



Managerial Innovation as a Lever for Digital Transformation Success: Toward an Integrated Organizational Value Creation Framework

Mohamed Amine Loukili ¹, Abbas Mokhtari ²

^{1,2}University professor, Faculty of Economics and Management, Nador (FEMN) Mohammed First University, Oujda (UMP), Morocco

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ABSTRACT

The accelerating pace of digital transformation has fundamentally restructured competitive landscapes across industries, compelling organizations to reconsider not only their technological investments but, more critically, their managerial architectures and innovation capacities. While extant scholarship has extensively examined the technological dimensions of digital transformation, comparatively limited attention has been devoted to managerial innovation as a primary enabling condition for sustained digital transformation success. This article addresses that gap by developing a theoretically grounded, integrative conceptual framework—the Integrated Organizational Value Creation Framework (IOVCF)—that articulates the causal pathways through which managerial innovation drives digital transformation and ultimately generates organizational value. Anchored in four complementary theoretical perspectives—Dynamic Capabilities Theory, the Resource-Based View (RBV), Organizational Change Theory, and Socio-Technical Systems Theory—the framework models a cascading logic: managerial innovation cultivates organizational capabilities (agility, learning, adaptability, and collaborative intelligence), which in turn facilitate digital transformation success (technology adoption, process digitalization, data integration, and digital innovation), culminating in multi-dimensional organizational value creation (operational performance, resilience, stakeholder satisfaction, and sustainable competitive advantage). Twelve formal research propositions are derived and theoretically justified. Managerial implications emphasize that digital transformation leaders must invest in organizational redesign, agile management practices, digital culture formation, knowledge management systems, employee empowerment, and collaborative ecosystems alongside—and often prior to—technology deployment. A rich agenda for future empirical research is outlined, encompassing cross-national validation, SME contexts, AI-enabled transformation, and sustainability-oriented digital strategies.



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*Corresponding author: m.loukili@ump.ac.ma

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1. Introduction

The contemporary business environment is characterized by unprecedented technological disruption, exponential growth in data generation, and the pervasive diffusion of digital technologies across every sector of the global economy. Digital transformation—broadly understood as the profound organizational and strategic reconfiguration enabled by digital technologies—has emerged as a dominant strategic imperative for firms seeking to sustain competitive advantage in the twenty-first century (Vial, 2019; Verhoef et al., 2021). However, empirical evidence consistently demonstrates that investment in digital technologies alone does not guarantee transformational outcomes. A significant proportion of digitalization initiatives fail to deliver anticipated returns, and organizations that invest heavily in technology without concomitant organizational and managerial change often experience performance stagnation, employee disengagement, and strategic incoherence (Kane et al., 2019; Ross et al., 2019).

This paradox invites a more nuanced, organizationally grounded analysis of the conditions under which digital transformation produces sustained value. Among the most underexplored of these conditions is managerial innovation—defined as the adoption of new management practices, processes, structures, and techniques that represent a significant departure from established organizational routines (Birkinshaw et al., 2008; Mol & Birkinshaw, 2009). Managerial innovation shapes how organizations are governed, how decisions are made, how resources are allocated, and how human capital is mobilized. As such, it constitutes a foundational prerequisite for the organizational reconfiguration that effective digital transformation demands.

Despite its strategic significance, the relationship between managerial innovation and digital transformation has received insufficient theoretical treatment in the literature. Existing research tends to treat management and technology as parallel but largely independent streams, neglecting the systemic and mutually constitutive dynamics that link them. This article responds to this gap by developing an integrated conceptual framework that positions managerial innovation as the primary antecedent of digital transformation success, mediated by a set of organizational capabilities that amplify the transformative effects of digital technologies.

The central research question guiding this inquiry is: How does managerial innovation contribute to digital transformation success and organizational value creation? To address this question, the paper draws on

four theoretical traditions—Dynamic Capabilities Theory (Teece et al., 1997; Teece, 2018), the Resource-Based View (Barney, 1991; Kraaijenbrink et al., 2010), Organizational Change Theory (Lewin, 1951; Armenakis & Bedeian, 1999), and Socio-Technical Systems Theory (Trist & Bamforth, 1951; Clegg, 2000)—which together provide a comprehensive and multi-level explanatory architecture for the phenomenon under investigation.

The theoretical contributions of this paper are threefold. First, it bridges the managerial innovation and digital transformation literatures through a formal conceptual model. Second, it integrates four distinct theoretical perspectives into a coherent explanatory framework, demonstrating their complementarity and mutual reinforcement. Third, it derives twelve research propositions that provide a rigorous foundation for future empirical inquiry. From a managerial standpoint, the paper offers actionable guidance for executives and organizational leaders seeking to design and implement digital transformations that are sustainable, inclusive, and strategically coherent.

The remainder of the paper is structured as follows. Section 2 presents a systematic review of the relevant literatures. Section 3 develops a theoretical analysis of eight key dimensions linking managerial innovation and digital transformation. Section 4 presents the integrated conceptual framework and formal research propositions. Section 5 discusses theoretical and managerial implications. Section 6 identifies directions for future research. Section 7 concludes.

2. Literature review

2.1 Managerial Innovation: Conceptualization and Dimensions

Managerial innovation occupies a distinctive position within the broader innovation literature, one that remains undertheorized relative to technological or product innovation. Birkinshaw et al. (2008, p. 825) define managerial innovation as "the invention and implementation of a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals." This definition emphasizes both novelty—relative to current practice—and intentionality, distinguishing genuine managerial innovation from organizational routine or imitation. Mol and Birkinshaw (2009) extend this conceptualization by highlighting the cumulative and path-dependent nature of managerial innovation: new management practices build on existing organizational knowledge, generating idiosyncratic combinations that are inherently difficult to replicate.

The dimensions of managerial innovation are multifaceted. Scholars have distinguished between structural innovations (changes in organizational architecture, hierarchies, and governance arrangements), process innovations (changes in decision-making, planning, and control systems), and cultural innovations (changes in organizational values, norms, and behavioral expectations) (Damanpour & Aravind, 2012). More recently, digital-era scholarship has extended the concept to encompass data-driven management innovations—the adoption of algorithmic decision support, predictive analytics, and digital performance management systems—which represent a new frontier of managerial transformation (George et al., 2016; Hamet & Maurer, 2017).

Empirical research has demonstrated that managerial innovation generates significant competitive effects. Mol and Birkinshaw (2009) found that firms engaging in managerial innovation exhibit higher rates of knowledge codification, stronger absorptive capacity, and superior exploitation of external knowledge. Foss et al. (2013) argued that managerial innovation enhances organizational motivation and coordination mechanisms, thereby improving the utilization of distributed knowledge assets. In the digital transformation context, Tabrizi et al. (2019) found that organizational culture and management practices are more predictive of digital transformation success than technology investment *per se*—a finding that reinforces the centrality of managerial innovation as an analytical construct.

Recent developments in the managerial innovation literature have emphasized the increasing complexity and dynamism of the managerial function itself. The proliferation of hybrid and remote work models, the rise of platform-based organizational structures, and the growing importance of ecosystem management have each demanded new management practices, logics, and competencies (Adner, 2017; Jacobides et al., 2018). Accordingly, managerial innovation in the digital age is increasingly understood not merely as the adoption of new tools or processes, but as a fundamental reconstitution of the managerial identity, role, and value proposition (Hamel & Zanini, 2020).

2.2 Digital Transformation: Definitions, Imperatives, and Challenges

Digital transformation has attracted substantial scholarly and practitioner attention over the past decade, yet conceptual ambiguity remains a persistent challenge in the literature. Vial (2019, p. 118) offers one of the most widely adopted definitions, characterizing digital transformation as "a process that aims to improve an

entity through significant changes to its properties through combinations of information, computing, communication, and connectivity technologies." Alternatively, Matt et al. (2015) emphasize the strategic dimension, framing digital transformation as the integration of digital technologies into all dimensions of organizational activity to deliver value to customers and stakeholders. Verhoef et al. (2021) develop a staged model, distinguishing between digitization (conversion of analog to digital), digitalization (adoption of digital tools within existing processes), and full digital transformation (fundamental strategic and organizational reconfiguration enabled by digital technologies).

The strategic importance of digital transformation is broadly recognized. Fitzgerald et al. (2013) identified digital transformation as a top strategic priority for senior executives across industries, citing competitive pressure, customer expectation shifts, and operational efficiency imperatives as primary drivers. More recent analyses have added resilience and crisis-response capacity—powerfully illustrated by the COVID-19 pandemic, which dramatically accelerated digital adoption across sectors (Chanas et al., 2019; Ivanov, 2020). Firms with more advanced digital capabilities demonstrated markedly greater capacity to pivot their business models and sustain operational continuity during the pandemic period (McKinsey Global Institute, 2020).

Key success factors for digital transformation identified in extant literature span technological, organizational, and leadership dimensions. From a technological standpoint, cloud computing infrastructure, application programming interfaces (APIs), and enterprise data architectures are widely recognized as foundational enablers (Ross et al., 2019). Organizationally, flexible structures, cross-functional teams, and agile methodologies are considered critical (Cichosz et al., 2020; Weill & Woerner, 2018). From a leadership perspective, digital vision, transformational leadership style, and the capacity to manage organizational ambidexterity are identified as essential managerial competencies (Tumbas et al., 2018; Benner & Tushman, 2015).

The challenges of digital transformation are correspondingly substantial. Organizational inertia—characterized by entrenched routines, legacy systems, and resistance to change—represents the most frequently cited impediment (Hannan & Freeman, 1984; Leonardi, 2011). Cultural barriers, particularly the prevalence of risk-averse hierarchical cultures, impede the experimentation that digital transformation requires (Westerman et al., 2014). Talent gaps and the alignment challenge—ensuring that digital initiatives are coherently integrated with

broader organizational strategy—remain persistent sources of transformation failure (Bharadwaj et al., 2013).

2.3 Organizational Value Creation in the Digital Context

Organizational value creation in the digital age is a multi-dimensional construct encompassing operational performance, organizational agility, innovation capability, competitive advantage, and long-term sustainability. Traditional conceptions of organizational performance, focused on financial metrics such as return on assets or total shareholder return, are increasingly recognized as insufficient to capture the full range of value generated by digital transformation (Teece, 2018; Zott & Amit, 2010).

Operational performance improvements—including cost reduction, process automation, and quality enhancement—represent the most immediate and measurable form of digital value creation. Aral and Weill (2007) demonstrated that IT investments generate differential performance effects depending on the type of technology and organizational context, emphasizing the need for complementary organizational capabilities. Organizational agility—the capacity to respond rapidly and flexibly to environmental changes—represents a second critical dimension of digital value creation (Doz & Kosonen, 2010; Tallon & Pinsonneault, 2011).

Innovation capability—the organizational capacity to develop novel products, services, processes, and business models—is increasingly viewed as a primary source of digital value creation (Nambisan et al., 2017; Yoo et al., 2012). Digital technologies dramatically expand the innovation possibility space by enabling modular product architectures, generative design processes, open innovation ecosystems, and rapid prototyping. Competitive advantage in the digital age is characterized by its increasingly dynamic, knowledge-intensive, and ecosystem-dependent nature (Amit & Han, 2017; Porter & Heppelmann, 2014). Long-term sustainability—encompassing environmental, social, and governance (ESG) dimensions—has emerged as an integral component of organizational value creation, as digital transformation enables more precise measurement and optimization of sustainability performance (Nambisan et al., 2019).

3. Theoretical analysis: managerial innovation and digital transformation

The relationship between managerial innovation and digital transformation is complex, multi-dimensional, and reciprocally constituted. This section develops a theoretically grounded analysis of eight key dimensions

of this relationship, drawing on the four theoretical foundations outlined in the introduction.

3.1 Leadership Innovation and Transformational Vision

Leadership innovation—the adoption of novel leadership models, governance structures, and decision-making architectures—is foundational to digital transformation success. Dynamic Capabilities Theory underscores the role of senior leadership in orchestrating organizational sensing, seizing, and reconfiguring activities (Teece, 2018). Leaders who innovate in their own practices—embracing distributed leadership, collaborative governance, and data-driven decision-making—cultivate conditions for digital transformation by reducing information asymmetries, accelerating strategic responsiveness, and building organizational commitment to transformational goals. Kane et al. (2019) demonstrate that digital maturity is significantly correlated with the quality of organizational leadership rather than the sophistication of technology infrastructure, reinforcing the primacy of leadership innovation as a transformational antecedent.

3.2 Organizational Redesign and Structural Innovation

Effective digital transformation requires the dismantling of traditional hierarchical, function-based organizational structures and their replacement with more fluid, network-based architectures. Organizational Change Theory (Lewin, 1951; Kotter, 1996) highlights that structural change is a necessary precondition for cultural and behavioral transformation: new structures create new roles, incentive systems, and interaction patterns that gradually shift organizational norms and capabilities. Managerial innovations in organizational design—including the adoption of agile squads, cross-functional product teams, platform-based organizational models, and digital centers of excellence—have been shown to significantly enhance digital transformation outcomes by accelerating decision cycles and creating dedicated capacity for innovation (Bughin & Van Zeebroeck, 2017; Weill & Woerner, 2018).

3.3 Agile Management Practices

The adoption of agile management principles—derived from software development but increasingly applied across organizational functions—represents one of the most consequential managerial innovations of the digital era. Agile practices, including iterative planning, cross-functional team autonomy, continuous feedback integration, and minimum viable product (MVP) experimentation, create organizational conditions conducive to digital transformation by reducing the risk and cost of innovation, accelerating learning cycles, and

enabling rapid adaptation to emerging opportunities (Rigby et al., 2016; Cichosz et al., 2020). Socio-Technical Systems Theory is particularly instructive here, as it emphasizes joint optimization of social and technical subsystems: agile management practices represent precisely such optimization, redesigning social systems in parallel with technical systems.

3.4 Digital Culture Development

Organizational culture represents one of the most powerful and persistent determinants of digital transformation success. A digital culture—characterized by openness to experimentation, tolerance of failure, data literacy, customer-centricity, and cross-functional collaboration—is both an output of managerial innovation and a prerequisite for sustained digital transformation. Managerial innovations in culture-building—including the design of new socialization mechanisms, recognition and reward systems, and leadership communication practices—are essential for creating the cultural substrate that digital transformation requires (Westerman et al., 2014; Nadkarni & Prügl, 2021). The RBV perspective is particularly relevant here: organizational culture that supports digital transformation is a rare, valuable, inimitable, and non-substitutable resource (Barney, 1991) that generates sustainable competitive advantage precisely because it is embedded in organizational history, relationships, and tacit knowledge.

3.5 Knowledge Management and Learning Systems

Knowledge management—the systematic creation, codification, sharing, and application of organizational knowledge—is a critical mediating mechanism through which managerial innovation drives digital transformation success. Dynamic Capabilities Theory emphasizes absorptive capacity (Cohen & Levinthal, 1990)—the ability to identify, assimilate, and exploit externally generated knowledge—as a core dynamic capability determining the effectiveness of technology adoption. Managerial innovations in knowledge management, including the design of communities of practice, digital learning platforms, knowledge taxonomies, and intellectual capital measurement systems, substantially enhance organizational absorptive capacity and thereby accelerate the learning cycles that digital transformation demands (Davenport & Prusak, 1998; Nonaka & Takeuchi, 1995).

3.6 Employee Empowerment and Human Capital Innovation

Digital transformation is fundamentally a people transformation: its success ultimately depends on the

capacity of the human organization to engage with, adapt to, and generate value from digital technologies. Employee empowerment—the managerial innovation of distributing decision-making authority, resource access, and innovation responsibility to frontline employees—is a critical enabler of this people transformation. Organizational Change Theory highlights the role of individual agency in shaping organizational change trajectories (Bartunek & Moch, 1987; Orlikowski, 1996): empowered employees are more likely to engage in the voluntary, discretionary behaviors that digital transformation requires, including proactive problem-solving, cross-boundary knowledge sharing, and digital experimentation.

3.7 Collaborative Ecosystems and Open Innovation

The boundary of the digitally transforming organization is increasingly permeable: digital transformation both generates and depends upon rich networks of external partners, including technology vendors, platform providers, research institutions, startup ecosystems, and industry consortia. Managerial innovations in ecosystem governance—including the design of open innovation architectures, digital partnership frameworks, co-creation platforms, and API-based integration standards—enable organizations to access, recombine, and leverage external knowledge and capabilities that would be impossible to develop internally (Chesbrough, 2003; Jacobides et al., 2018). Dynamic Capabilities Theory frames ecosystem orchestration as a distinct capability—the ability to configure, coordinate, and evolve a network of complementary resources (Teece, 2018).

3.8 Change Management Mechanisms

The management of organizational change is itself a domain of managerial innovation, particularly in digital transformation contexts that generate deep organizational uncertainty, identity disruption, and resistance. Managerial innovations in change management—including the design of digital transformation roadmaps, change coalition architectures, communication campaigns, resistance management protocols, and transformation measurement systems—are critical determinants of transformation pace and sustainability. Recent scholarship emphasizes the need for more iterative, participatory, and sensemaking-oriented change processes (Weick, 1995; By, 2005). The Socio-Technical Systems perspective frames change management as a process of continuous negotiation and mutual adjustment between social and technical subsystems, rather than a linear, managerially directed sequence of states.

4. An integrated conceptual framework and research propositions

Building on the theoretical analysis developed in Section 3, this section presents the Integrated Organizational Value Creation Framework (IOVCF). The framework is organized into four sequential levels connected by theoretical causal mechanisms and twelve formal research propositions.

4.1 Framework Architecture

The IOVCF is structured as a cascading, four-level model. Figure 1 presents the framework architecture. The four levels are connected by directional causal mechanisms rooted in the theoretical foundations described in Section 1, and incorporate feedback loops from Level 4 back to Level 1, reflecting the iterative, learning-based nature of digital transformation.

FIGURE 1. Integrated Organizational Value Creation Framework (IOVCF)



Theoretical foundations: Dynamic Capabilities Theory, Dynamic Managerial Capabilities,

Resource-Based View, Organizational Change Theory, Socio-Technical Systems Theory.

Arrows indicate hypothesized causal directionality, each qualified by the mediating

mechanism shown in italics; feedback loops connect Level 4 to Level 1 (organizational

learning and renewal cycles); the moderator band conditions the strength of every link.

4.2 Level 1 to Level 2: Managerial Innovation and Organizational Capabilities

The first causal link in the IOVCF connects managerial innovation to the development of organizational capabilities. Dynamic Capabilities Theory provides the primary theoretical justification for this relationship: dynamic capabilities are embedded in organizational routines, processes, and structures, and their development is contingent on managerial decisions about resource allocation, knowledge management, and organizational design (Teece et al., 1997). Managerial innovations that redesign organizational structures, cultivate digital cultures, empower employees, and build collaborative ecosystems directly generate the dynamic capabilities—agility, learning, adaptability, and collaborative intelligence—that enable digital transformation.

P1: Managerial innovation in leadership practices is positively associated with the development of organizational agility, as leaders who adopt distributed, collaborative governance models reduce decision latency and enhance the organization's capacity for rapid strategic reconfiguration.

P2: Managerial innovation in organizational design—specifically the adoption of agile, cross-functional team structures—is positively associated with organizational learning capacity, as flatter hierarchies and enhanced cross-functional interaction facilitate knowledge sharing and collective sensemaking.

P3: Managerial innovation in human capital management—particularly employee empowerment practices—is positively associated with organizational adaptability, as empowered employees demonstrate greater behavioral flexibility and engage more readily in the voluntary, discretionary change behaviors that digital transformation requires.

P4: Managerial innovation in ecosystem management—including the development of open innovation architectures and collaborative digital partnerships—is positively associated with organizational collaborative intelligence, expanding the knowledge pool available for digital transformation and innovation activities.

4.3 Level 2 to Level 3: Organizational Capabilities and Digital Transformation Success

The second causal link connects organizational capabilities to digital transformation success outcomes. Socio-Technical Systems Theory provides the foundational insight: effective technology adoption and integration requires joint optimization of social capabilities (agility, learning, collaboration) and technical systems (platforms, data architectures, digital processes). Organizations that have developed strong dynamic capabilities are better positioned to adopt digital technologies effectively, digitalize core business processes, integrate cross-functional data systems, and generate digital innovations (Vial, 2019; Teece, 2018).

P5: Organizational agility is positively associated with digital technology adoption success, as agile organizations demonstrate greater capacity to evaluate, experiment with, and rapidly deploy emerging digital technologies without being inhibited by organizational inertia or procedural rigidity.

P6: Organizational learning capacity is positively associated with successful process digitalization, as organizations with robust knowledge codification and transfer mechanisms can more effectively embed digital tools into operational processes and capture learning-by-doing efficiencies.

P7: Organizational collaborative intelligence is positively associated with data integration and analytics success, as effective data governance and utilization require cooperation across organizational functions, hierarchical levels, and external ecosystem boundaries.

P8: Organizational adaptability, cultivated through managerial innovation in change management and culture development, is positively associated with digital business model innovation, as adaptive organizations are more willing to cannibalize existing business models and explore radical digital market opportunities.

4.4 Level 3 to Level 4: Digital Transformation Success and Organizational Value Creation

The third causal link connects digital transformation success outcomes to organizational value creation. The RBV and Dynamic Capabilities Theory converge on the insight that sustained value creation requires the development of rare, valuable, inimitable, and non-substitutable organizational resources and capabilities. Digital transformation, when effectively executed, generates precisely such resources—proprietary data assets, digital platform positions, algorithmic capabilities, and digital brand equity—that serve as durable sources of competitive advantage (Barney, 1991; Teece, 2018).

P9: Successful digital technology adoption is positively associated with operational performance improvements—including cost reduction, process efficiency, quality enhancement, and revenue growth—through the elimination of manual processes, reduction of transaction costs, and expansion of addressable market scope.

P10: Successful process digitalization and data integration are positively associated with organizational resilience, as digital organizations can more rapidly reconfigure resource allocations, identify emerging risks, and mobilize adaptive responses in the face of environmental disruption.

P11: Digital business model innovation is positively associated with multi-dimensional stakeholder satisfaction—including customers, employees, investors, and communities—as novel digital value propositions, enhanced service personalization, and improved transparency generate value across multiple stakeholder dimensions simultaneously.

P12: The integration of all four digital transformation success outcomes—technology adoption, process digitalization, data integration, and digital business model innovation—generates sustainable competitive advantage that is qualitatively distinct from technology-alone advantages, as it is embedded in unique organizational capabilities, cultural assets, and ecosystem positions that competitors cannot easily replicate.

4.5 Feedback Loops and System Dynamics

A critical feature of the IOVCF distinguishing it from linear stage models is the incorporation of feedback loops connecting the value creation level back to the managerial innovation level. Organizational learning theory (Argyris & Schön, 1978) and the dynamic capabilities perspective both emphasize that value-generating outcomes create new organizational knowledge, generate new resource endowments, and reveal new strategic possibilities that in turn stimulate

further rounds of managerial and technological innovation. Organizations that effectively capture and reinvest the value generated by digital transformation—in the form of new talent, new data assets, new ecosystem relationships, and new innovation investment—enter virtuous cycles of capability development and competitive advantage creation. Conversely, organizations that fail to translate digital transformation outcomes into new organizational learning and managerial innovation risk strategic lock-in and capability obsolescence in rapidly evolving digital environments.

5. Discussion

5.1 Theoretical Implications

The IOVCF makes several significant theoretical contributions to the literatures on digital transformation, managerial innovation, and organizational value creation. First, by positioning managerial innovation as the primary antecedent of digital transformation success—rather than technology investment or digital infrastructure—the framework advances a fundamentally human-centered and organizationally embedded theory of digital transformation. This reorientation has important implications for how digital transformation should be conceptualized, measured, and managed in both scholarly and practitioner communities.

Second, the framework demonstrates the theoretical productivity of integrating multiple theoretical perspectives that are typically treated as independent or even competing. Dynamic Capabilities Theory, the RBV, Organizational Change Theory, and Socio-Technical Systems Theory each illuminate distinct aspects of the managerial innovation–digital transformation relationship: DCT explains capability development mechanisms, RBV explains competitive advantage generation, OCT explains the process of organizational transformation, and STS explains the necessity of joint social-technical optimization. Together, they provide a more complete and internally consistent explanatory architecture than any single theory could support in isolation.

Third, the explicit modeling of organizational capabilities as a mediating layer between managerial innovation and digital transformation success contributes to the growing literature on capability-mediated digital transformation (Vial, 2019; Warner & Wäger, 2019). The four capability dimensions identified in the IOVCF—agility, learning, adaptability, and collaborative intelligence—provide a more nuanced and operational conceptualization of organizational readiness for digital transformation than the generic notions of digital maturity that dominate practitioner discourse. Fourth, the incorporation of

feedback loops into the IOVCF reflects a dynamic, systemic view of digital transformation that is more theoretically sophisticated than static or one-directional models, aligning with complexity-theoretic approaches to organizational change (Stacey, 2011).

5.2 Contributions to the Digital Transformation Literature

The paper makes several targeted contributions to the digital transformation literature. First, it addresses a significant gap by providing a formal, theoretically grounded account of the managerial antecedents of digital transformation success. While existing research has identified organizational culture, leadership, and talent as important enablers, it has not systematically integrated these factors into a coherent causal model. The IOVCF provides that integration. Second, the paper contributes to the emerging literature on digital transformation value creation by specifying four distinct dimensions of organizational value and articulating the causal mechanisms through which digital transformation generates value in each dimension—moving beyond the financial performance focus that dominates existing quantitative research. Third, by anchoring the framework in four established theoretical perspectives, the paper strengthens the theoretical foundations of digital transformation research, which has been criticized for its reliance on atheoretical, descriptive, or practitioner-driven accounts (Vial, 2019; Verhoef et al., 2021).

5.3 Implications for Managers and Decision-Makers

The IOVCF has several important implications for senior executives and digital transformation leaders. Most fundamentally, the framework argues that digital transformation strategy should be conceived and executed as a program of managerial innovation, not merely a program of technology investment. This implies that executives should devote as much strategic attention—and resource allocation—to organizational redesign, culture development, leadership innovation, and change management as they do to technology selection and deployment.

More specifically, the framework identifies eight managerial innovation levers that individually and collectively drive the organizational capability development on which digital transformation success depends. Each lever is actionable and can be operationalized through specific management interventions: leadership development programs, structural redesign initiatives, agile methodology adoption, culture measurement and change programs, knowledge management system investment, empowerment-oriented HR practices, ecosystem

partnership development, and structured change management methodologies. The feedback loop structure of the IOVCF further implies that digital transformation is not a discrete project with a defined start and end, but a continuous organizational learning and adaptation process—one that requires persistent managerial innovation, adaptive learning, and organizational renewal to sustain competitive advantage over time.

6. Future research directions

6.1 Empirical Validation of the IOVCF

The most immediate priority for future research is the empirical validation of the IOVCF and its constituent propositions. Survey-based studies could operationalize the key constructs and test the hypothesized relationships using structural equation modeling (SEM) or partial least squares (PLS-SEM) techniques. Longitudinal panel studies would be particularly valuable in capturing the dynamic, path-dependent nature of the framework, tracking the evolution of managerial innovation practices, capability development, and digital transformation outcomes over time. Qualitative case studies, using matched-case designs comparing digital transformation leaders and laggards within the same industry, could provide rich insights into the contextual factors that moderate the relationships proposed in the IOVCF.

6.2 Cross-Country and Cross-Industry Comparative Research

The generalizability of the IOVCF across national and institutional contexts represents an important open question. Cross-country comparative studies could examine how institutional environments—including national innovation systems, labor market regulations, and digital infrastructure quality—moderate the relationship between managerial innovation and digital transformation success. The comparison of emerging and advanced economies would shed particular light on whether managerial innovation plays a more decisive role in contexts where digital infrastructure is less mature and institutional uncertainty is higher. Cross-industry comparative research could further explore how industry-specific factors—competitive dynamics, regulatory environments, and technology adoption curves—affect the configuration and impact of managerial innovation in digital transformation processes.

6.3 Managerial Innovation and Digital Transformation in SMEs

Small and medium-sized enterprises (SMEs) represent a critical but largely understudied context for digital transformation research. SMEs face a distinctive set of

constraints—including limited financial resources, smaller talent pools, reduced bargaining power with technology vendors, and less developed organizational capabilities—that make the managerial innovation–digital transformation relationship potentially quite different from the large enterprise context. Future research should develop SME-specific adaptations of the IOVCF, examining which managerial innovation dimensions are most critical for SME digital transformation success and identifying the minimum capability thresholds required for effective digitalization.

6.4 AI-Enabled Managerial Innovation and Transformation

The rapid diffusion of artificial intelligence (AI) and machine learning technologies across organizational functions is generating a new wave of managerial innovation that the current framework has only partially captured. AI-enabled managerial innovations—including algorithmic decision support, intelligent talent management systems, autonomous process management, and AI-augmented strategic planning—have the potential to fundamentally reconfigure the managerial function and substantially alter the dynamics of digital transformation. Future research should examine how AI adoption in management functions affects the development of organizational capabilities, the pace and scope of digital transformation, and the nature and distribution of value creation, with particular attention to implications for organizational power dynamics, decision accountability, and human capital development.

6.5 Sustainability-Oriented Digital Transformation

The intersection of digital transformation and organizational sustainability represents one of the most promising and underexplored frontiers in current management research. Digital technologies offer unprecedented opportunities to monitor, measure, and optimize environmental and social performance, and managerial innovations in sustainability governance—including digital sustainability reporting, AI-enabled environmental management, and blockchain-based supply chain transparency—are increasingly central to organizational value creation strategies. Future research should develop and test models explicitly integrating sustainability dimensions into the IOVCF, examining how managerial innovation in sustainability management interacts with digital transformation processes to generate environmental and social value alongside financial returns (Herremans et al., 2016; Nambisan et al., 2019).

7. Conclusion

This article has developed the Integrated Organizational Value Creation Framework (IOVCF), positioning managerial innovation as the primary enabling condition for digital transformation success and organizational value creation. Anchored in Dynamic Capabilities Theory, the Resource-Based View, Organizational Change Theory, and Socio-Technical Systems Theory, the framework articulates a cascading causal logic connecting eight dimensions of managerial innovation to organizational capability development, which in turn drives digital transformation success and culminates in multi-dimensional organizational value creation.

The central theoretical claim of the IOVCF is that digital transformation is fundamentally an organizational and managerial phenomenon, not merely a technological one. Organizations that invest in technology without investing in the managerial innovations required to cultivate organizational agility, learning, adaptability, and collaborative intelligence will fail to realize the full value potential of their digital investments. Conversely, organizations that approach digital transformation as an integrated program of managerial and technological innovation—sequencing their investments appropriately and building the organizational capabilities that enable effective technology adoption and integration—will generate sustainable competitive advantages that are deeply embedded in unique organizational knowledge, cultural assets, and ecosystem positions.

The twelve research propositions derived from the IOVCF provide a rigorous and testable foundation for future empirical research across a range of methodological approaches and organizational contexts. The five priority research directions identified in Section 6—empirical validation, cross-country comparative studies, SME applications, AI-enabled managerial innovation, and sustainability-oriented digital transformation—constitute an ambitious but tractable agenda for advancing theoretical and empirical understanding of digital transformation in the decades ahead.

For practitioners, the IOVCF offers a comprehensive map of the managerial innovation landscape that digital transformation demands, a set of clearly specified causal mechanisms that explain why managerial innovation matters, and a principled basis for prioritizing and sequencing transformation investments. The dynamic, feedback-loop-inclusive nature of the framework underscores that digital transformation is not a destination but a continuous organizational journey—one that requires persistent managerial innovation, adaptive learning, and organizational renewal to sustain

competitive advantage in an increasingly digitalized world.

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