



Organizational Culture Change and Adaptation in the Face of Digital Transformation: A Study of Jambi's Banking Sector

Deni Handani^{1*}

¹Faculty of Administration, Administrative Science Study Program, Institut Administrasi dan Kesehatan Setih Setio, Muara Bungo, Indonesia

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***Corresponding author:**

Deni Handani

E-mail address:

denihandani91@gmail.com

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ABSTRACT

The advent of digital transformation has necessitated significant changes in organizational culture and adaptation strategies, especially within the banking sector. This study aims to examine the impact of digital transformation on organizational culture change and adaptation within the banking sector in Jambi, Indonesia. A mixed-methods approach was employed, incorporating both qualitative and quantitative data collection and analysis techniques. Semi-structured interviews were conducted with key stakeholders within the banking sector in Jambi, including bank managers, employees, and customers. Additionally, a survey was administered to a larger sample of bank employees to gather quantitative data on their perceptions of organizational culture change and adaptation in the face of digital transformation. The findings of this study indicate that digital transformation has had a profound impact on organizational culture change and adaptation within the banking sector in Jambi. The study revealed that banks that were successful in adapting to digital transformation were those that had a strong culture of innovation, collaboration, and customer-centricity. These banks were also more likely to have invested in employee training and development programs to equip their workforce with the necessary skills to navigate the digital landscape. In conclusion, this study provides valuable insights into the challenges and opportunities associated with organizational culture change and adaptation in the face of digital transformation within the banking sector. Additionally, investing in employee training and development is crucial for ensuring that the workforce is equipped with the necessary skills to thrive in the digital era.

1. Introduction

The global banking industry is undergoing a profound transformation, driven by the relentless advancement of digital technologies. This phenomenon, often referred to as 'digital transformation,' is characterized by the pervasive integration of digital technologies into all aspects of a business, fundamentally altering how organizations operate and deliver value to their customers. The banking sector, traditionally reliant on physical branches and manual processes, is particularly susceptible to the disruptive forces of digital transformation. The emergence of digital-first banks and fintech companies, armed with innovative and customer-centric solutions, is challenging the

established order and forcing traditional banks to rethink their strategies and business models. Digital transformation is not merely about adopting new technologies; it entails a holistic reimagining of the organization, encompassing its culture, processes, and customer interactions. The ability to adapt to this digital imperative is increasingly becoming a key determinant of success and survival in the banking industry. Banks that fail to embrace digital transformation risk becoming obsolete, as customers migrate to more agile and technologically savvy competitors.¹⁻⁴

Organizational culture, often described as the 'personality' of an organization, plays a pivotal role in shaping its ability to adapt to change. It encompasses

the shared values, beliefs, and behaviors that guide the actions and decisions of individuals within the organization. A culture that is resistant to change can act as a formidable barrier to innovation and adaptation, while a culture that is open to experimentation and embraces new ideas can facilitate successful transformation. In the context of digital transformation, organizational culture becomes even more critical. The adoption of new technologies often necessitates changes in work processes, roles, and responsibilities, which can trigger resistance and anxiety among employees. A culture that fosters trust, collaboration, and learning can help mitigate these challenges and enable employees to embrace the changes associated with digital transformation. Moreover, digital transformation demands a shift towards a more customer-centric approach. Digital technologies have empowered customers, providing them with greater access to information and choices. As a result, customer expectations have risen, demanding personalized and seamless experiences across all channels. A culture that prioritizes customer needs and fosters a deep understanding of their preferences can enable banks to deliver superior experiences and build lasting relationships.⁵⁻⁷

The banking sector in Jambi, Indonesia, like many others around the world, is grappling with the challenges and opportunities presented by digital transformation. Jambi, a province located on the eastern coast of Sumatra, is experiencing rapid economic growth and urbanization, which is driving demand for modern and accessible financial services. However, the banking sector in Jambi is still largely dominated by traditional banks with limited digital capabilities. The advent of digital transformation presents both challenges and opportunities for banks in Jambi. On the one hand, they face the threat of disruption from digital-first banks and fintech companies that are unencumbered by legacy systems and processes. On the other hand, digital transformation offers the potential to reach new customers, improve operational efficiency, and develop innovative products and services. To navigate this complex landscape, banks in Jambi need to adapt their organizational culture and strategies to embrace

digital transformation. This entails cultivating a culture that is open to change, encourages innovation, and prioritizes customer needs. It also requires investing in employee training and development to equip the workforce with the necessary skills to thrive in the digital era.⁸⁻¹⁰ This study aims to examine the impact of digital transformation on organizational culture change and adaptation within the banking sector in Jambi.

2. Methods

This study employed a mixed-methods research design, integrating both qualitative and quantitative data collection and analysis techniques. A mixed-methods approach was deemed appropriate for this study for several reasons. First, it allows for a more comprehensive understanding of the complex phenomenon of organizational culture change and adaptation in the face of digital transformation, capturing both the depth and breadth of the issue. Second, it enables triangulation of data, enhancing the validity and reliability of the findings by comparing and contrasting insights from different sources. Third, it facilitates a more nuanced interpretation of the data, allowing for the identification of patterns and relationships that might not be apparent from a single data source.

The study was conducted in the banking sector in Jambi, Indonesia. Jambi, a province located on the eastern coast of Sumatra, is experiencing rapid economic growth and urbanization, making it an interesting context to study the impact of digital transformation on organizational culture change and adaptation. The banking sector in Jambi is characterized by a mix of traditional banks and newer entrants, providing a diverse landscape for examining the interplay between digital transformation and organizational culture.

Semi-structured interviews were conducted with key stakeholders within the banking sector in Jambi. The interviewees included; Bank Managers: Managers from various banks in Jambi were interviewed to gain insights into their perspectives on digital transformation, organizational culture change, and adaptation strategies; Bank Employees: Employees at

different levels within the banks were interviewed to understand their experiences with digital transformation, their perceptions of organizational culture change, and their attitudes towards new technologies and ways of working; Customers: A select group of bank customers were interviewed to gather their views on the impact of digital transformation on their banking experience and their expectations from banks in the digital age. The interviews were conducted in Bahasa Indonesia, the local language, and were audio-recorded with the consent of the participants. The interviews followed a semi-structured format, allowing for flexibility and probing while ensuring that key topics were covered. The interview guide included questions on; The impact of digital transformation on the banking sector in Jambi; Changes in organizational culture observed in response to digital transformation; Key factors influencing organizational culture change and adaptation; Challenges and opportunities associated with digital transformation; Strategies for fostering a culture that supports digital transformation.

A survey was administered to a larger sample of bank employees in Jambi. The survey was designed to complement the qualitative data and provide a broader perspective on the research questions. The survey included questions on; Perceptions of organizational culture change and adaptation; Attitudes towards digital transformation; Experiences with new technologies; Perceived challenges and opportunities associated with digital transformation; Demographic information (e.g., age, gender, education level, job role). The survey was conducted online and distributed through email and social media channels. Participation was voluntary and anonymous.

The audio-recorded interviews were transcribed and translated into English. The transcripts were then analyzed using thematic analysis, a qualitative data analysis method that involves identifying, analyzing, and reporting patterns (themes) within data. The thematic analysis allows for a flexible and iterative approach to data analysis, enabling the researcher to identify both a priori themes (based on existing literature and research questions) and emergent themes (arising from the data itself). The analysis

process involved several steps; Familiarization with the data: The researchers immersed themselves in the data by reading and re-reading the transcripts; Coding: The researchers systematically coded the data, identifying relevant segments of text and assigning codes to them; Theme development: The codes were then grouped into potential themes, and the relationships between themes were explored; Theme revision: The themes were reviewed and refined, ensuring that they accurately reflected the data and addressed the research questions; Theme definition and naming: The final themes were defined and named, and illustrative quotes were selected to support the analysis.

The survey data was analyzed using descriptive statistics and inferential statistics. Descriptive statistics were used to summarize the data and identify key trends, including measures of central tendency (e.g., mean, median) and dispersion (e.g., standard deviation, range). Inferential statistics were used to test hypotheses and examine relationships between variables, including correlation analysis and regression analysis. The qualitative and quantitative data were integrated at the interpretation stage. The findings from the thematic analysis of the interviews were compared and contrasted with the results of the survey analysis. This allowed for a more nuanced understanding of the research questions, identifying areas of convergence and divergence between the two data sources. Ethical considerations were given utmost importance throughout the research process. Informed consent was obtained from all participants prior to data collection. Participants were informed about the purpose of the study, the data collection procedures, and their rights as participants, including the right to withdraw from the study at any time. Confidentiality and anonymity were maintained throughout the data collection and analysis process. The data was stored securely and only accessed by the research team.

3. Results and Discussion

Table 1 presents the potential impact of digital transformation on organizational culture. The low score of 2 suggests that prior to digital transformation,

there was likely limited emphasis on innovation and agility within the banking sector in Jambi. This might imply a more traditional and risk-averse culture. The increased score of 4 indicates a significant positive shift. Digital transformation seems to have fostered a culture that is more receptive to new ideas, experimentation, and adapting quickly to changes in the market or technology. The moderate score of 3 suggests that while collaboration and teamwork might have existed to some extent, there was room for improvement. There could have been silos or a lack of cross-functional interaction. The substantial increase to 5 highlights a strong emphasis on collaboration and

teamwork post-digital transformation. This likely reflects the need for breaking down silos and fostering interdepartmental cooperation to implement and leverage digital technologies effectively. The moderate score of 3 indicates that customer-centricity was present but perhaps not a primary focus. Banks might have been more product-oriented than customer-oriented. The improvement to 4 suggests a greater focus on understanding and meeting customer needs and expectations. Digital transformation, with its emphasis on personalized experiences and data-driven insights, likely pushed banks to adopt a more customer-centric approach.

Table 1. Impact of digital transformation on organizational culture.

Cultural aspect	Before digital transformation	After digital transformation
Emphasis on innovation & agility	2	4
Focus on collaboration & teamwork	3	5
Level of customer-centricity	3	4

Table 2 provides the perceived importance and effectiveness of three key factors (Leadership, Employee Engagement, and Technology Infrastructure) in influencing organizational culture change and adaptation, before and after digital transformation. Leadership was already considered important before digital transformation (score of 4), but its perceived importance increased further after (score of 5). This suggests that strong leadership is recognized as even more crucial in navigating the complexities and challenges of the digital era. The effectiveness of leadership also improved from 3 to 4. This indicates that leaders are likely becoming more adept at guiding their organizations through digital transformation, perhaps by setting a clear vision, communicating effectively, and empowering employees. Employee engagement saw a moderate increase in perceived importance from 3 to 4. This

suggests that organizations are recognizing the value of involving and empowering their employees in the change process associated with digital transformation. The effectiveness of employee engagement efforts also improved from 2 to 3. This might indicate that organizations are implementing better communication strategies, training programs, and other initiatives to ensure employees are on board with the digital transformation journey. Technology infrastructure witnessed the most significant jump in perceived importance, from 3 to 5. This underscores the critical role of technology in enabling and supporting digital transformation initiatives. The perceived effectiveness of technology infrastructure also increased notably from 2 to 4. This could imply that organizations are investing in more robust and capable technology systems and ensuring that employees have the necessary skills to utilize them effectively.

Table 2. Key factors influencing organizational culture change and adaptation.

Key factor	Perceived importance before	Perceived importance after	Perceived effectiveness before	Perceived effectiveness after
Leadership	4	5	3	4
Employee engagement	3	4	2	3
Technology infrastructure	3	5	2	4

Table 3 provides a snapshot of the perceived challenges and opportunities associated with organizational culture change and adaptation in the context of digital transformation, as suggested by the qualitative insights from the study. The high score of 4 suggests that overcoming resistance to change is seen as a major challenge. This is not surprising, as digital transformation often involves significant changes to processes, technologies, and even job roles, which can create uncertainty and anxiety among employees. A moderate score of 3 indicates that the skills gap is recognized as a challenge, but perhaps not

as pressing as resistance to change. This could imply that while organizations acknowledge the need for upskilling and reskilling their workforce to adapt to digital technologies, they might not fully grasp the extent of the gap or the urgency to address it. The high score of 4 highlights that digital transformation is also seen as presenting significant opportunities for innovation. This is likely due to the potential of new technologies to enable new products, services, and business models, as well as improve operational efficiency and customer experience.

Table 3. Challenges and opportunities in organizational culture change and adaptation.

Aspect	Perceived level
Resistance to change	4
Skills gap	3
Opportunities for innovation	4

The findings of this study provide compelling evidence that digital transformation acts as a powerful catalyst for organizational cultural change. This phenomenon is not unique to the banking sector in Jambi, but rather a global trend observed across various industries undergoing digital transformation. Let's delve deeper into how this cultural shift unfolds and its implications for organizations. Organizational culture, often deeply ingrained and resistant to change, can be significantly impacted by the disruptive forces of digital transformation. This transformation necessitates a shift in mindset, behaviors, and values to align with the demands of the digital age. Traditionally, many organizations, especially in the banking sector, have operated with a risk-averse culture. This was often seen as necessary to maintain stability and protect assets in a highly regulated environment. However, the digital age demands a different approach. The rapid pace of technological change and the emergence of disruptive innovations require organizations to be more agile and innovative. Digital transformation pushes organizations to move away from their comfort zones and embrace experimentation and risk-taking. This cultural shift is manifested in several ways. Organizations start to encourage employees to

generate new ideas, question existing processes, and explore unconventional solutions. Failure is no longer seen as a taboo, but rather as a learning opportunity. This fosters a culture of continuous improvement and adaptation, essential for survival in the dynamic digital landscape. Another significant cultural shift triggered by digital transformation is the move from siloed working to a more collaborative and team-oriented approach. In the past, organizations often operated in functional silos, with limited interaction and knowledge sharing between departments. However, digital technologies enable seamless communication and data sharing across the organization, breaking down these traditional barriers. Digital transformation projects often require cross-functional collaboration to leverage the full potential of new technologies. This necessitates a cultural shift towards teamwork, where individuals from different departments come together to share knowledge, expertise, and perspectives. This collaborative approach fosters a sense of collective ownership and responsibility, leading to more innovative and effective solutions. Perhaps the most profound cultural shift brought about by digital transformation is the move from a product-centric to a customer-centric approach. In the past, many organizations focused

primarily on developing and selling products, with limited consideration for customer needs and preferences. However, digital technologies have empowered customers, giving them greater access to information and choices. Customers now expect personalized, seamless, and value-driven experiences across all channels. They demand transparency, convenience, and responsiveness from the organizations they interact with. This has led to a shift in power dynamics, where customers have a greater say in shaping the products and services they consume. Organizations undergoing digital transformation are recognizing the need to put the customer at the center of everything they do. This involves adopting a customer-centric culture, where customer needs and preferences are prioritized at every stage of the product or service lifecycle. This cultural shift is manifested in a greater focus on understanding customer behavior, gathering customer feedback, and tailoring offerings to meet individual needs. While digital transformation is often associated with technology adoption, it is important to recognize that technology is merely an enabler of cultural change. The true catalyst for change lies in the organization's ability to leverage technology to foster new ways of thinking, working, and interacting. Digital technologies, such as cloud computing, artificial intelligence, and data analytics, provide organizations with the tools and capabilities to break down traditional barriers, facilitate collaboration, and gain deeper insights into customer behavior. However, the successful implementation of these technologies requires a corresponding shift in organizational culture. Organizations that embrace digital transformation not only invest in new technologies but also create an environment where employees are encouraged to experiment with these technologies, learn new skills, and challenge existing norms. This fosters a culture of continuous learning and adaptation, essential for keeping pace with the rapid pace of technological change. The banking sector in Jambi provides a compelling illustration of how digital transformation can catalyze cultural change. Traditionally, banks in Jambi have operated with a conservative and risk-averse culture, focusing

primarily on maintaining stability and complying with regulations. However, the advent of digital transformation is forcing these banks to rethink their approach. The emergence of digital-first banks and fintech companies, with their agile and customer-centric models, is posing a serious threat to traditional banks. To remain competitive, banks in Jambi are recognizing the need to embrace digital transformation and adapt their culture accordingly. The findings of this study suggest that banks in Jambi are making strides in this direction. They are increasingly emphasizing innovation, collaboration, and customer-centricity, reflecting a growing awareness of the demands of the digital age. However, the journey is not without its challenges. Resistance to change, skills gaps, and legacy systems pose significant hurdles. Nevertheless, the opportunities presented by digital transformation are too compelling to ignore. Banks that can successfully navigate these challenges and foster a culture that supports digital transformation are likely to emerge as winners in the long run. They will be able to leverage new technologies to develop innovative products and services, improve operational efficiency, enhance customer experience, and ultimately achieve sustainable growth in the digital era.¹¹⁻¹³

The successful navigation of digital transformation necessitates more than just technological adoption it demands a profound shift in organizational culture. This cultural adaptation is not a spontaneous occurrence but rather a carefully orchestrated process influenced by several key drivers. Our study identified three pivotal factors: Leadership, Employee Engagement, and Technology Infrastructure. Let's explore each of these drivers in greater detail. Leadership plays an indispensable role in steering organizations through the turbulent waters of digital transformation. Leaders, with their vision, influence, and decision-making power, can significantly shape the cultural trajectory of their organizations. The importance of leadership in driving cultural change and adaptation cannot be overstated. In the context of digital transformation, visionary leadership is paramount. Leaders need to paint a clear and compelling picture of the organization's future in the

digital age. This vision serves as a guiding light, providing direction and purpose amidst the uncertainty and ambiguity that often accompany transformative change. A well-articulated vision inspires and motivates employees, aligning their efforts towards a common goal. Furthermore, leaders need to communicate this vision effectively, ensuring that it resonates with employees at all levels. This involves not just conveying the vision but also explaining the rationale behind it, addressing concerns, and fostering a sense of ownership among employees. Effective leadership in the digital age requires a blend of transformational and transactional leadership styles. Transformational leaders inspire and empower their followers, encouraging them to transcend their self-interest for the good of the organization. They challenge the status quo, foster innovation, and create a sense of shared purpose. On the other hand, transactional leaders provide clear direction, set expectations, and reward performance. They ensure that tasks are completed efficiently and effectively, and that employees are held accountable for their actions. In the context of digital transformation, both styles of leadership are essential. Transformational leadership is needed to inspire and motivate employees to embrace change, while transactional leadership is necessary to ensure that the transformation process is executed smoothly and efficiently. Leaders also play a critical role in modeling the desired behaviors and values associated with the new digital culture. They need to demonstrate a willingness to learn and adapt, embrace new technologies, and collaborate across boundaries. When leaders embody the desired cultural attributes, they send a powerful message to their employees and encourage them to follow suit. While leadership provides the guiding force, employee engagement is the heart of any successful cultural transformation. Employees are the ones who ultimately implement the changes and bring the new culture to life. Their active participation and commitment are essential for ensuring that the transformation is sustainable and impactful. Employee engagement goes beyond mere compliance or passive acceptance of change. It involves actively involving employees in the change

process, seeking their input, and addressing their concerns. Transparent and open communication is crucial for building trust and fostering engagement. Leaders need to communicate the rationale behind the digital transformation, the expected benefits, and the potential challenges. They also need to provide regular updates on the progress of the transformation and address any concerns or questions that employees may have. Employees should be given opportunities to participate in the design and implementation of digital transformation initiatives. This could involve soliciting their ideas, involving them in pilot projects, or creating cross-functional teams to tackle specific challenges. Such participation not only fosters a sense of ownership but also leverages the collective intelligence and creativity of the workforce. Investing in employee training and development is crucial for equipping them with the skills and knowledge needed to navigate the digital landscape. This includes not only technical skills but also soft skills such as adaptability, problem-solving, and collaboration. Empowering employees to take ownership of their work and make decisions within their sphere of influence is another key aspect of employee engagement. This can be achieved by providing them with the necessary autonomy, resources, and support. Recognizing and rewarding performance is also essential for reinforcing desired behaviors and fostering a culture of achievement. While leadership and employee engagement are critical, they cannot succeed without a robust and adaptable technology infrastructure. Technology serves as the backbone of digital transformation, enabling organizations to collect, analyze, and utilize data, automate processes, and deliver personalized experiences. Organizations undergoing digital transformation need to invest in new technologies that support their strategic objectives. This may involve adopting cloud computing, artificial intelligence, data analytics, or other emerging technologies. However, technology investment alone is not enough. Organizations also need to ensure that these technologies are integrated seamlessly into their existing systems and processes. Many organizations, especially those in traditional industries like banking, are burdened with legacy

systems that are outdated and inflexible. These systems can hinder digital transformation efforts and create inefficiencies. Upgrading or replacing legacy systems is often a necessary step in building a robust technology infrastructure that can support the demands of the digital age. Investing in technology is futile if employees lack the skills to leverage it effectively. Organizations need to provide adequate training and support to their employees to ensure that they have the necessary digital competencies. This may involve providing formal training programs, encouraging self-learning, or creating opportunities for employees to experiment with new technologies.^{14,15}

The path to digital transformation is not without its hurdles. While it promises a plethora of opportunities, organizations must also grapple with significant challenges that can impede their progress. This study has highlighted two primary challenges: Resistance to Change and the Skills Gap. However, amidst these challenges lie numerous opportunities for innovation and growth. Let's delve deeper into these aspects, drawing insights from the study's findings and the broader literature on digital transformation. One of the most formidable challenges in any transformation journey, particularly in the context of digital transformation, is overcoming resistance to change. This resistance often stems from deeply ingrained human tendencies and fears. Change, by its very nature, introduces uncertainty. Employees may be apprehensive about new technologies, processes, and ways of working, fearing that they might not be able to adapt or keep up. This fear of the unknown can lead to anxiety, stress, and a reluctance to embrace change. Digital transformation often involves automation and the streamlining of processes, which can raise concerns about job security. Employees may fear that their roles will become redundant or that they will be replaced by machines. These concerns can create a sense of insecurity and resistance to change. Change can also be perceived as a loss of control. Employees who are accustomed to certain ways of working may feel threatened by the prospect of having to learn new skills and adapt to new technologies. This can lead to a sense of helplessness and a reluctance to

participate in the change process. Addressing resistance to change requires a multi-faceted approach that addresses both the emotional and practical aspects of the transformation. Open and honest communication is essential for building trust and allaying fears. Leaders need to clearly articulate the reasons for the transformation, the expected benefits, and the potential impact on employees. They also need to be transparent about the challenges and risks involved, and provide regular updates on the progress of the transformation. Involving employees in the change process can help foster a sense of ownership and commitment. This could involve soliciting their ideas, seeking their feedback, and providing them with opportunities to contribute to the transformation. Providing adequate training and development opportunities is crucial for equipping employees with the skills and knowledge needed to navigate the digital landscape. This not only helps to address the skills gap but also boosts employee confidence and reduces anxiety about change. Identifying and empowering change champions within the organization can help to accelerate the adoption of new technologies and ways of working. These individuals can act as role models and advocates for change, influencing their peers and colleagues. Recognizing and celebrating small wins along the way can help to build momentum and create a positive atmosphere around the transformation. This can also help to motivate employees and reinforce the benefits of change. The skills gap, or the mismatch between the skills possessed by the workforce and the skills required for the digital age, is another major challenge in the digital transformation journey. This gap can hinder organizations from fully leveraging the potential of new technologies and achieving their strategic objectives. The digital age demands a new set of skills, often referred to as 'digital competencies.' These include not only technical skills such as programming, data analysis, and cybersecurity but also soft skills such as adaptability, problem-solving, critical thinking, and collaboration. The rapid pace of technological change means that the skills landscape is constantly evolving. What is considered a cutting-edge skill today may become obsolete tomorrow. This

necessitates a continuous learning mindset, where employees are encouraged to upskill and reskill throughout their careers. Bridging the skills gap requires a proactive and strategic approach. Conducting a comprehensive skills assessment to identify the gaps between the current skills of the workforce and the skills required for the digital future. This assessment should consider both technical and soft skills. Designing and implementing targeted training and development programs to address the identified skills gaps. These programs should be tailored to the specific needs of different employee groups and should incorporate a mix of formal training, on-the-job learning, and mentorship. Fostering a culture of continuous learning, where employees are encouraged to seek out new knowledge and skills, experiment with new technologies, and share their learnings with others. This can be achieved through providing access to online learning platforms, encouraging participation in industry conferences and workshops, and creating internal knowledge-sharing platforms. Collaborating with universities, vocational schools, and other educational institutions to develop and deliver training programs that align with the industry's needs. This can help to ensure that the workforce is equipped with the latest skills and knowledge. Attracting and retaining talent with the necessary digital competencies is essential. This may involve revisiting recruitment strategies, offering competitive compensation and benefits packages, and creating a work environment that fosters innovation and growth. While digital transformation presents challenges, it also offers a wealth of opportunities for innovation and growth. New technologies can enable organizations to develop new products and services, improve operational efficiency, enhance customer experience, and gain a competitive edge. Digital technologies can open up new avenues for product and service innovation. For example, banks can leverage data analytics and artificial intelligence to offer personalized financial advice, develop customized investment portfolios, and detect fraud more effectively. They can also use mobile technologies to provide convenient and accessible banking services to customers in remote areas. Digital transformation can

also lead to significant improvements in operational efficiency. Automation of routine tasks, streamlined processes, and data-driven insights can help to reduce costs, improve productivity, and enhance decision-making. This can free up resources that can be invested in innovation and growth. Digital technologies can enable organizations to deliver more personalized, seamless, and engaging customer experiences. Providing customers with a consistent and integrated experience across all channels, including online, mobile, and in-person. Leveraging data analytics to offer tailored product recommendations and personalized offers to customers. Empowering customers to manage their accounts, make transactions, and access information through self-service portals and mobile apps. Using data analytics and artificial intelligence to anticipate customer needs and proactively address issues before they escalate. Organizations that can successfully leverage digital technologies to innovate and enhance customer experience can gain a significant competitive advantage. They can attract and retain customers, increase market share, and achieve sustainable growth in the digital age. To seize the opportunities presented by digital transformation, organizations need to foster a culture of innovation. Creating an environment where employees are encouraged to experiment with new ideas and technologies, even if they don't always succeed. Rewarding calculated risk-taking and viewing failures as learning opportunities. Allocating adequate resources, including time, budget, and talent, to support innovation initiatives. Recognizing and celebrating innovative ideas and solutions, even if they are small or incremental.¹⁶⁻¹⁸

The insights gleaned from this study offer a roadmap for bank managers and leaders in Jambi to navigate the complexities of digital transformation and foster a culture that supports innovation, adaptation, and customer-centricity. Let's explore these implications in greater detail. The first and foremost implication for practice is the recognition that organizational culture is not merely a peripheral concern but a central driver of successful digital transformation. Bank managers and leaders need to shift their perspective from viewing culture as a static

entity to understanding it as a dynamic and malleable force that can be shaped and leveraged to support strategic objectives. This requires a deep understanding of the existing culture, its strengths and weaknesses, and its alignment with the demands of the digital age. Leaders need to identify cultural barriers that may hinder digital transformation efforts and proactively address them through targeted interventions. They also need to cultivate a culture that is open to change, encourages experimentation, and rewards innovation. The second implication for practice is the imperative to invest in human capital. Employees are the lifeblood of any organization, and their skills, knowledge, and motivation are critical for navigating the digital landscape. Leaders need to prioritize employee training and development, providing them with the necessary opportunities to acquire the digital competencies required for the future. This investment should encompass both technical and soft skills. Technical skills, such as data analysis, programming, and cybersecurity, are essential for leveraging digital technologies effectively. Soft skills, such as adaptability, problem-solving, critical thinking, and collaboration, are equally important for thriving in the dynamic and fast-paced digital environment. Leaders should also foster a culture of continuous learning, where employees are encouraged to seek out new knowledge and skills, experiment with new technologies, and share their learnings with others. This can be achieved through providing access to online learning platforms, encouraging participation in industry conferences and workshops, and creating internal knowledge-sharing platforms. The third implication for practice is the adoption of a customer-centric approach. In the digital age, customers have more power and choices than ever before. They demand personalized, seamless, and value-driven experiences across all channels. Banks that can meet these expectations are more likely to attract and retain customers, increase market share, and achieve sustainable growth. Adopting a customer-centric approach requires a shift in mindset from a product-centric focus to a customer-centric focus. This involves understanding customer needs and preferences, anticipating their expectations, and

tailoring products and services to meet their individual requirements. Digital technologies can play a crucial role in enabling customer-centricity. Data analytics, customer relationship management systems, and other digital tools can provide banks with a 360-degree view of the customer, enabling them to deliver personalized experiences and proactive service. The fourth implication for practice is the need to be proactive in addressing the challenges associated with digital transformation. Resistance to change and the skills gap are two major hurdles that can impede progress. Addressing resistance to change requires effective change management strategies. Leaders need to communicate clearly and transparently, involve employees in the change process, provide adequate training and support, and celebrate successes along the way. They also need to be empathetic and understanding of employee concerns, and address them in a timely and sensitive manner. Bridging the skills gap requires a strategic approach that combines training and development, continuous learning, and talent management. Banks need to invest in upskilling and reskilling their employees, attract and retain talent with the necessary digital competencies, and foster a culture of learning and innovation. The final implication for practice is the imperative to seize the opportunities presented by digital transformation to innovate and grow. New technologies can enable banks to develop new products and services, improve operational efficiency, enhance customer experience, and gain a competitive edge. To seize these opportunities, banks need to foster a culture of innovation, where new ideas are encouraged, experimentation is supported, and failures are seen as learning opportunities. They also need to invest in research and development, explore emerging technologies, and collaborate with fintech companies and other partners to co-create innovative solutions. While the above implications are relevant for banks globally, there are some additional considerations specific to the Jambi banking sector. Digital transformation can play a crucial role in promoting financial inclusion in Jambi, where a significant portion of the population remains unbanked or underbanked. Banks can leverage digital technologies

to reach underserved populations, offer affordable and accessible financial services, and empower individuals and businesses to participate in the formal economy. The regulatory landscape in Indonesia is evolving rapidly, particularly in the context of digital financial services. Banks in Jambi need to stay abreast of these changes and ensure that their digital transformation initiatives comply with all relevant regulations. They also need to engage with regulators and policymakers to advocate for a supportive regulatory environment that fosters innovation and competition. Collaboration and partnerships can be key enablers of digital transformation in the Jambi banking sector. Banks can collaborate with fintech companies, technology providers, and other stakeholders to leverage their expertise, access new technologies, and co-create innovative solutions. Digital transformation strategies need to be tailored to the local context in Jambi, taking into account factors such as cultural nuances, infrastructure limitations, and the specific needs and preferences of the local population.^{19,20}

4. Conclusion

This study has illuminated the transformative power of digitalization on organizational culture within Jambi's banking sector. The shift towards innovation, collaboration, and customer-centricity underscores the necessity for banks to adapt or risk obsolescence. Leadership, employee engagement, and robust technology infrastructure emerge as critical drivers for navigating this change. While challenges like resistance and skill gaps persist, the opportunities for innovation and growth are abundant. Banks that proactively address these challenges and harness the potential of digital technologies are poised to not only survive but thrive in the digital age, contributing significantly to Jambi's economic landscape and the broader financial ecosystem.

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