

Impact of Digital Transformation on Corporate Strategy and Organizational Management in Jiangsu Employee Job Performance

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Abstract

With the development of technology, enterprises are undergoing digital transformation at an unprecedented speed. This is a complex process that not only involves changes in technology and processes but also has a profound impact on the organizational structure of the company. Digital transformation emphasizes data-driven decision-making and requires companies to establish a data-driven culture in their organizational structure. This often means setting up dedicated data analysis teams to mine valuable information across various business units. In addition, the data analysis team also needs to work closely with other departments to translate this information into actual operational strategies. The number of respondents for this study was 388. The results of this study show that Jiangsu employees' performance in digital transformation in corporate strategy and organization would be impacted by their organizational commitment, occupational environment, and employee motivation.

Keywords: *Digital Transformation, Corporate Strategy and Organizational Management, Employee Performance*

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INTRODUCTION

Digital transformation makes remote working possible. In a traditional corporate organizational structure, employees usually work from a fixed office location. However, with the development of cloud computing and mobile communication technology, more and more enterprises are beginning to adopt distributed working models (Chanias et al., 2019). In this model, employees can work from anywhere if they have an internet connection. This method dramatically improves employees' work efficiency and saves the company a lot of operating costs. However, this new organizational structure also brought some challenges. There are many challenges in maintaining good communication and motivating and empowering employees to complete their jobs (Kotarba, 2018). These are issues that companies must face. Overall, digital transformation has had a profound impact on corporate organizational structures. Enterprises must establish a more flexible, agile, and data-driven organizational structure to carry out digital transformation successfully (Vial, 2019). At the same time, various challenges posed by the new organizational structure also need to be addressed. In this process, the company's leadership plays a crucial role. They need to develop clear strategies and motivate employees through effective incentives. Only in this way can enterprises successfully implement digital transformation and obtain immense business value from the process.

This study explores the purchase intention of training courses under the double reduction policy with the following objectives:

1. To examine the impact of Jiangsu employee performance on corporate strategy and organizational management based on organizational commitment, occupational environment, and employee motivation under digital transformation.
2. To improve employee job satisfaction and commitment, organizations should adjust attitudes and expectations toward coping with digital transformation, which can lead to better job performance.

This study investigates the impact of organizational commitment, occupational environment, and employee motivation on employee performance as the dependent variable.

THEORETICAL FOUNDATION

Organizational Commitment Theory

Organizational commitment theory refers to the employee's sense of attachment and satisfaction with their workplace. Employees generally commit to their workplace when organizational behavior creates long-term value and should not rely on management manipulating people through controls or incentives. Creating a value system that allows all members of an organization to participate in creative business processes and recognize their significance is crucial (Deery & Jago., 2015). This value system should indicate the worth of their efforts and align with the goals and missions of the organization. Employees' commitment to the organization predicts their job satisfaction, loyalty, turnover, efficiency, and effectiveness (Strojanovic et al., 2013). Employees who feel a sense of belonging to the organization (affective commitment) are more likely to work for the organization's benefit than those who think they need to belong (continuance commitment represents sacrifices made by the employee to stay in the organization) or those who feel an obligation to belong (normative commitment represents employees' perception of obligation to remain with the organization) (Meyer & Parfyonova., 2010).

Two-Factor Theory

The significance of the two-factor theory is mainly that it provides a way of thinking and solving management problems, that is, by creating high achievement motivation, improving job satisfaction, and discovering external motivating factors to enhance individual work performance and motivation, thereby achieving better management results. In the two-factor theory, Herzberg (1968) defined motivational factors as those influences that originate from the work, such as a sense of accomplishment, responsibility, development opportunities, promotions, and honors for work tasks (Temesgen et al., 2018). These motivational factors are considered to be the main reasons why people actively engage at work. Specifically, motivational factors include the following aspects:

1. Sense of accomplishment: Satisfaction and self-affirmation gained after completing work tasks. This is one of the main motivations for people to participate in work.
2. Development opportunities: Opportunities for learning, growth, and development provided in the work environment, such as training, promotion, and new challenges.
3. Responsibility and autonomy: Responsibility and autonomy at work, such as decision-making and control rights.
4. Honors and awards: Praise, praise, and rewards received in the work environment, such as salary, benefits, and bonuses.

These motivation factors can motivate employees to work hard and improve efficiency and quality. When these factors are met, employees feel satisfied and proud, are more engaged, and

demonstrate higher job performance. Therefore, when managers motivate employees, they should focus on providing appropriate motivational factors to improve employees' motivation levels and work performance (Agatha & Chan., 2019).

Vroom Expectancy Theory

Vroom's expectancy theory is a psychological and behavioral theory that primarily focuses on understanding what motivates people. Vroom (1964) suggested that people's motivation for certain behaviors is driven by their expectations for the outcomes of those behaviors, and these expectations are determined by two factors: the value of the outcome and the likelihood of achieving it. Expectancy theory finds its application in organizational management, employee motivation, and leadership development. Managers can enhance the behavioral motivation of their employees by offering desirable rewards and creating a positive work environment (Oh & Lewis., 2009). On the other hand, leaders can improve employee motivation by increasing their awareness of the possibility of achieving their goals and stimulating their self-confidence and trust. Additionally, providing challenging work tasks and training opportunities can enhance the competency levels of employees, thereby increasing the likelihood of them achieving their goals.

Terms

Job performance refers to measuring employees' or organizations' performance in completing tasks, fulfilling duties, and growing within a specific period through work behaviors, methods, results, and their objective impacts (Geen, 2016). Work performance includes work efficiency, quality of task completion, and work effectiveness, which can be evaluated through specific projects or indicators, such as organizational efficiency, management efficiency, mechanical efficiency, work quantity, work quality, and social benefits, along with economic and time benefits. For individuals, job performance is also evaluated by their superiors and colleagues. Excellent job performance usually results in increased profits for the company, which can help employees receive higher income and rewards (Shmailan, 2016).

Organizational commitment is an individual's identification and trust in the goals and values of the organization to which he or she belongs, as well as the positive emotional experience it brings. It is a crucial employee attitude variable that has an essential impact on job performance. Meyer & Allen (1991) proposed a three-component model that is divided into affective commitment, continuance commitment, and normative commitment.

The term occupational environment refers to the various aspects that affect a particular profession's development, such as its technical content, social status, and prospects in the social environment (Ali, 2016). Analyzing the occupational environment helps clarify the requirements, impact, and role of the work environment on career development. It also helps assess and address various factors that influence career growth. The occupational environment includes the natural, work, and team environments. The natural environment encompasses the geographical location where one works, including air conditions and other environmental factors (Olson et al., 2018).

Employee motivation is a management strategy that inspires employees to work enthusiastically and creatively by meeting their needs and motivations to achieve organizational goals (Li et al., 2016). This strategy involves various fields, such as psychology and organizational behavior, and includes personal rewards, promotion opportunities, and work environment design. It can be implemented through material rewards such as salary increases and bonuses and spiritual rewards like praise and recognition. The key to employee motivation is understanding and fulfilling employees' intrinsic needs and desires, which helps promote positive work performance and continuous personal development.

HYPOTHESIS

Organizational Commitment Impacts on Job Performance

Chen & Francesco (2000) found that cultural differences significantly role in influencing Chinese employees' organizational commitment and behaviors. In a recent study, Gamble & Huang (2008) showed that organizational commitment predicts the job-switching intentions of Chinese employees' working attitudes and behaviors. The study also found that job engagement, work culture, and job satisfaction will significantly affect job performance through their perception levels of organizational commitment.

H1. Organizational commitment does not significantly impact employee job performance in the stage of digital transformation.

Occupational Environment Impacts on Job Performance

Organizations face unprecedented environmental challenges in today's dynamic and ever-evolving world. However, these challenges allow companies to innovate and adapt to the ever-changing landscape (Langford et al., 2014). The environment significantly influences organizations, and it is up to them to leverage these forces to their advantage. This interdependent relationship between businesses and their environment can lead to positive outcomes for both parties (Zeng et al., 2020). Organizations can improve job performance and achieve their goals by investing in training and development, technology, and equipment. Ultimately, the impact of environmental forces on entrepreneurship is complex but can be harnessed for positive change.

H2. Occupational environment does not significantly impact employee job performance in the stage of digital transformation.

Employee Motivation Impacts on Job Performance

Motivation is a significant driving force behind human behavior and plays a vital role in employee performance. According to Moon et al. (2019), motivated employees are more productive, efficient, and committed to achieving organizational goals. Therefore, managers must understand how to motivate employees to improve performance. Although maintaining motivation and productivity can be challenging, organizations must find ways to ensure continued productivity to achieve their objectives (Fan & Xia., 2013). This study suggests that organizational structure and job design can significantly impact job performance.

H3. Employee motivation does not significantly impact employee job performance in the stage of digital transformation.

CONCEPTUAL FRAMEWORK

It is important to note that employee attachment is crucial in measuring employee performance. Employees who consistently perform their duties to the best of their ability are considered disciplined and valuable assets to any organization (Chanana & Sangeeta., 2021). Employees who are committed and passionate about their work show genuine concern for the organization's future and are motivated to work hard to achieve its goals. In today's competitive business environment, organizations must ensure that their human resources are well-disciplined, as this can positively impact various work-related outcomes. Employee attachment can lead to improved performance, one of which is innovative behavior. Employees fully attached to their jobs and organizations are more likely to exhibit innovative behaviors, which can significantly contribute to their success. Improving efficiency and job performance makes employees more competitive, leading to better organizational competitiveness and success (Dittes et al., 2019).

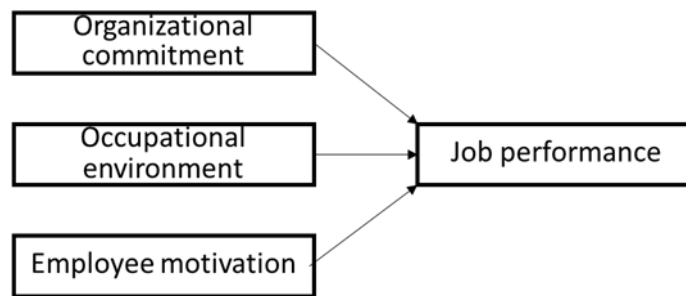


Figure 1. The Conceptual Framework

RESEARCH METHODS

Population and Sample

This research population comprises employees from Jiangsu, China, who tend to explore their job performance based on corporate strategy and organizational management under digital performance. A sample of 390 was collected for this study’s analysis in February of 2024 through the WeChat Survey Star Platform.

This study's minimum research sample size is based on the following formula, widely accepted for analysis (Das et al., 2016).

The margin of error (confidence interval) – 95%

Standard deviation 0.5

$$\text{Sample size} = \frac{z^2 \times p(1-p)}{e^2} \div \left(1 + \left(\frac{z^2 \times p(1-p)}{e^2 N} \right) \right)$$

95% - Z Score = 1.96

$$(1.96)^2 \times 0.5(0.5) / (0.05)^2$$

$$(3.8416 \times 0.25) / 0.0025$$

$$0.9604 / 0.0025 = 384.16$$

384 respondents would be needed for this study based on a confidence level of 95%

Correlation Analysis

Correlation analysis is usually used to explore the degree of correlation between variables. Generally, the Pearson correlation coefficient tests the correlation between variables. The correlation coefficient r indicates the degree of correlation between variables, and the P value indicates the significance level.

Table 1. Correlation Coefficient Classification

Correlation coefficient r	Degree of relevance
r = 1	Totally correlated
0.70 ≤ r < 0.99	Highly correlated

$0.40 \leq r < 0.69$	Moderately correlated
$0.10 \leq r < 0.39$	Low correlation
$ r < 0.10$	Weak or unrelated

Regression Analysis

Regression analysis is a statistical method for analyzing the relationship between multiple independent variables of a hypothesis and a set of dependent variables. It also assesses the strength of relationships between variables and models future relationships between them. SPSS20.0 was used to include the test of correlations coefficient of determination, multiple linear regression, and testing this study's hypotheses.

RESULT AND DISCUSSION

Correlation Analysis of Organization Commitment and Job Performance

The correlation coefficient r between organization commitment and job performance commitment is 0.743, and $P=0.005$ is less than 0.01. Thus, it shows that organizational commitment is significantly correlated with job performance.

Table 2. Correlation Analysis of Organization Commitment and Job Performance

	Organizational Commitment
Job Performance Sig. (1-tailed)	1
Organizational Commitment Sig. (2-tailed)	.743** (.005)

Correlation Analysis of Occupational Environment and Job Performance

The correlation coefficient r between occupational environment and job performance commitment is 0.711, and $P=0.012$ is less than 0.05. Thus, it shows that occupational environment is significantly correlated with job performance.

Table 3. Correlation Analysis of Occupational Environment and Job Performance

	Occupational environment
Job Performance Sig. (1-tailed)	1
Occupational environment Sig. (2-tailed)	.711* (.005)

Correlation Analysis of Employee Motivation and Job Performance

The correlation coefficient r between employee motivation and job performance commitment is 0.727, and $P=0.023$ is less than 0.05. Thus, it shows that employee motivation is significantly correlated with job performance.

Table 4. Correlation Analysis of Employee Motivation and Job Performance

		Employee motivation
Job Performance Sig. (1-tailed)		1
Employee motivation Sig. (2-tailed)		.727* (.005)

Regression Analysis of Various Variables on Job Performance

The model summary $R=0.932$, $R^2=0.921$, the adjusted R^2 is 0.925, and the degree of explanation between organizational commitment, occupational environment, employee motivation, and job performance is 92.5%. The Durbin-Watson test result is $2.103 \approx 2$, indicating that the residuals are independent and the model does not have serial correlation problems.

Table 5. Summary of the regression analysis model of constructs and job performance

Model	R	R ²	Adjust R Square	Standard estimate error	Durbin-Watson
1	0.932a	0.921	0.925	0.90332	2.103

The results of the single-factor analysis. The regression sum of squares is 3235.933, the residual sum is 246.236, and the significance is 0.000, less than the significance level of 0.01. This study has significant differences between the independent and dependent variables. A considerable effect exists between organizational commitment, occupational environment, employee motivation, and job performance.

Table 6. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	3235.933	3	3378.245	4469.225**	.000 ^c
Residual	246.336	384	.668		
Total	3482.269d	387			

** $p \leq .01$

a. Dependent variable: Job performance

b. Predictor variables: Organizational commitment, occupational environment, and employee motivation

Table 7. Multiple Linear Regression Analysis Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.422	1.668		4.338	.011
	Organizational Commitment	.335	.022	.375	1.663	.022
	Occupational Environment	.312	.026	.356	3.255	.016

Employee Motivation	.443	.031	.472	3.668	.030
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*p≤0.05

- a. Dependent Variable: Job Performance
- b. Predictor variables: Organizational commitment, occupational environment, and employee motivation

The regression equation of the multiple linear regression analysis

$$Y = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + e$$

$$Y = 3.422 + 0.355 X_1 + 0.312 X_2 + 0.443 X_3$$

Description:

- Y = Purchase Intention
- α = Constant
- X1 = Organizational Commitment
- X2 = Occupational Environment
- X3 = Employee Motivation
- e = Error
- β1 = First Regression Coefficient Number
- β2 = Second Regression Coefficient Number
- β3 = Third Regression Coefficient Number

After adding constants to the inequality, the coefficient table shows the organizational commitment, occupational environment, employee motivation, and job performance. It can be concluded that there is a significant influence between these levels.

Interpretation of Research Results

The mechanism by which employees play a vital role in the relationship between the independent variables of organizational commitment, occupational environment, and employee motivation and the dependent variable of employee job performance to improve their attitude on digital transformation affecting corporate strategy and organizational management.

The Impact of Organizational Commitment on Job Performance

The result of testing the first hypothesis indicates that organizational commitment significantly impacts employee job performance under digital transformation based on the standard regression coefficient of the economic level is 0.335, t=1.663, and the significance level is 0.022<0.05. Therefore, H1 is not establish. Organizational commitment significantly impacts employee job performance in the stage of digital transformation.

The Impact of Occupational Environment on Job Performance

The result of testing the second hypothesis indicates that the occupational environment significantly impacts employee job performance under digital transformation based on the standard regression coefficient of the occupational environment, which is 0.312, t=3.255, and the significance level is 0.016<0.05. Therefore, H2 is not establish. Occupational environment significantly impacts employee job performance in the stage of digital transformation.

The Impact of Employee Motivation on Job Performance

The result of testing the third hypothesis indicates that employee motivation significantly impacts employee job performance under digital transformation based on the standard regression coefficient of employee motivation, which is 0.443, t=3.668, and the significance level is 0.03<0.05.

Therefore, H3 is not establish. Employee motivation significantly impacts employee job performance in the stage of digital transformation.

CONCLUSSION

The research study concluded that organizational commitment, occupational environment, and employee motivation significantly impact job performance for Jiangsu employees in China for corporate strategy and organizational management under digital transformation. China recognizes the strategic importance of digitalization and transformation and is working hard to promote top-level digital design. These efforts are promoting industrial integration and exploring new drivers of economic growth. Chinese multinationals are pursuing two goals: improving production efficiency through intelligent machines and building digital platforms to systematically enhance operational efficiency and service quality. Domestic digital infrastructure investment and construction have accelerated by integrating with various countries' digital economic development strategies worldwide. Furthermore, digital technologies can be fully integrated into the traditional economy, using third-party data for networks and products operated by third-party groups. Understanding employees through multi-dimensional correlation analysis, big data, and artificial intelligence can improve organizational performance. This correlation helps to combine job performance, organizational commitment, work environment, and employee motivation to formulate better corporate strategies and organizational management in Chinese enterprises.

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