Digital Transformation and Its Influence on Organisational Efficiency: A Study of Indian Companies

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La transformación digital y su influencia en la eficiencia organizativa: un estudio sobre empresas indias

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ABSTRACT

Indian organizations show rapid transformation of their business operations through digital solutions which include cloud computing and automation and ERP and AI and big data and digital payment systems. The research team analyzed secondary data from government reports and industry studies and corporate annual reports to assess how digital transformation affects organizational efficiency in Indian businesses. The study results demonstrate that digital adoption leads to better processing speed and reduced errors and lower transaction costs and improved cross-functional coordination but these advantages require organizations to be prepared and have leaders who support change and employees with necessary skills. Policy initiatives like Digital India and large-scale public digital platforms have played a significant role in the rapid diffusion of adoption across firms, including MSMEs. The research ends with some practical suggestions for the companies and policymakers.

Keywords: Cloud Computing; Digital Payment; ERP; Organisational Efficiency; Digital India.

RESUMEN

Las organizaciones indias están experimentando una rápida transformación de sus operaciones comerciales gracias a soluciones digitales que incluyen la computación en la nube y la automatización, así como ERP, IA, big data y sistemas de pago digital. El equipo de investigación analizó datos secundarios procedentes de informes gubernamentales, estudios sectoriales e informes anuales de empresas para evaluar cómo afecta la transformación digital a la eficiencia organizativa de las empresas indias. Los resultados del estudio demuestran que la adopción digital conduce a una mayor velocidad de procesamiento, una reducción de los errores y los costes de transacción, y una mejora de la coordinación interfuncional, pero estas ventajas requieren que las organizaciones estén preparadas y cuenten con líderes que apoyen el cambio y empleados con las habilidades necesarias. Iniciativas políticas como Digital India y las plataformas digitales públicas a gran escala han desempeñado un papel importante en la rápida difusión de la adopción entre las empresas, incluidas las micro, pequeñas y medianas empresas. La investigación concluye con algunas sugerencias prácticas para las empresas y los responsables políticos.

Palabras clave: Computación en la Nube; Pagos Digitales; ERP; Eficiencia Organizativa; Digital India.

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INTRODUCTION

Digital transformation is essentially about the strategic implementation of various digital technologies to bring about changes in business processes, organizational structures, and ways of delivering value. India has digitally transformed in the last ten years which was largely due to a government program (Digital India), a large-scale payment platform (UPI) and by enterprises investing more in cloud, automation, analytics and AI. As a result of these changes, companies have the power to speed up their processes, reduce transactional friction, integrate their operations and increase their overall efficiency. Nevertheless, companies are still battling problems such as hefty implementation costs, difficulties in integrating with legacy systems, and lack of skills. This study focuses on how digital transformation affects the organizational efficiency of Indian companies by looking at the secondary data such as government reports, industry surveys (consultancies and trade bodies), company annual reports as well as trustworthy news/analytical pieces.

LITERATURE REVIEW

Westerman et al.[1] posit that one of the major benefits of digital transformation is increased organisational efficiency, which occurs when the adoption of technology is coupled with good leadership, process restructuring, and a cultural shift. Their research into worldwide "digital masters" reveals a significantly higher productivity and profitability rate as compared to those companies that are not digital. The study is very much applicable to Indian companies as it portrays that performance improvement is the result of the strategic digital integration of the company and not merely the investing of money in tools.

According to McKinsey's research on Digitalization, those sectors that decide to go down the automation, analytics, and cloud path will see their productivity and cost-efficiency improving by 20-40 %. The study also points out that the influence of the digital transformation varies in different industries that is, the banking, IT, and telecommunication sectors are the ones to benefit the most and gain the fastest. The information is quite relevant in India where the same sectors are at the forefront of digital adoption and are clear winners when it comes to efficiency.

NASSCOM through industry surveys, has found out that the Indian IT and BFSI companies that adopt cloud platforms, automation, and digital workflows are able to achieve quicker turnaround times and higher operational accuracy. The main point of the research is that digital maturity is the factor that can be directly linked to the improvement of service delivery metrics. For this research, it is very imperative to realize the presence of efficiency improvement in Indian companies based on the evidence.

The study on digital banking by the RBI and NPCI demonstrates the fact that the implementation of UPI, automation, and AI-based systems, has led to a substantial decrease in the transaction processing times and operational costs of Indian banks.[2] The report claims that bank loan approvals are moving to a few minutes from days because of digital systems. It is very much related to the point as it shows local organizations in India are achieving real and easily quantifiable efficiency cost savings through digital transformation.

The study conducted by Deloitte demonstrates that Indian companies pursuing digital transformation as a matter of strategic business initiative gain greater cost-saving, quicker processes, and enhanced customer experience. The essential discovery here is that leadership support and the development of employees' capability have a very significant effect on the success of the digital transformation.[3,4] This is very much relevant because it portrays Indian firms requiring organizational readiness to achieve efficiency levels.

Accenture comes to the conclusion that the use of AI and automation in a company will speed-up the workflow, make less mistakes, and overall increase the company's productivity by 20-30 %, if the company is one that has intelligent systems implemented.[5] Their study of Indian and global enterprises leads to the conclusion that the greatest benefit of automation is in the areas that are repetitive and process-heavy. The presented argument is that digital tools have taken the lead in internal efficiency in Indian companies is substantiated by this.

Tarafdar and Gordon based on survey-driven empirical research assert that IT tools help in lessening the friction that organisations have—delays in coordination, communication barriers, and reporting lags—which eventually leads to improvements in task efficiency. The main point of their research is that collaboration is improved through the use of communication and digitalization decision is faster.[6,7] This is very much relevant because workflow delays, which are quite common in Indian firms, can be effectively solved by digitalising them.

The BCG report on the use of technology (robotics, IoT, and predictive maintenance) in Indian manufacturing firms reveals that these companies are able to accomplish less downtime, better yield, and quicker production cycles. The most important finding is that embracing technology in the production process has a direct impact on the total output as well as cutting down on the waste of resources.[8] This is a very relevant point because it brings in more proof of performance improvement to be true not only for the service industries but also for India's industrial sector.

Gupta and Kohli contend that digital transformation is a performance enhancer only when it is absorbed in organisational routines and employee capabilities. Their research indicates that tech investment without accompanying skill development only brings a few gains. This is very much relevant as a large number of Indian companies are confronted with the issue of skill gaps which need to be resolved before they can reap the full efficiency benefits.[9,10]

Firstly, the case studies and annual reports of big Indian companies give us the idea that spending on cloud platforms, automation, digital payments, and data analytics is instrumental in the realisation of improvements in cycle times, cost-cutting, and operational accuracy. The major point is that digital transformation is the main driver that directly leads to margin growth and productivity enhancement. The biggest point here is that it offers India-specific evidence that is consistent with the focus of this study on organisational efficiency.

Objectives of the Study

1. To study the degree of the digital transformation of Indian businesses through the use of secondary data.
2. To assess the impact of digital devices on the organisational efficiency.
3. To contrast the effects of digital transformation in different industries through the use of the published

material.

4. To recognising the most significant obstacles being faced by the different literatures.

METHOD

Research Nature

Descriptive and analytical; based only on secondary data.

Data Sources

- McKinsey India Digital Report
- NASSCOM Enterprise Digital Study
- RBI Digital Banking Report[2]
- Deloitte Insights
- PwC India Report
- Accenture India AI Impact Report
- Annual Reports: SBI, Reliance Industries, TCS, Infosys

Tools & Techniques

- Content analysis
- Comparative table analysis
- Trend interpretation
- Percentage-based efficiency comparison

RESULTS

Below is the expanded analysis section with figures, tables, and interpretation.

A. Sector-Wise Impact of Digital Transformation in India

The data reveals that the two sectors, banking and IT, have benefitted the most in terms of significant positive changes as a result of digital adoption from the very beginning. Just to give you an instance, the manual operations of the branch were minimized and faster processing was introduced through the SBI's YONO platform. IT firms, on the other hand, were already digital leaders and hence they could increase their productivity through the cloud and automation. At the same time, the manufacturing and retail industries are still in the process of change; however, they are making gradual progress (table 1).

B. Digital Adoption Index of Major Indian Companies

The Digital Adoption Score reveals that firms with a higher level of digital maturity are able to achieve more significant operational improvements. TCS and Infosys, who are equipped with a solid digitally-enabled infrastructure, are at the forefront of efficiency results. The banking sector is going through a fast change due to the use of automation and AI which is evident from the good performance of SBI. Retail and manufacturing industries are at the nascent stage of digital transformation with slow adoption of digital tools and thus their gains are moderate (table 2).

C. Pre- and Post-Digitalisation Efficiency Gains

Almost every sector has made considerable advancements after undergoing digital transformation. Banks are leading the way in this, as the time required for loan approvals has been cut very significantly. The retail sector is reaping the benefits of automated inventory systems, whereas the manufacturing industry is only making moderate progress because it requires a lot of investment. The customer service department has become more efficient as a result of the use of chatbots and AI (tabe 3).

Table 1. Impact on Operational Efficiency by Sector

Sector	Key Digital Tools Adopted	Efficiency Improvement	Source
Banking (SBI, HDFC)	AI, automation, digital credit	35–40 % faster processing	RBI[2], McKinsey
IT Services (TCS, Infosys)	Cloud, analytics	18–25 % improvement in delivery cycles	NASSCOM
Telecom (Reliance Jio, Airtel)	IoT, network automation	20 % reduction in network downtimes	Deloitte
Retail (DMart, Reliance Retail)	ERP, analytics	12–15 % cost optimisation	PwC
Manufacturing	IoT, robotics	10–12 % improvement in output	McKinsey)

Table 2. Digital Adoption Levels

Company	Digital Adoption Score (1–10)	Efficiency Outcome	Source
TCS	9,5	25 % faster delivery cycles	Annual Report
Infosys	9,2	23 % lower operational delays	Annual Report
SBI	8,7	40 % faster loan approval	RBI, SBI Report[2]
Reliance Industries	8,5	15 % cost reduction	Reliance Annual Report
DMart	7,4	12 % warehouse efficiency	PwC

Table 3. Comparative Efficiency Metrics

Indicator	Before Digitalisation	After Digitalisation	Improvement	Source
Loan Processing Time (Banks)	3–7 days	5–30 minutes	85–95 % faster	RBI[2]
Inventory Processing (Retail)	Manual, slow	Automated, real-time	25 % faster	PwC
Manufacturing Output	Traditional	IoT-enabled	10–12 % higher	McKinsey
Customer Query Resolution	24–48 hrs	Instant via chatbots	70–80 % faster	Deloitte

D. Summary of Efficiency Gains

- Banking Efficiency Gain: 40 %
- IT Sector Efficiency Gain: 25 %
- Telecom Efficiency Gain: 20 %
- Retail Efficiency Gain: 15 %
- Manufacturing Efficiency Gain: 12 %

Interpretation: the summary indicates that digital transformation results in significant operational efficiency improvements, especially in sectors with high data dependency.

CONCLUSION

One of the main findings of the study is that digital transformation has a very positive influence on the organisational efficiency of Indian companies. Secondary data from various industry reports, consulting firms, and company records strongly indicate major improvements in productivity, operational speed, cost reduction, and customer service. By and large, Banking and IT sectors are leading the way in digital maturity, whereas retail and manufacturing are gradually moving forward. Digital tools like AI, cloud, IoT, and automation are the main agents of efficiency improvements. In a nutshell, digital transformation has turned out to be a strategic requirement of Indian companies if they want to be able to compete and be efficient from an operational point of view in a changing business environment**.**

CONFLICT OF INTEREST

The authors declare that they have no conflict of interest.

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