Martin Gersch & Janina Sundermeier

Understanding (Digital) Transformation

"Digital transformation" is one of the latest buzzwords. Often described as "fast", "radical", "fundamental", or "game changing" reveals the importance, scope and pace of this phenomenon as an ongoing change process which cannot be ignored by scholars. Apart from the political, demographic, social and ecological challenges they trigger, the changes brought about by digital technologies represent huge challenges to institutions, as well as organizations in both traditional and emerging industries, and to society as a whole. Yet, to advance our understanding of the processes and consequences of digital transformation, we still lack a general consensus regarding the basic scientific foundations required for its study.

This present issue seeks to identify some of these challenges and presents the various solutions that different economic actors have developed so far to cope with the uncertainties resulting from digital transformation. We were delighted to receive submissions from teams of scholars working in different disciplines, demonstrating both the strong interested in the topic, and the intrinsically interdisciplinary nature of the field. The review selection sought to identify papers that made robust contributions to one of three aspects: the potential changes implied by digital technologies, how actors try to harness the potential of new technologies in a purposeful manner, or understanding how transformation processes occur at different levels of analysis.

The aim of the 10th volume of the JCSM is to advance scholarly reflection on and understanding of digital transformation, especially in relation to Competences, Strategy and Management. Following a call for paper in December 2017, we were delighted to receive more than 20 proposals. After at least two rounds of rigorous double-blind reviewing, six articles have been accepted for publication.

The six articles discuss fundamental aspects of digital transformation from several disciplinary perspectives. By offering meaningful contributions in the form of theoretical, conceptual and/or empirical work, they prepare the ground for further research endeavors.

The first paper, "**Clarifying the Notion of Digital Transformation: A Transdisciplinary Review of Literature**", by *Tobias Riasanow, David Soto Setzke, Markus Böhm* and *Helmut Krcmar,* offers useful terminological and

conceptual groundwork. Based on a systematic literature review the authors focus on the contributions made in two partly overlapping disciplines: management and organizational science, and information systems research. Their transdisciplinary review of the literature on digital transformation, spanning 175 articles, thus highlights how organizations respond to digital transformation. In so doing, they identify no fewer than twelve schools of thought on the phenomenon. The authors show that research into digital transformation builds on existing schools of thought as well creating new ones, such as digital innovation and ecosystems.

The second paper, "**Understanding market transformation: How firms create customer demand**", by *Michael Hartmann* and *Matthias Wenzel* explores how firms not only respond to but also themselves force and shape transformations, e.g. by creating customer demand. Their qualitative study is undertaken in the field of industrial sales and contributes to the literature on dynamic capabilities. More specifically, they explain how a "market-shaping capability" comes into being through interactions between frontline employees and customers.

The third paper, "**Pushing and Pulling – Digital Business Model Innovation and Dynamic Capabilities**", by *Andre Hanelt, Daniel Leonhardt, Björn Hildebrandt, Everlin Piccinini* and *Lutz M. Kolbe,* is an interdisciplinary study which demonstrates that firms engaging in digital business innovation experience a dual effect on their dynamic capabilities. Based on a global survey of automotive decision makers, the authors first identify that effective digital business model innovation requires organizational agility and absorptive capacity. Second, they discover that digital technologies in business model innovation further drive these capabilities. The study carries implications for process-oriented research on the interplay of dynamic capabilities and digital innovation, and for practitioners facing the specific challenges arising from digital transformation.

The fourth paper, "**Digital Transformation of Large Corporates: Corporate Venture Capital and Startup Collaborations of German DAX 30 Corporates**", by *Christian Hackober, Carolin Bock* and *Mattias Malki*, focuses on the activities deployed by German Dax 30 corporates to deal with the challenges and uncertainties caused by ongoing digitalization. They find a considerable increase in R&D activities, such as hackathons, incubators and accelerators, and capacity building with corporates investing in start-ups in response to – and aiming to take an active part in – digital transformation.

The fifth paper, "**Social Networking: The Crucial Role of R&D Middle Managers in Facilitating Ambidexterity and Coping with Digital Transformation**", draws attention to the social networks that support middle managers in their exploration and exploitation of innovation potentials. The authors, *Martin Rost, Eva Sonnenmoser* and *Birgit Renzel,* conducted 24 in-depth

interviews with middle managers in the automotive industry. Their findings indicate that networks are indeed crucial to helping middle managers deal with the challenges of digital transformation, including the development of new ideas, their feasibility and workload assessment.

Frithiof Svenson and *Jörg Freiling* are the authors of the sixth paper, "**Symbolic Interactionism as a Methodology for Process Organization Studies: Grounding the Enactment of Competences in Organizational Life**". Their ethnographic study explores how actors enact competences through making sense of organizational contexts and experiences. Their findings shine a light on the emergence of competences over time, even during the digital transformation of companies.

In sum, the 10th volume of the JCSM offers valuable theoretical and conceptual contributions to further the understanding of digital transformation from different schools of thought, and contributes to current discussions on resulting challenges and potential solutions. We hope that it inspires more scholars to draw upon this work to further research on this vital, vibrant and timely topic.