



THE IMPORTANCE OF DIGITAL TRANSFORMATION IN MANAGEMENT PRACTICES

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Abstract: Digital transformation is revolutionizing management practices in businesses and organizations today. Digital technologies, including artificial intelligence, data analytics, blockchain, and IoT, provide opportunities to optimize management processes and implement innovations. This article analyzes the impact of digital transformation on organizational management efficiency, emphasizing its role in resource management and strategic decision-making. The study explores international and national experiences and offers recommendations for applying digital technologies in management practices.

Keywords: digital transformation, management practices, artificial intelligence, innovations, strategic decisions, data analytics.

Introduction. In the modern world, digital transformation is bringing about fundamental changes in all sectors of the economy, including management practice. Innovative technologies, including artificial intelligence, big data, blockchain and IoT, are enabling organizations to optimize their activities, increase efficiency and adapt to global competition. Digital transformation requires not only technological advances, but also a qualitatively new level in management approaches. Today, organizations rely on digital approaches to make quick decisions, effectively use information and introduce innovations. Especially in the context of the pandemic, the process of transition to digital technologies has accelerated significantly, which has further increased its relevance.

This article is devoted to an in-depth study of the importance of digital transformation in management practice. It analyzes the role of digital technologies in automating management processes, optimizing resources and making strategic decisions. The results of the study provide practical recommendations for improving management efficiency through digital transformation.

Digital transformation ensures the adaptability of organizations to market conditions in today's era of globalization and increases their competitiveness. Therefore, an in-depth study of this topic is the need of the hour.

Literature review. The topic of digital transformation is one of the areas that is being widely studied scientifically and practically today. Various studies comprehensively cover the role and importance of this process in the fields of business and management. The literature review mainly covers three areas: the essence of digital transformation, its impact on management practice, and its application in international experience.

1. The essence of digital transformation

In their study, Kosova and Azimova (2021) highlighted the qualitative changes that occur in the service sector as a result of the introduction of digital technologies. In their opinion, digital technologies not only automate business processes, but also stimulate innovation and improve service processes. Also, the study by Baqirov (2020) raised the issue of achieving economic

efficiency through the digital transformation of the services sector and analyzed the adaptability of this process for the Uzbek business model.

2. Impact on management practices

UNCTAD (2021) analyzed the positive impact of digital transformation on the management efficiency of organizations, highlighting the importance of artificial intelligence in optimizing resources and simplifying decision-making processes. The World Bank (2022) report provides detailed information on the automation of business processes, improving employee skills, and creating new opportunities for strategic decision-making.

3. International experience and national strategies

OECD (2022) studied the results of digital transformation and innovation in international experience. The report cites as examples the experience of countries that have successfully implemented digital approaches in the field of management. In the context of Uzbekistan, the "Digital Uzbekistan – 2030" strategy is recognized as the main legal basis for the development of digital technologies in the management system. This process serves the development of digital services and improvement of business practices in the country. At the same time, scientists of our country such as Muminova, E., Honkeldiyeva, G., Akhunova, S., Hamdamova, S., Tuychieva, O. have been studying one or another aspect of this topic.

Research methodology. The article used space and time, content and form, comparison, logical approach, induction and deduction, grouping and abstract thinking methods in the process of highlighting the importance of digital transformation in management practice.

Analysis and results. In the modern world, digital technologies have become an integral part of our daily lives, and their effective use in the field of management is also gaining importance. Digital transformation expands the opportunities for organizations to increase their competitiveness, optimize operational processes, and introduce new management methods. Digital transformation has become an important factor not only for enterprises to increase competitiveness, but also for integrating into the global economy. By introducing digital technologies, enterprises increase operational efficiency, reduce costs, and develop innovative approaches. For example, automated management systems and data-driven analytical tools accelerate decision-making processes, which allows for rapid adaptation to market demands.

Uzbekistan's policy aimed at developing digital transformation serves as an important basis for supporting this process. In particular, within the framework of the "Digital Uzbekistan - 2030" strategy, great attention is paid to the introduction of digital technologies for the public and private sectors, modernization of infrastructure, and training of personnel. In our country, comprehensive measures are being implemented to actively develop the digital economy, widely introduce modern information and communication technologies in all sectors and areas, primarily in public administration, education, healthcare and agriculture. In particular, the implementation of more than 220 priority projects has been launched, which include improving the e-government system, further developing the local market for software products and information technologies, establishing IT parks in all regions of the republic, as well as providing the industry with qualified personnel. In addition, the "Digital Tashkent" comprehensive program is being implemented, which provides for the launch of a geoportal integrated with more than 40 information systems, the creation of an information system for

managing public transport and municipal infrastructure, the digitization of the social sphere and the subsequent introduction of this experience in other regions¹.

From the above, it can be seen that this topic is developing not only in the global world, but also in our country. Based on this, we can say that in order to meet the demands of today, enterprises and organizations must also implement digital transformation in their management, and below we will consider practical and theoretical approaches that are widely used all over the world.

The impact of digital transformation on decision-making processes. Today, in management practice, the decision-making process has become one of the important factors in the success of organizations. Digital transformation significantly improves this process. Managing, analyzing and using large amounts of data (Big Data) for strategic decisions opens up new opportunities for managers.

Digital transformation, first of all, provides speed in decision-making. While collecting and processing information in traditional management methods required a lot of time and resources, digital technologies significantly accelerate these processes. For example, cloud technologies, artificial intelligence, and algorithm-based systems allow managers to perform real-time analysis and forecasts. This helps organizations quickly change their activities, adapt to market changes, and stay ahead of competitors.

Secondly, digital technologies are expanding the ability to base decision-making on accurate and reliable data. For example, artificial intelligence algorithms identify trends in data sets and offer managers the best decisions. This not only increases the efficiency of decisions, but also reduces errors associated with the human factor. For example, digital transformation in financial management provides more accurate forecasts when assessing credit risk or making investment decisions.

Third, digital transformation democratizes decision-making processes. Current technologies provide access to the necessary information to all levels of employees and their active participation in the decision-making process. For example, in corporate governance, interconnected systems allow all departments to work with the same information at the same time, which increases collaboration within the organization and improves the quality of decisions².

However, for digital transformation to be successful in this direction, several challenges need to be overcome. First, it is necessary to increase the level of digital literacy in organizations. If employees do not know how to use digital tools effectively, this process will lead to difficulties. Second, excessive use of technology in the decision-making process can limit human thinking and experience. Therefore, we believe that it is important to maintain a balance between digital and human approaches.

The role of digital transformation in optimizing business processes and increasing efficiency. Digital transformation has become an integral part of today's modern management practices and plays an important role in optimizing business processes and increasing efficiency. Organizations are gaining the opportunity to use time and resources more effectively by

¹Decree of the President of the Republic of Uzbekistan No. PF-6079 dated 05.10.2020 "On approval of the strategy "Digital Uzbekistan - 2030" and measures for its effective implementation"// <https://lex.uz/ru/docs/-5030957>

²Westerman, G., Calm ejane, C., Ferraris, P., & Bonnet, D. (2011). Digital Transformation: A Roadmap for Billion-Dollar Organizations. MIT Center for Digital Business.

implementing modern technologies. This, in turn, not only improves internal processes, but also offers new approaches to meeting customer needs.

First, process automation through digital transformation significantly increases efficiency. For example, with the help of cloud computing technologies and ERP (Enterprise Resource Planning) systems, organizations can manage their activities through centralized platforms. This increases the interaction between different departments and allows them to automate repetitive and tedious tasks. As a result, employees can devote their time to strategic and creative work.

Secondly, the efficiency of managing the resources of organizations increases with the help of digital tools. For example, with the help of artificial intelligence and machine learning technologies, manufacturing enterprises have the opportunity to predict unexpected disruptions in their processes. This not only increases the quality of products, but also reduces the cost of production. At the same time, digital management systems for logistics and supply chains save time and reduce costs.

Third, digital transformation also plays an important role in increasing employee efficiency. With the introduction of remote work modes and online collaboration platforms, employees have the opportunity to work together, regardless of geographical restrictions. This strengthens cooperation within the organization and develops innovative approaches. For example, tools such as Slack, Microsoft Teams or Asana allow for quick communication and efficient task allocation between employees.

Digital transformation also creates new opportunities for monitoring and measuring work processes. With the help of various monitoring systems and analytical platforms, managers can assess the efficiency of the organization in real time and identify shortcomings in processes. This helps to eliminate problems at an early stage and continuously improve results³.

However, digital transformation processes also pose a number of challenges. For example, large financial investments are required to implement digital infrastructure in organizations. In addition, the need to adapt employees to new technologies and train them in digital skills is also an important issue. Therefore, clear planning, effective management of financial and human resources, as well as adaptability to new technologies are important for the successful implementation of this process. Organizations can succeed in maintaining competitiveness and adapting to the market by properly managing these processes.

Challenges in implementing digital changes. Although the digital transformation process has created enormous opportunities for organizations, the successful implementation of this process also poses a number of challenges. Organizations must solve not only technical, but also strategic and human factors issues when implementing digital changes. Ignoring these challenges can lead to the failure of the digital transformation process.

First, the issue of financial resources for implementing digital infrastructure is relevant. Technological innovations that require large investments are especially challenging for small and medium-sized businesses. For example, to implement modern artificial intelligence algorithms, cloud services or automated systems, it is necessary to cover the costs of software, technical equipment and qualified specialists. Financial constraints force organizations to implement the digital transformation process in stages, which can lead to a delay in the process.

Secondly, challenges related to human resources play an important role in digital transformation. Increasing the level of digital literacy of employees and ensuring their adaptation to new

³Brynjolfsson, E., & McAfee, A. (2017). *Machine, Platform, Crowd: Harnessing Our Digital Future*. W.W. Norton & Company

technologies is a serious task for the organization. Many employees may experience psychological resistance to adopting new technologies. This, in turn, slows down the transformation process. Therefore, organizations need to develop training programs to prepare employees for digital transformation and create opportunities for them to develop digital skills.

Third, resistance to change within the organization affects the success of the digital transformation process. There is often a misunderstanding between managers and employees about the need for change. For example, employees who are accustomed to traditional ways of working may have difficulty accepting digital tools or may refuse to use them. To solve these problems, management must conduct explanatory work and introduce incentive systems so that employees are interested in the changes.

Fourth, digital changes raise security and privacy issues. Along with the widespread use of digital technologies, cybersecurity threats are also increasing. Organizations need to implement advanced security systems to protect their data. Otherwise, data leaks or cyberattacks can seriously damage the organization's reputation and financial condition⁴.

Based on the above, it can be said that the process of implementing digital transformation is fraught with various difficulties, but by planning and solving these problems in advance, the transformation can be successfully implemented. When implementing digital infrastructure, organizations need to effectively manage financial and human resources, pay attention to employee training, and ensure a high level of security. Only then can digital transformation serve the long-term development and success of organizations.

At the same time, in order to develop the process in a systematic and controllable manner, we believe that the following digital transformations can be introduced into the management process, following the scientific recommendations cited:

Types of digital transformations for the management process

Table 1

Digital Transformation Name	Classification
Cloudy calculation (Cloud Computing)	Data storage , management and processing to give via the internet for cloud from services use .
Artificial intellect (Artificial Intelligence)	To the information based decisions automation and study through working release efficiency increase
IoT (Internet of Things)	Devices via the internet mutual tie and their mutual relatedness provision

⁴Kumar, V., & Shah, D. (2016). Creating Value with Big Data. Journal of the Academy of Marketing Science.

Big data (Big Data)	Big in size information collection , storage and analysis to do through strategic decisions acceptance to do
Blockchain	Distributed register technology through transactions safe and unchanging in a way record to be
Automated Systems (Automation)	Simple and repetitive processes automatic manager technologies current to do
Virtual and expanded reality (VR/AR)	Education , health storage and working in the release interactive environments create technologies .
Digital Marketing	Internet and digital tools through to consumers service and products promote to do
Cybersecurity	Data and systems cyber risk and from attacks protection to do technologies .
Analytical platforms (Analytics Platforms)	Organization real -time activity in mode observation and analysis to do for tools .

Source: Developed by the author

The table above classifies the areas of digital transformation and reveals the importance of each of them in management practices. While cloud computing and big data technologies are emerging as key tools in supporting strategic decision-making, artificial intelligence and automation allow for the optimization of production processes. IoT and blockchain play an important role in ensuring mutual integration and security between organizations.

Also, virtual and augmented reality technologies provide innovative solutions in areas such as education and healthcare. Digital marketing and analytics platforms serve to strengthen customer communication and assess the effectiveness of the organization in real time. Cybersecurity is emerging as the main defender of the entire transformation process. In the author's opinion, the elements of digital transformation should be considered as complementary components. If organizations implement these technologies through strategic planning, they will achieve innovative and effective results in their activities. However, the successful implementation of digital technologies is closely related to factors such as improving the skills of employees, updating infrastructure, and developing a digital culture.

Conclusions and recommendations. In conclusion, a comprehensive approach is necessary for the successful implementation of digital transformation. Organizations should work systematically when introducing new technologies, effectively manage financial and human resources, and pay special attention to security. To this end, the following scientific recommendations have been developed:

First, organizations should create opportunities for effective work by integrating digital technologies, rather than introducing them step by step. To properly manage these processes, a digital strategy should be developed.

Secondly, special attention should be paid to the development of digital skills for employees, helping them adapt to new technologies, and preparing them through ongoing training and seminars.

Third, at the first stage of introducing digital technologies, it is necessary to ensure cybersecurity and create advanced security systems to protect data.

Fourth, it is important to create financial support systems for small and medium-sized businesses to implement digital transformation, including state-backed grants or investments.

Our final suggestion is that for the digital transformation process to be successful, it is necessary to create an innovative culture in organizations. We believe that employees and leaders must be ready to embrace digital changes.

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