

# DIGITAL TRANSFORMATION PRACTICE IN CZECH COMPANIES

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**Keywords:** digitalisation, digital skills, online job advertisements (OJA), employee skills development, V4 countries

**JEL Classification:** J24, O15

## 1 INTRODUCTION

Digital transformation is one of the key topics that have shaped the landscape of today's business in recent years. Under the pressure of rapid technological development, companies across sectors are finding themselves in a situation where traditional approaches are no longer effective. The transition to digitally oriented control models, the automation of routine activities or the emphasis on data are now often a matter of survival in the market, not just a competitive advantage [1].

However, digital transformation cannot be understood as a mere implementation of new information technologies. It is a fundamental change in thinking about business processes, the way work is organized, people management and communication with customers [3]. The transformation thus affects the overall strategy of the company, its structure and corporate culture. At the same time, it is important to realize that digital transformation is not a one-time change, but a dynamic and often demanding process that often takes place in several stages. This process requires collaboration across levels of governance and faces a number of internal and external obstacles [4].

Therefore, this paper focuses on formulating recommendations for the appropriate digital transformation procedure in various corporate environments.

## 2 MATERIAL AND METHODS/MATERIÁLY A METODY

The research focuses not only on the conditions for the successful implementation of digital technologies, but also on the obstacles that companies face during the transformation. When analysing the research problem, the following research questions arise, which the authors further address:

- (1) What are the main factors influencing the course of digital transformation in companies?
- (2) What specific obstacles and barriers appear during the transformation?
- (3) How do companies approach change management related to digital transformation?
- (4) Which organizational processes have been most affected as a result of the transformation?
- (5) Which benefits do companies perceive as key in connection with digitalization?
- (6) Based on the findings, what recommendations can be formulated for companies in different stages of digital transformation?

The research is based on a combination of qualitative and quantitative approaches, with a multi-case study supplemented by a questionnaire survey at its core. This strategy makes it possible to combine a deeper understanding of specific cases with more general insights into broader business practice.

The qualitative part of the research is based on case studies of companies that are currently undergoing digital transformation or have recently implemented it. Thanks to the use of semi-structured interviews, it is possible to capture in detail the complexity of processes, the specifics of approaches, perceived barriers and the specific organizational impacts of changes on the daily operations in these companies.

The main limitation of the qualitative approach lies in the focus on specific organizations in specific conditions and sectors. Therefore, the results may not be generalizable to the entire spectrum of companies affected by digital transformation. For this reason, qualitative research is supplemented with quantitative research. The quantitative research consists of a questionnaire survey, which was distributed among a wider range of companies. This section serves to verify some of the initial assumptions that emerged from the interviews and to identify generally shared experience with the benefits and barriers of digital transformation.

The quantitative part has been supplemented with secondary data that come from available research, statistical overviews and studies of relevant institutions. This data was used to broaden the framework of the questionnaire survey and allowed the findings from primary data collection to be put in a broader context. This made it possible to better compare the specific findings of respondents with the state and development of digital transformation in the Czech Republic. The combination of qualitative and quantitative approaches makes it possible to combine in-depth understanding with a greater degree of general informative value, thus increasing the validity and practical applicability of the results.

The selection of organizations that were included in the qualitative part of the research was carried out by deliberate choice. The main criterion was relevant experience with digital transformation, especially a long-term experience. Companies differ in their size and focus. This approach allows for a comparison of different approaches, motivations and barriers across contexts. The criterion for inclusion in this part of the research was that the respondents met one of the following requirements:

- have implemented digitalization currently,
- actively consider digitalization,
- have already gone through the digitalization process.

The data analysis was carried out on two consecutive levels, corresponding to the qualitative and quantitative approach chosen for this research. Qualitative data, obtained through semi-structured interviews, was processed using thematic analysis. The aim of this method is to identify recurring patterns, themes, and meanings in respondents' answers. After transcribing the interviews, the data was carefully studied and then divided into analytical categories that corresponded with the main research questions:

- motivation for digitalization,
- benefits and obstacles to transformation;
- organizational impacts,
- Change management.

The formulation of the conclusions was based on a combination of the obtained results and professional literature. The results were continuously compared with existing research. In this way, a number of findings were created, on the basis of which recommendations for companies entering digital transformation were compiled in the design part.

### 3 RESULTS

The evaluation of the partial results of the analytical part, including secondary data, case studies and a questionnaire survey, shows that the approach of companies to digital transformation largely varies in the Czech environment. Nevertheless, recurring patterns can be found in the areas that companies are digitalizing, what benefits they expect and what obstacles they face. At the same time, there are noticeable differences that are related to size, industry, level of technological maturity or company culture.

The areas of digitalization in all parts focus primarily on administrative and support processes. This is confirmed by both the data from the questionnaire survey and the case studies. On the other hand, advanced technologies such as artificial intelligence or data analytics appear in data quite marginally, which is also confirmed by secondary research.

In terms of benefits, the same factors are repeated across the different parts: speeding up processes, increasing availability and data sharing, reducing errors and saving costs. These benefits were reported in all case studies, confirmed by a questionnaire survey and by secondary sources. From the point of view of the effect of digitalization, it is clear that the best benefits are achieved when the tools are well suited to the specific needs of the company.

However, obstacles and problems show higher variability. Secondary sources cite the lack of skilled workers, costs and the absence of a strategic framework as the main barriers [1]. These findings correspond with the results of the questionnaire survey, where the main problems were high costs, lack of competence and weak management support. In case studies, however, employee resistance appeared as a real factor (albeit overcome), while it was mentioned rather marginally in the questionnaire.

The attitude of employees also shows differences. While case studies report initial fears that have been gradually overcome, employee resistance is less common in the questionnaire survey and does not belong to the main obstacles. A possible explanation is the different position of the respondents. While case studies convey the experience of higher-level managers, questionnaire responses have been spread throughout the different levels of management structures. The strategic approach to digitalization is often referred to as insufficient in secondary data [3] and in the questionnaire survey. Companies usually do not have a clear plan, or are just preparing one. Therefore, it can be concluded that the strategic approach to digital transformation in the Czech environment arises over time rather than being clearly formed in advance.

There is a strong consensus on financing: most companies finance digitalization from their own resources – the questionnaire survey resulted in 87% of respondents, secondary data refer to 75%. Subsidies and loans are used only marginally, and trust in public support instruments is generally low. This can limit the scope of transformation, especially for smaller companies with limited budgets.

### 4 CONCLUSIONS

The experience of the analyzed companies shows that one of the most important prerequisites for successful digitalization is a thorough understanding of one's own functioning. Many companies tend to start by choosing a specific tool or looking for a supplier, even though they do not yet have a clear idea on what they actually need to improve [2]. This creates a significant risk that the chosen solution will not meet the actual needs, or that its implementation will lead to unnecessary complications. For example, companies deal with the implementation of a CRM system without first analyzing how their business process works, who works with the data, and what should be the goal of the change.

The analysis shows that digitalization in companies often takes place informally, without a strategic framework, but at the same time with a high level of internal motivation. Successful examples show that the key is not the size of the company or the amount of investment, but the ability to manage change well, understand own processes and involve employees in the transformation process. The quality of cooperation with the supplier and the way in which the company

evaluates the benefits of the adopted solutions also play an important role. On the other hand, the most common barriers include a lack of time, capacity and system access.

The essential contribution of the paper is determination of the specific conditions under which digital transformation can be functional in various corporate environments that do not have a specialized IT department. The paper also confirms that the theoretical concepts of change and innovation management have their place in practice if they are applied with regard to the specific context of the company.

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