



*The importance of organizational culture in the success of digital transformation of economic Enterprise in Algeria*

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*Abstract*

The study aims to identify the importance of organizational culture in the economic institution in supporting digital transformation, while measuring the extent to which individuals in the institution accept the phenomenon of digital transformation by relying on a group of theories, including the theory of technology acceptance. A statistical population consisting of 187 managers at the senior management level of the economic institutions under study was selected, through a questionnaire to collect data and information. The data was transcribed and the results were analyzed using the statistical program SPSS.

The study found that there is a strong and significant correlation and influence between the determinants of organizational culture and the perceived benefits of digital transformation for the institutions under study. This is in addition to the fact that the actual use of digital transformation within the organization is linked to the extent to which the organization's leaders realize the benefit obtained from digital transformation at the individual and organizational levels in the institutions under study.

**Keyword.**organizational culture, digital transformation, Enterprise, Innovation

## 1. INTRODUCTION

the concept of digital transformation has been characterized by continuous scientific debate for several decades, but it seems that recently it has aroused greater interest among decision-makers and academics. Despite the fact that technological transformation is a term that exists everywhere, there is still a difference in its concept and the mechanisms for measuring it.

There is no doubt that we live in the era of digital transformation, where everything has become connected to the Internet, networks have developed, artificial intelligence, electronic computing, 3D printing, and smart mobile phones have appeared, as organizations have become forced to deal with and keep pace with digital transformation, in order to ensure their competitiveness.

### 1.1. The problem of the study:

From here, the problem of the study crystallizes around the following main question: What is the importance of organizational culture in the success and effectiveness of digital transformation for the institutions under study?

In order to address and analyze the problem, and in order to reach a theoretical and applied framework, on the subject of digital transformation and the problem of resistance to organizational change, the following sub-questions must be asked:

- What is organizational culture?
- What is digital transformation?
- To what extent does organizational culture affect digital transformation?

### 1.2. Study variables:

the study is based on two variables:

**Independent variable:** the dimensions of organizational culture .

**Dependent variable:** digital transformation .

### 1.3.hypotheses of the study:

We sought to answer the problem of the study based on the following hypotheses:

- 1.2. There is a statistically significant relationship between organizational culture and the effectiveness of digital transformation of the economic institutions .

**1.4. Objectives of the study:**

- identify the importance of digital transformation, its goals, benefits, and requirements for achieving it.
- Identifying the organization's organizational culture in terms of concept, functions and dimensions.
- Coming up with proposals that help improve organizational culture for the success of the digital transformation of economic institutions.

**1.5. Previous studies:****Study: Nizar Muhammad Fikri Muhammad & Dr. Lamia Eid Atta Ibrahim 2021**

Government institutions seek to achieve administrative efficiency and effectiveness to achieve goals and develop performance for government agencies. Based on the above, the primary goal of this study was to demonstrate the importance of digital transformation processes in government institutions. Accordingly, the study used the field study approach to demonstrate the importance of organizational culture in the process of digital transformation of government institutions, and this is through improving administrative behavior and the presence of a digital environment conducive to this.

The study reached acceptance of the proposed hypothesis, which stipulates the importance and role of digital transformation for the institutions under study in improving the administrative aspect despite the weakness of the organizational culture of these institutions.

**Study: Namouni Maryam, 2023**

This study aimed to determine the optimal organizational culture type for the institutions under study in light of digital transformation. The developments in information and communication technology in institutions have led to facing many difficulties of transformation and change in the organizational aspect of institutions, linking environmental development and organizational structure, which makes it necessary for the institution to move more and more towards accelerated innovation in the aspect of modern technologies. This is what prompts it to convert all of its activities to the digital style, in order to benefit from the most important advantages of digital transformation.

**Study: Marmat Nabila, 2023**

Organizational culture is considered extremely important in the components of institutions and among the most important factors leading to their success, especially if these values are instilled. This study aimed to highlight the importance of organizational culture for institutions, especially in light of technological and digital transformations. The study concluded that the NEOMI Foundation is a good model in formulating a policy for organizational culture based on the production house system model through a set of principles in the automotive industry sector, which was applied to the NEOMI Foundation. It achieved good results based on the fact that the Japanese culture in the automotive industry is a strong culture that leads to success through continuous improvement of the performance of its human resources.

**2. literature review:****2.1. The concept of digital transformation:**

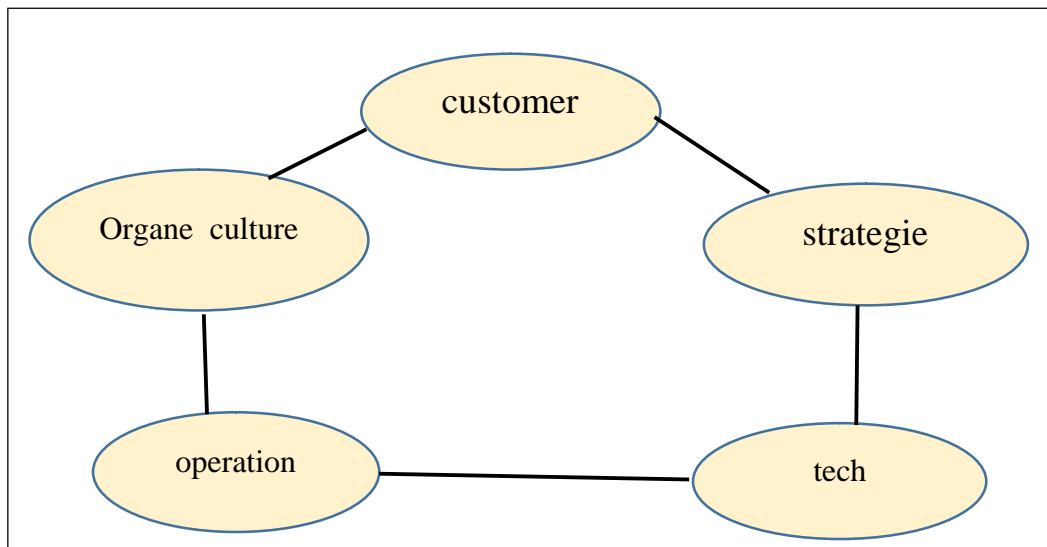
Digital transformation is the process of organizations moving to a new model of revenues and opportunities that increase the value of their products, and in doing so it reshapes the way people live and work based on available technologies.(Azza Jalal Mustafa Nasr Manar Muhammad Baghdadi, 2021)

The term digital transformation is the process of converting information into a group of digital images within a geographical and temporal framework, which enables it to be saved in devices where it can be circulated and sent across a group of networks, whether local or international. Which makes it portable and storeable..(Iman Ahmed Azmy, 2019)

**2.1.1 .Factors of digital maturity of the organization :**

There are many determinants that help the success of the digital transformation process for institutions, including:(Ivana Simić, 2018, p. 235)

- Organizational culture, along with governance processes, helps achieve the organization's goals of growth and development.
- The organization works to communicate and interact with customers as its digital partners through the Internet and various means of communication.
- The organization's strategy to achieve competitive advantage is based on digital transformation in its business

**Fig 1:**Digital Model

## 2.2. Organizational Culture

### 2.2.1. Importance of Organizational Culture in Change

Organizational culture is of great importance, especially in high-tech environments, as it consists of three basic dimensions, including:(Passant Salah El Din, 2023, p. 04)

- Changes in organizational structures, including official ones.
- Change in structures based on the technological aspect, such as computers, information and communications devices.
- Changes in employee behaviour, abilities and competencies

3. Field study:

3.1. Variables of study :

Fig 2 . Study variables

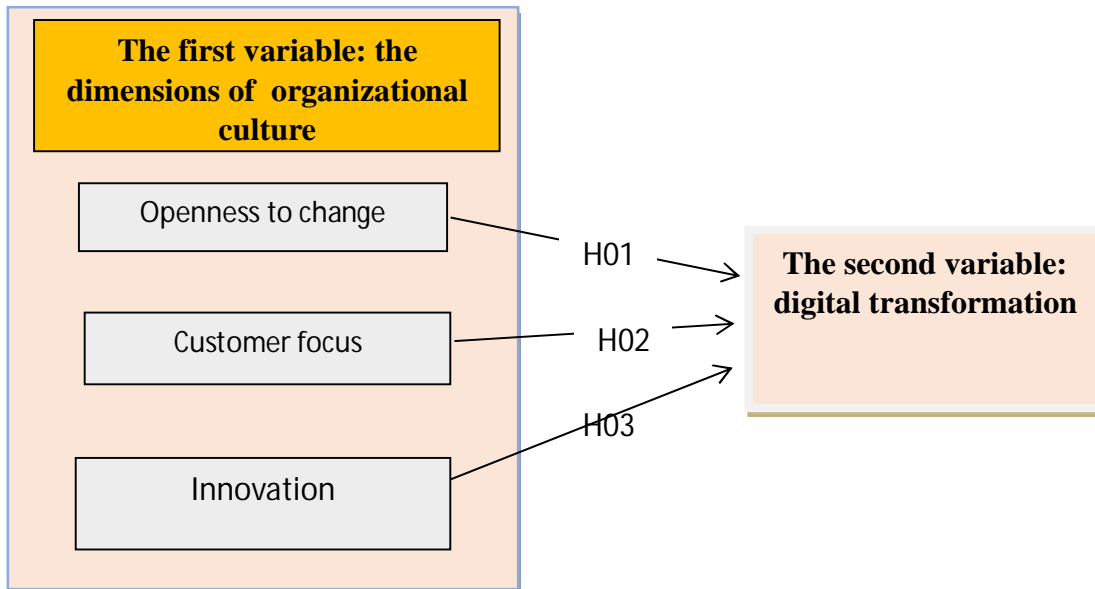


Table 2 . Distribution of the number of questionnaires distributed and collected

	Nombre	%
A number of questionnaires are distributed	200	100
A number of questionnaires received	13	6.5
Number of valid questionnaires	187	93.5

In order to present the concepts of studies in the theoretical part of this study on the impact of organizational culture on the digital transformation of economic institutions in Algeria,. Fully 200 questionnaires were distributed, and 187 valid for the study were retrieved .

**Table 3 .Descriptive analysis of the personal data of the sample members**

Variable		Ratio to total %	
		Total	
Sex	Male	110	58.82
	Female	77	41.17
Total		187	100%
Age	30 years 25-	65	34.75
	31-40 years	71	37.96
	41-50 years	39	20.85
	More 50 years	12	6.41
Total		187	100%
Qualification	high school	29	15.5
	academic	123	65.77
	Graduate	35	18.71
Total		187	100%
Professional Experience	Less than 05 years	58	31.01
	05-09 Years	63	33.68
	10-15 years	38	20.32
	More than 20 years	28	14.97
Total		187	100%
Function	Head of Department	99	52.94
	employee	88	47.05
Total		187	100%

**Source: Preparing researchers Depending SPSS**

From the results of the previous table, it is clear that the percentage of males is greater than that of females, as males represent 58.82% compared to females 41.17% of the total sample. This is due to the nature of the work of these institutions. The age of most of this sample ranges between 31 and 39 years. 37.96%, followed by the group between 41 and 50 years old with a rate of 20.85%, and after that we find the age group over 50 years, as this can be explained by the tendency of these institutions to employ low-age labor on the basis of professional experience. Statistics showed that 33.68% of the respondents had professional experience from 5 to 9 years.

From these results, it can be said that the majority of the study sample is from the category of university graduates who hold bachelor's, master's, and even doctorate degrees, and this was reflected in the levels of academic qualifications, as the percentage of university degree holders was estimated at 84%, and the rest of the sample members were at a secondary level.

### 3.2. Study the honesty and stability of the questionnaire:

In order for the study to be purposeful and have an honest and valid scientific dimension, it was presented and tested using the Cronbach's alpha reliability and validity coefficient using the SPSS program, and this is for all variables of the study, as shown in the following tables:

**Table 4 . the honesty and stability of the questionnaire**

The first variable: the dimensions of organizational culture			
Divisions		Phrases	Alpha Cronbach
the dimensions of the organizational culture	Openness to change	From 1 to 8	0.768
	Customer focus	From 9to 17	0.699
	Innovation	From 18 to 26	0.702
the dimensions of organizational culture		From 1 to 26	0.733
The second variable: digital transformation			
All phrases of The second variable		From 26 to 40	0.750
All phrases of Questionnaire		From 1 to 40	0.688

**Source:** Preparing researchers Depending on SPSS

According to the results of the previous table, the reliability coefficients for all axes of the study, whether for the independent variable or the dependent variable, were high and appropriate for the purpose of the research. It reached 0.655 for the questionnaire, 0.768 for the independent variable (the dimensions of organizational culture), and 0.755 for the dependent variable (digital transformation). These are acceptable values for the purposes of scientific research. It is greater than 0.60, which reflects the stability of the measurement tool. This represents an acceptable percentage for the purposes of internal consistency stability, and an acceptable percentage for analysis purposes..



### 3.3.Descriptive statistics results:

**Table 5 . Arithmetic mean and standard deviation of study variables**

Variables	Arithmetic average	Standard deviation
Openness to change	4.88	0.658
Customer focus	4.01	0.645
Innovation	2.88	0.765
The second variable: digital transformation	3.55	0.433

**Source:** Preparing researchers Depending on SPSS

Through the results of the previous table regarding the arithmetic means and standard deviations for the study's axes, the respondents' answers were mostly at a high level, as they reached 4.88 for the axis of openness to change, and for the focus on customers it was 4.01, which are at high levels, and for innovation it reached 2.88, and this It indicates that the institutions under study are open to technological change and care about the customer.

### 3.4. correlation between the dimensions of organizational culture and digital transformation :

- **H0** :There is not a statistically significant correlation between the dimensions of organizational culture and digital transformation
- **H1**:There is a statistically significant correlation between the dimensions of organizational culture and digital transformation .

**Table 6. Correlation matrix between study variables.**

Variables		Performance financière des établissements bancaires
the dimensions of organizational culture	Correlation coefficient (Pearson)	0.822
	Level of significance SIG	,001

**Source:** Preparing researchers Depending on SPSS

Through the results of the previous table, the correlation coefficient between the study variables, determinants of organizational culture and digital transformation, reached 0.822, which is a positive value tending to one, and this indicates the existence of a strong correlation between the study variables. Therefore, we reject hypothesis H0 and accept the alternative hypothesis.

**H1:** There is a statistically significant correlation between the dimensions of organizational culture and digital transformation

### 3.5. Impact of the dimensions of organizational culture and digital transformation:

- **H0 :** There is no statistically significant impact of the dimensions of organizational culture and digital transformation.
- **H1 :** There is statistically significant impact of the dimensions of organizational culture and digital transformation.

**Table 7. Linear Regression Matrix.**

Variable		digital transformation
<b>Openness to change</b>	R <sup>2</sup> Ajusté	0.422
	T	6.225
	SIG	0.000
<b>Customer focus</b>	R <sup>2</sup> Ajusté	0.588
	T	4.998
	SIG	0.001
<b>Innovation</b>	R <sup>2</sup> Ajusté	0.465
	T	3.654
	SIG	0.002

**Source:** Preparing researchers Depending on SPSS

Through the previous table, the significance levels for openness to change reached 0.000, and for focus on customers it reached 0.001, while for innovation it reached 0.002, as all of these coefficients are less than the significance level of 0.05. Thus, we conclude that there is a correlation and influence between the subvariables of openness to change. Change, customer focus, and innovation help organizations gain from digital transformation. Accordingly, we reject the null hypothesis H0 and accept the alternative hypothesis H1, which is

**H1 :** There is statistically significant impact of the dimensions of organizational culture and digital transformation .

According to the results of the previous table, the coefficients of determination R2 were at moderate levels, as 42.2% of the deviations in relation to openness to change explain the gains of digital transformation, and the rest is explained by other factors, and the percentage of focus on customers explains 58.8% of the institutions' gain in digital transformation. As for... For innovation, it explains 46.5% of the digital transformation of institutions, and the rest is explained by other factors.

#### 4. Conclusion:

Digital transformation is one of the most important topics of our time due to the rapid spread of the Internet and information and communication technology, and it is considered one of the basics of achieving efficiency and effectiveness for organizations as a whole, due to the benefits it provides. The study aimed to highlight the importance of organizational culture in the digital transformation of Algerian economic institutions, where it was presented Literature related to both organizational culture, from levels of openness to technological change, focus on customers, and levels of innovation, all the way to the actual use of digital transformation and the perceived benefits from it. The study reached the following results:

#### Results of the study:

Through reviewing much of the literature that dealt with both organizational culture and digital transformation literature, many results were obtained, including:

- Organizational culture contributes to the redirection and integration of the organization for the purpose of development through advance planning and strengthening its capabilities through cooperation between administrators.
- Digital transformation is currently one of the most prominent global trends in industry, business and services sectors.
- Organizational culture is represented in all dimensions, such as levels of openness to technological change, focus on customers, and levels of innovation.
- The problem of organizational culture shows the absence of job satisfaction or dissatisfaction with the adjustment made by the organization.
- The quality and efficiency of infrastructure are among the necessary foundations for completing the digital transformation process, and this includes the ability to access the Internet and the speed of access to it, the availability of telephone lines, and digital programs and applications.
- Through the applied study, hypothesis H1 was accepted and the null hypothesis was rejected as follows:**H1** : There is statistically significant impact of the dimensions of organizational culture and digital transformation

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