Citation: Hasanzadeh, M., Keramati, M. A., Mehrinejad, S., Moeinzad, H., & Mehrani, A. (2024). Presenting a Model for Overcoming Production Barriers Based on Digital Transformations. *Digital Transformation and Administration Innovation*, 2(3), 52-63.

Received: 2024-06-29

Revised: 2024-08-12

Accepted: 2024-09-26

Published: 2024-09-30



# **Presenting a Model for Overcoming Production Barriers Based on Digital Transformations**

Mohsen Hasanzadeh<sup>1</sup><sup>(b)</sup>, Mohammad Ali Keramati<sup>1</sup>\*<sup>(b)</sup>, Safiyeh Mehrinejad<sup>2</sup><sup>(b)</sup>, Hossein Moeinzad<sup>2</sup><sup>(b)</sup>, Azadeh Mehrani<sup>3</sup><sup>(b)</sup>

1. Department of Industrial Management, Central Tehran Branch, Islamic Azad University, Tehran, Iran

2. Department of Financial Management, Central Tehran Branch, Islamic Azad University, Tehran, Iran

3. Department of Financial Management, Nowshahr Branch, Islamic Azad University, Nowshahr, Iran

\*Correspondence: mohammadalikeramati@yahoo.com

#### <u>Abstract</u>

Given the rapid advancements in the digital world, information and communication technology (ICT) transformations have become a key factor in the structural changes across various industries. In this context, the utilization of modern technologies and digital transformation management has emerged as a strategic approach to addressing challenges and barriers to production. The present study aimed to propose a model for overcoming production barriers based on digital transformations. This research is applied in its objective and qualitative in its methodology. The statistical population consisted of documents related to overcoming production barriers through digital transformations over the past 15 years, from which 35 documents were selected using purposive sampling. Data collection was conducted through note-taking from documents, with validity confirmed via triangulation and reliability assessed using Cohen's kappa coefficient, yielding a reliability score of 86.9%. Data analysis was performed using thematic analysis through three types of coding: open, axial, and selective. The findings identified 116 basic themes, 24 organizing themes, and 9 overarching themes for the model of overcoming production barriers based on digital transformations. These overarching themes included educational leadership based on perception and cognition, planning and goal setting, optimization of digital processes, interactions based on digital transformation, dynamic transformation indicators, characteristics of a digital organization, goal articulation, organizational agility, and the development of digital transformation models. Ultimately, the model for overcoming production barriers based on digital transformations was formulated. The results of this study indicate that digital transformations can serve as a powerful tool for overcoming production barriers. The nine overarching themes identified in this research clearly demonstrate that digital transformations can reduce production barriers and existing challenges in the state banking system by enhancing efficiency, improving services, and optimizing processes.

Keywords: Production barriers, transformation, digital transformation, thematic analysis.

# 1. Introduction

Focusing on digital transformation in manufacturing opens significant opportunities for growth, improved profitability, and enhanced flexibility (Zighan & Abualqumboz, 2022). To address increasing competition and deliver greater value to customers, industrial companies are developing service-oriented strategies, redefining themselves not merely as sellers of products or services but as providers of integrated solutions that combine both (Le-Dain et al., 2023). These integrated solutions, known as product-service systems, encompass a wide range of value propositions (Shen et al., 2021). The shift

toward this strategy aligns with the increasing adoption of digital technologies and business digitization (Gobble, 2018). In fact, digitization enhances service efficiency by enabling new frameworks and pricing models (Rha & Lee, 2022).

Overcoming production barriers in the industry is highly significant, as it directly impacts the performance and success of an industrial organization (Bahiroh & Imron, 2024). Eliminating production barriers increases the efficiency of production processes. By improving and optimizing production processes, production time is reduced, manufacturing costs decrease, and product quality improves (Li, 2024). This results in increased profitability and competitiveness for the organization, leading to a long-term reduction in production costs. Optimizing production processes also minimizes the likelihood of breakdowns and operational issues, consequently lowering maintenance and repair costs (Kohtamäki et al., 2019; Kohtamäki et al., 2020). Furthermore, enhancing machine efficiency and optimizing production processes reduce material and energy consumption, ultimately leading to cost savings (Liu, 2024).

Overcoming production barriers improves product quality. Enhancing production processes can reduce the need for manual adjustments and frequent modifications, thereby improving product quality. Additionally, advanced technologies such as artificial intelligence and machine learning can be used to identify and resolve quality issues (Thun et al., 2019).

By improving efficiency, reducing costs, and enhancing quality, an organization can effectively compete with top rivals and execute more successful marketing strategies (Poels, 2019). This ultimately contributes to profitability and sustainable organizational growth. Furthermore, this process increases customer satisfaction. By improving quality and ensuring timely product delivery, customers become more satisfied and develop greater trust in the organization (Pomfret et al., 2020). Overcoming production barriers means delivering high-quality products at competitive prices and on time, which can lead to increased sales, repeat orders, and customer acquisition (Lipsmeier et al., 2020).

Enhancing production processes enables an organization to establish a competitive advantage (Sarikasaki et al., 2016). By optimizing production processes, reducing costs, and improving quality, organizations can offer superior products and services that competitors may struggle to match. This competitive advantage helps organizations maintain market sustainability and experience growth and development (Reim et al., 2015).

Digital transformations can significantly contribute to overcoming production barriers and improving manufacturing processes across various industries. The use of automation and robotics in production processes leads to substantial improvements in efficiency and product quality. These technologies automate repetitive and time-consuming tasks while minimizing human errors. As a result, production time decreases, costs are reduced, and product accuracy and quality increase (Annarelli et al., 2020).

Accordingly, the most successful manufacturing industries integrate service strategies with digitization efforts, participating in a digital service strategy (Paschou et al., 2020). Digital service refers to the development of new services or the enhancement of existing ones through digital technologies to implement digital business models, generate knowledge from data, improve operational performance, and enhance competitiveness (Okazaki et al., 2020). Digital service strengthens a company's revenue and profitability by providing competitive advantages and delivering high-quality services to customers. Thanks to digital service, product-service system solutions become more sophisticated by incorporating digital technologies to enhance the intelligence of products, services, or product-service interfaces (Balistri et al., 2020).

These new solutions, referred to as digital transformation strategies, represent an IT-driven business strategy for co-creating value, incorporating various stakeholders as key actors, intelligent systems as infrastructure, smart and connected products as tools, and electronic production processes as fundamental components. The ultimate goal is to continuously meet individual customer needs through sustainable production improvements (Mehrani et al., 2022). Additionally, digital transformation strategies support sustainability by extending product life cycles, increasing resource and energy efficiency, enhancing product utilization, reducing carbon emissions, and minimizing waste (Paiola et al., 2021). Indeed, digital technologies such as the Internet of Things (IoT), cloud platforms, and big data facilitate the implementation of sustainable smart product-service system business models, allowing industries to design and implement more efficient value propositions (Mende et al., 2019).

Digitization enhances the strategic and operational effectiveness of service delivery by enabling innovative services, business models, and pricing frameworks (Kohtamäki et al., 2019; Kohtamäki et al., 2020; Shen et al., 2021). Consequently,

Page | 53

companies pursue a digital service strategy that inherently integrates service provision and digitization. Digital service is considered a transition from pure products and supplementary services to intelligent product-service systems. Digital transformation solutions are understood as the use of digital technologies to create and deliver appropriate value from offered product-service solutions, making digital service an interaction between digitization and service provision (Bouncken et al., 2021).

The barriers to production refer to constraints, challenges, or limiting factors that disrupt the efficiency and quality of Page | 54 manufacturing processes for goods and services. These barriers can be diverse, ranging from technical, managerial, financial, and technological constraints to human-related factors and issues concerning raw material supply and market acceptance (Ackx, 2014). Common production barriers include fluctuations in raw material supply, underutilization of modern technologies, decreased labor productivity, inefficiencies in production process management, supply chain disruptions, low product quality, defects in quality control, market distribution problems, mass production interruptions, and environmental challenges such as product life cycle concerns and industrial waste management (Chowdhury et al., 2018). In the context of Iran, production barriers can be categorized into cultural and economic-political constraints. The primary cultural barriers include negative perceptions of domestic products, brand-oriented consumer behavior, weak commitment to national industry, and socio-cultural transformations (Dashtbani & Mohammadi, 2022). Economic and political barriers encompass poor quality of domestic production, oil-dependent economy, state-controlled economic structures, corruption, smuggling, excessive imports of consumer goods, monopolization, banking system inefficiencies, currency shocks, unfavorable business environments, outward-oriented economic policies, and Western-centric unilateralism (Ebadi et al., 2021). Addressing production barriers is crucial, as overcoming them can lead to improved productivity, reduced resource wastage, enhanced product quality, lower production costs, increased competitiveness, and higher profitability (Coreynen et al., 2017). A key barrier to production is the lack of efficient utilization of modern technologies and automation. To address this, companies must adopt advanced technologies such as robotics, artificial intelligence, and the Internet of Things (IoT) in their production lines to enhance accuracy, speed, and quality (Alizadeh & Khalili Asr, 2023). Additionally, mismanagement of resources and inefficient planning can hinder production, necessitating the implementation of modern management systems and data-driven optimization strategies to improve inventory control, resource allocation, and demand forecasting (Dachs et al., 2013). The shortage of skilled labor also poses a significant barrier to production, requiring investments in workforce training and continuous skill development to enhance employees' capabilities and align them with production demands (Shen et al., 2021). Digital transformations play a critical role in overcoming production barriers, offering companies advanced tools for addressing inefficiencies, enhancing productivity, and optimizing supply chains (Ferreira et al., 2019). The integration of digital technologies such as automation, real-time monitoring, and predictive analytics allows companies to streamline manufacturing processes and minimize human error (Alizadeh & Larijani, 2018). These transformations have had widespread applications in various industries, including manufacturing, finance, healthcare, transportation, and education, improving efficiency, innovation, and user experience (Shen et al., 2021). Digitalization also facilitates seamless communication between production systems, suppliers, and customers through IoT and cloud computing, improving supply chain visibility and operational agility (Kopalle & Lehmann, 2021). Furthermore, predictive analytics and machine learning enable proactive decision-making by identifying patterns in production data, reducing downtime, and enhancing resource utilization (Kim, 2021). The adoption of blockchain technology ensures transparency in supply chain operations, securing transaction records and enhancing product traceability (Grant et al., 2014). Additionally, digital transformations contribute to smart and high-quality manufacturing by employing robotics, automated quality control systems, and real-time data analytics to optimize production efficiency and reduce operational costs (Kamboj et al., 2018). The integration of artificial intelligence and machine learning enables predictive maintenance, reducing unplanned downtimes and increasing production reliability (Ji et al., 2019). Furthermore, digitalization facilitates customer engagement by allowing organizations to collect and analyze customer feedback, improving product customization and service responsiveness (Bleier et al., 2020). Smart product-service systems, driven by digital transformation, integrate connected devices, real-time analytics, and cloud-based services to enhance value creation and service efficiency (Juarez et al., 2021). Digital service provisioning supports industrial sustainability by enabling long-term

relationships with customers, optimizing operational efficiency, and differentiating businesses in competitive markets (Baines & Lightfoot, 2013; Baines et al., 2017). By leveraging digitalization, companies can transition from traditional production models to intelligent and adaptive manufacturing ecosystems, ensuring sustainable growth and competitive advantage in global markets (Frank et al., 2019).

Page | 55

Thus, it can be argued that digital transformations also enable the advancement of product design and development processes. The use of simulations and modeling software allows developers to refine products without the need for immediate physical production, significantly reducing development costs and time. Thus, digital transformations act as a macro-level driver for productivity and quality enhancement across various industries. Consequently, improving product and service delivery processes through digital transformation, based on overcoming production barriers, is of great significance in the industry. This improvement leads to enhanced quality, cost reduction, increased efficiency, and improved organizational competitiveness. Ultimately, it contributes to organizational profitability and sustainable growth while also increasing customer satisfaction. Therefore, this study seeks to answer the following question: How can a model for overcoming production barriers be developed based on digital transformations?

# 2. Methods and Materials

This study is applied in its objective and qualitative in its execution. The statistical population consisted of documents related to overcoming production barriers based on digital transformations over the past 15 years, from which 35 documents were selected through purposive sampling. Accordingly, this study employed both field and library research. Documents related to overcoming production barriers through digital transformations were selected as samples only if they were deemed relevant by the researchers and had been published within the last 15 years.

To conduct the study and develop a logical framework based on the research objectives, the thematic network approach was utilized. In this process, dimensions, components, and indicators of the model for overcoming production barriers through digital transformations were explored. The literature review and previous studies were examined, and relevant documents were selected as samples. The dimensions, components, and indicators were then extracted and synthesized. To ensure clarity and relevance, redundant items were removed, and similar items were merged. Finally, a model was drawn based on the refined components.

Data collection was conducted using note-taking from documents. Each document was thoroughly examined, and all relevant content and concepts related to overcoming production barriers through digital transformations were documented. Once this process was completed for all selected documents, a synthesis was conducted, redundant items were removed, and similar items were integrated. The validity of the findings was confirmed using the triangulation method. Additionally, beyond validation by the researcher and the supervising and advisory professors, the validity of the findings was reviewed, revised, and approved by three researchers in the field of business and service industries. The reliability of the findings was assessed using Cohen's kappa coefficient, yielding a reliability score of 86.9%.

In this study, data were analyzed using thematic analysis through three types of coding: open coding, axial coding, and selective coding.

# 3. Findings and Results

In this study, 35 documents related to overcoming production barriers based on digital transformations were analyzed, and the results of the thematic analysis using open, axial, and selective coding are presented in Table 1.

	Transformations		_
Overarching Themes	Organizing Themes	Basic Themes	_
Digital transformation leadership based on perception and cognition	Skill development	Employee experience	-
LL		Employee interest in diverse digital transformation domains	Page
		Information skills	1 a50 1
	In-house training	Educational resources	
	<u> </u>	Consulting with experts and specialists	
		In-service training courses	
	Employee motivation	Possibility of tracking activities and progress	
	Institutionalizing training	Creating sufficient motivation in employees	
	Institutionalizing training		
		Managerial perspective on training	
		Evaluating different perspectives	
		Evaluating fundamental beliefs and values	
		Enhancing confidence in the transformation process	
Planning and goal setting	Digital transformation multimedia resources	User-friendly electronic content	
		Increasing speed in training and transformation	
		Reducing learning costs	
		Increasing motivation	
	Existence of a comprehensive digital transformation system	Reducing training costs	
		Making training interactive	
		Time efficiency	
	Educational content	Integration of images, text, audio, and videos	
		Conversational-style content	
		Content analysis and determination of training methods and tools	
Process optimization	Electronic implementation and evaluation	Analysis of collected data	
-	-	Support services	
		Information usefulness	
	New learning and teaching system	Setting educational goals	
		Evaluation system analysis	
		Linking transformation to employee efficiency and capability	
		Optimizing intellectual capital and digital transformation management	
Digital transformation interactions	University collaborations	Web-based learning environment	
0	,	Linking to university educational programs	
		Improving training quality and quantity	
	Industry collaboration	Monitoring service industry training programs	
	industry condoration	Interaction with industrial and service companies	
Dynamic transformation indicators		Activating research and development units	
		Establishing joint research centers with industries	
		Developing interdisciplinary industry-university interaction models	
		Creating a suitable platform for referring transformation projects to universities	
	Sustainable transformation	Utilizing creative methods Reducing disorder and confusion in the transformation process	
		Defining the educational program and setting boundaries	
	Research-based learning	Aligning employees with virtual classes Building trust	
	8	Educational participation	
		Transformation skills	
		Employee participation	
		Effective communication networks with employees	
Characteristics of a digital organization	Structural factors	Implementation approach	

# Table 1. Results of Thematic Analysis of Documents Related to Overcoming Production Barriers Based on Digital Transformations

Copyright: © 2024 by the authors. Published under the terms and conditions of Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

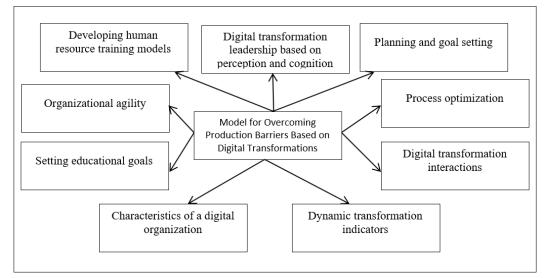
			High-speed internet
			Support from senior management and financial
			backing Educational as ftware
			Educational software
			Optimal educational environment
		Environmental barriers	Suitable hardware
57		Environmental barriers	Internal goal orientation
151			Information self-efficacy Resistance to new conditions
		Mating in a dealant	
	Setting educational goals	Motivation and talent	Stimulating a sense of transformation among employees
			Employee talent assessment and recognition of managerial behavioral traits
			Specialist evaluation based on criteria
			Proper understanding of employee talents
		Identifying educational resources	Recruiting talented employees
			Introducing specialized managers
			The necessity of agility in transformation
			Employee participation in content quality Educational branding
			Compatibility of training adaptability with
			organizational needs
			Educational needs assessment aligned with organizational needs
			Enhancing content quality
		Feasibility assessment for implementation	Aligning training with job requirements
		<b>5</b> 1	Educational management consulting for transformation
			Providing consultation to units regarding hybrid transformation
			Support from senior managers
	Organizational agility	Superior educational capabilities	Training specialized workforce
	- g		Developing information and communication skills
			Providing new educational opportunities for employ
			Knowledge synergy and creating innovative though cycles
		Motivation for transformation	Transformation development based on teamwork an
			participation Creating a broad sense of transformation
			Providing equipment and facilities for all
			• • •
			Human resource motivation
			Continuous transformation
			Flexibility in transformation
		Transformation integration	Increasing creativity and innovation
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation
		Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources
	Developing human resource training models	Transformation integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management
	Developing human resource training models		Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management Strengthening employee knowledge In-house training workshops
	Developing human resource training models		Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management Strengthening employee knowledge In-house training workshops Stimulating specialized expertise
	Developing human resource training models		Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management Strengthening employee knowledge In-house training workshops
	Developing human resource training models		Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management Strengthening employee knowledge In-house training workshops Stimulating specialized expertise Comprehensive focus on all aspects of digital transformation development
	Developing human resource training models		Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management Strengthening employee knowledge In-house training workshops Stimulating specialized expertise Comprehensive focus on all aspects of digital transformation development Organizational environment
	Developing human resource training models	Focus integration	Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management Strengthening employee knowledge In-house training workshops Stimulating specialized expertise Comprehensive focus on all aspects of digital transformation development Organizational environment Specialization
	Developing human resource training models		Increasing creativity and innovation Talent evaluation of employees Developing desirable knowledge aligned with transformation Enhancing individual capabilities and employee productivity Reducing organizational risk Acquiring new ideas and knowledge for digital transformation Agile human resources Talent management Strengthening employee knowledge In-house training workshops Stimulating specialized expertise Comprehensive focus on all aspects of digital transformation development Organizational environment

Copyright: © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

Value-added educational assessment	
Generating new digital transformation ideas	
Fair distribution of transformation opportunities	
Identifying, developing, and retaining high-potential individuals	
Increasing commitment to organizational transformation	
Analyzing competitors' models	Page
Enhancing the value of digital transformation	
New educational thinking	
Fairness in digital transformation processes	
Employee learning capacity	
Aligning training with transformation	
Strengthening employee engagement in digital transformation	
Reducing transformation costs	
Optimizing training time allocation	
Time savings for transformation	
Perceived training costs	
Maintaining the digital environment	
	Generating new digital transformation ideasFair distribution of transformation opportunitiesIdentifying, developing, and retaining high-potentialindividualsIncreasing commitment to organizationaltransformationAnalyzing competitors' modelsEnhancing the value of digital transformationNew educational thinkingFairness in digital transformation processesEmployee learning capacityAligning training with transformationStrengthening employee engagement in digitaltransformationReducing transformation costsOptimizing training time allocationTime savings for transformationPerceived training costs

| 58

As shown in Table 1, the model for overcoming production barriers based on digital transformations identified 116 basic themes, 24 organizing themes, and 9 overarching themes. Based on the overarching themes, the model for overcoming production barriers based on digital transformations is illustrated in Figure 1.





# 4. Discussion and Conclusion

The present study aimed to develop a model for overcoming production barriers based on digital transformations. The findings revealed that digital transformation plays a significant role in addressing inefficiencies and obstacles within manufacturing and production systems. The thematic analysis identified 116 basic themes, 24 organizing themes, and 9 overarching themes, which provide a comprehensive framework for understanding how digital transformation can enhance productivity, optimize resource management, and improve the overall efficiency of production systems. The nine overarching themes identified in this study included digital transformation leadership based on perception and cognition, planning and goal setting, optimization of digital processes, interactions based on digital transformation, dynamic transformation indicators, characteristics of a digital organization, goal articulation, organizational agility, and the development of digital transformation

models. These findings indicate that digital transformation provides companies with powerful tools to eliminate inefficiencies, enhance productivity, and improve supply chain coordination.

The results of this study align with previous research, which has consistently emphasized the role of digital transformation in improving industrial efficiency and overcoming production-related challenges. Prior studies have shown that digital technologies, such as artificial intelligence, robotics, and the Internet of Things (IoT), contribute to automation, reduce errors,

Page | 59 and enhance process efficiency (Shen et al., 2021). The use of automation and real-time data analytics in production management has been widely acknowledged as an effective approach to increasing accuracy, speed, and cost-effectiveness in manufacturing (Alizadeh & Khalili Asr, 2023). Additionally, digital transformation improves supply chain management by providing real-time tracking and predictive analytics, which help companies optimize raw material procurement and logistics operations (Grant et al., 2014). This is consistent with the findings of the present study, where supply chain coordination and improved operational agility were identified as key benefits of digital transformation.

Another significant finding of the study was the role of digital transformation in enhancing workforce productivity and organizational agility. The study found that digital transformation facilitates knowledge-sharing, promotes continuous skill development, and enables organizations to adapt to changing market conditions more effectively. Previous research has also highlighted the importance of digital transformation in workforce development, indicating that companies that invest in digital training and technological integration experience increased employee efficiency and organizational adaptability (Coreynen et al., 2017). Moreover, digital tools such as cloud computing, machine learning, and data analytics support decision-making processes by providing real-time insights into operational performance (Kim, 2021). These findings underscore the necessity of integrating digital skills into workforce development strategies to ensure that employees can effectively utilize emerging technologies to improve production efficiency.

Furthermore, the study demonstrated that digital transformation enhances quality control and precision in manufacturing processes. The use of automated quality control systems, digital sensors, and real-time monitoring tools allows organizations to detect defects early in the production process and reduce waste. Prior studies have similarly reported that implementing digital quality control measures leads to higher product consistency, reduced defect rates, and improved customer satisfaction (Bleier et al., 2020). The integration of digital tools, such as blockchain and IoT, into production monitoring systems has also been identified as an effective method for increasing transparency and traceability in manufacturing (Kopalle & Lehmann, 2021). These findings further reinforce the notion that digital transformation contributes to the overall improvement of product quality and process efficiency.

The findings of the present study also highlight the importance of organizational agility in the successful implementation of digital transformation strategies. Organizational agility enables companies to quickly respond to market demands, technological advancements, and shifts in consumer preferences. Previous research has emphasized that companies that prioritize agility in their digital transformation initiatives experience greater operational resilience and long-term competitiveness (Chowdhury et al., 2018). This study's findings indicate that digital transformation not only supports process automation and quality control but also fosters a more adaptable and innovative organizational culture.

Additionally, the study identified planning and goal setting as critical factors in the successful implementation of digital transformation initiatives. Strategic planning ensures that digital transformation efforts are aligned with organizational objectives and resource capabilities. Research has consistently shown that organizations with clear digital transformation roadmaps achieve higher success rates in technology adoption and process optimization (Shen et al., 2021). The findings of this study suggest that effective planning and goal setting are essential for maximizing the benefits of digital transformation and overcoming production barriers.

The results also demonstrated that digital transformation contributes to cost reduction by optimizing production processes and minimizing resource wastage. Digital technologies such as predictive analytics, automation, and smart resource management systems enable organizations to reduce operational costs while maintaining high levels of efficiency. Previous studies have reported that companies implementing digital transformation strategies experience significant cost savings through improved process optimization, reduced downtime, and lower labor costs (Kim, 2021). These findings indicate that digital transformation serves as a key enabler of cost-efficient production management.

### Hasanzadeh et al.

Finally, the study emphasized the role of digital transformation in enhancing customer engagement and market responsiveness. Digital platforms, data analytics, and customer feedback mechanisms enable organizations to better understand consumer preferences and tailor their production strategies accordingly. Research has indicated that digital transformation facilitates customer-centric business models, allowing companies to develop products that align with market demands and improve customer satisfaction (Baines & Lightfoot, 2013; Baines et al., 2017). The findings of the present study support this perspective, highlighting the importance of leveraging digital tools for market analysis and customer relationship management. Page | 60

Despite the valuable insights obtained from this study, there are several limitations that should be acknowledged. First, the study relied on document analysis, which may limit the depth of empirical evidence regarding the practical implementation of digital transformation strategies. While the findings provide a strong theoretical foundation, future research could benefit from direct case studies and industry-specific investigations to validate these conclusions. Additionally, the study focused on general production barriers without examining sector-specific challenges in industries such as healthcare, manufacturing, or financial services. A more granular analysis of digital transformation in different industries could provide more targeted insights. Furthermore, the study primarily considered the benefits of digital transformation without extensively addressing the potential risks and challenges associated with its implementation, such as cybersecurity threats, data privacy concerns, and workforce resistance to technological changes.

Future research should explore the empirical validation of the proposed digital transformation model by conducting case studies in various industries. Investigating how different sectors implement digital transformation strategies and the specific challenges they face could provide more comprehensive insights into best practices and industry-specific solutions. Additionally, future studies should focus on the economic impact of digital transformation on production costs, supply chain efficiency, and overall business profitability. Examining the return on investment (ROI) of digital transformation initiatives could help organizations make more informed decisions regarding technology adoption. Moreover, future research should explore the role of digital transformation in sustainability and environmental impact reduction, particularly in areas such as energy-efficient production, waste management, and carbon footprint reduction.

Organizations should prioritize digital transformation as a strategic initiative to overcome production barriers and improve operational efficiency. Companies should invest in workforce training programs to enhance digital literacy and ensure employees can effectively use emerging technologies in production processes. Additionally, organizations should develop clear digital transformation roadmaps that align with their business objectives and resource capabilities. Implementing real-time monitoring and predictive analytics can help companies optimize resource allocation, reduce production costs, and improve quality control. Finally, businesses should leverage digital tools to enhance customer engagement and market responsiveness, ensuring that their products and services align with evolving consumer preferences. By embracing digital transformation, organizations can achieve sustainable growth, enhance competitiveness, and navigate the complexities of modern production environments more effectively.

# **Ethical Considerations**

All procedures performed in this study were under the ethical standards.

# Acknowledgments

Authors thank all participants who participate in this study.

# **Conflict of Interest**

The authors report no conflict of interest.

## **Funding/Financial Support**

According to the authors, this article has no financial support.

#### References

Page | 61

- Ackx, S. (2014). Emerging technologies, disrupt or be disrupted. In In: Reimer H, Pohlmann N, Schneider W (eds) ISSE 2014 securing electronic business processes (pp. 177-187). https://doi.org/10.1007/978-3-658-06708-3\_14
- Alizadeh, H., & Khalili Asr, G. (2023). Evaluation of the online shopping experience based on the behavioral characteristics of customers of art products. *Scientific Journal of New Research Approaches in Management and Accounting*, 6(23), 1109-1123. https://www.magiran.com/paper/2554116/the-evaluation-of-the-online-shopping-experience-based-on-the-behavioral-characteristicsof-customers-of-art-products?lang=en
- Alizadeh, H., & Larijani, M. (2018). Investigating the impact of currency risk on Bank Mellat's performance through the mediating role of financial intelligence. *Scientific Journal of New Research Approaches in Management and Accounting*, *3*(8), 32-47. https://majournal.ir/index.php/ma/article/view/161
- Annarelli, A., Battistella, C., & Nonino, F. (2020). Competitive advantage implication of different Product Service System business models: consequences of 'not-replicable' capabilities. *Journal of Cleaner Production*, 247, 119-121. https://doi.org/10.1016/j.jclepro.2019.119121
- Bahiroh, E., & Imron, A. (2024). Innovative Human Resource Management Strategies in the Era of Digital Transformation. *Management Studies and Business Journal (PRODUCTIVITY)*, 1(2), 154-162. https://doi.org/10.62207/6wnrgj39
- Baines, T., & Lightfoot, H. (2013). Made to serve. How manufacturers can compete through servitization and product-service systems. Wiley. https://doi.org/10.1002/9781119207955
- Baines, T., Ziaee Bigdeli, A., & Bustinza, O. F. (2017). Servitization: revisiting the state-of-the-art and research priorities. International Journal of Operations & Production Management, 37, 256-278. https://doi.org/10.1108/IJOPM-06-2015-0312
- Balistri, E., Casellato, F., & Giannelli, C. (2020). Servitization in the era of blockchain: the ice cream supply chain business case. 2020 International Conference on Technology and Entrepreneurship (ICTE), https://doi.org/10.1109/ICTE47868.2020.9215539
- Bleier, A., Goldfarb, A., & Tucker, C. (2020). Consumer privacy and the future of data-based innovation and marketing. *International Journal of Research in Marketing*, *37*(3), 466-480. https://doi.org/10.1016/j.ijresmar.2020.03.006
- Bouncken, R. B., Kraus, S., & Roig-Tierno, N. (2021). Knowledge- and innovation-based business models for future growth: digitalized business models and portfolio considerations. *Review of Management Science*, 15, 1-14. https://doi.org/10.1007/s11846-019-00366-z
- Chowdhury, S., Haftor, D., & Pashkevich, N. (2018). Smart product-service systems (smart PSS) in industrial firms: a literature review. *Procedia CIRP*, 73, 26-31. https://doi.org/10.1016/j.procir.2018.03.333
- Coreynen, W., Matthyssens, P., & Bockhaven, W. (2017). Boosting servitization through digitization: pathways and dynamic resource configurations for manufacturers. *Industrial Marketing Management*, 60, 42-53. https://doi.org/10.1016/j.indmarman.2016.04.012
- Dachs, B., Biege, S., & Borowiecki, M. (2013). Servitization in European manufacturing industries: empirical evidence from a large-scale data base. *Service Industries Journal*, *33*, 1-21. https://doi.org/10.1080/02642069.2013.776543
- Dashtbani, B., & Mohammadi, M. (2022). The Role of the Iran Commodity Exchange in Removing Production Barriers to Achieve the Goals of a Resilient Economy. *Quarterly Journal of Defense Economy and Sustainable Development*, 26, 29-53. https://eghtesad.sndu.ac.ir/article\_2446.html?lang=en
- Ebadi, A., Afzali, M., & Lotfi, Z. (2021). Providing a Solution to Overcome Existing Barriers in Lean Production Using a Fuzzy Multi-Criteria Decision-Making Approach. First International Conference on the Leap in Management, Economics, and Accounting Sciences, Sari. https://en.civilica.com/doc/1464295/
- Ferreira, J. J. M., Fernandes, C. I., & Ferreira, F. A. F. (2019). To be or not to be digital, that is the question: firm innovation and performance. Journal of Business Research, 101, 583-590. https://doi.org/10.1016/j.jbusres.2018.11.013
- Frank, A. G., Dalenogare, L. S., & Ayala, N. F. (2019). Industry 4.0 technologies: implementation patterns in manufacturing companies. International Journal of Production Economics, 210, 15-26. https://doi.org/10.1016/j.ijpe.2019.01.004
- Gobble, M. A. M. (2018). Digitalization and innovation. Research-Technology Management, 61, 56-59. https://doi.org/10.1080/08956308.2018.1471280
- Grant, K., Edgar, D., Sukumar, A., & Meyer, M. (2014). Risky business: perceptions of e-business risk by UK small and medium sized enterprises (SMEs). International Journal of Information Management, 34, 99-122. https://doi.org/10.1016/j.ijinfomgt.2013.11.001
- Ji, W., Yin, S., & Wang, L. (2019). A big data analytics based machining optimisation approach. Journal of Intelligent Manufacturing, 30, 1483-1495. https://doi.org/10.1007/s10845-018-1440-9
- Juarez, M. G., Botti, V. J., & Giret, A. S. (2021). Digital twins: review and challenges. Journal of Computational and Information Science Engineering, 21(3), 030802. https://doi.org/10.1115/1.4050244
- Kamboj, S., Sarmah, B., Gupta, S., & Dwivedi, Y. (2018). Examining branding co-creation in brand communities on social media: Applying the paradigm of stimulus-organism-response. *International Journal of Information Management*, 39, 169-185. https://doi.org/10.1016/j.ijinfomgt.2017.12.001
- Kim, J. (2021). Advertising in the Metaverse: Research agenda. Journal of Interactive Advertising, 21, 1-4. https://doi.org/10.1080/15252019.2021.2001273
- Kohtamäki, M., Parida, V., & Örtqvist, D. (2019). Digital servitization business models in ecosystems: a theory of the firm. Journal of Business Research, 104, 380-392. https://doi.org/10.1016/j.jbusres.2019.06.027
- Kohtamäki, M., Parida, V., Patel, P. C., & Gebauer, H. (2020). The relationship between digitalization and servitization: the role of servitization in capturing the financial potential of digitalization. *Technological Forecasting and Social Change*, 151, 119804. https://doi.org/10.1016/j.techfore.2019.119804
- Kopalle, P. K., & Lehmann, D. R. (2021). EXPRESS: Big data, marketing analytics, and public policy: Implications for health care. *Journal of Public Policy & Marketing*, 40, 453-456. https://doi.org/10.1177/0743915621999031
- Le-Dain, M. A., Benhayoun, L., Matthews, J., & Liard, M. (2023). Barriers and opportunities of digital servitization for SMEs: the effect of smart Product-Service System business models. Service Business, 17, 359-393. https://doi.org/10.1007/s11628-023-00520-4
- Li, X. (2024). Corporate Digital Transformation, Internal Control and Total Factor Productivity. *PLoS One*, 19(3), e0298633. https://doi.org/10.1371/journal.pone.0298633

Copyright: © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

- Lipsmeier, A., Kühn, A., Joppen, R., & Dumitrescu, R. (2020). Process for the development of a digital strategy. *Procedia CIRP*, 88, 173-178. https://doi.org/10.1016/j.procir.2020.05.031
- Liu, S. (2024). Study on the Impact of Digital Transformation on Green Total Factor Productivity. *Frontiers in Business Economics and Management*, 15(2), 331-334. https://doi.org/10.54097/rqfvs751
- Mehrani, H., Alizadeh, M., & Rasouli, A. (2022). Evaluation of the Role of Artificial Intelligence Tools in the Development of Financial Services and Marketing. Journal of Technology in Entrepreneurship and Strategic Management, 1(1), 71-82. https://www.journaltesm.com/index.php/journaltesm/article/view/278
- Mende, M., Scott, M. L., van Doorn, J., Grewal, D., & Shanks, I. (2019). Service robots rising: How humanoid robots influence service Page | 62 experiences and elicit compensatory consumer responses. *Journal of Marketing Research*, 56(4), 535-556. https://doi.org/10.1177/0022243718822827
- Okazaki, S., Eisend, M., Plangger, K., de Ruyter, K., & Grewal, D. (2020). Understanding the strategic consequences of customer privacy concerns: A meta-analytic review. *Journal of Retailing*, *96*(4), 458-473. https://doi.org/10.1016/j.jretai.2020.05.007
- Paiola, M., Schiavone, F., Grandinetti, R., & Chen, J. (2021). Digital servitization and sustainability through networking: some evidences from IoT-based business models. *Journal of Business Research*, 132, 507-516. https://doi.org/10.1016/j.jbusres.2021.04.047
- Paschou, T., Rapaccini, M., Adrodegari, F., & Saccani, N. (2020). Digital servitization in manufacturing: a systematic literature review and research agenda. *Industrial Marketing Management*, 89, 278-292. https://doi.org/10.1016/j.indmarman.2020.02.012
- Poels, G. (2019). Enterprise modelling of digital innovation in strategies, services and processes. International Conference on Business Process Management, https://doi.org/10.1007/978-3-030-37453-2\_57
- Pomfret, L., Previte, J., & Coote, L. (2020). Beyond concern: Socio-demographic and attitudinal influences on privacy and disclosure choices. *Journal of Marketing Management*, 36(5-6), 519-549. https://doi.org/10.1080/0267257X.2020.1715465
- Reim, W., Parida, V., & Örtqvist, D. (2015). Product-Service Systems (PSS) business models and tactics-a systematic literature review. Journal of Cleaner Production, 97, 61-75. https://doi.org/10.1016/j.jclepro.2014.07.003
- Rha, J. S., & Lee, H. H. (2022). Research trends in digital transformation in the service sector: a review based on network text analysis. Service Business, 1-22. https://doi.org/10.1007/s11628-022-00481-0
- Shen, L., Sun, C., & Ali, M. (2021). Role of servitization, digitalization, and innovation performance in manufacturing enterprises. *Sustainability*, *13*, 9878. https://doi.org/10.3390/su13179878
- Thun, S., Kamsvåg, P. F., & Kløve, B. (2019). Industry 4.0: whose revolution? The digitalization of manufacturing work processes. *Nordic Journal of Working Life Studies*, 9, 39-57. https://doi.org/10.18291/njwls.v9i4.117777
- Zighan, S., & Abualqumboz, M. (2022). Dual focus: service-product orientation to manage the change paradox following servitization strategy. *Service Business*, *16*, 29-55. https://doi.org/10.1007/s11628-022-00483-y