

Capability-Based Framework on How Organizational Culture Shapes Digitalisation-Driven Operational Performance Improvement

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ABSTRACT

Digitalisation has become increasingly important for firms seeking to improve operational efficiency, responsiveness, and competitiveness. However, the adoption of digital technologies does not necessarily translate into superior operational performance, particularly when firms lack the internal capabilities required to effectively integrate digital resources into existing business practices. This conceptual paper proposes a capability-based framework explaining how organisational culture enables digitalisation-driven performance improvement among building material trading companies in the Sultanate of Oman. Drawing upon the Resource-Based View and Dynamic Capability Theory, the framework conceptualises digitalisation of products and processes through three dimensions, namely e-commerce, interactive social media, and web advertising. Organisational culture is positioned as an enabling mechanism comprising innovative, supportive, and bureaucratic cultural orientations, while operational excellence is represented through cost, quality, delivery, and flexibility performance. The framework argues that digitalisation provides valuable technological resources and opportunities, but organisational culture determines how effectively these resources are integrated, adopted, and transformed into operational capabilities. The paper therefore proposes that organisational culture mediates the relationship between digitalisation and operational excellence. The framework contributes to the digital transformation literature by moving beyond a technology-centric perspective and highlighting the importance of complementary organisational capabilities in converting digitalisation initiatives into operational value. It also provides a contextualised theoretical foundation for understanding digitalisation-driven performance improvement in the building material trading sector in Oman and offers a basis for future empirical investigation.

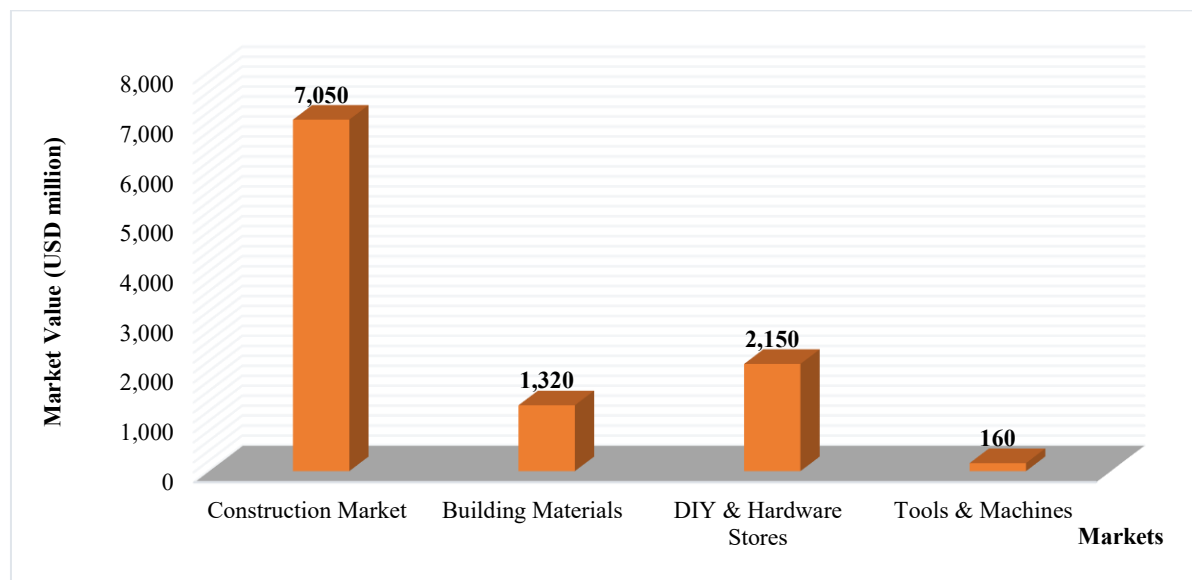
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INTRODUCTION

The rapid advancement of digital technologies has fundamentally transformed the way organisations create value, manage operations, and compete in increasingly dynamic business environments (Erdmann et al., 2023). Digitalisation has moved beyond the simple adoption of information technologies and has become a strategic capability that enables organisations to redesign processes, improve customer interactions, and enhance operational responsiveness. In particular, digitalisation of products and processes through digital platforms, e-commerce applications, interactive social media, and web-based advertising has provided firms with new opportunities to improve market reach, streamline business activities, and strengthen relationships with customers and suppliers (Wassan et al., 2022). As organisations continue to face increasing market uncertainty, technological disruption, and changing customer expectations, the ability to integrate digital capabilities into operational activities has become essential for achieving sustainable competitive advantage.

The building material trading sector represents an important business segment that relies heavily on efficient supply chain management, customer responsiveness, inventory coordination, and reliable delivery performance. In the Sultanate of Oman, building material trading companies play a significant role in supporting the construction and infrastructure sectors by facilitating the distribution of essential materials such as cement, steel,

wood, electrical products, and other construction-related supplies. Figure 1 compares the market value of four key segments that collectively define the operating environment of building material trading companies in Oman. The construction sector dominates the market landscape, valued at approximately USD7.05 billion, represents the principal source of demand for building materials. Notably, the building materials segment alone accounts for approximately USD1.32 billion, underscoring the strategic importance of building materials trading companies within Oman's construction ecosystem. The presence of supporting segments such as DIY and hardware stores as well as tools and machines markets further reinforce the scale and increasing market complexity and competition of the ecosystem in which building materials traders operate.



Source: Mordor Intelligence (2026)

Figure 1. Market Value of Construction and Building Materials-related Segments in Oman

The steady growth forecast for this market, with an estimated compound annual growth rate (CAGR) of over 3 percent through 2029 (Mordor Intelligence, 2026), indicates a stable but competitive business environment. The key growth drivers of building materials market include increasing urbanisation, rising construction activities, and government infrastructure initiatives. These factors create a robust demand for building materials as new residential and commercial projects emerge across the country. Muscat, Salalah, and Sohar are the dominant cities in the Oman building materials market. Muscat leads due to urban development, Salalah benefits from tourism, and Sohar's industrial growth contributes to the demand for building materials. The market is segmented into residential, commercial, industrial, as well as government and utilities.

However, this growth also brings challenges. Building materials trading in Oman is typically characterised by thin margins, high inventory turnover, logistics complexity, and credit-based relationships with large clients; these factors that increase operational risks (Ken Research, 2025). Moreover, market players often operate within traditional business paradigms, family ownership structures, relying heavily on manual or semi-digital operational processes, face-to-face customer interactions, and informal logistics coordination (Latif, 2020). Although digital technologies such as ERP systems, digital inventory platforms, and online ordering systems have become increasingly available, their adoption remains uneven and often limited to basic transactional functions (Islam & Khadem, 2023). While these approaches have contributed to business continuity, they may limit firms' ability to achieve higher levels of operational excellence in terms of cost efficiency, quality improvement, delivery reliability, and operational flexibility.

Digitalisation provides an opportunity for building material trading companies to overcome these operational challenges by improving information accessibility, enhancing customer engagement, and enabling more efficient business processes. For example, e-commerce capabilities can facilitate online ordering and transaction efficiency, interactive social media can strengthen customer communication and relationship management, while web advertising can enhance market visibility and customer acquisition. Nevertheless, the implementation of

digitalisation does not automatically guarantee improved organisational performance. Previous studies have demonstrated that many organisations invest in digital technologies but fail to achieve expected benefits due to inadequate organisational readiness, resistance to change, lack of employee acceptance, and misalignment between technology initiatives and organisational practices (Al Ghunaimi et al., 2025; Oman News Agency, 2025; Times of Oman, 2025). This suggests that the value of digitalisation depends not only on technological resources but also on the organisational capabilities that enable firms to effectively utilise and integrate these resources.

One critical yet insufficiently explored capability is organisational culture. Organisational culture represents the shared values, assumptions, and behavioural norms that influence how employees perceive, adopt, and utilise new technologies within organisational settings (Wahyudi et al., 2025). In the context of digital transformation, organisational culture determines whether digital initiatives are embraced as opportunities for improvement or perceived as disruptive changes to existing practices (Marlius et al., 2026). Innovative culture encourages experimentation, technological exploration, and continuous improvement; supportive culture promotes employee involvement, collaboration, and knowledge sharing; while bureaucratic culture provides structural stability, standardisation, and process discipline necessary for effective implementation (Ziaei Nafchi & Mohelská, 2020). Therefore, organisational culture may serve as a critical mechanism that transforms digitalisation initiatives into meaningful operational improvements.

Despite growing academic and practical interest in digital transformation, several gaps remain evident. First, existing research has predominantly examined digitalisation from a technological adoption perspective, focusing on the availability and utilisation of digital tools rather than the organisational capabilities required to convert digital resources into performance outcomes (Kahre et al., 2017). Second, limited attention has been given to the role of organisational culture as an enabling mechanism in the relationship between digitalisation and operational performance (Martínez-Caro et al., 2020), particularly within traditional trading sectors where operational efficiency is central to competitiveness. Third, research focusing on digitalisation-driven operational improvement among building material trading companies, especially within emerging markets such as the Sultanate of Oman, remains relatively limited. These gaps indicate the need for a capability-based perspective that explains not only whether firms adopt digital technologies, but also how organisational factors enable digitalisation to generate operational excellence.

Therefore, this conceptual paper aims to develop a capability-based framework explaining how organisational culture enables digitalisation-driven operational performance improvement among building material trading companies in the Sultanate of Oman. Drawing upon the Resource-Based View (RBV) and Dynamic Capability Theory, this study conceptualises digitalisation of products and processes as a strategic organisational capability and organisational culture as an internal enabling capability that facilitates the transformation of digital resources into operational excellence. Specifically, the proposed framework examines how digitalisation dimensions, including e-commerce, interactive social media, and web advertising, can contribute to improved operational performance through enhanced cultural readiness and organisational capability development.

This study contributes to both theoretical and practical domains. From a theoretical perspective, this conceptual paper extends digital transformation literature by moving beyond a technology-centric view and emphasising the importance of organisational culture as a capability that enables firms to capture value from digitalisation investments. By integrating digital capability perspectives with organisational culture theory, the study provides a more comprehensive explanation of how digital transformation translates into operational outcomes. From a practical perspective, the proposed framework provides valuable insights for managers of building material trading companies in Oman by highlighting that successful digitalisation requires not only investment in digital technologies but also the development of supportive, innovative, and adaptive organisational cultures. The framework may assist organisations and policymakers in designing digital transformation strategies that enhance operational efficiency, strengthen competitiveness, and support long-term business sustainability.

Conceptual Development

Digitalisation of Products and Processes as a Strategic Capability

Digitalisation refers to the integration of digital technologies into organisational activities to improve processes, customer experiences, and business models (Vial, 2019). Unlike digitisation, which focuses on converting analogue information into digital formats, digitalisation involves broader organisational transformation through the application of digital technologies to enhance value creation and operational effectiveness (Verhoef et al., 2021). For trading firms, digitalisation of products and processes has become increasingly important due to changing customer purchasing behaviours and the growing expectation for faster, more transparent, and convenient services. In the building material trading sector, digitalisation can enhance business activities through multiple channels. For example, e-commerce capability enables customers to search, compare, and purchase products through online platforms, reducing transaction barriers and improving market accessibility. Interactive social media facilitates direct communication between firms and customers, strengthening relationship management and customer responsiveness. Meanwhile, web advertising increases market visibility by allowing firms to reach broader customer segments through targeted digital marketing strategies.

From an operational perspective, digitalisation enables organisations to improve internal processes by reducing manual activities, increasing information availability, and supporting faster decision-making (Wlazlak et al., 2025). Digital technologies can enhance inventory management, order processing, customer communication, and supply chain coordination (Telukdarie et al., 2023), which are particularly important for building material trading companies where delivery reliability and operational efficiency are critical. However, digitalisation should not be understood merely as technology adoption. Instead, it represents an organisational capability that requires alignment between technological resources, business processes, and organisational practices (Adamczak et al., 2023). Firms that successfully integrate digital technologies into their operations are more likely to achieve superior operational outcomes because digital capabilities enable process optimisation, resource efficiency, and improved responsiveness (Fabian et al., 2024; Moutinho et al., 2021).

Organisational Culture as an Enabling Capability

Organisational culture represents the shared assumptions, values, beliefs, and behavioural patterns that influence how employees understand and respond to organisational changes (Wahyudi et al., 2025). Culture plays a particularly important role during digital transformation because technological change requires modifications in employee behaviour, decision-making processes, and organisational routines. According to Cameron and Quinn (2011), organisational culture can be classified into different orientations, including hierarchical or bureaucratic culture, innovative culture, and supportive culture. Each cultural orientation provides different mechanisms through which organisations respond to digital transformation.

A bureaucratic culture, although sometimes associated with rigidity, can also contribute positively to digital transformation by providing formal structures, standardised procedures, and operational discipline (Cameron & Quinn, 2011; Wallach, 1983). In operationally intensive sectors such as building material trading, bureaucratic elements may ensure that digital processes are implemented consistently and integrated into daily operations. An innovative culture encourages experimentation, creativity, and willingness to adopt new technologies. In digitally transforming organisations, innovative culture enables employees to explore new digital solutions and identify opportunities for process improvement (Ziaei Nafchi & Mohelská, 2020). Such cultural characteristics are essential because digitalisation requires continuous adaptation rather than one-time technology implementation. A supportive culture emphasises collaboration, employee involvement, and knowledge sharing (Cameron & Quinn, 2011; Wallach, 1983). Digital transformation initiatives often fail when employees perceive new technologies as threats rather than opportunities. Supportive cultures reduce resistance by encouraging communication, learning, and collective participation in transformation processes. Therefore, organisational culture should not be viewed as a passive organisational characteristic but as a strategic capability that influences how effectively firms capture value from digitalisation (Wallach, 1983).

Operational Performance as an Outcome

Operational performance represents a firm's ability to achieve superior operational outcomes through effective management of resources, processes, and capabilities (Adem & Virdi, 2024). It reflects the extent to which firms continuously improve their operational activities to deliver value through efficiency, reliability, quality, and responsiveness (Slack et al., 2022). In highly competitive industries, operational excellence has become a critical source of competitive advantage because it enables firms to reduce unnecessary costs, improve service quality, respond quickly to customer requirements, and adapt to market changes (Ngole & Mabonesho, 2023). For building material trading companies, operational performance is particularly important because business success depends heavily on effective inventory management, timely product delivery, supplier coordination, and customer responsiveness. Unlike manufacturing firms that primarily focus on production efficiency, trading companies operate within complex supply and distribution networks where operational performance is determined by their ability to coordinate information flows, manage customer expectations, and ensure product availability.

This study conceptualises operational excellence through four dimensions, namely cost, quality, delivery, and flexibility (Akin Ateş et al., 2022; Masa'deh et al., 2022). These dimensions represent fundamental operational priorities that determine a firm's ability to compete effectively. First, cost performance refers to the firm's ability to produce and deliver products/services at a lower cost compared to competitors while maintaining acceptable quality levels (Akin Ateş et al., 2022). It reflects internal operational efficiency, resource utilisation, and cost control effectiveness (Masa'deh et al., 2022). Digitalisation can support cost improvement by automating business activities, reducing administrative burdens, and improving information accessibility. Second, quality performance reflects the organisation's ability to consistently deliver reliable products and services that meet customer expectations (Slack et al., 2022). In building material trading companies, digital technologies can enhance quality management by improving product information accuracy, order tracking, and customer communication. Third, delivery performance represents the ability to provide products at the right time and location while maintaining reliability and responsiveness (Akin Ateş et al., 2022). Digitalisation enables improved coordination among customers, suppliers, and logistics partners, supporting faster order processing and more effective delivery management. Fourth, flexibility performance refers to the firm's ability to respond effectively to changing market conditions, customer requirements, and competitive pressures (Akin Ateş et al., 2022). Digital capabilities provide firms with greater visibility and adaptability, allowing them to adjust business processes according to market demands (Vial, 2019). Therefore, operational performance is not merely an outcome of technological investment but the result of effectively integrating digital resources with organisational capabilities. This highlights the importance of examining the organisational mechanisms that enable digitalisation to generate operational benefits.

Theoretical Foundation

The proposed framework is grounded in two complementary theoretical perspectives, which are the Resource-Based View (RBV) and Dynamic Capability Theory. Together, these perspectives provide a comprehensive explanation of how building material trading companies in the Sultanate of Oman can transform digitalisation initiatives into improved operational outcomes.

The Resource-Based View (RBV) argues that organisations achieve sustainable competitive advantage through the possession and effective utilisation of valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). Unlike traditional perspectives that emphasise external market conditions as the primary source of competitive advantage, RBV highlights the importance of internal organisational resources, including technological assets, knowledge, capabilities, and organisational processes. However, resources alone do not automatically generate superior performance; rather, organisations must develop capabilities that enable them to effectively deploy and integrate these resources into value-creating activities (Barney, 1991; Wernerfelt, 1984).

Within the context of digital transformation, digital technologies represent strategic resources that can enhance organisational competitiveness. Digitalisation of products and processes enables firms to improve customer accessibility, information exchange, market responsiveness, and process efficiency. However, digital technologies are increasingly becoming accessible to many firms, reducing their ability to create sustainable

competitive advantages independently. Therefore, competitive value does not arise merely from possessing digital technologies but from developing complementary organisational capabilities that enable firms to exploit these technologies effectively (Bharadwaj et al., 2013). In this regard, organisational culture represents an important intangible capability that determines how digital resources are interpreted, accepted, and utilised within organisations. A culture that encourages innovation, employee involvement, knowledge sharing, and continuous improvement allows firms to maximise the value of digitalisation initiatives (Wessel et al., 2022). Conversely, firms with rigid cultural structures may struggle to integrate digital technologies effectively despite substantial technological investments (Schein, 2017). Therefore, RBV provides the theoretical justification that digitalisation and organisational culture should be viewed as complementary capabilities that jointly contribute to operational excellence.

While RBV explains the importance of organisational resources, Dynamic Capability Theory provides further insight into how firms adapt and transform these resources under changing environmental conditions. Teece et al. (1997) defined dynamic capabilities as a firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. In contemporary business environments characterised by technological disruption, evolving customer expectations, and intensified competition, firms require dynamic capabilities to continuously modify their processes and strategies. Digital transformation represents a dynamic capability challenge because organisations must continuously identify technological opportunities, redesign operational processes, and develop new ways of delivering value. According to Teece (2007), dynamic capabilities involve three fundamental processes, which are sensing opportunities, seizing opportunities, and transforming organisational resources. Digitalisation enables firms to sense market changes through improved customer information, seize opportunities through digital channels, and transform operational processes through technology-enabled practices.

However, the successful implementation of digital transformation depends heavily on organisational readiness and cultural alignment. Warner and Wäger (2019) argued that digital transformation requires organisations to develop specific capabilities related to digital sensing, digital experimentation, and digital transformation management. These capabilities allow firms to adapt operational activities more efficiently and respond more effectively to environmental changes, thereby contributing to improved operational performance (Teece, 2018; Warner & Wäger, 2019; Liu et al., 2024). In addition, these capabilities are strongly influenced by organisational culture because culture determines employees' willingness to embrace technological changes, collaborate across functions, and engage in continuous learning.

Overall, for building material trading companies in Oman, RBV suggests that digitalisation investments alone are insufficient to enhance operational outcomes. Instead, firms must develop internal cultural capabilities that allow digital resources to improve cost efficiency, quality consistency, delivery reliability, and operational flexibility. Thus, this study conceptualises digitalisation of products and processes as a strategic resource and organisational culture as a complementary organisational capability that enables performance improvement. Further, Dynamic Capability Theory explains why firms adopting similar digital technologies may experience different operational outcomes. While one company may use e-commerce and social media merely as communication tools, another may strategically integrate these technologies into customer management, supply chain coordination, and operational decision-making. The difference lies in the firm's ability to transform digital resources into improved operational capabilities. Therefore, organisational culture functions as an enabling mechanism that facilitates the conversion of digitalisation into operational excellence.

Hypotheses Development

Digitalisation of Products and Processes and Organisational Culture

Digital transformation requires fundamental changes in organisational structures, processes, and employee behaviours. Therefore, digitalisation initiatives influence not only technological systems but also the cultural characteristics of organisations. Organisations adopting digital technologies must develop cultural orientations that support innovation, collaboration, learning, and adaptation (Hautala-Kankaanpää, 2022). Digitalisation encourages firms to move from traditional, internally focused practices toward more open, connected, and customer-oriented approaches. For example, the implementation of e-commerce requires employees to adopt

new methods of customer interaction, order processing, and information management. Similarly, interactive social media requires organisations to develop more responsive communication practices, while web advertising requires a greater emphasis on market intelligence and customer engagement.

From a dynamic capability perspective, digitalisation stimulates firms to develop new routines and behavioural patterns that support continuous adaptation (Kohtamäki et al., 2020). Digital technologies create opportunities for firms to experiment with new business models, improve knowledge sharing, and enhance collaboration across organisational boundaries (Groshev & He, 2024). An innovative culture facilitates digitalisation by encouraging employees to explore new technologies, accept experimentation, and develop creative solutions to operational challenges (Grover et al., 2022). A supportive culture strengthens digitalisation by promoting employee participation, knowledge sharing, and collective learning (Kohtamäki et al., 2020). Meanwhile, bureaucratic culture provides formal structures and governance mechanisms that ensure digital processes are systematically implemented and maintained. However, the extent to which these opportunities are realised depends on whether the organisational culture supports digital transformation.

For building material trading companies in Oman, where many firms have historically relied on traditional business approaches, developing an appropriate organisational culture is essential for maximising the value of digitalisation investments. Digital technologies may provide new opportunities, but organisational culture determines whether these technologies become embedded into everyday business practices. Based on this argument, the following hypothesis is proposed.

H₁: Digitalisation of products and processes positively influences organisational culture

Organisational Culture and Operational Performance

Organisational culture has long been recognised as an important determinant of firm performance because it shapes employee behaviour, decision-making processes, and organisational routines (Schein, 2022). In operational contexts, culture influences how employees approach problem-solving, process improvement, customer service, and continuous learning (Egwu & Nwosu, 2025; Malewska et al., 2024). An innovative culture contributes to operational performance by encouraging organisations to identify new approaches for improving processes and responding to operational challenges (Qiang et al., 2024). Employees within innovative cultures are more willing to experiment with new technologies, redesign existing workflows, and pursue continuous improvement initiatives. As a result, innovative culture enhances operational flexibility and responsiveness.

A supportive culture improves operational performance by strengthening employee commitment, teamwork, and knowledge exchange (Wijethilake et al., 2023). Operational performance requires coordination among different organisational functions, including sales, procurement, inventory management, and logistics. Supportive cultures encourage collaboration, enabling employees to collectively solve operational problems and improve service delivery. Although often associated with control and rigidity, a bureaucratic culture can also contribute to operational performance when appropriate levels of formalisation and standardisation are required (Qiang et al., 2024). In building material trading companies, structured procedures can improve consistency in order processing, inventory control, financial management, and customer service. Thus, bureaucratic culture may enhance quality and reliability by reducing operational errors.

The relationship between organisational culture and operational performance is particularly important in digital transformation contexts because technology implementation requires behavioural adaptation. Without cultural alignment, employees may resist digital systems, resulting in underutilisation of technological investments. Therefore, organisational culture acts as an internal capability that transforms digital initiatives into operational improvements. Accordingly, the following hypothesis is suggested.

H₂: Organisational culture positively influences operational performance

Digitalisation of Products and Processes and Operational Performance

Digitalisation has become a critical driver of operational improvement by enabling organisations to redesign processes, improve information flow, and enhance customer responsiveness (Verhoef et al., 2021). Digital technologies allow firms to automate routine activities, reduce operational inefficiencies, and make faster data-driven decisions (Vial, 2019). Digitalisation through e-commerce, social media, and web advertising provides several operational advantages. E-commerce platforms improve transaction efficiency by enabling online ordering, reducing manual processing, and expanding customer accessibility. Interactive social media improves communication speed and strengthens customer relationships by enabling real-time interaction. Web advertising enhances market reach by improving product visibility and attracting potential customers.

Beyond customer-facing activities, digitalisation improves internal operational processes by increasing transparency and coordination (Dubey et al., 2021). Digital tools enable firms to monitor customer requirements, manage inventory information, coordinate suppliers, and improve decision-making processes (Wamba et al., 2021). These capabilities directly contribute to operational dimensions such as cost reduction, improved quality, faster delivery, and greater flexibility (Huang et al., 2025). Previous studies suggest that digitally mature organisations achieve superior performance because they are better able to integrate information, redesign processes, and respond to environmental changes (Ainin et al., 2025; Verhoef et al., 2021; Wahyudi Putra et al., 2025). However, digitalisation outcomes depend on organisational capability development, suggesting that technology alone does not fully explain operational improvements. Therefore, the following hypothesis is conjectured.

H₃: Digitalisation of products and processes positively influences operational performance

The Mediating Role of Organisational Culture in the Relationship Between Digitalisation and Operational Excellence

Although digitalisation provides organisations with valuable technological opportunities, the transformation of these opportunities into operational benefits requires effective organisational mechanisms (Wiengarten et al., 2013). This study proposes that organisational culture functions as a mediating capability that explains how digitalisation contributes to operational excellence. From the RBV perspective, digital technologies represent valuable resources; however, competitive advantages emerge only when firms possess complementary capabilities that enable effective resource utilisation (Barney, 1991). Organisational culture represents such a capability because it shapes employee attitudes, organisational routines, and behavioural responses toward digital transformation. From the perspective of Dynamic Capability Theory, digitalisation requires organisations to continuously sense opportunities, seize technological possibilities, and transform existing processes (Teece, 2007). Organisational culture facilitates these activities by encouraging innovation, supporting employee adaptation, and maintaining operational discipline.

In the context of building material trading companies in Oman, digitalisation may provide access to new customer channels and operational technologies. However, without a culture that supports digital adoption, employees may continue relying on traditional processes, limiting the effectiveness of digital investments. Conversely, organisations with innovative, supportive, and appropriately structured cultures are more likely to integrate digital technologies into daily operations and achieve superior operational outcomes. Thus, organisational culture serves as the bridge between digital capabilities and operational excellence. Accordingly, the following hypothesis is suggested.

H₄: Organisational culture mediates the relationship between digitalisation of products and processes and operational performance

Proposed Conceptual Framework

Based on the theoretical arguments above, this study proposes a capability-based framework explaining how digitalisation contributes to operational performance through organisational culture.

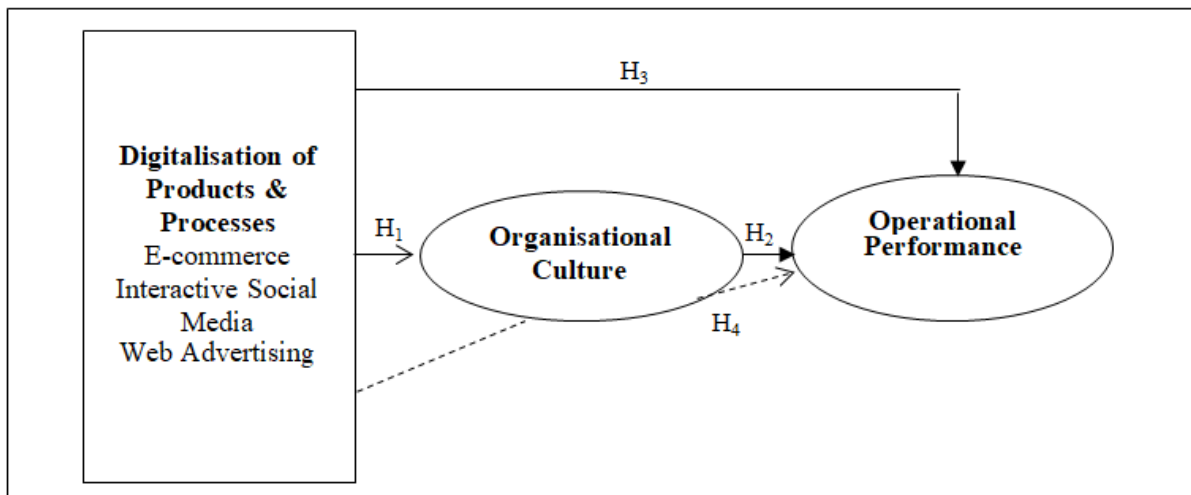


Figure 2. Conceptual Framework

Figure 2 illustrates the proposed framework that advances existing digital transformation research by arguing that operational performance is not achieved through technology adoption alone. Instead, digitalisation of products and processes creates performance value when supported by organisational cultural capabilities that enable firms to effectively integrate digital resources into operational practices.

DISCUSSION AND THEORETICAL CONTRIBUTIONS

The proposed capability-based framework provides a more comprehensive explanation of how digitalisation contributes to operational performance by highlighting the critical role of organisational culture as an enabling mechanism. Existing digital transformation research has predominantly focused on technological adoption, digital maturity, and the direct impact of digital technologies on organisational outcomes (Vial, 2019; Verhoef et al., 2021). While these studies provide valuable insights into the strategic importance of digitalisation, they provide limited explanation regarding why some organisations achieve substantial performance improvements from digital investments while others experience limited benefits.

This conceptual paper addresses this limitation by proposing that digitalisation should not be viewed as an isolated technological phenomenon but as an organisational capability that requires cultural alignment. Specifically, the framework suggests that digitalisation of products and processes creates potential value, but organisational culture determines the extent to which this value is realised through operational performance. By integrating digital capability perspectives with organisational culture theory, this study provides a more holistic explanation of digitalisation-driven performance improvement.

The first theoretical contribution relates to the extension of the Resource-Based View. Previous RBV studies emphasise that competitive advantage emerges from valuable and difficult-to-imitate organisational resources (Barney, 1991). However, digital technologies have become increasingly accessible, reducing their ability to serve as unique sources of competitive advantage. This study extends RBV by arguing that the competitive value of digitalisation depends on complementary organisational capabilities, particularly organisational culture. Digital technologies represent strategic resources, whereas organisational culture represents the intangible capability that enables firms to exploit these resources effectively.

The second theoretical contribution relates to Dynamic Capability Theory. Previous research highlights that digital transformation requires organisations to sense technological opportunities, seize new possibilities, and transform existing business processes (Teece, 2018). This study extends this perspective by identifying organisational culture as a critical micro-foundation of dynamic capabilities. Innovative culture facilitates experimentation and digital exploration, supportive culture encourages employee engagement and knowledge sharing, while bureaucratic culture provides structural stability and process discipline. Therefore, organisational culture represents an underlying mechanism that enables organisations to continuously adapt and transform.

The third contribution is the development of a sector-specific conceptual perspective for building material trading companies in the Sultanate of Oman. Although digital transformation research has expanded significantly, much of the existing literature focuses on manufacturing firms, large corporations, or technology-oriented industries. Traditional trading sectors remain comparatively underexplored despite their significant economic contribution and increasing exposure to digital disruption. By focusing on building material trading companies, this study highlights how digital capabilities can improve operational priorities that are particularly relevant in trading environments, including cost efficiency, product quality assurance, delivery reliability, and operational flexibility.

Managerial Implications

The proposed framework provides several important implications for managers of building material trading companies in Oman and similar emerging market contexts. First, managers should recognise that digital transformation is not merely a technology investment but a strategic organisational transformation. The adoption of e-commerce platforms, social media marketing, and web advertising should be accompanied by organisational changes that encourage employees to integrate digital tools into daily business operations. Organisations that focus only on acquiring technologies without developing internal capabilities may fail to achieve expected operational improvements. Second, managers should actively develop a digital-oriented organisational culture. An innovative culture should be encouraged by supporting experimentation, continuous improvement, and openness toward new digital solutions. For example, employees should be encouraged to explore new approaches for online customer engagement, digital sales channels, and technology-enabled service improvements.

Third, managers should strengthen supportive cultural practices to reduce employee resistance toward digitalisation. Digital transformation often requires employees to learn new skills, modify established routines, and adopt unfamiliar technologies. Therefore, organisations should provide training opportunities, encourage knowledge sharing, and involve employees throughout the digital transformation process. Fourth, managers should recognise the value of bureaucratic culture in maintaining operational consistency. Although excessive bureaucracy may restrict innovation, appropriate levels of formalisation can support digital transformation by ensuring that digital processes are standardised, monitored, and aligned with organisational objectives. For building material trading companies, structured digital workflows can improve inventory management, order accuracy, and delivery coordination. Finally, managers should evaluate digital transformation success through operational outcomes rather than technology implementation alone. The effectiveness of digitalisation should be assessed based on whether it contributes to measurable improvements in cost efficiency, service quality, delivery performance, and operational flexibility.

Limitations and Future Research Directions

Although this conceptual paper provides a theoretically grounded framework, several limitations should be acknowledged. The proposed relationships remain conceptual and require empirical validation. Future studies should collect quantitative data from building material trading companies in Oman to examine the validity of the proposed framework. Structural equation modelling approaches, such as PLS-SEM, could be employed to examine the relationships among digitalisation of products and processes, organisational culture, and operational excellence. Next, this study focuses specifically on three dimensions of digitalisation, namely e-commerce, interactive social media, and web advertising. While these dimensions represent important digital capabilities for trading companies, future research may incorporate additional digital transformation dimensions, such as artificial intelligence (AI), enterprise resource planning (ERP) systems, big data analytics, cloud computing, and digital supply chain technologies.

Further, this conceptual paper positions organisational culture as a mediating mechanism. Future research may examine alternative roles of organisational culture, such as a moderating variable that strengthens or weakens the relationship between digitalisation and operational performance. For example, firms with highly innovative cultures may achieve stronger benefits from digitalisation compared with firms characterised by traditional cultural orientations. Moreover, this study focuses on building material trading companies in the Sultanate of Oman. Although this context provides valuable insights into an underexplored sector, future studies could

examine other industries and countries to enhance generalisability. Comparative studies between developed and emerging economies could provide deeper understanding of how institutional environments influence digital transformation outcomes. Finally, future research could adopt longitudinal research designs to examine how organisational culture and digital capabilities evolve over time. Digital transformation is not a one-time implementation but an ongoing process of organisational renewal. Longitudinal studies would provide richer insights into how firms gradually develop digital maturity and achieve sustainable operational excellence.

CONCLUSION

Digitalisation has become an essential strategic capability for firms seeking to improve competitiveness and operational performance. However, technological adoption alone does not guarantee superior outcomes. This conceptual paper proposes that organisational culture represents a critical capability that enables firms to translate digitalisation initiatives into operational excellence. Drawing upon Resource-Based View and Dynamic Capability Theory, the proposed framework explains how digitalisation of products and processes can enhance operational outcomes through innovative, supportive, and structured organisational cultures.

By focusing on building material trading companies in the Sultanate of Oman, this study extends current digital transformation research beyond technology-centric perspectives and highlights the importance of organisational capabilities in achieving digitalisation-driven performance improvement. The proposed framework provides a foundation for future empirical investigation and offers practical guidance for managers seeking to successfully navigate digital transformation while enhancing operational excellence.

Authors' Contributions

The first author conceptualised the study, conducted the literature review, developed the theoretical framework, and prepared the manuscript as part of his doctoral research at Universiti Selangor, Malaysia. The co-author provided academic supervision, contributed to the conceptual development, and critically reviewed and revised the manuscript. All authors approved the final version of the manuscript.

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