

# Strategic Management in Family Businesses: Navigating Digital Horizons and Unraveling Technological Dynamics

Azzeddine Alliou<sup>1</sup>, Hanane Alliou<sup>2</sup>

<sup>1</sup>*ESCA Ecole de Management, Morocco, aalliou@esca.ma*

<sup>2</sup>*Ibn Tofail University, Morocco, hananealliou@gmail.com*

**ABSTRACT:** The article explores the challenges and success factors of digital transformation in family-owned enterprises, focusing on organizational theories, power dynamics, and the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) environment. It highlights the importance of adaptability, resource and competence orchestration, and the need for ongoing communication, cooperation, and staff training. The study also explores the role of technological surveillance, specialized digital consulting, and intelligence technology in digital ventures. It emphasizes the need for active participation, clear objectives, effective leadership, and ongoing oversight. The article concludes that success in the digital age requires strategic resource allocation, effective management of power dynamics, and an innovative organizational culture.

**KEYWORDS:** strategic management, family businesses, digital horizons, transformation

## 1. Introduction

Family companies are incentivized by the expansion of globalization to place a greater emphasis on innovation (De Massis, Frattini, and Lichtenthaler 2013), produce customized items at a quicker rate and at a cheaper cost, and optimize their inventory and processes to stay competitive. The present situation is more complicated and in a perpetual state of change. Within this framework, the advent of Industry 4.0, the fourth stage of industrialization, signifies the generation of industrial value in developed nations. This revolution ensues after the third industrial revolution, which began in the early 1970s and was mostly founded upon information technology and electronics, facilitating drastically lowered production costs and highly automated manufacturing. Industry is now being profoundly influenced by the progression towards Industry 4.0. By investing in infrastructure computing, sometimes referred to as industrial networks, this idea aims to develop intelligent and sophisticated goods and services that are seamlessly connected with the Internet of Things and other related services. Furthermore, the introduction of novel business models has caused significant disruptions to established value creation (Dunn and Hamilton 1997) models inside corporate structures that have undergone transformations in pursuit of Industry 4.0 principles. Data streams on the operations of intelligent gadgets, cars, industrial automation systems, and other devices are often produced, giving rise to a burgeoning discipline known as "reality exploration." RFID tags are used by merchants and manufacturers, for instance, to monitor things along the supply chain. Additionally, they use the data supplied to enhance and innovate their business processes. In a similar fashion, keyword research and website data provide an abundance of information, rendering visible customer-consumer interactions that would otherwise need costly focus groups and discussion forums. An examination of client behavior (Chua, Chrisman, and Sharma 1999).

In contrast, the notion of decision-making has gained prominence in the 4.0 era due to the transition of artificial intelligence (AI) and machine learning from an era where the primary purpose of information technology tools was to aid in decision-making to one in which these tools function as instruments or perform the decisions themselves via technological advancements in analytical tools that were originally designed to aid in decision-making. Businesses may benefit from the assistance of AI, machine learning, and deep learning, which enable them to simulate, predict, and make well-informed choices.

## 2. The Difficulties and Advantages of Transformation in Morocco

It is critical to emphasize in the business community that the Moroccan market is not a financially oriented market economy, but rather one in which national undercapitalization predominates. The family determines the policies and the succession of the leader in a family firm. Such a community favors policies that are focused on specific initiatives, whether they be short-term or long-term. This family enterprise has considerable adaptability, enduring alliances, and a certain element of humanity.

The debate around women's rights in Morocco has been significantly influenced by four pivotal anniversaries that mark the historical development of gender roles. The initial Family Code was formulated by reformist Salafis in 1958.<sup>2</sup> The Code underwent revisions in 1993 in response to pressure from women's associations.<sup>3</sup> The endorsement of the Plan for the Integration of Women into Development in 1999 sparked a comprehensive discourse on the matter of women.<sup>4</sup> The ratification of the new Family Code in 2003 represented a significant philosophical and legal paradigm shift concerning the rights of women.

A crucial aspect of this new legislation is the articulation between the religious and modern legislative elements (represented by the King as the Commander of the Faithful). A segment of the newly established code is indicative of the recent transformations that have occurred in Moroccan culture. However, despite this, family nuclearization does not cause a significant societal and ideological rupture with the traditional family, since its remnants persist and continue to regulate sexual pairings while upholding male authority, honor, and unity. Nevertheless, the new code represents the reestablishment of Islamic allusion and the interaction of modernization's forces in its attempt to "democratize" society.

The Family Code, which was established in 2004, aims to promote agreement and equality by establishing the rights and obligations of individuals of all genders. It proposes an unforeseen and innovative reassessment of individual, marital, and family circumstances. This situation emphasizes the rising relevance of resolving family issues via negotiation and calls for a reevaluation of the reciprocal nature of the parental bond. The Family Code guarantees women the right to engage into marriage, establishes the conditions for polygamy, grants discretion in divorce processes, permits the filing of petitions for redress in the case of a divorce, and promotes legal protections for their offspring.

When examining the family as a participatory economic relationship, it is critical to understand how each cultural viewpoint is mediated inside the institution. Moreover, although not the central focus, pondering religious viewpoints may provide useful insights into a number of events taking place inside family businesses (Bammens, Voordeckers, and Van Gils 2011).

The many recommendations put forward by the younger generation (Salvato and Melin 2008), which are not exclusively influenced by the ancestors, often motivate family company leaders to strive for syncretism within the lineage while contemplating a family firm. This involves the integration of unique approaches and, at times, divergent ideas, and notions. The extensive historical progression and metamorphosis remains a fertile ground for the development of a fresh critical paradigm regarding the Moroccan economy.

In conjunction with the success of capitalism as a global economic system, the dominant economic ideology opposes any alternatives to the anomalies that have accumulated over the last two centuries. Morocco has used a variety of development initiatives throughout the course of the previous fifty years. Nevertheless, because of the ineffectiveness of these approaches, the country was obliged to implement adjustment measures in response to the debt crisis that occurred in the 1980s. Governance problems have recently transformed into a need for economic development.

The Moroccan economy often relies on external factors, such as weather conditions and commodity prices, for development. Therefore, diversification is necessary to reduce dependence on natural resources. This dependence is reflected in the export structure as a

result. Notwithstanding the governmental endeavors in growth and the assistance provided by international organizations, there has been a little diversification in production towards commodities and services that generate value (Dunn and Hamilton 1997). An analysis of economic frameworks, social and cultural contexts (Pearson, Carr, and Shaw 2008), and the risks inherent in the system is important for a comprehensive understanding of capitalist institutions (Zahra 2005).

Culture in Morocco has been influenced by the associative movement and changes in public sentiment around family businesses. A survey of master's students in Banking and International Finance and Entrepreneurship and Managerial Engineering revealed that young Moroccans have lost trust in well-established and reputable Moroccan family businesses, which has a substantial impact on their daily lives (Bammens, Voordeckers, and Van Gils 2011). Given the significance of the family as an educational institution at the foundation of Arab-Islamic culture, it is critical that other educational settings, especially schools, carefully observe and address the changes and daily occurrences inside the family unit. It is crucial to grasp the transformations that contemporary Moroccan households are undergoing. The family unit, serving as a hub of "educational excellence," is the setting from which a person develops and establishes the fundamental pillars of their continuously growing sense of self. Therefore, it is essential to examine the ongoing restructuring of the family unit, particularly in Morocco, where despite its paradoxical character, the family continues to have a fundamental position in society.

Amidst periods of ethical and financial upheaval, the family remains an enduring foundation of comfort and rejuvenation. Nevertheless, it is also engulfed in a crisis of values due to the destabilizing effects of external models such as the migrant movement, satellites, media, and new media on "traditional" values (Dunn and Hamilton 1997). As a result of the patriarchal family structure, a unique process of individualization and a life experience riddled with constraints torment the family.

An element that might benefit from more emphasis is the importance of gender relations and equality in corporate management, with references to subjective experiences within homes and in daily life. It is crucial to provide young people assistance in the examination and comprehension of their familial experiences, regardless of the complexity and conflict that may arise from them. Understanding the way in which a family operates as a concrete representation of economic interdependence filters all cultural viewpoints is the essence of the notion. Furthermore, what would occur if religious viewpoints were considered? Irrespective of the choice to refrain from doing a survey among households.

The selected family businesses are quite diverse and must be well recognized by all residents. The aforementioned entities consist of the following: MAROC TELECOM, the leading telecommunications provider in Morocco; ORANGE, the second-largest wholesaler of consumable products; CTM, the operator of the largest road transport company; ONCF, the sole operator of the railway in Morocco; Lait JAOUUDA, the second-largest milk producer and distributor in Morocco; MARJANE, the foremost wholesaler of consumable products; and ASWAK ASSALAM (the second-largest wholesaler of consumable products).

Significant factors that contribute to this absence of confidence are the following three components: A lack of transparency, inadequate product standards, and a lack of commitment to meeting the needs of the community. The quantification of corporate social responsibility is directly applicable to the governance (Pearson, Carr, and Shaw 2008), workplace, and citizenship aspects. In several academic fields, the associative movement has had significant advancements since the mid-1990s. Furthermore, apart from creating an environment conducive to the development and manifestation of civic engagement, the extensive range and diversity of the associative movement have given rise to innovative political tactics that set them apart from traditional methodologies. Street occupations, petitions, grievances, the use

of social media, and particular modes of expression such as protest songs are all characteristics of these movements.

The erosion of confidence in the government and its establishments is an additional facet of these movements that merits attention. These movements have been motivated by the mechanisms of representative democracy to document their activities outside the confines of the state to attain independence and autonomy from the party and state institutions. The societal transformations seen in Morocco, along with the prevailing sense of skepticism towards enterprises, indicate that the socio-economic milieu has suffered alterations that may impact the viability or demise of firms operating within the Moroccan economic structure.

In response to an increasingly knowledgeable and discerning populace, Moroccan enterprises are compelled to adjust and assimilate the current paradigm shift. A robust association exists between elevated levels of involvement and creativity. Fifty-nine percent of engaged workers, according to research by Krueger & Killham, claim that their job "elicits their most creative ideas," but a mere 3% of disengaged employees make the same claim (Krueger 2007).

There exists a strong correlation between employee engagement and the financial outcomes and performance of the organization (Craig, Dibrell, and Davis 2008). However, 61 percent of HR managers and 91 percent of employees express disengagement, with the improvement of employee engagement being a primary concern for the latter half of the year. During a period when the economic climate discourages businesses from recruiting, it is critical for their continuous growth to optimize their human resource. Concurrently with digital transformation, organizations, business models, processes, and structures that fail to promptly adjust to the evolving demands of the market risk being swiftly surpassed (Zahra 2005). Transformation establishes innovation as necessary, and people who wholeheartedly embrace change serve as the catalyst (De Massis, Frattini, and Lichtenthaler 2013).

It seems that both revolutionary concepts and incremental, incremental changes that are equally beneficial to the company foster innovation (De Massis, Frattini, and Lichtenthaler 2013). Consequently, innovation pertains to all individuals, spanning from entry-level staff to senior executives via research and development teams, so encompassing the whole organizational structure. However, what specific steps may be taken to build an engagement dynamic that fosters creativity inside the organization? Organizations are increasingly using participatory platforms, idea boxes, and internal incubators as methods to develop innovative ideas by relieving workers of organizational limitations that may otherwise hamper their progress. In addition to these instruments, the growth of organizations and management techniques is the primary factor in fostering a genuine culture of innovation and involvement (De Massis, Frattini, and Lichtenthaler 2013). Is it necessary to "liberate" organizations from conventional hierarchical control mechanisms? It is no longer valid to assert that the carrot-and-stick approach effectively motivates personnel. Compensation levels, work environment quality, job security, and other factors just guarantee employee satisfaction with a business but fail to inspire and motivate people over an extended period.

Herzberg proposed a categorization of motivational variables into hygienic factors and intrinsic factors in 1959, contending that long-term benefits are exclusive to the latter. However, what are these fundamental motivating elements? Daniel Pink describes in his book "Drive: The Surprising Truth About What Motivates Us" the three motivational levers that are most likely to inspire exceptional employee performance in creative organizations (Craig, Dibrell, and Davis 2008).

Initially, these organizations foster employee autonomy: as participatory innovation entails promoting initiative at every level, these businesses provide workers the most possible latitude to create and implement their ideas. A second benefit is that they enable workers to grow professionally: when staff members manage an innovative initiative, they are transformed into actual intrapreneurs. Innovation initiatives, which are often carried out in

teams, encourage the exchange of expertise and expertise (De Massis, Frattini, and Lichtenthaler 2013). As a last step, they provide workers with direct involvement opportunities in the organization's plan, which gives their job genuine significance.

However, the three engagement levers are subject to the management philosophy of the organization. All of them operate on the assumption that the organization's control mechanisms will be loosened (Zellweger, Kellermanns, and Chrisman 2012), resulting in a more adaptable management style that promotes employee initiative rather than just overseeing their activities. In several instances, a company must undergo a genuine cultural revolution to integrate collaborative management principles into its very fabric.

### 3. Unlocking Digital Success: Strategies for Transformation in Family Businesses

"Those that survive are not always the most intellectual or powerful; rather, they are the most adaptable to change." "C. Darwin" This quote suggests that to ensure their survival, Moroccan family businesses must adapt to the changing environmental conditions, as proposed by Nelson & Winter in their evolutionary approach, which posits that a company's survival is contingent upon its ability to adapt to its surroundings. Undoubtedly, the present economic climate is marked by a heightened rate of technical advancement. In the current era of extensive digitization, family companies have significant strategic obstacles (Habbershon and Williams 1999) that need their adherence to this digital trend while concurrently providing distinct prospects for expansion and progress (Carney and Gedajlovic 2002). The subsequent inquiry that emerges is as follows:

What are the essential requirements for a family company in Morocco to achieve a successful digital transformation?

Before we can respond to your inquiry, we must resolve the following concerns:

- How does corporate culture influence the digital transformation process?
- Which organizational modification is essential for a digital transformation to be successful?
- Are certain competencies and resources required to guarantee a successful digital transformation?
- In this context, what function does organizational agility serve?
- What are the fundamental requirements for a digital undertaking?

Adoption of innovative technologies is occurring in all sectors and influencing all companies, irrespective of their size or industry, including agriculture, which was not previously anticipated to be impacted by digital transformation, as we see a genuine revolution increasing daily. Presently, we are beholding what is known as "agriculture 4.0," an era that transcends the boundaries of the conventional agricultural industry. Digital technology is evident at this level in the collection of weather and animal data via drones and sensors, as well as in the integration of electronic remote control and entirely autonomous devices into the agricultural equipment environment (Zellweger, Kellermanns, and Chrisman 2012).

Presently, a new position is coming into existence: that of the Chief Digital Officer (CDO), also known as the digital strategy director, who has effectively incorporated the boards of directors of major corporations as Nestlé, Starbucks, and Orange. This position effectively elucidates the ramifications of digital transformation on business disruption and underscores the criticality of providing a transparent rationale for its execution, particularly when striving to achieve exceptional performance via such digital transformation (Craig, Dibrell, and Davis 2008).

Performance is, in general, the quantification of an outcome within a clearly defined task. At the organizational level, performance signifies the extent to which intended goals are accomplished and the amount of effort that is invested in their realization. A family business that is successful must be both efficient and effective. Effectiveness is attributed to the accomplishment of goals, whereas efficiency is attributed to the attainment of those objectives

at a decreased cost (Craig, Dibrell, and Davis 2008). A third element that contributes to the discourse on performance is relevance, which pertains to the connection between the established goals and the methods used to achieve them.

To ensure a fair and effective allocation of resources, it is essential to ascertain precisely the quantity required to accomplish the stated goals. The primary determinants of an organization's success are its strategic positioning (Carney and Gedajlovic 2002), available resources, and the way those resources are executed. Moreover, according to the notion of performance (Craig, Dibrell, and Davis 2008), a company's success is directly attributable to its capacity to coordinate and deploy its resources to alter unfavorable environmental circumstances. To achieve a successful transformation, organizational change must be executed efficiently. In fact, the term "change" can be defined as "the process of transitioning from one state to another, or from an initial state that is considered insufficient to one that is considered more appropriate, in order to better align with the demands of the surrounding environment or the evolving ambitions of the individuals involved."

DiMaggio and Powell delineate three potential origins of external change: coercive causes originating from the state in the form of regulations mandated by a public authority; normative causes in response to the expectations of other organizations (clients, partners, contractors, etc.); and mimetic causes whereby an organization adopts particular modifications merely because it has observed that they generate performance benefits (Craig, Dibrell, and Davis 2008) for another organization (benchmarking action). Furthermore, our empirical investigation will ascertain the underlying factor that has prompted this organizational transformation associated with digitalization.

Digital competencies are also critical for the transformation's success, since unique and dynamic competencies enable the organization to navigate its transition successfully, particularly dynamic competencies that enable the organization to be nimble. A company's organizational agility is defined as its capacity to consistently adjust to a progressively intricate, unpredictable, and turbulent environment; this agility is furthermore a prerequisite for the triumph of digital transformation. Therefore, considering our comprehensive examination of the literature, we rephrase the following hypotheses:

**H1:** In family firms, organizational culture would be a prerequisite for the success of digital transformation.

**H2:** The success of digital transformation would be contingent upon the implementation of effective organizational change.

**H3:** Proper acquisition of specialized knowledge and abilities would be essential for the achievement of effective digital adoption.

**H4:** Organizational agility is a critical factor in achieving seamless digital transformation.

Particularly in family companies, digital transformation continues to be a pressing and new subject both worldwide and in Morocco. The way digital is seen varies from manager to manager, since it is contingent upon industry, organization size, and other particulars. Furthermore, the decision to situate our research within its context necessitates a specific investigation of the subject of study, which may alone provide outcomes via qualitative empirical research. For this qualitative research, understanding the perspectives and opinions of our respondents about the factors they deem crucial for effective digital transformation is more important than measuring or quantifying.

The fundamental requirements for effective digital transformation, which we have identified in our literature review and validated through qualitative field research, are essential prerequisites for success and serve as the cornerstone and primary focus of any organization aiming to undergo digital transformation.

#### 4. Nurturing an Organizational Culture Conducive to Digitalization

"A person without of culture is like to a zebra lacking stripes," a proverb from Africa, emphasizes the significance of culture in establishing human connections, as it continues to serve as the differentiating factor between people. This is also applicable to organizations that rely on culture as a fundamental component for their survival and differentiation from competitors. The term "culture" originates etymologically from the Latin word "cultura," which translates to "land maintenance" aimed at ensuring fertility. When used in its alternative connotation, the phrase pertains to the process of intellectual development and enhancement via the assimilation of newfound information. Therefore, organizational culture comprises a collection of components that delineate the operational procedures of the establishment, its distinctive ethos in contrast to its rivals. The success of the organization is contingent upon a variety of elements that are universally embraced by its workforce, such as adherence to certain principles (e.g., environmental stewardship), ceremonial practices, clothing standards, communication patterns, and work methodologies.

"Culture is the collective programming of the human mind that differentiates individuals into one group or another," as stated by Hofstede (1984). The effect of knowledge creation on organizational culture transformation is a viewpoint supported by Argyris and Schon. The organization is seen as a system comprised of several subsystems, each with its own set of qualities. Organizational culture facilitates the integration of various subsystems, hence promoting the efficiency of the company. Hence, the conception of digital transformation is unattainable in the absence of a digital-friendly corporate culture. The establishment of a digital culture is critical for an organization as it enables the seamless integration and execution of digital technology. Furthermore, digital transformation is mostly a cultural revolution, signifying a substantial alteration in work practices and habits; in this regard, culture assumes a pivotal function in guaranteeing a successful and relevant transition.

Digital culture, which is often referred to as cyberculture, e-culture, or internet culture, is distinguished by an inclusive attitude toward all digital elements and views them as catalysts for progress. An open and robust digital culture facilitates employee guidance and ensures that all members are moving in the same direction as the pursuit of success. Moreover, a culture that embraces digital transformation enables workers to acquire knowledge, so promoting employee engagement and bolstering overall productivity. It is worth mentioning that organizational culture, which is represented by ideology and ranks sixth in the hierarchy of organizational structures after the strategic apex (Habbershon and Williams 1999), middle line, operational core, technostructure, and support staff, serves as an efficient mechanism for coordinating the achievement of prosperous digital transformation (Carney and Gedajlovic 2002).

Nevertheless, the process of digitizing work processes and the comprehensive digital transformation of an organization may result in setbacks. These may arise from challenges associated with technical implementation, apprehensions regarding potential power loss, deficiencies in the required competencies for tasks utilizing novel digital tools, or the fear of employment reduction because of escalating automation and digitalization. Presently, the significance of corporate culture cannot be overstated when it comes to rectifying these deficiencies and enabling the execution of digital initiatives.

In summary, organizational culture may sometimes impede digital advancements inside a business, especially about the reluctance shown by workers towards fostering creativity and innovation (De Massis, Frattini, and Lichtenthaler 2013). Nevertheless, to facilitate a swift and healthy adjustment, the organization must ensure that its employees have a comprehensive understanding of digital transformation and provide ongoing training to facilitate gradual learning. Furthermore, the company must integrate this digital transformation into its internal organizational culture.

## 5. Transformation in an Organization's Efficiency

"Absolutely nothing survives except change." Indeed, in the present climate, which is characterized by rapid change and uncertainty, companies are unable to predict the future with absolute accuracy. One factor contributing to this instability is the continuous advancement of technology, which disrupts the existing conditions of companies and compels them to implement the requisite processes and approaches to align with this environmental trend. In pursuit of this objective, organizational reform is required.

An organizational change occurs when a series of occurrences throughout a certain time result in an alteration of the form, quality, or status of an organizational component. Therefore, digital transformation signifies a paradigm shift inside the firm. According to DiMaggio and Powell, the shift towards digital transformation is perceived as a normative change in which specific partners compel the organization to embrace digitalization to facilitate their partnership relations. Mimetic change transpires when the organization recognizes that the operations of other organizations that have implemented a digital strategy have been successful, thereby contributing to their own expansion and progress.

There are two distinct categories of changes: incremental changes, which are evolutionary in nature and need an ongoing improvement strategy; and radical changes, which are revolutionary in nature and demand a certain degree of reengineering to be implemented. Presently, internal organizations are undergoing a digital revolution and digitalization, which is implemented in enterprises in a gradual or radical fashion, contingent on industry and organizational characteristics (Duran 2016). In order to accomplish this, businesses must take into account three crucial aspects of this digital transformation: the content dimension, which entails defining the nature of the digitalization (tools, software, hardware, etc.); the process dimension, which involves the organization executing a sequence of consecutive procedures to guarantee a unified approach; and the context dimension, which clarifies the internal and external context in which this digitalization is being implemented within the organization. Digital transformation, which is mostly radical in strategically significant technology areas (Habbershon and Williams 1999), must be implemented whether gradual or radical, to guarantee its efficacy and efficiency.

It is fallacious to believe that identifying and executing the change action is straightforward; rather, the process of change formulation and execution is intricate, including a multitude of factors. A firm that initiates transformation without also providing leadership would be analogous to a driver operating a vehicle without foreknowledge of its destination. Diverse change management models have surfaced, with certain models falling under the contingent approach. This is since every situation is unique, and digital change management at this level is dependent on every change dimension (content, context, and process) in addition to the attributes of each organization. Additional models that are part of the standardized approach are universally applicable, irrespective of the scale of the change or the nature of the organization. One of the most renowned models is the one described in "Leading Change" by Kotter (1996). To ensure the success of digital transformation and successfully lead this digital shift, the organization must adhere to the following eight important steps:

1. Create a feeling of urgency: Underestimating change has been identified as the cause of several failures. The organization is obligated to communicate to its staff that digitization has evolved from a discretionary measure to a critical survival factor. The feeling of urgency will expedite the organization's execution of its digital strategy.

2. Establish a formidable coalition: The digital transformation initiative is a strategic undertaking that needs meticulous strategizing and execution (Carney and Gedajlovic 2002), beyond the competence of an individual management. The establishment of robust coalitions is vital for the management to collaboratively execute the project with the predetermined level of efficiency. To handle all facets of digital transformation, the coalition should be comprised of



persons with a variety of talents, ideally from diverse departments, as digital transformation will impact each of these departments (production, marketing, logistics, HR, etc.).

3. Formulate a vision: The organization's vision is delineated as the optimal state it aspires to attain, including its desired destination, desired outcomes, and intended accomplishments. A vision is essential for the digital transformation project to delineate the anticipated trajectory. Motivating and inspiring individuals, this vision must serve as a catalyst for optimal project execution.

4. Disseminate the vision: The vision should be conveyed to all partners without exception, since it pertains to all stakeholders and not just the management. In addition, the mode of communication must be selected with care to express the idea and its vision and to persuade others promptly and completely.

5. Employee Empowerment: Following a clear and shared vision, the subsequent course of action is to completely empower every member of the team via the allocation of action tasks. In other words, the process may be launched with more assurance the more jobs are delegated and persons are empowered.

6. Attain short-term benefits: These are interim successes that are realized during the process of implementing digital transformation. Such a step is essential for inspiring colleagues and demonstrating fast-acting outcomes.

7. Saturate gains and maintain determination: Although first results are advantageous and inspiring, they lack durability since they were attained by hasty and effortless efforts. Achieving the intended outcomes will need a mix of activities and measures to expedite the transition.

8. Establish a foundation in organizational culture: Culture and change are intrinsically intertwined; organizational change cannot be executed without a solid foundation in the internal fabric of the company. Employees will rapidly regress to the pre-change phase if this is not addressed. Digital transformation requires that modifications be ingrained in everyday operations, processes, standards, and conventions.

Resistance is an inevitable aspect of the change that arises from digital transformation, similar like any other disruptive development. This reluctance to change is partially attributable to the apprehension that one would lack the requisite competencies to actively engage in the process, given that the adoption and use of certain digital technologies need a certain degree of proficiency. At this echelon, personnel are apprehensive of falling behind this progression and, as a result, being terminated from their positions. Power plays are sometimes ascribed to resistance. In "Power in the Organization," Mintzberg (1983) provided the definition of power as the ability to generate or alter outcomes or consequences inside an organization. Furthermore, Crozier (1964) proposed a concept of power in "Power and Organization" that included two facets (context and power). Later, they defined power in conjunction with Friedberg as the ability of individual A to influence individual B to do something that they would not have done otherwise. As a result of people's reliance on others, which explains the power of the former over the latter, resistance to digital change is successfully explained by power, according to this description of Crozier and Friedberg.

Moreover, power is derived from four distinct categories of zones of uncertainty, all of which are intricately linked to the process of digital transformation. Expert zone: corresponds to the possession of a skill (at this level, a skill associated with mastering a digital aspect); information zone: corresponds to the possession of information; hierarchy zone: corresponds to the mastery of organizational rules; and final zone: corresponds to the mastery of relationships with the environment (environment zone). It is important to acknowledge that power inside an organization does not only reside with people in positions of authority; rather, but it may also originate from informal structures and therefore be attributed to every player within the organization.

Regrettably, resistance to change should not be equated with negative emotions when identifying its reasons. Conversely, their function ought to be seen as that of change levers. It is crucial to consider the considerable variation across individuals in their assessment of hazards associated with change. What one individual considers a danger may be seen as an opportunity and a benefit by another. Therefore, opportunity is especially valued in the context of employee development, given that every change is a chance for stakeholders and those in positions of authority to gain knowledge. Change is necessary for learning, and what we learn enables us to effect change.

In conclusion, organizational reform is the only means by which the digital transformation of the family company can be certain to be successful. Digital transformation is certain to fail otherwise. Therefore, regardless of whether it is predetermined, developed, responsive, or prompted by a crisis, its sudden or progressive character remains contingent upon the sector in which the organization functions and its individual capabilities and resources.

## **6. Achieving Excellence in Project Execution and Resource Oversight**

Like any other undertaking, the digitization and digital transformation project needs clearly defined resources and competencies. In fact, the digital strategy of the family company is determined by the resources and competencies it currently has; they form the most significant limitation and a critical factor to contemplate even prior to the commencement of the project design phase. Nevertheless, adequate company resources are an absolute need, even prior to implementing the overarching business plan. These diverse resources are classified into two groups: the first pertains to physical components (such as financial, human, and technological assets), while the second concerns intangible components (culture, ideology, organizational structure, R&D). Complementary in nature, both classifications of resources are essential for the digital transformation endeavor, since one classification is reliant on the other. Nevertheless, these resources serve as an impediment to the digitization process and provide the family company a competitive edge via the digitalization of its operations. The organization must own unique, valued assets that are uncommon, difficult to replicate, and cannot be replaced. Ownership of resources is insufficient; effective management and orchestration are required to ensure their continued relevance and, by extension, the success of digital transformation initiatives.

Cognitive resources are crucial to the achievement of digital transformation objectives. Proficiency in every facet is regarded as an essential need for assuming a leadership role and executing the project efficiently. This includes awareness of the external world, including emerging technology, legislation, and the safeguarding of workers' and customers' personal data with respect to information security. Additionally, it requires awareness of the labor market and the opportunities it brings, particularly about specialized engineers in digital and IT, data scientists, and so on. Furthermore, understanding of the internal environment is vital, necessitating ongoing internal diagnostics to amass information that can be used to aid the installation of digital technologies and guarantee a successful transition. This information significantly impacts the efficiency of digital transformation for organizations, since knowledge is a critical resource for company competitiveness, according to Drucker (1993). However, explicit, or tacit internal knowledge (Nonaka and Takeuchi 1995) must be effectively managed using robust technologies such as pertinent information systems and next-generation ERP (Enterprise Resource Planning).

Competencies accompany crucial resources in the context of possible digital change. Competencies and resources are inextricably related in the sense that one cannot discuss competencies without the requisite resources to execute them, and conversely. Capabilities, which are defined as the capacity to use acquired information and resources effectively, manifest in many formats. Competencies, according to C.K. Prahalad and G. Hamel, are both basic and distinctive. Distinguishing competencies are those that distinguish organizations by

providing a distinct competitive advantage to those who possess them. Fundamental competences are those that all entities must master. Certain competencies are essential within the framework of digital transformation, particularly about the use of digital technologies. Although there are additional unique proficiencies associated with the observation, prediction, and interpretation of environmental trends, particularly as they pertain to technology and research and development as well as innovation (De Massis, Frattini, and Lichtenthaler 2013), those are specifically reserved for data analysis, particularly about Big Data. Competencies are not static; to possess and develop dynamic capabilities, they must undergo evolution and conform to environmental trends (Teece and Pisano 1994, 195-213). The capacity of an organization to integrate, grow, and reconfigure its competencies in response to circumstances that undergo fast change constitutes its dynamic capabilities.

## 7. Conclusion

The digital transformation of a family company requires flexibility, strategic deliberation (Habbershon and Williams 1999), and efficient resource management (Carney and Gedajlovic 2002). A crucial obstacle that must be surmounted is the resistance to change, which arises from concerns over one's competence and power relations. This opposition may be effectively managed by gaining an awareness of the power structures that exist within an organization. Power, as conceptualized by Mintzberg (1983) and Crozier (1964), has a critical function in the opposition to digital transformation. The attainment and expertise in resources and competencies are fundamental for the achievement of success in digital endeavors. Efficient coordination is crucial for managing both real and intangible resources, while cognitive assets, namely knowledge management, play a pivotal role in navigating the intricacies associated with digital transformation. Resources and competencies, whether essential or unique, are inextricably connected, requiring constant adaptation to satisfy the needs of a digital ecosystem that is undergoing fast change. The need of organizational adaptability in a VUCA (Volatility, Uncertainty, Complexity, Ambiguity) environment for survival becomes apparent. Leadership figures such as Christophe Aulnette emphasize the significance of organizational agility in effectively managing perpetual changes and capitalizing on possibilities in dynamic marketplaces, hence underscoring the criticality of adaptability to new circumstances.

General conditions that are universally relevant to digital projects include personnel training, good teamwork, and communication. Family companies get vital assistance from consulting firms that specialize in digital transformation. These firms provide family businesses with the necessary knowledge and skills to strategize (Carney and Gedajlovic 2002), execute, and evaluate the financial gains associated with entering the digital domain (Bammens, Voordeckers, & Van Gils, 2011). Utilizing technological monitoring in particular, intelligence technology functions as a strategic instrument that facilitates well-informed decision-making and ensures awareness of technological progressions (Habbershon and Williams 1999).

Active participation, both among team members and with stakeholders, is critical. Consistent monitoring, leadership development, and vision-setting guarantee that digital objectives are not only achieved but also adapted to include the most recent technology. Effective internal communication has a crucial role in facilitating cooperation among personnel, which in turn significantly contributes to the success of digital strategy.

Fundamentally, the pursuit of digital transformation entails more than mere adoption of technological innovations; it also requires the development of a collaborative organizational culture, ongoing learning, and adaptation to a perpetually shifting digital environment, and the promotion of innovation. In the digital age, the prosperity of a family enterprise is contingent upon its capacity to strategically exploit resources (Carney and Gedajlovic 2002), maneuver power structures, and cultivate an environment that promotes innovation and adaptability (De Massis, Frattini, and Lichtenthaler 2013).

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