates digital tools into strategic planning, operational processes, leadership practices, and organizational culture. As such, digital transformation has become a vital mechanism through which organizations seek to enhance competitiveness, improve performance, and achieve long-term sustainability (Alojail & Khan, 2023; Alqahtani et al., 2024; Chen et al., 2024; Florek-Paszowska & Ujwary-Gil, 2025; Limna, 2025; Limna & Kraivanit, 2025; Limna et al., 2025; Xu et al., 2025; Zada et al., 2025).

As competitive pressures intensify, organizations are required to redesign business models, improve operational efficiency, and develop innovative value propositions. Digital

transformation strategies enable organizations to leverage digital technologies to support data-driven decision-making, enhance organizational agility, and strengthen interactions with customers and other stakeholders (Carayannis et al., 2015; Kumar, 2025; Tetteh et al., 2025). However, empirical evidence suggests that the outcomes of digital transformation initiatives vary considerably among organizations. While some organizations successfully translate digital investments into competitive advantages, others struggle to realize tangible benefits due to challenges related to leadership, organizational readiness, and external environmental conditions. This variation highlights the need to better understand how digital transformation strategies are conceptualized and implemented in practice, particularly from the perspectives of those directly involved in these processes (Ivančić et al., 2019; Brunetti et al., 2020; Ekman et al., 2020; Hanelt et al., 2021; Hendrawan et al., 2024; Rizana et al., 2025).

China provides a highly relevant context for examining digital transformation, given its rapid economic development, strong digital infrastructure, and policy emphasis on innovation and digitalization. Within this national context, organizations operating in regional cities such as Jiangyang face increasing competitive pressures alongside unique organizational and environmental challenges. Compared to organizations in major metropolitan centers, firms in regional cities often operate with more limited resources, varying levels of digital capability, and distinct institutional and market conditions. These contextual characteristics may significantly shape how digital transformation strategies are designed and enacted, as well as how their impact on competitiveness is perceived by organizational stakeholders (Chong et al., 2023; Li, 2025; Luo & Wang, 2025; Luo et al., 2025; Lyu & Lu, 2025; Yang & Zhang, 2025; Zhang et al., 2025). Nevertheless, empirical research that captures these regional and organizational realities remains limited.

Despite the growing body of literature on digital transformation, several gaps persist. Existing studies have predominantly adopted quantitative approaches that focus on technological adoption, digital maturity, or performance outcomes, often treating digital transformation as a primarily technological phenomenon. Such approaches tend to overlook the strategic interpretations and lived experiences of organizational stakeholders who play central roles in shaping and implementing digital transformation initiatives. Moreover, leadership and human factors remain underexplored, even though they are frequently cited as critical determinants of digital transformation success. In addition, environmental influences are often treated as contextual background rather than as dynamic forces that actively enable or constrain digital transformation strategies. In response to these gaps, this study adopts a qualitative, stakeholder-centered approach to examine how organizations in Jiangyang City design and implement digital transformation strategies in response to competitive pressures, and how key organizational stakeholders perceive their influence on organizational competitiveness. By integrating organizational, leadership, and environmental perspectives, the study moves beyond technology-centric explanations and offers a more holistic understanding of digital transformation as a strategic and socio-organizational process.

Research Methodology

This study employed a qualitative research approach to explore how organizations in Jiangyang City design, implement, and perceive digital transformation strategies and their impact on organizational competitiveness. A purposive sample of 18 key organizational stakeholders, including senior managers, IT leaders, and innovation officers, was selected for their direct experience and knowledge of digital transformation initiatives. Data were collected through semi-structured interviews and were audio-recorded with participants' consent; detailed field notes were also taken to capture contextual details and non-verbal cues. The interview guide focused on participants' experiences with digital transformation strategies, perceived impacts on competitiveness, and organizational, leadership, and environmental

participants cautioned that technology alone does not automatically confer competitive advantage; benefits depend on alignment with organizational strategy, human capabilities, and innovation processes. Digital transformation is viewed as a strategic enabler, enhancing competitiveness when effectively integrated with organizational goals and capacities.

Influence of Organizational, Leadership, and Environmental Factors: The effectiveness of digital transformation strategies was strongly influenced by organizational, leadership, and environmental factors. Organizational culture, employee digital skills, and openness to change were key enablers, while resistance to change and fear of technological disruption were major constraints. Leadership played a central role in articulating vision, allocating resources, motivating employees, and guiding organizations through uncertainty. External factors, including market competition, regulatory frameworks, digital infrastructure, and support from local authorities, also significantly shaped transformation efforts. The findings indicate that successful digital transformation requires alignment across internal capabilities, leadership direction, and external environmental conditions; without this alignment, even well-designed strategies may fail to improve competitiveness.

Discussion and conclusions

This study examined the strategic design and implementation of digital transformation strategies and their perceived influence on organizational competitiveness in organizations operating in Jiangyang City. The findings demonstrate that digital transformation is widely understood as a strategic response to increasing competitive pressure and environmental uncertainty rather than as a purely technological initiative. Organizations increasingly integrate digital transformation into overall strategic planning, reinforcing the view that digital initiatives must align with long-term organizational goals and competitive positioning to be effective. This insight supports prior literature that emphasizes the strategic and organizational nature of digital transformation (Hanelt et al., 2021; Brunetti et al., 2020).

The results further reveal that organizations tend to adopt phased and incremental implementation approaches, prioritizing core processes before expanding to advanced analytics and digital platforms. This approach reflects an emphasis on organizational learning and risk management, particularly within regional contexts where digital capabilities and resources may be unevenly distributed. However, the persistence of implementation challenges—such as cross-departmental coordination difficulties and unequal digital skills—highlights a recurring gap between strategic intent and operational execution. This finding aligns with existing studies suggesting that the success of digital transformation depends not only on strategy formulation but also on organizational structures and execution capabilities (Ivančić et al., 2019; Ekman et al., 2020; Wang et al., 2025).

Regarding competitiveness, the findings indicate that digital transformation strategies are generally perceived to enhance efficiency, responsiveness, decision-making speed, and innovation capacity. Digital tools enable data-driven decision-making and deeper customer insights, which are widely regarded as sources of competitive advantage. Nevertheless, respondents cautioned that technology alone does not automatically generate competitiveness. Instead, digital transformation acts as an enabling mechanism whose effectiveness depends on strategic alignment, human capabilities, and organizational culture. This reinforces the resource-based and dynamic capability perspectives, which argue that sustainable competitiveness arises from the effective integration of resources rather than from technology adoption alone (Dao et al., 2011; Trushkina et al., 2020).

The study also underscores the critical role of organizational, leadership, and environmental factors in shaping digital transformation outcomes. Organizational culture, openness to change, and employee digital skills emerged as foundational enablers, while resistance to change was identified as a major constraint. Leadership was consistently emphasized as a central driver, particularly in articulating digital vision, motivating employees,

and guiding organizations through uncertainty. Moreover, external environmental conditions—including market competition, regulatory frameworks, digital infrastructure, and local government support—were found to significantly influence both the pace and effectiveness of digital transformation. Collectively, these findings suggest that successful digital transformation requires holistic alignment across strategy, leadership, organizational capabilities, and environmental conditions.

In conclusion, this study contributes to a more nuanced understanding of digital transformation by highlighting its strategic, human, and contextual dimensions. Digital transformation can enhance organizational competitiveness when it is strategically embedded, effectively implemented, and supported by capable leadership and favorable environmental conditions. Without such alignment, even well-designed digital transformation strategies are unlikely to achieve their intended competitive impact.

Suggestion

Based on the study's findings, several suggestions can be offered. First, organizations should integrate digital transformation explicitly into their overall strategic planning to ensure coherence with long-term competitive objectives. A phased implementation approach is recommended, with emphasis on developing employee digital skills, strengthening cross-functional coordination, and fostering a culture that supports learning and change. Leadership development initiatives should prioritize digital leadership competencies, particularly vision communication and change management. Policymakers and local authorities should continue to enhance digital infrastructure, provide regulatory clarity, and support regional digital ecosystems. Future research could adopt mixed-method approaches to examine how digital transformation strategies and competitiveness evolve over time. Comparative studies across regions or industries would help identify contextual differences, while further investigation into specific leadership behaviors, organizational capabilities, and environmental mechanisms could deepen understanding of how digital transformation produces sustainable competitive advantage.

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