

Final Project 1

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Project Template

Faculty of Management
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Midocean University

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Project title

**The Impact of Digital Transformation on Organizational
Performance in Saudi Aramco**

Student name

Ahmed Salem Saeed Bayashot

Graduation Project – 1

Faculty of Management - Midocean University

Supervisor

Dr. Abdulrahim Nader

Faculty member- Faculty of management- Midocean University

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1. Chapter 1: Introduction

1.1. Research Background

In recent years, digital transformation has become one of the most important strategic priorities for organizations around the world. Rapid technological developments have forced companies to adopt new digital tools and technologies in order to remain competitive in a dynamic and rapidly changing business environment. Organizations are increasingly relying on digital systems, data analytics, automation, and advanced technologies to improve efficiency, productivity, and decision-making processes. As a result, digital transformation has become a critical factor influencing organizational success and long-term sustainability.

Digital transformation refers to the integration of digital technologies into various aspects of business operations. It involves the use of modern technologies such as artificial intelligence, cloud computing, big data, and digital platforms to improve organizational processes and services. Through digital transformation, companies can enhance communication, reduce operational costs, increase operational efficiency, and provide better services to customers. Consequently, many organizations are investing heavily in digital technologies to strengthen their competitive advantage and improve their overall performance.

Organizational performance is considered one of the most important indicators used to evaluate the success and effectiveness of organizations. It reflects the ability of organizations to achieve their strategic goals and objectives while efficiently utilizing available resources. Organizational performance can be measured through several indicators, including productivity, profitability, service quality, operational efficiency, and employee performance. In today's competitive environment, organizations are

constantly seeking new strategies and tools to enhance their performance and maintain their market position.

The relationship between digital transformation and organizational performance has attracted significant attention from researchers and practitioners in the field of business management. Many previous studies have suggested that digital technologies can significantly improve operational efficiency, enhance decision-making processes, and support innovation within organizations. However, the level of digital transformation adoption and its impact on organizational performance may vary depending on the nature of the organization, its resources, and the business environment in which it operates.

In the context of Saudi Arabia, many large organizations have started adopting digital transformation initiatives as part of their strategic development plans, especially in line with Saudi Vision 2030. Saudi Aramco, one of the largest energy companies in the world, has made significant investments in digital technologies to enhance operational efficiency and improve business performance. Despite these efforts, there is still a need to better understand how digital transformation contributes to improving organizational performance within large corporations such as Saudi Aramco. Therefore, this study aims to examine the impact of digital transformation on organizational performance.

1.2. Research Problem

Despite the increasing adoption of digital transformation initiatives by many organizations, there is still limited understanding regarding the actual impact of digital transformation on organizational performance in large energy companies. While many organizations invest heavily in digital technologies, the extent to which these technologies improve performance outcomes remains an important research issue.

1.2.1. Theoretical Gaps

Several previous studies have examined digital transformation and its influence on organizational performance. However, many of these studies have focused on industries such as banking, manufacturing, and information technology. There is a noticeable lack of academic research that investigates the relationship between digital transformation and organizational performance in the energy sector, particularly in large global companies such as Saudi Aramco.

1.2.2. Practical Gaps

From a practical perspective, organizations face various challenges when implementing digital transformation initiatives. These challenges may include resistance to change, lack of digital skills, high implementation costs, and organizational barriers. In large organizations such as Saudi Aramco, understanding how digital transformation initiatives influence performance outcomes can help decision-makers design more effective strategies to maximize the benefits of digital technologies.

Therefore, the main research question of this study is:

What is the impact of digital transformation on organizational performance in Saudi Aramco?

1.3. Research Significance

1.3.1. At the theoretical level

This study contributes to the academic literature by expanding the understanding of the relationship between digital transformation and organizational performance. It provides

additional theoretical insights into how digital technologies influence organizational effectiveness, particularly within large energy sector organizations.

1.3.2. At the practical level

At the practical level, the findings of this study may help managers and decision-makers in organizations such as Saudi Aramco better understand the importance of digital transformation initiatives. The results may also support organizations in developing effective strategies that enhance operational efficiency and improve overall organizational performance.

1.4. Research Questions

1. What is the level of digital transformation in Saudi Aramco?
2. What is the level of organizational performance in Saudi Aramco?
3. Is there a significant relationship between digital transformation and organizational performance?

1.5. Research Objectives

1. To identify the level of digital transformation in Saudi Aramco.
2. To examine the level of organizational performance in Saudi Aramco.
3. To investigate the relationship between digital transformation and organizational performance.

1.6. Research Hypotheses

H1: Digital transformation has a significant positive impact on organizational performance in Saudi Aramco.

1.7. Research Model

Digital Transformation (Independent Variable) → Organizational Performance (Dependent Variable)

1.8. Research Methodology

This study adopts a quantitative research approach. The data will be collected through a structured questionnaire distributed among employees working in Saudi Aramco. The collected data will be analyzed using statistical analysis methods to examine the relationship between digital transformation and organizational performance.

1.9. Scope of The Study

This study focuses on examining the relationship between digital transformation and organizational performance within Saudi Aramco. The study will target employees working in the organization and will be conducted during the year 2026. The research specifically focuses on the role of digital transformation in improving organizational performance.

1.10. The Suggested Project Structure

This research is organized into several chapters. Chapter One presents the introduction, research background, research problem, research objectives, research questions, hypotheses, and research methodology. Chapter Two provides a review of the literature related to digital transformation and organizational performance. Chapter Three explains the research methodology and data collection process. Chapter Four presents the data analysis and results. Finally, Chapter Five discusses the findings, conclusions, and recommendations of the study.

2.Chapter 2: Literature Review

2.1. Introduction

Digital transformation has become a key driver for organizational development and competitiveness in the modern business environment. Organizations across various industries are increasingly adopting digital technologies to improve their operations, enhance decision-making, and achieve higher levels of performance. As a result, researchers and practitioners have shown growing interest in understanding the role of digital transformation in improving organizational outcomes.

This chapter reviews the existing literature related to digital transformation and organizational performance. It begins by discussing the concept of digital transformation as the independent variable of the study. Then, it examines organizational performance as the dependent variable. Finally, the chapter reviews previous studies that investigated the relationship between digital transformation and organizational performance.

2.2. The Independent Variable: Digital Transformation

Digital transformation refers to the process of integrating digital technologies into various aspects of organizational activities and operations. It involves the use of advanced technologies such as artificial intelligence, cloud computing, big data analytics, and digital platforms to improve organizational efficiency and effectiveness.

According to many researchers, digital transformation enables organizations to redesign their business processes, improve communication systems, and enhance their ability to respond to market changes. Through digital transformation, companies can automate routine tasks,

reduce operational costs, and improve service delivery. As a result, organizations that successfully adopt digital transformation strategies are more likely to achieve competitive advantages in their respective markets.

Digital transformation also plays an important role in supporting innovation within organizations. By utilizing digital tools and technologies, organizations can develop new products and services, improve customer experiences, and enhance collaboration among employees. Furthermore, digital technologies allow organizations to collect and analyze large amounts of data, which can support better decision-making processes.

In recent years, many large corporations have started investing heavily in digital transformation initiatives. These initiatives aim to improve operational efficiency, increase productivity, and enhance organizational performance. In the energy sector, companies such as Saudi Aramco have begun implementing digital technologies to optimize production processes, improve safety standards, and enhance operational performance.

2.3. The Dependent Variable: Organizational Performance

Organizational performance is one of the most important indicators used to measure the success of organizations. It reflects the ability of an organization to achieve its goals and objectives effectively and efficiently. Organizational performance can be evaluated using several dimensions, including financial performance, operational efficiency, service quality, and employee productivity.

Many scholars define organizational performance as the overall outcome of organizational activities and strategies. It indicates how well an organization utilizes its resources to achieve desired results. High levels of organizational performance are usually associated with increased profitability, improved productivity, and higher customer satisfaction.

In modern organizations, improving performance has become a major priority for managers and decision-makers. Organizations continuously seek new strategies and management practices that can enhance their performance and help them maintain a competitive advantage in the market. As a result, many organizations have turned to digital technologies as a way to improve operational processes and support better decision-making.

The use of digital systems and technologies can significantly improve organizational performance by increasing efficiency, reducing errors, and improving coordination between different departments. Additionally, digital tools enable organizations to monitor their performance more effectively and identify areas that require improvement.

2.4. The Relationship Between Digital Transformation and Organizational Performance

Several previous studies have examined the relationship between digital transformation and organizational performance. Many of these studies indicate that the adoption of digital technologies can significantly enhance organizational effectiveness, efficiency, and overall productivity.

Digital transformation enables organizations to streamline their operations and automate routine processes, which helps reduce operational costs and improve efficiency. In addition, digital technologies allow organizations to collect and analyze real-time data, supporting better strategic decision-making and improving the quality of managerial decisions. As a result, organizations can enhance their operational performance and achieve higher levels of productivity.

Furthermore, digital transformation improves communication and collaboration within organizations. Digital platforms enable employees to share information quickly and efficiently, which strengthens teamwork and coordination among different departments.

Improved internal communication also contributes to faster problem solving and better organizational responsiveness.

Empirical research has consistently found a positive relationship between digital transformation and organizational performance. Organizations that successfully adopt digital technologies tend to experience improvements in productivity, operational efficiency, service quality, and overall organizational performance.

Therefore, digital transformation can be considered an important strategic approach that helps organizations improve their competitiveness, enhance performance, and achieve sustainable growth in a rapidly changing business environment.

2.5 Conclusion

This chapter reviewed the key concepts related to digital transformation and organizational performance. It discussed digital transformation as the independent variable and organizational performance as the dependent variable of the study. In addition, the chapter reviewed previous research that examined the relationship between these two variables.

The literature indicates that digital transformation plays a significant role in improving organizational performance by enhancing operational efficiency, supporting innovation, and enabling better decision-making. Based on this review, the next chapter will focus on the research methodology used to examine the relationship between digital transformation and organizational performance.

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