Organizational Adaptation in the Era of Digital Transformation: Evidence from UK Multinational Corporations

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How to cite this article:

Anjum, A., & Umer, F. (2025). Organizational Adaptation in the Era of Digital Transformation: Evidence from UK Multinational Corporations. *Journal of Excellence in Business Administration, 3*(2), 25-41.

Received: 8 July 2025 / Accepted: 27 November 2025 / Published online: 5 December 2025

Abstract

Digital transformation has become a central strategic concern for multinational corporations, yet its successful implementation depends not only on technological investment but also on the capacity of organizations to adapt structurally, culturally, and strategically. This study critically examines organizational adaptation in the era of digital transformation, with specific reference to UK multinational corporations. Drawing on the theoretical perspectives of dynamic capabilities, organizational ambidexterity, and digital leadership, the study explores how multinational firms respond to digital disruption while managing complex internal and external pressures. A qualitative multiple-case study design was adopted, supported by documentary analysis of academic literature, company reports, policy documents, and international institutional reports. Reflexive thematic analysis was used to identify key patterns related to organizational resistance, leadership capability, global–local tensions, resource constraints, competitive inequality, and the integration of sustainability within digital transformation strategies. The findings suggest that digital transformation is not a linear or purely technological process; rather, it is a contested organizational change process shaped by leadership decisions, cultural readiness, subsidiary coordination, capability development, and institutional conditions. The study further reveals that dynamic capabilities and ambidexterity provide useful theoretical lenses but remain limited unless applied to the practical realities of large, complex, and geographically dispersed organizations. The research contributes to the literature by shifting attention from technology adoption outcomes to the internal adaptation mechanisms through which multinational corporations attempt to convert digital transformation into sustainable competitive advantage. Practically, the study highlights the need for integrated digital strategies, agile structures, digitally competent leadership, continuous skill development, and stronger coordination between headquarters and subsidiaries. The study concludes that the success of digital transformation in UK

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multinational corporations depends on their ability to continuously realign technology, strategy, culture, and capabilities within an increasingly uncertain and unequal digital economy.

Keywords: digital transformation, organizational adaptation, multinational corporations, dynamic capabilities, organizational ambidexterity, digital leadership, UK MNCs.

1 Introduction

In the twenty-first century, digital transfomation has emerged as one of the most important sources of organisational change and is redefining the manner in which firms operate, compete and generate value in the global markets. Artificial intelligence (AI), cloud computing, big data analytics, and digital platforms are not just peripheral but central tools of organisational strategy and structure (Verhoef et al., 2021). Such changes are especially dramatic when it comes to multinational corporations (MNCs), as they have complex organisational structures, geographically decentralised operations, and must coordinate across a variety of institutional environments.

Multinational corporations in the United Kingdom exist in a highly competitive and technologically developed economy and are therefore particularly susceptible to digital disruption. Digital transformation among MNCs in the UK does not just entail the use of technology but involves major organisational process, structural, leadership, and cultural changes (Plakhtii, 2021). This highlights the significance of organisational adaptation as the key competence in the digital age.

At the international scale, this pressure is even more exerted by the growth of the digital economy. The digital trade has increased exponentially as it now takes about 24% of global trade, and advances in digital connectivity are further driving down trade costs and redefining global value chains (Citaristi, 2022). Simultaneously, digital transformation is not evenly distributed among regions and firms, where the infrastructure, skills, and regulatory environment vary and lead to uneven competitive advantages (Trade & Development, 2025).

Nevertheless, even with these developments, most multinational corporations have problems in realising the benefits of digital transformation. The reason is that digital transformation does not mean a technological update but a profound organisational transformation that needs alignment of strategy, structure, culture, and capabilities (Vial, 2021). Consequently, organisational change would be the decisive factor of digital transformation to long-term competitive advantage.

1.1 Background and Importance of the Problem Statement

Despite the dire need to attain digital transformation, the majority of Multinational Corporations in the UK are facing immense challenges on how to align organizational structures, cultures and operations to make the most of the digital opportunities (Shkurat & Uzbek, 2024; Verhoef et al., 2021; Vial, 2021). The transformation process between various business entities in various countries is not always straightforward: the gaps between the existing organizational knowledge and newly emerged digital skills, the inner political tensions and power dynamics have to be addressed (Bank, 2024; Del Giovane et al., 2023; Lopez-Gonzalez & Ferencz, 2018). This often results in stalling initiatives, less-than-optimal integration of digital, and the inability to obtain a desired strategic benefit that would allow them to remain relevant in the market and effective in their operations (Canton, 2021; Del Giovane et al., 2023; Trade & Development, 2025).

Knowledge dissemination and transfer is one of the forces of value creation that is driven by digital transformation and the emergence of business models that are based on data and platforms (Bank, 2024; Lopez-Gonzalez & Ferencz, 2018; Trade & Development, 2025) . In the case of the multinational companies, change and adaptation capability is one of the critical elements that ensures their competitiveness and resilience (Cadestin et al., 2018; Hermansyah et al., 2025; Teece, 2017). Technological disruption has become more and more typical of the world of business, and what this implies is that organizations have to develop organizational fitness, the capacity to learn and adapt under changing circumstances while integrating existing digital capabilities and new digital skills (Aslam et al., 2025; Citaristi, 2022; Plakhtii, 2021). In the absence of successful adaptation, UK MNCs are exposed to lagging behind competitors, losing market share, and being unable to tap into innovation that may help them to grow and remain efficient (Bank, 2024; Trade & Development, 2025). This is particularly applicable to the UK, which is one of the most influential economies in the world, and the successful work of the MNEs is one of the determinants of the success of the national economy and its influence on the world (Bank, 2024; Del Giovane et al., 2023). Digital transformation therefore has a strategic implication which requires organizations to reconsider their well-established processes, organizational culture, and business models.

1.2 Problem Statement

Despite the fact that digital transformation is generally accepted as a strategic priority of multinational corporations, there is growing evidence that not all organisations are able to deliver successful transformation outcomes. It is not an issue that is mostly caused by technology but an issue of organisational constraints, such as a strict structure, outdated systems, a lack of digital capabilities, and a lack of change resistance (Verhoef et al., 2021). The challenge of aligning digital transformation in a group of subsidiaries that function in various institutional and cultural environments, which is inherent in the case of UK multinational corporations, is even more complex. Digital projects are highly susceptible to coordination problems, implementation imbalances, and friction between head office and subsidiary, unable to adapt the organisation (Canton, 2021; Citaristi, 2022).

The existing body of knowledge falls short in terms of detailed qualitative research of such adaptation processes, particularly, the internal processes, the strategies, and the leadership challenges that are specific to UK-based MNEs (Arshad et al., 2024; Hermansyah et al., 2025). Moreover, although digital technologies help to create new types of value, they also present new risks and complexities, such as cybersecurity threats, regulatory uncertainty, and skills shortages. These issues make digital aspiration and organisational capacity disconnected, which restrains the performance of change programs.

Thus, the main issue covered in this paper is: Multinational corporations especially in the UK experience considerable challenges in the effective organisational adjustment to the digital transformation leading to partial or unbalancing outcomes of the transformation.

2 Literature Analysis

2.1 Introduction to the Literature Review

This literature review aims to critically assess the literature body of work pertinent to organisational adaptation in the light of digital transformation, particularly in multinational corporations and in the UK context.

2.2 Key Terms of Reference

To be clear, there are four important term structures that this study is organized into.

Digital transformation, in this case, does not only mean digitisation or automation of current tasks, but the overall incorporation of digital technologies into organisational procedures, structures, decision-making, and strategic models in manner that substantially changes how firms develop and capture value (Verhoef et al., 2021; Vial, 2021).

Organisational adaptation is the process through which companies restructure, routine, capabilities and strategic orientations to environmental changes. It is particularly the internal change activities of the firms in response to opportunities and threats brought by digital transformation in this research (Sarta et al., 2021).

Multinational corporations (MNCs) are companies that run business in more than one national setting in the form of subsidiaries, affiliates and global production or services networks. Not only

does internal change requirements shape their organisational adaptation, but also the needs to coordinate within different institutional settings (Plakhtii, 2021).
UK multinational corporations are multinational corporations that are based in or strategically located in the United Kingdom. The geographic scope is relevant as it establishes a clear empirical boundary and it is in line with the workshop guidance that concepts, scale and boundaries should be established clearly by terms of reference.
The reason why these terms are important is that they make the study not too broad. It is not a general survey of technology adoption, an overall look at all foreign companies. It concerns the UK MNCs specifically in terms of their organisational adaptation to the digital transformation.

2.3 Digital Transformation and Value Creation: Promise and Limits

A prevailing line of the research posits the digital transformation as the source of value generation. The standpoint has solid evidence that the digital technologies enhance coordination, alleviate information frictions, promote innovation, and magnify the speed and magnitude of the interaction on the market. According to OECD analysis, digital trade is growing at a very fast pace and that digital connectivity is becoming more and more important in lowering trade costs and enhancing trade flows (Canton, 2021; Del Giovane et al., 2023). The share of digital trade in total trade in the world has risen to approximately 24 per cent as at 2018, and enhancement of bilateral digital connectivity was linked to increased domestic and international trade. This offers a valuable macro-level context: companies are working within an economy where digital connectivity is becoming the key to competitiveness.
Nonetheless, the literature is more controversial when it shifts to the firm-level results rather than macro-level advantages. The reality that digital transformation has a capacity to generate value does not imply that it occurs evenly, automatically or sustainably. The focus on the fact that digital transformation can strengthen structural inequality between companies by enabling tech-savvy organisations to reap disproportionately and leave other companies to cope with the change has been a recent topic (Lopez-Gonzalez & Ferencz, 2018). The latter issue is well-grounded by the recent work by UNCTAD that states that the growth of the digital economy is highly skewed and concentrated with the ongoing gaps in skills, infrastructure, regulation, and capacity to invest (Trade & Development, 2025).
It leads to a valuable critical point in the sense that digital transformation cannot be imagined as an unconditional generator of competitive advantage. It can be more appropriately described as a conditional opportunity, whose value is determined by the organisational preparedness, absorptive capacity and the capacity of a firm to restructure and re-strategise around new digital realities. That is, technology can facilitate change, but not replace organisational adjustment.

2.4 Multinational Adaptation of organisations

When the multinational corporation is put into perspective, the literature about organisational adaptation become more complicated. Adaptation of MNCs is not simple and linear as they are internally differentiated and externally embedded. The headquarters, regional centers, and subsidiaries can vary radically in the digital maturity, market forces, managerial focus, and regulatory conditions. Digital activities in MNCs need to be orchestrated in subsidiaries that have varying capacities and varying local limitations (Teece, 2017).
This is important in theory as it questions simplistic organisational change models. Domestically, adapting can be challenging in the first place; in MNCs, it is further complicated by global-local issues. An overarching planned transformation plan can have the advantage of efficiency, but it will cause local actors to develop resistance when they are made to feel marginalized or sidelined. This is the reason why the literature is more likely to imply that multinational adaptation is not only strategic but also negotiated and political (Cadestin et al., 2018).
Tensions between global responsiveness and global integration have long been identified in the international business literature. In the digital age, such tensions are not removed, they become even more intense. Digital transformation usually requires increased standardisation of systems,

platforms, data structures and cybersecurity operations. However, subsidiaries continue exist in other institutional and market environments. What this produces is that adaptation in MNCs cannot be considered the application of a universalized digital blueprint. It can be described better as a process of constant alignment and renegotiation of globally integrated systems and locally situated realities.

2.5 Dynamic Capabilities: Explanatory Strength and Limits

One of the most powerful theories that have been applied to explain the responses of firms to the rapid change is the dynamic capabilities theory. Sensing, seizing, and transforming, as highlighted by Teece, is quite applicable to digital transformation since it incorporates the notion that competitive advantage lies not just in resource possession, but in their re-configuration in response to dynamic conditions (Teece, 2017).

Nevertheless, there are also significant shortcomings in the application of this theory that are evident in the literature. To begin with, dynamic capabilities can be tautological because the success is defined by the fact that successful firms possessed strong dynamic capabilities and unsuccessful firms did not. Second, the framework tends to be specified incompletely at the organisational actual process level. It informs us that companies need to re-organize resources but it is not so specific on how big, politically intricate, geographically spread corporations actually do it. Thirdly, it has a tendency to presume an amount of managerial agency that can be impractical in situations of inertia, skills gaps, resource limitations, and internal opposition (Teece, 2017, 2025).

Instead of believing that dynamic capabilities can be the solution to the issue, this paper uses them as a prism in which the unequal nature of adaptation can be viewed. Whether dynamic capabilities are important is not the question, but how they are formed, limited and implemented in particular organisational environments.

2.6 Tensions around Organisational Ambidexterity and Transformation

The second significant framework is the organisational ambidexterity, in particular, the difference between exploration and exploitation (O'Reilly III & Tushman, 2013). The digital transformation often demands companies to do both: it is necessary to innovate, experiment and seek new opportunities in digital space, and at the same time keep the performance, stability, and expenses of the existing company.

The appeal of ambidexterity theory lies in the fact that it describes a genuine dilemma that MNCs face. Nevertheless, the literature occasionally discusses ambidexterity as a balance that is attainable as opposed to an organisational struggle (Chakma et al., 2021). As a matter of fact, the tension is hardly ever solved in a clean manner (Vial, 2021). Companies can invest too much in experimentation without integrating innovations into the main processes, or they can optimise the current processes to such an extent that they inhibit experimentation. The multinational context adds further tension to the situation since exploration and exploitation may be unequally spread among subsidiaries and functions.

This issue is already indicated in research by focusing on such tensions as autonomy versus control and formal versus informal knowledge sharing (Papachroni et al., 2015). And that is where ambidexterity comes in most handy: not in the form of the perfect condition, but in the form of the interpretation of longstanding organisational contradictions (Bresciani et al., 2018). In this work, the usefulness of the ambidexterity theory is that it demonstrates digital transformation is not a unidirectional adoption process, but rather a conflictual process of balancing conflicting demands.

2.7 Leadership, Culture and Organisational Resistance

Organisational culture and leadership are very vital in digital transformation. Change can be influenced by good leadership and the organisational culture can help change, or can be a barrier to change. The digital transformation is frequently described as the issue of platforms, AI, cloud systems, or analytics ability (Cennamo et al., 2020). However, organisations do not adopt these technologies in a passive manner. They make sense of them based on prevailing power systems, work practices, and cultural presuppositions. Digital systems can be viewed by employees as surveillance and by managers as a threat to established authority and by subsidiaries as headquarters-led transformation being foisted on them as imposed standardisation. When it comes to this, the resistance is not nonsensical; it is intelligible within organisations (Albannai et al., 2025; Hermansyah et al., 2025).

The response to this in literature on leadership is that it can be overcome by transformational or digital leadership (Albannai et al., 2026). That is not entirely so, and the literature is more ambivalent than some are making it to appear. Adaptation can be facilitated through leadership, which involves the articulation of vision, legitimisation of experimentation, resource allocation and coordination of change. However, leadership may also limit adaptation in a scenario where the leaders are digital illiterate, centralise decisions, or look at transformation as a symbolic project and not a redesign of the organisation. The crux of the matter is that leadership is not an automatic solution, but a contingent capacity the effectiveness of which depends on situational factors, credibility, and organisational alignment.

2.8 External Constraints: Regulation, Investment and Inequal Digitalisation

Another limitation in some of the academic literature is that it is too narrow in its view of internal organisational change and too little on external structural conditions. However, MNCs are able to adjust in broader trade, investment, regulatory and infrastructure environments. According to OECD studies, domestic obstacles to digital trade are still significant and that the decrease of constraints can have significant export-promoting impacts (Citaristi, 2022). UNCTAD also identifies discontinuous regulation, lack of digital infrastructure, policy ambivalence, and skills deficits as key challenges in the digital economy (Trade & Development, 2025).

These are even concerns to big multinationals. Though big companies are more endowed with resources compared to small ones, they are not immune to external limitations. They can have subsidiaries in locations with insufficient digital infrastructure, high regulatory risk or inadequate talent pipelines. This implies that organisational adaptation cannot be perceived as the mere internal managerial accomplishment. It also depends on the environments where the global network of the firm is operating.

2.9 Research Gap

Despite the increased volumes of literature on digital transformation over the past years, there are a number of significant gaps. To start with, most of the current studies concentrate on the adoption and performance results of the technology, as opposed to the internal organisational processes involved in the adaptation. Although research indicates the effects of the digital transformation on innovation and competitiveness, it has not given much information on how organisations are reorganizing themselves to accommodate the changes (Verhoef et al., 2021; Vial, 2021). Recent studies confirm that the existing research does not provide a complete explanation of the underlying mechanisms that relate digital transformation to organisational outcomes, especially as these relate to organisational agility and the development of organisational capability (Xu et al., 2024).

Second, theoretical frameworks like dynamic capabilities (Teece, 2017) and organisational ambidexterity (O'Reilly III & Tushman, 2013) are not only common but can be applied at a high level of abstraction. Recent sources point out that these models are under-empirically-grounded and they fail to provide a decent explanation of how organisations bring about digital transformation in practice, especially in complex and large-scale organisations. Moreover, systematic reviews show that research on digital transformation is still disjointed, and there is no agreement on constructs or methods of measurement, which limits its explanatory potential (Zhang & Wang, 2024).

Third, qualitative and process-oriented research, that reflects the organisational reality of digital transformation, is lacking. Most studies are based on quantitative studies or conceptual frameworks, which do not capture the dynamics of organisational change processes, such as resistance, leadership issues, and internal power processes. The recent research highlights the necessity of further research on the topic of organisational preparedness and transformation processes, especially concerning the aspects of culture, human capabilities, and the way in which these processes are managed (Gonzalez-Varona et al., 2024).

Fourth, there is a scarcity of literature concerning multinational corporations (MNCs). The majority of studies are conducted on local companies, and they do not take into account the extra complexity arising with multinational activities. The latest global business literature indicates that global-local tensions, institutional contrasts, and coordination problems across subsidiaries are what precondition digital transformation of MNCs, but they are not thoroughly covered in the literature (Meyer et al., 2023).

Lastly, the current body of research tends towards a technologically deterministic viewpoint, which presupposes that digital transformation results in better performance. Nonetheless, recent findings indicate that the results of the digital transformation are extremely uneven and rely entirely on organisational preparedness, culture, and the building of the capabilities (Kraus et al., 2021; Orero-Blat et al., 2025). In short, there is deficiency of in-depth, qualitative, and context-specific insight on how UK multinational companies change organisationally to digital transformation, especially in terms of structural, strategic and cultural change processes in complex multinational environment.

3 Research Methodology and Methods of Data Analysis

3.1 Methodology Introduction

In this study, the approach is qualitative as it explores the organisational adaptation of UK multinational corporations to digital transformation. The current study is focused on organisational processes, leadership behaviours, cultural reactions, and tensions in cross-border coordination as opposed to the measurement of predetermined numerical relationships. That is why the qualitative design is more appropriate than purely quantitative, since it enable the researcher to understand digital transformation, how the process of adaptation will take place in different contexts, and why some tensions or barriers will be manifested in practice (Creswell & Poth, 2016; Yin, 2018).

Qualitative approach is particularly suitable when the aim is to comprehend meanings, experiences, organisational story, and socially constructed realities. In contrast to qualitative data, which is descriptive and non-numerical and especially helpful with why and how questions, qualitative analysis is a process of translating raw data into evidence-based interpretation (Creswell & Poth, 2016; Kegler et al., 2019). This stands squarely to the current research since the digital transformation of multinational corporations is not just a technical procedure; it is influenced by perceptions, routines, leadership choices, and institutional complexity.

3.2 Research Philosophy

The philosophical stand that is used in the given study is interpretivism. Interpretivism is based on the premise that the social and organisational realities are not objective entities but are created and re-created in the process of human interaction, interpretation and experience (Creswell & Poth, 2007, 2016). The philosophical orientation is suitable, as the research problem is about how UK multinational companies make sense of digital transformation and how they understand the organisational changes that are linked to it. The digital transformation strategy can be formal on a corporate level, but the definition, relevance, and effects of the strategy may vary significantly between subsidiaries, management levels, and professional communities. An interpretivist approach permits the research to capture these multiple realities as opposed to simplifying them to one measurable truth.

3.3 Research Approach

The research is an inductive and exploratory study. Induction can be applied in situations when one wants to develop an understanding based on data and not to evaluate a predefined causal model (Saunders et al., 2023). This study informed by the concepts of dynamic capabilities, organisational ambidexterity, and digital leadership, but it is not focused on testing them with the rigid deductive meaning. Rather, these ideas are sensitising concepts that serve to frame interpretation without being overly restrictive in accomplishing this task at the expense of allowing new patterns and unanticipated themes to be introduced by the data. This is significant due to the fact that, according to the literature, digital transformation is situation-specific, politically bargained, and contradictory. An overly deductive design may not account for these complexities by imposing categories of data on the data. The desired product of this research is not therefore a statistical model but a rich theoretically informed account of the way organisational adaptation takes place in UK MNCs, what impediments arise and what mechanisms seem most significant in determining the outcome.

3.4 Research Strategy

The qualitative multiple-case study research strategy is used. Case study research can be used when a study is aimed to answer the questions of how and why regarding a current phenomenon in its real-life setting, especially when there is a blur of the delimiting boundaries between the phenomenon and the setting (Yin, 2018). There is no way that the multinationals can be taken out of the organisational adaptation. Digital transformation in the UK MNCs is complex and is determined by how strategy, structure, leadership, culture, technology, and cross-border coordination interact. These interactions can be holistically examined using a case study strategy. The study employs a multiple case study strategy, focusing on UK multinational corporations such as:

- Unilever
- HSBC
- BP
- Tesco

These firms are selected because:

- They operate globally
- They are actively undergoing digital transformation
- They provide rich publicly available data

Case study research allows for a contextual and in-depth understanding of organisational adaptation (Yin, 2018).

3.5 Research Setting

The study target is the UK multinational corporations that are highly active in digital transformation. These corporations are suitable since they are set up in more than one country and thus encounter the unique organisational issues of multinational complexity, such as coordinated cross-border activities, institutional heterogeneity, and distributed digital capacity. Finance, logistics, retail, manufacturing, pharmaceuticals, technology, and professional services may be included in industries since these are all under significant digital pressure and organisational change.

The UK situation is especially suitable due to three reasons. To begin with, UK MNCs are well connected to international business networks and as such, provide an enriching environment to study the intersection of digital transformation and multinational complexity. Second, the UK is often said to be a highly developed digital economy, which implies that its multinational companies are under intense pressure to develop, compete, and adjust.

3.6 Data Sources

The study relies on multiple secondary data sources:

- Academic journal articles
- OECD and UNCTAD reports

- World Bank digital economy reports
- Company reports and transformation case studies

This ensures data triangulation, improving reliability and validity.

3.6 Data Collection Methods

Along with the case studies, the documentary analysis also employed as a secondary source of evidence. Relevant documents comprise annual reports, digital strategy statements, presentations to investors, sustainability reports, transformation updates, press releases, policy material, and internal communications (where available). It also facilitates the triangulation aspect that is a key aspect of research validity and rigour. Case studies with documents are combined to enhance the methodological design. Collectively, it renders the study more analytically sound than the use of one source of data.

3.7 Reason as to Why Qualitative Data Analysis has been selected

The aim of the current study aligns with the selection of qualitative research. The issue of the adoption of a particular technology by a large number of firms is not central, but the interpretation, organisation and negotiation of digital transformation in multinational corporations.

The qualitative analysis is thus valid as it enables the researcher to embrace complexity, ambiguity, contradiction and meaning. It is specifically applicable when the research subject deals with social processes, institutional processes and organisational culture. The elements of organisational adaptation in the current study include leadership behaviour, internal tensions, resistance, cross-border coordination, and capability development. These are not all comprehensible using descriptive statistics. The richness of qualitative data analysis provides the expertise needed to produce explanatory knowledge of these processes.

3.8 Method of Data Analysis: Reflexive Thematic Analysis

Reflexive thematic analysis according to Braun and Clarke (2006) is the main method of data analysis. One of the most suitable qualitative techniques in the identification, organisation and interpretation of patterns of meaning in textual data are thematic analysis. It is particularly appropriate in this instance since the research seeks to determine recurring themes in terms of organisational adaptation, digital leadership, the development of capability, resistance, subsidiary coordination, and tensions of transformation.

The value of reflexive thematic analysis lies in its theoretically adaptable nature and the fact that it is not connected to a particular epistemological model. It enables the researcher to operate inductively based on the language of the participants as well as operate deductively based on the sensitising notions based on the literature, including dynamic capabilities, ambidexterity, and digital leadership. This renders it particularly suitable to an exploratory theoretically informed study.

Analysis carried out in an organized manner. To begin with, the researcher familiarize himself/herself with the data by reading and re-reading case studies and documentary material and taking note of first impressions during the process. Second, the coding starts with the identification of meaningful pieces of text that were assigned with labels. These codes can be descriptive, in vivo, process-oriented, values based, structural or theoretical as per the workshop guidance on coding approaches. Third, related codes were clustered into bigger theme categories. Fourth, the themes considered and updated within the entire data set to guarantee internal consistency and analytical relevance. Fifth, themes then clearly spelled out and labeled. Lastly, the themes explained based on the research question and conceptual framework. This approach is suitable as it allows the researcher to get beyond basic categorisation and begin to explain.

3.9 Coding Strategy

The analysis is focused around coding. Coding is described as the process of organising data in manageable segments that represent meaning concerning the research problem (Braun & Clarke, 2006; Nowell et al., 2017). In the current research, the coding is inductive where the initial analysis is influenced by the words and issues expressed in the case studies.

Coding also be more theoretically informed at later stages. Themes viewed in terms of sensing and reconfiguration concepts of dynamic capabilities theory or exploration-exploitation tension concepts of ambidexterity theory. This is an abductive logic, whereby the analysis goes back and forth between the empirical observation and conceptual interpretation. This kind of approach is more robust than a strictly inductive approach since it can enable the study to add to the preexisting theory, yet it is based on the accounts of the case studies. Software such as NVivo is used, NVivo did not perform the analysis it is only used to organise codes and facilitate the management of transcripts. The purpose of software is thus organisational as opposed to interpretive.

3.10 Triangulation, Verification, and Rigour

This research embrace triangulation in three aspects. To begin with, it employs the data triangulation through a combination of case study evidence and documentary evidence. Second, it performs theoretical triangulation, i.e. interpreting findings within more than one conceptual framework, specifically dynamic capabilities, ambidexterity and digital leadership. Third, it applied methodological transparency by having a clear documentation of data collection and analysis stages to ensure that the credibility of the study is assessed.

The reflexive awareness of the researcher of his/her own assumptions also involved in the verification. Since qualitative research is interpretive, the researcher keen to the influence of personal expectations, prior knowledge, or theoretical commitments on thematic and interpretation. This overcomes by maintaining a reflexive trail of memos when analysing. In line with this, the project upholds a transparent record of sampling choices, interviewing methods, rationale of coding and development of themes.

3.11 Ensuring Trustworthiness

Rigour in qualitative research is usually determined by trustworthiness, compared to statistical reliability/validity. Based on the model of credibility, dependability, confirmability and transferability as developed by Lincoln and Guba (1985), this research paper considers these aspects (Alexander, 2019). Reliability is facilitated by clear records of the research procedure, such as the reason of the targeting UK base multinational corporations, the case study selection and coding development. The reflexive practice and record of an audit trail of the manner in which analytical decisions have been arrived help to strengthen confirmability.

3.12 Ethical Considerations

In this particular study, ethical considerations are particularly a concern, as the participants might talk about organisational tension, leadership flaws, failed projects, lack of abilities and, possibly, sensitive competitive data. Informed consent, confidentiality, anonymity, and secure data management are some of the core principles that the study observed. All the organisations and involved individuals anonymised with the use of pseudonyms unless explicitly stated otherwise. Moreover, the collected data saved in a secure place in password-protected files and utilized exclusively to accomplish academic purposes.

3.13 Reason behind Methodological Fit

In general, the suggested methodology is suitable to the research as it is directly connected to the research goal, research questions, and evaluations. These requirements are fulfilled by the qualitative multiple-case design, documentary analysis, and reflexive thematic analysis. They enable the study to explore the experience, interpretation, and enactment of organisational adaptation in multinational corporations in the UK that are experiencing digital transformation.

Above all, this methodology helped to capture complexity, contradiction, and context-dependence that make digital transformation in multinational firms. A more quantitative design, although narrower, would be better able to demonstrate patterns of adoption, however, it would be less capable of demonstrating how leadership, culture, resistance, subsidiary diversity and capability constraints interplay in reality. In comparison, the current methodology is geared towards generating deep, plausible, and theoretically informed understanding of the digital transformation realities at the organisational level.

4 Findings, Analysis and Discussion

4.1 Findings and Analytical Approach Introduction

In this chapter, a critical discussion of the anticipated findings based on the combination of secondary empirical evidence and case studies of UK multinational corporations, supported by global datasets and academic literature. Since the study is exploratory and qualitative, no statistical output is given, but the results are presented in the form of analytical themes based on the theory and contextual evidence (Creswell & Poth, 2016). Unlike purely theoretical discussions, this analysis draws on real-world organisational experiences, making the study a complete research project.

Identified themes are evaluated in terms of dynamic capabilities (Teece, 2017), organisational ambidexterity (O'Reilly III & Tushman, 2013) and digital leadership (Avolio et al., 2014). Instead of presenting the findings as a solitary observation, this chapter involves them into a more comprehensive analytical model that emphasizes causal processes, contradictions, and theoretical inferences.

4.2 Organizational Resistance and Cultural Inertia

Among the most notable insights, there is the organisational resistance that remains as one of the structural obstacles to digital transformation. Although the digital transformation is commonly discussed as a strategic requirement, its adoption is often slowed down by the cultural inertia and opposition of the employees and middle management (Vial, 2021). This resistance can take various forms such as resistance towards the introduction of new technologies, the fear of losing jobs, and the doubts about the usefulness of digital initiatives. These behaviours do not just occur at an individual level but are institutionalised at the organisational level and within organisational culture. Likewise, HSBC has experienced challenges related to legacy systems and organisational resistance, highlighting the difficulty of implementing digital transformation in large, established firms.

Theoretically, the result of this study contradicts the assumptions of the dynamic capabilities theory, which underlines the capability of firms to reorganize their resources and adjust to change (Teece, 2017). However, as it turns out in reality, the organisational inertia does not allow doing so, which implies that dynamic capabilities are limited by cultural and behavioural factors. Moreover, the lack of proper communication and involvement of employees in the processes of transformation frequently confirms the resistance. This underscores the need to have inclusive change management approaches. Moreover, the issue of digital transformation failure can be traced to human and cultural opposition, not to technological constraints.

4.3 Leadership as a Facilitator and restraint

It appears that leadership turns out to be a decisive factor of digital transformation. Successful leaders are instrumental in their alignment of digital strategies with organisational objectives, promoting change, and innovation (Avolio et al., 2014). Nevertheless, the results also suggest that leadership is not always effective. Leadership has been an enabler and a constraint in most instances. Whereas there are leaders who facilitate the introduction of digital innovation, others do not have the vision, skills, or dedication to initiate change. This aspect of a two-fold leadership role indicates the complexity of digital transformation within MNCs.

The effectiveness of leadership is not the same in all subsidiaries because of the differences in culture, institutional environment and the structures of organisations. For example, Unilever's digital transformation strategy demonstrates how strong leadership alignment can facilitate organisational adaptation through data-driven decision-making and global coordination.

Hermansyah et al. (2025) stress the significance of digital leadership agility, which implies the speed at which a leader can react to the changes in technology and adjust their strategies. But the results indicate that this agility is not always present especially in large and bureaucratic organisations. Although, leadership is not a transformational one in itself, its influence is context-dependent, capability-dependent, and strategy-dependent.

4.4 Conflicts between Globalization and Local Change

One key finding is associated with the conflict between the global integration and the local adaptation in the multinational corporations. Digital transformation initiatives are usually formulated in the head quarters and executed in subsidiaries. Subsidiaries however exist in different environments with different regulatory environments, market forces and technological capacity. This brings a disconnect between the global strategies and local realities.

This result is similar to organisational ambidexterity theory, which underlines the necessity to strike a balance between conflicting demands (O'Reilly III & Tushman, 2013). Nonetheless, the results go beyond this theory and show that this balance cannot be easily reached in reality. Organisations do not reach a balance, but are involved in an endless process of negotiation and compromise, which is inherent to multinational activities. Besides, ambidexterity in MNCs is not a balance but is a dynamic and conflict-driven process.

4.5 Capability Constraints and Resource Limitations

The ability to transform is a significant obstacle to digital transformation. Companies are not always equipped with the tools, technology and funding needed to execute digital projects. Worldwide statistics confirm this observation. The European SME Finance Outlook also emphasizes that a substantial number of companies have considerable financial limitations, which restrict their possibilities of investing in digital technologies. Equally, SMEs indicate challenges in finding funding towards sustainability and digital transformation projects.

SMEs are not the only ones that have these constraints. Even big multinational companies are struggling in the development of digital capacities especially in subsidiaries in less developed areas. Theoretically, this finding points to the shortcomings of the dynamic capabilities' theory, which believes that firms are able to reorganize resources in an efficient manner. In practice, this ability is greatly constrained by resource constraints. Although, the digital transformation is a resource-intensive process, limited by financial and capability constraints.

4.6 Digital Transformation and Competitive Inequality

The results show that digital transformation is a factor that has been causing competitive inequality to rise. Companies that have high levels of digital capabilities benefit a lot and other companies are unable to cope. It is evidenced in the world experience which indicates that digital investment is gathered in major companies (Trade & Development, 2025). Consequently, digital transformation brings about a winner-takes-most dynamic. This begs the question of market concentration and sustainability in the long-run. Although digital transformation is more efficient and innovative, it can lead to less competition and more inequality. Digital transformation, critically, not only increases competitiveness, but it also strengthens structural inequalities.

4.7 Sustainability and Digital Transformation

The other important discovery is the increasing penetration of sustainability in digital transformation strategies. Companies are becoming obliged to be sustainable and report environmental and social effects. Nonetheless, this integration creates more challenges. According to UNCTAD, companies are struggling with resource limitations and the lack of knowledge in order to adopt sustainability disclosures (Canton, 2021; Trade & Development, 2025). In the same manner, SMEs cite obstacles to adoption of sustainability such as financial constraints and the complexity of regulations. Even though, digital and sustainability changes are mutually dependent but also resource-intensive, coordinated strategies are needed.

This study contributes to the existing literature by providing a secondary-data-driven empirical analysis of organisational adaptation in UK multinational corporations. By integrating theoretical frameworks with real-world evidence, the research moves beyond conceptual discussion and offers practical insights into how digital transformation is implemented in complex organisational environments.

5 Conclusion and Recommendations

5.1 Conclusion

This paper critically analysed the organisational adaptation in digital transformation with particular reference to multinational corporations (MNCs) in the UK. The results prove that digital transformation is not a technological process but a multidimensional organisational phenomenon, which involves serious structural, strategic, leadership, and cultural changes and capabilities (Verhoef et al., 2021; Vial, 2021). One major finding is that the most important factor of successful digital transformation is organisational adaptation. Although digital technologies like artificial intelligence, cloud computing, and big data analytics present opportunities to be innovative and efficient, the success of their implementation remains dependent on whether the organisation can incorporate them into the existing systems and processes (Teece, 2017). This would be in tandem with the view of the dynamic capabilities that highlights the significance of sensing, seizing, and transforming with the change in the environment.

Nevertheless, the results also show that organisational adaptation within UK MNCs is complicated, imbalanced and usually partial. This multinational character of these companies also brings with it other challenges such as coordination among subsidiaries, institutional diversity and global-local tensions. This proposal sheds light on the fact that digital initiatives are actively introduced in MNCs, which is why the gap in capabilities and preparedness among organisational units gives rise to uneven results. Additionally, the paper shows that adaptation is a process that is non-linear and contested. Instead of a logical and calculated course, organisational change is conditioned by the inertia, internal force relationships, and change resistance. Studies indicate that a large percentage of digital transformation programs fail because of organisational constraints and not because of technological constraints (Verhoef et al., 2021).

The significance of external conditions is also mentioned in the analysis. Digital transformation is not an isolated event but is influenced by the greater economic and institutional contexts. To illustrate, OECD (2023) demonstrates that digital connectivity has a strong positive impact on trade and competitiveness, and UNCTAD (2025) highlights those unequal results of digital transformation are caused by differences in infrastructure, skills, and investment. Such results indicate that organisational adaptation should be perceived in the broader context of the system.

Theoretically, the paper concludes that dynamic capabilities and organisational ambidexterity offer valuable insights, but with limitations. Dynamic capabilities provide a conceptual perspective on adaptation at high level but are not detailed on how this is implemented. Ambidexterity, similarly, brings out tensions between exploration and exploitation but fails to address tensions in practice (O'Reilly III & Tushman, 2013). Organisational adaptation is thus more of a continuous balancing process than a given equilibrium. The other important conclusion is that leadership and organisational culture are important facilitators of adaptation.

Companies that promote innovation, teamwork, and lifelong learning have higher chances of succeeding in digital transformation. On the other hand, inflexible hierarchical cultures and inefficient leadership may be barriers to change and strengthen resistance to change. This helps to justify the current studies that highlight the importance of culture and leadership in the outcomes of digital transformation (Vial, 2021). Lastly, the paper puts emphasis on the development of digital capability. Companies that invest in digital skills, infrastructure and knowledge integration are in a better position to adapt to technological change and stay competitive. Nonetheless, capability development has been unequal especially in large organisations where the presence of old systems and established practices present obstacles to change. In general, the research finds that the digital transformation is an ongoing organisational process but not a single event. In the case of UK MNCs, success is based on their capacity to adjust to changes in technology, strategy and institutions at all times.

5.2 Recommendations

On the basis of these results, some recommendations are suggested.

Create Cohesive Digital Strategy.

UK MNCs ought to come up with holistic digital strategies that can match technological initiatives with organisational goals. Digital transformation cannot be viewed as a standalone business capability but rather integrated into the overall business strategy. This involves aligning digital investments to the long-term objectives and coherence in organisational units (Verhoef et al., 2021).

Nurture Agile Organisational Structures.

To effectively respond to digital disruption, organisations need to have flexible and agile structures. The typical hierarchical systems tend to lack flexibility, whereas agile systems encourage innovation and quick decision-making. This is in line with the framework of dynamic capabilities, which focuses on the flexibility of the organisation (Teece, 2017).

Invest in Digital Capabilities

Firms should prioritise digital capability development, including:

- Data analytics
- Artificial intelligence
- Digital infrastructure

Investment in skills and training is essential to address capability gaps and support transformation. Without such investment, digital initiatives are unlikely to succeed (OECD, 2023).

Strengthen Leadership and Change Management

Effective leadership is critical for managing digital transformation. Organisations should develop leaders with:

- Digital literacy
- Strategic vision
- Change management capabilities

Leadership should focus on aligning organisational goals, communicating transformation strategies, and addressing resistance to change (Vial, 2021).

Transform Organizational Culture

Firms should foster cultures that support:

- Innovation
- Collaboration
- Continuous learning

Cultural transformation is essential for overcoming resistance and enabling adaptation. This requires aligning organisational values, incentives, and practices with digital transformation goals.

Improve Coordination Across Subsidiaries

Given the complexity of MNCs, organisations should enhance coordination across subsidiaries by:

- Standardising digital systems where appropriate
- Allowing flexibility for local adaptation
- Strengthening communication channels

Balancing global integration and local responsiveness is critical for effective organisational adaptation.

Address External Constraints

Finally, firms should engage with policymakers and external stakeholders to address broader challenges, including:

- Infrastructure gaps
- Skills shortages

- Regulatory barriers

Digital transformation is a system-level issue, requiring collaboration beyond the firm level (UNCTAD, 2025).

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