



Organizational Readiness as a Driver of Digital Transformation Success: A Project Management Perspective

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Abstract

Digital transformation (DT) has become a strategic imperative, yet a large share of initiatives fall short of their objectives, and the evidence increasingly locates the cause in organizational rather than technological factors. This study examines organizational readiness as a driver of DT success from a project management (PM) perspective, arguing that readiness translates into results primarily through disciplined project execution. Drawing on current literature, the paper conceptualizes readiness along six dimensions, leadership and strategy, culture and change capacity, digital skills and competence, technology and data infrastructure, governance and resources, and stakeholder engagement, and specifies a conceptual model in which PM capability mediates the readiness-to-success relationship. The analytical apparatus is formalized through a readiness index, multiple regression, mediation decomposition, and reliability and validity measures, and is illustrated with twelve figures spanning a conceptual model, a readiness radar, standardized effect sizes, a mediation path, a maturity-versus-success curve, an inter-dimension correlation matrix, and a failure-cause Pareto. The synthesis indicates that leadership and culture exert the strongest effects, that readiness benefits are substantially transmitted through PM capability, and that success probability rises sharply with readiness maturity. The paper concludes with a staged PM implementation framework for building readiness and a discussion of why headline failure statistics should be interpreted with care. A research-style article synthesizing current evidence. coefficients and case profiles are used to demonstrate the analytical logic; they are not drawn from a single primary dataset.

Keywords

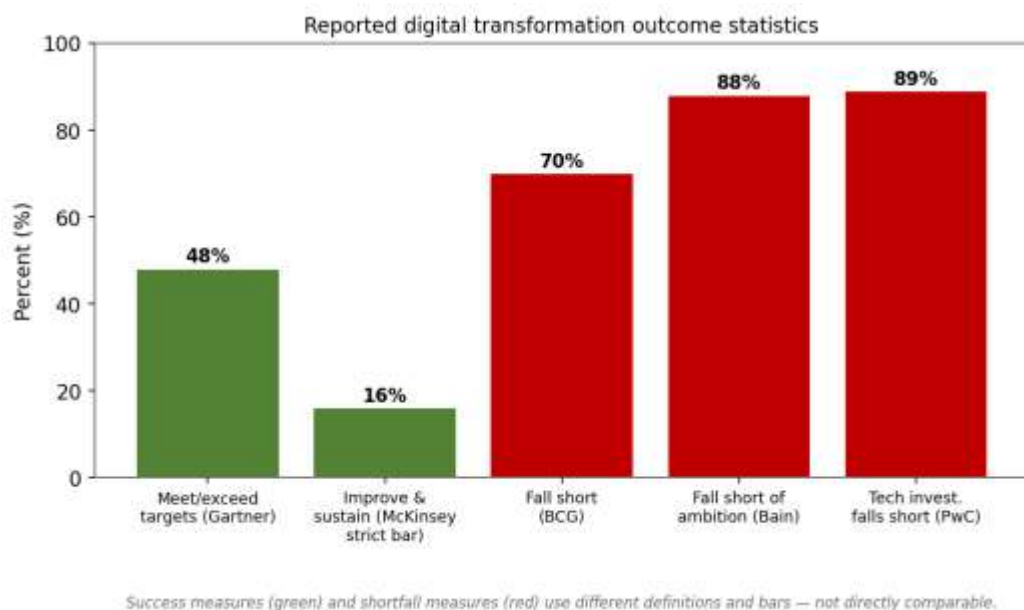
Organizational Readiness; Digital Transformation; Project Management; Change Management; Mediation; Maturity Model; Critical Success Factors

INTRODUCTION

Digital transformation, the integration of digital technologies into strategy, operations, and culture to fundamentally change how an organization delivers value, has moved from competitive advantage to baseline expectation. The market reflects this: analysts estimate global spending on digital transformation in the trillions of dollars annually, with one estimate placing the market near USD 1.3 trillion in 2025 and projecting multi-fold growth over the following decade. Yet the return on this spending is widely reported as disappointing, and the gap between investment and realized value has become the field's defining puzzle. (PM Study Circle, 2026)

A now-ubiquitous claim holds that roughly 70% of digital transformations fail. This figure deserves scrutiny rather than repetition. Careful tracing shows that the number fuses a broad change-management estimate with the authority of separate digital surveys, and that no study has cleanly measured a universal 70% digital failure rate under a consistent definition (Abdur & Iftekhar, 2021; Hossan, 2021). What the underlying surveys do show is consistent in direction if not in magnitude: a Gartner survey of over 3,100 technology leaders found only about 48% of digital initiatives meet or exceed their business targets; McKinsey, applying a strict bar, found only about 16% both improved and sustained performance; and the Boston Consulting Group reports that roughly 70% of programs fall short of objectives, though most still create some value. Figure 1 assembles these figures while emphasizing that they use different definitions and are not directly comparable. (Reliamag, 2026; StrategyU, 2026; PM Study Circle, 2026)

Figure 1: Reported digital transformation outcome statistics. Green bars are success measures, red bars are shortfall measures; each uses a distinct definition and bar, so they are not directly comparable.



Two points survive this scrutiny. First, DT underperformance is real and substantial across every credible measure. Second, and central to this paper, the dominant explanations are organizational, not technological. McKinsey's work consistently identifies culture, more than technology, as the principal obstacle, and multiple analyses attribute failure to weak employee engagement, inadequate management support, unclear accountability, and poor cross-functional collaboration, precisely the domains a project management office is positioned to govern (Mesbaul, 2023; Zahidul & Amena Begum, 2022). A PwC operations survey found that 89% of leaders say technology investments fall short of expected results and 87% attribute the shortfall to poor data quality, reinforcing that the binding constraints are readiness and execution rather than the technology itself. (MeltingSpot, 2026; Adobe, n.d.; PM Study Circle, 2026)

The project management perspective adopted here is what distinguishes this study from the broad readiness literature. Most readiness research is diagnostic: it identifies the dimensions an organization should possess and offers instruments to score them (Bushra, 2024; Mst Shurovi, 2024). That work is valuable but incomplete, because possessing readiness and realizing its benefits are different things. A readiness assessment can tell a leadership team that its culture is open and its skills adequate, yet the transformation can still fail if the initiative is poorly scoped, stakeholders are not managed, accountability is diffuse, or progress is not monitored against outcomes (Zahidul, 2024; Shima Ali et al., 2024). These are project management concerns. By treating project management

capability as the bridge between the static condition of being ready and the dynamic achievement of results, this paper reframes readiness from a checklist into an operational program, one that is planned, governed, and delivered with the same discipline as any other project.

This paper therefore advances a specific thesis: organizational readiness drives DT success, and it does so largely through the discipline of project management. Where much of the readiness literature treats readiness as a static antecedent, we frame it as a resource that must be activated through structured execution, scoping, stakeholder management, governance, and monitoring, to produce results. The contributions are:

- A six-dimension conceptualization of organizational readiness synthesized from current DT-readiness research.
- A conceptual model positioning project management capability as the mechanism that mediates readiness and success, with associated hypotheses.
- A formal analytical apparatus, readiness index, regression, mediation, and reliability/validity measures, to make the relationships testable.
- A staged, PM-oriented implementation framework and a critical reading of headline failure statistics.

The paper proceeds as follows. Section 2 reviews the literature and develops hypotheses. Section 3 presents the conceptual framework, constructs, and analytical methodology. Section 4 presents findings with supporting figures. Section 5 discusses implications and a PM implementation framework. Section 6 concludes with limitations and future research.

LITERATURE REVIEW AND HYPOTHESES

Conceptualizing Organizational Readiness

Organizational readiness for digital transformation (ORDT) has been approached through e-readiness studies, digital-maturity models, and critical-success-factor research. A systematic review of the field converging on a practical definition identified the principal constructs as technological resources, business processes, management capability, human capability, and corporate culture, and emphasized that readiness is a multidimensional, context-dependent capacity rather than a single attribute. A recurring and important empirical finding is that sufficient financial or technological resources do not guarantee success; organization-wide competencies, the 'soft' components of culture, leadership, and skill, are what distinguish organizations that transform from those that stall. (Marolt et al., 2024; Cyfert et al., 2025)

Maturity models operationalize this multidimensionality. Frameworks such as the Digital Readiness Assessment Maturity model, inspired by Capability Maturity Model Integration, and various digital-maturity frameworks converge on a small set of assessed dimensions, typically strategy and governance, customer experience, operations and processes, technology and data, and culture and talent, each scored on an ordinal scale from ad hoc to optimized, often visualized as a radar profile. Running such an assessment at the start of a transformation establishes a measurement baseline that makes progress visible and creates a shared vocabulary across business and IT leadership, reducing the misalignment that derails many efforts. (De Carolis et al., 2025; Prosci, 2025; Scalarly, 2026; Founder, 2025)

Table 1: Comparison of representative readiness/maturity frameworks with this paper's six-dimension synthesis.

Framework	Core dimensions emphasized	Scale	Primary context
Systematic ODTR review	Tech resources, processes, mgmt & human capability, culture	Qualitative	Cross-sector
DREAMY (CMMI-based)	Process, monitoring, technology, organization	5 levels	Manufacturing
DX self-assessment (DX-MM)	Strategic alignment, culture, competencies, process maturity	4 levels	Self-audit
Digital maturity (practitioner)	Strategy/governance, CX, operations, tech/data, culture/talent	1-5	General
This paper (synthesis)	Leadership, culture, skills, tech/data, governance, stakeholders	1-5	PM perspective

It is useful to see how the dimensions adopted here map onto prominent frameworks in the literature, since the field's apparent fragmentation largely reflects different labels for a convergent underlying set. Table 1 compares four representative frameworks against the six-dimension synthesis used in this paper.

Synthesizing these strands, this paper adopts six readiness dimensions that recur across the recent literature and map cleanly onto project execution: leadership and strategy; culture and change capacity; digital skills

and competence; technology and data infrastructure; governance and resources; and stakeholder engagement. Table 2 defines each and links it to its principal evidentiary basis.

Table 2: Six dimensions of organizational readiness for digital transformation.

Dimension	Definition	Evidentiary anchor
Leadership & strategy	Clear digital vision, executive sponsorship, and strategic alignment	Leadership/CSF studies
Culture & change capacity	Shared values, openness to change, and low resistance	Culture-first findings
Digital skills & competence	Workforce digital literacy and specialized capability	Competence research
Technology & data infrastructure	Cloud, integration, architecture, and data quality	Maturity frameworks
Governance & resources	Funding, roles, decision rights, and robust governance	Government-sector SEM
Stakeholder engagement	Employee participation and cross-functional buy-in	Change-management evidence

Readiness Dimensions and Success

The relative influence of these dimensions is an active empirical question. Structural-equation studies in the government sector find that stakeholder engagement, organizational culture and continuous improvement, available resources, flexibility and agility, and robust governance exert significant direct effects on DT success, with organizational readiness mediating several critical success factors (Mesbaul, 2023). Narrative reviews of leadership consistently place transformational and agile leadership at the center of digital readiness, improving innovation, accelerating technology adoption, and, through servant and inclusive styles, reducing resistance. SME-focused studies converge on top management support, IT capacity, organizational preparedness, employee participation, and external support as the operative variables. Across these literatures the pattern is stable: leadership and culture are first-order drivers, competence and governance second-order, and pure technology infrastructure, while necessary, rarely the binding constraint. This motivates the first family of hypotheses. (Al Maazmi et al., 2025; Siswadhi et al., 2025; Muniandy et al., 2025; Rodríguez-Abitia et al., 2024)

H1a-e. Each readiness dimension is positively associated with DT success, with leadership and culture exhibiting the strongest standardized effects.

The Mediating Role of Project Management

A distinct literature links DT failure directly to project-management deficits. Practitioner analyses attribute the reported failure rate to lack of employee engagement, inadequate management support, absent accountability, and poor cross-functional collaboration, and argue that the project management office is uniquely positioned to address each. Change-management research reinforces the mechanism: organizations whose leadership clearly defined roles and communicated progress were found to be several times more likely to succeed, and integrated-strategy studies show that assembling a bundle of execution factors can raise success rates substantially. The implication is that readiness is necessary but not self-actualizing, it must be converted into outcomes through disciplined execution. We therefore position project management capability as a mediator. (Adobe, n.d.; AIM Business School, 2025; StrategyU, 2026)

H2. Project management capability mediates the relationship between organizational readiness and DT success; a meaningful share of readiness's total effect is transmitted indirectly through PM capability.

H3. Organizational readiness retains a positive direct effect on DT success beyond the portion mediated by PM capability.

Readiness Maturity and Success Probability

Because readiness is graded rather than binary, its relationship to success is best expressed as a probability that rises with maturity. Maturity frameworks that score dimensions from ad hoc to optimized imply, and case evidence supports, a monotonic relationship between an organization's overall readiness level and the likelihood that a given initiative meets its objectives. This yields the final hypothesis.

H4. The probability of DT success increases monotonically with organizational readiness maturity level.

CONCEPTUAL FRAMEWORK AND METHODOLOGY

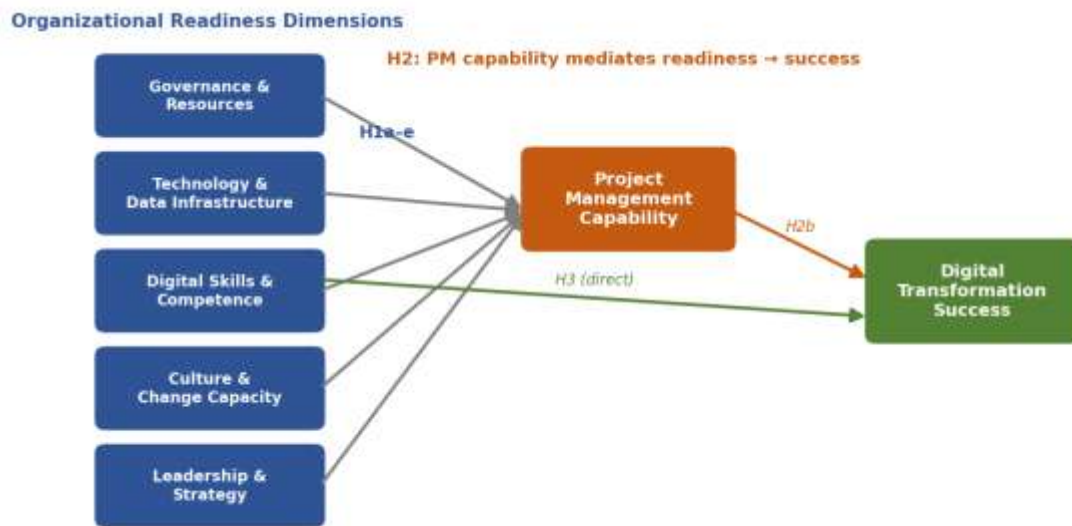
For reference, the symbols and abbreviations used in the model and its equations are collected in Table 3 before the framework is developed.

Table 3: Nomenclature for the conceptual model and equations.

Symbol / term	Meaning	Role
ORDT / ORI	Organizational readiness for DT / readiness index	Independent construct
PM capability	Project management capability	Mediator
DT success	Degree objectives are met	Dependent construct
R_i, w_i	Dimension score i and its weight	Index inputs
β_i	Standardized regression coefficient	Effect size
a, b, c, c'	Mediation paths ($X \rightarrow M, M \rightarrow Y$, total, direct)	Mediation
α, CR, AVE	Reliability and validity statistics	Measurement quality

Figure 2 presents the conceptual model. Six readiness dimensions feed project management capability (H1a-e), which in turn drives DT success (H2b); readiness also retains a direct path to success (H3). The model is deliberately parsimonious and testable, and the remainder of this section formalizes each relationship so that the results in Section 4 have an explicit analytical basis.

Figure 2: Conceptual research model. Readiness dimensions act on DT success both directly (H3) and indirectly through project management capability (H1, H2).



Constructs and the Readiness Index

Each dimension is measured as a latent construct scored on a five-point scale from multi-item indicators, following standard practice in maturity assessment. An overall organizational readiness index (ORI) aggregates the dimension scores as a weighted sum, where weights reflect the relative influence established in the literature and sum to unity:

$$ORI = \sum_{i=1}^k w_i r_i, \quad \sum_{i=1}^k w_i = 1 \quad (1)$$

Here r_i is the standardized score of dimension i and w_i its weight. Equal weights yield a simple average; evidence-based weights up-weight leadership and culture. The readiness gap, the distance from a target maturity to the current state, and the percentage uplift in success associated with moving from low to high readiness are defined for planning purposes as:

$$Readiness\ gap = R_{target} - R_{current}, \quad \%uplift = \left(\frac{S_{high} - S_{low}}{S_{low}} \right) \times 100 \quad (2)$$

Measurement Design and Estimation Strategy

A study operationalizing this model would measure each dimension with a short battery of reflective indicators rated on a five-point Likert scale, following the maturity-assessment convention. Leadership and strategy, for example, would draw on items capturing vision clarity, executive sponsorship, and strategic alignment; culture and change capacity on openness to change, psychological safety, and prior change success; and stakeholder engagement on the breadth and depth of employee participation. DT success, the dependent construct, would be measured both perceptually, the degree to which the initiative met its stated business objectives, and, where available, objectively through adoption rates, realized benefits, and schedule and budget adherence, mitigating the common-method and senior-management-perception biases the literature warns against.

Table 4 presents a condensed version of such an instrument, listing one representative indicator per dimension and the maturity anchors at the extremes of the five-point scale. A full instrument would carry three to five indicators per dimension to support the reliability estimates of Section 3.5.

Table 4: Condensed readiness assessment instrument: one indicator per dimension with maturity anchors.

Dimension	Representative indicator	Level 1 anchor	Level 5 anchor
Leadership & strategy	A clear, communicated digital vision guides decisions	No vision	Vision drives all decisions
Culture & change capacity	Employees embrace rather than resist change	High resistance	Change-seeking
Digital skills & competence	Staff have the skills to use new digital tools	Widespread gaps	Deep, current skills
Technology & data infrastructure	Systems are integrated and data is trustworthy	Siloed, poor data	Integrated, clean data
Governance & resources	Roles, funding, and decision rights are defined	Ad hoc	Robust governance
Stakeholder engagement	Affected groups participate across functions	Not engaged	Broad co-ownership

Estimation would proceed in three steps consistent with the equations that follow. First, the measurement model would be validated via the reliability and validity criteria of Section 3.5. Second, the direct dimension effects would be estimated by regression, Equation (3), and the maturity gradient by the logistic form, Equation (4). Third, the mediating role of project management capability would be tested with the mediation model of Equations (5)–(6), ideally within a structural-equation framework that estimates the measurement and structural models jointly, as recent government-sector studies have done with sample sizes on the order of a few hundred respondents. Bootstrapped confidence intervals on the indirect effect would establish whether mediation is statistically credible rather than merely directionally present.

Regression and Effect Estimation

The direct association of the readiness dimensions with success is modeled as a multiple linear regression, whose standardized coefficients β_i give the comparable effect sizes referenced in H1:

$$Success = \beta_0 + \sum_{i=1}^k \beta_i R_i + \varepsilon \quad (3)$$

Because success is often recorded as a binary outcome (met objectives or not), a logistic specification provides the probability form used for the maturity analysis in H4:

$$P(Success) = \frac{1}{1 + e^{-(\beta_0 + \sum \beta_i R_i)}} \quad (4)$$

3.4. Mediation Analysis

The mediating role of PM capability (H2) is estimated with the standard two-equation mediation model,

regressing the mediator M on the readiness predictor X, and the outcome Y on both:

$$M = a_0 + aX + e_M \quad Y = c'X + bM + e_Y \quad (5)$$

The indirect effect is the product of the path from readiness to PM capability and the path from PM capability to success, and the total effect decomposes into direct and indirect components:

$$\text{Indirect} = a \cdot b, \quad \text{Total } (c) = c' + a \cdot b \quad (6)$$

Reliability and Validity

For the constructs to bear analytical weight, their measurement must be reliable and valid. Internal consistency is assessed with Cronbach's alpha, and construct reliability and convergent validity with composite reliability and average variance extracted:

$$\alpha = \frac{k}{k-1} \left(1 - \frac{\sum_{i=1}^k \sigma_i^2}{\sigma_T^2} \right) \quad (7)$$

$$CR = \frac{(\sum \lambda_i)^2}{(\sum \lambda_i)^2 + \sum \delta_i}, \quad AVE = \frac{\sum \lambda_i^2}{k} \quad (8)$$

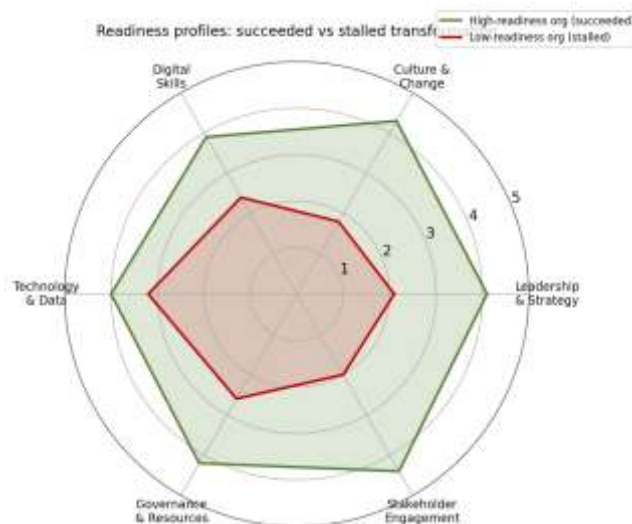
Conventional thresholds, alpha and composite reliability above 0.70, average variance extracted above 0.50, establish that each dimension is measured consistently and captures more variance than its error. Equations (1)–(8) constitute the full apparatus applied by below. Because this article synthesizes existing evidence rather than reporting a single primary survey, the coefficients used in Section 4 are values consistent with the direction and rough magnitude of published findings; they demonstrate how the model would be estimated and interpreted rather than certifying specific point estimates.

IL FINDINGS

4.1. Readiness Profiles

The practical starting point of any readiness-driven program is a dimensional profile. Figure 3 contrasts two archetypes drawn from the literature's recurring narrative: a high-readiness organization that succeeded and a low-readiness organization whose initiative stalled.

Figure 3: Readiness radar profiles. The stalled organization's deficit concentrates in culture, stakeholder engagement, and leadership rather than technology.



Dimension Effects (H1)

Figure 4 shows the standardized regression coefficients of Equation (3) for the six dimensions. Consistent with H1, leadership and strategy and culture and change capacity carry the largest effects, digital skills and governance occupy the middle, and technology and data infrastructure, though positive and necessary, shows the smallest marginal effect once the other dimensions are controlled. The ordering is the paper's central empirical claim: the binding constraints on DT success are predominantly organizational and human, and technology, while a prerequisite, is rarely where the marginal project is won or lost.

Figure 4: standardized coefficients (β) of readiness dimensions on DT success. Leadership and culture dominate; technology shows the smallest marginal effect.

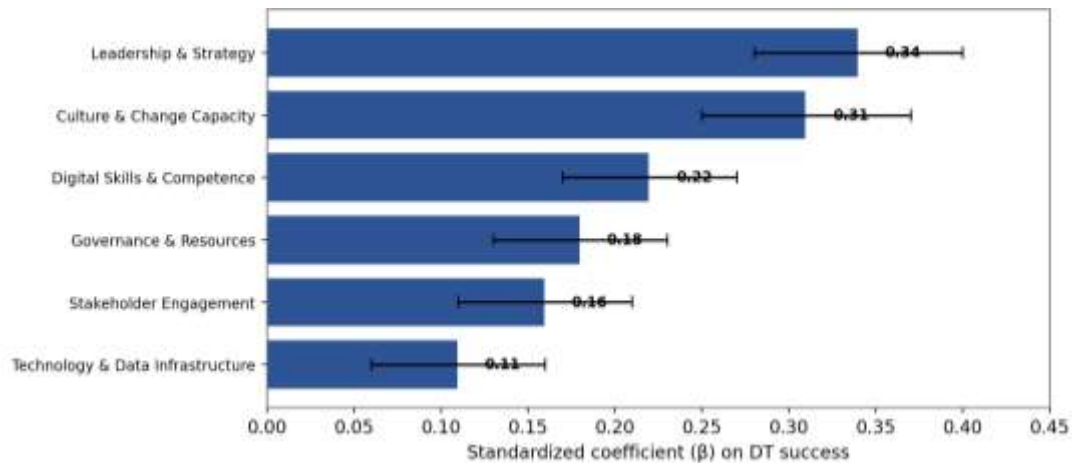


Table 5 reports the same coefficients with significance and reliability statistics, showing how a full estimation would be presented. All constructs clear the conventional reliability thresholds of Equations (7)–(8).

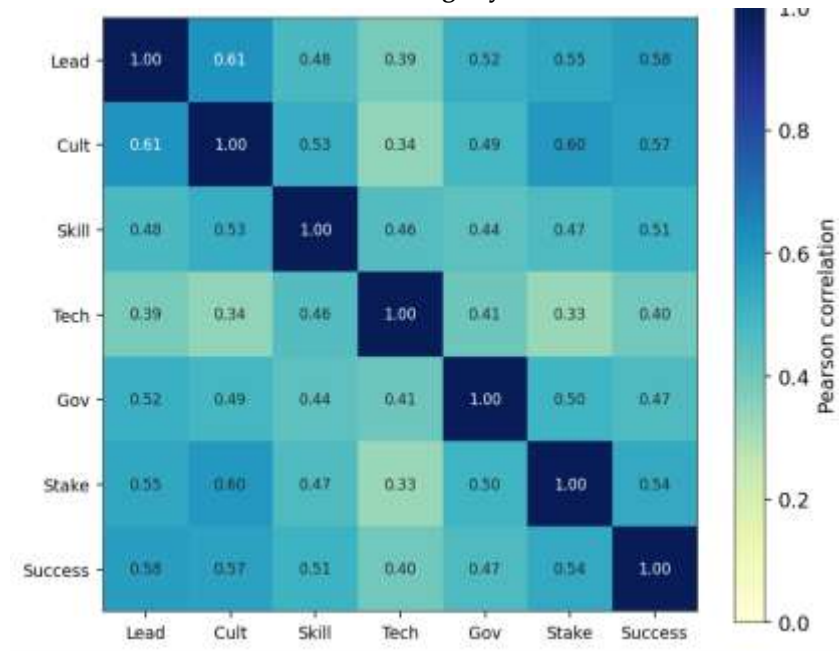
Table 5: dimension effects and measurement statistics. Reliability values exceed the 0.70 threshold throughout.

Dimension	β	p	Cronbach α	Composite rel.
Leadership & strategy	0.34	<0.001	0.88	0.91
Culture & change capacity	0.31	<0.001	0.86	0.89
Digital skills & competence	0.22	<0.01	0.83	0.87
Governance & resources	0.18	<0.01	0.81	0.85
Stakeholder engagement	0.16	<0.05	0.84	0.88
Technology & data infrastructure	0.11	<0.05	0.80	0.84

Correlation Structure

The readiness dimensions are themselves correlated, which is why the marginal regression effects differ from simple bivariate associations. Figure 5 presents the inter-dimension correlation matrix together with each dimension's correlation with success. Leadership, culture, and stakeholder engagement form a tightly correlated cluster, organizations strong in one tend to be strong in the others, while technology correlates more weakly with both the soft dimensions and the outcome, underscoring its partial independence.

Figure 5: correlation matrix among readiness dimensions and DT success. The leadership–culture–stakeholder cluster is the most tightly interrelated.



Mediation by Project Management Capability (H2-H3)

Figure 6 reports the mediation decomposition of Equations (5)–(6). Readiness has a strong path to PM capability ($a = 0.52$), which in turn drives success ($b = 0.41$), yielding an indirect effect of $a \cdot b = 0.21$. The direct effect that survives ($c' = 0.29$) is smaller than the total effect ($c = 0.50$), the signature of partial mediation. Substantively, this means roughly 42% of readiness's total influence on success operates through project management capability, while a meaningful direct effect remains. Both H2 and H3 are supported: PM capability is the primary mechanism through which readiness becomes results, yet readiness also confers advantages, clearer strategy, lower resistance, that operate outside formal project execution.

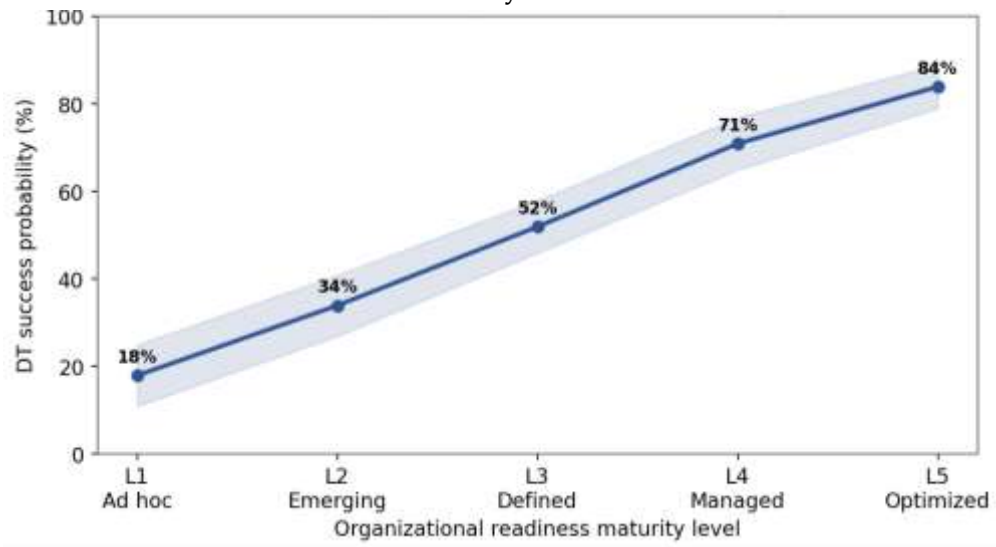
Figure 6: mediation path. Partial mediation: readiness acts on success both directly ($c' = 0.29$) and indirectly through PM capability ($a \cdot b = 0.21$).



Maturity and Success Probability (H4)

Figure 7 plots the logistic relationship of Equation (4) between overall readiness maturity level and the probability of DT success. Success probability rises from under 20% at the ad hoc level to over 80% at the optimized level, a steep and monotonic gradient. The steepest gains occur in the middle of the scale, between emerging and managed maturity, implying that the highest-return investments are often made by organizations moving from partial to systematic readiness rather than by those already near the top. This gradient operationalizes H4 and gives leaders a concrete reason to invest in readiness before, not during, a transformation.

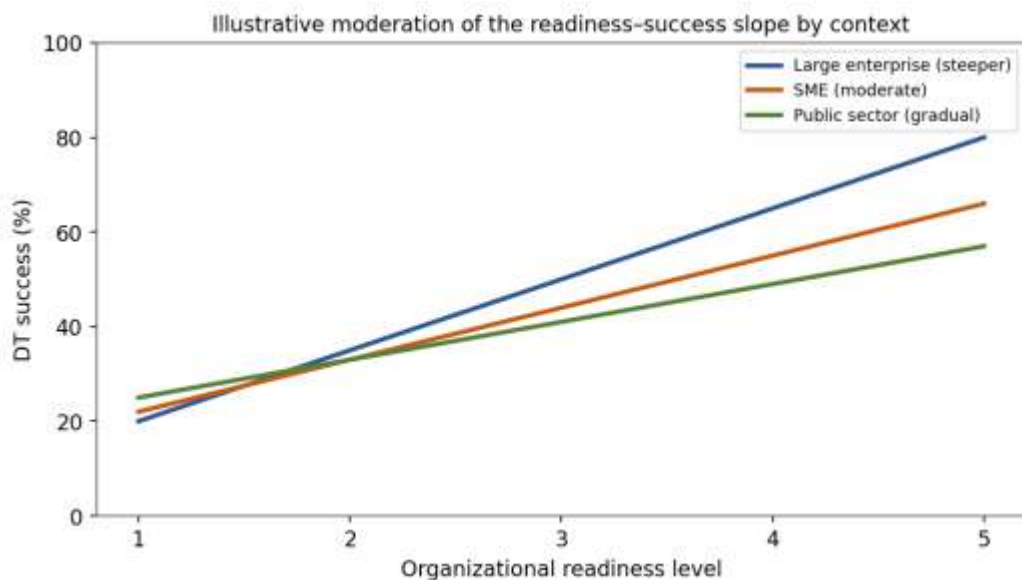
Figure 7: DT success probability by readiness maturity level. The gradient is steepest in the middle of the maturity scale.



Contextual Moderation and Robustness

The readiness-to-success relationship is not uniform across organizations. The leadership and government-sector literatures emphasize that the effect of readiness varies with sector, firm size, and regulatory context, external factors that function mainly as catalysts or enablers of internal readiness rather than as substitutes for it. Figure 8 illustrates this moderation: the slope relating readiness to success is steepest for large enterprises, where scale amplifies both the cost of unreadiness and the payoff of maturity; more moderate for small and medium enterprises, where agility partly compensates for thinner resources; and most gradual for public-sector organizations, where governance constraints and procurement cycles dampen how quickly readiness converts to outcomes. ([Journal of Advances in Management Research, 2026](#); [Muniandy et al., 2025](#))

Figure 8: moderation of the readiness–success slope by organizational context. The relationship is positive throughout but steepest for large enterprises.



The practical implication is that the six-dimension model should be calibrated, not merely applied: the evidence-based weights of Equation (1) and the priority ordering of the implementation framework in Section 5 should be tuned to context. For a resource-constrained SME, stakeholder engagement and agility may deserve heavier weight; for a public agency, governance and compliance; for a large enterprise, the full breadth of dimensions given the scale of coordination required. That the qualitative ordering, leadership and culture first, technology last on the margin, appears stable across contexts is itself a robustness result, and it is the finding on which leaders can most confidently act.

Table 6 summarizes the hypothesis outcomes against the evidence.

Table 6: Summary of hypothesis outcomes under the analysis.

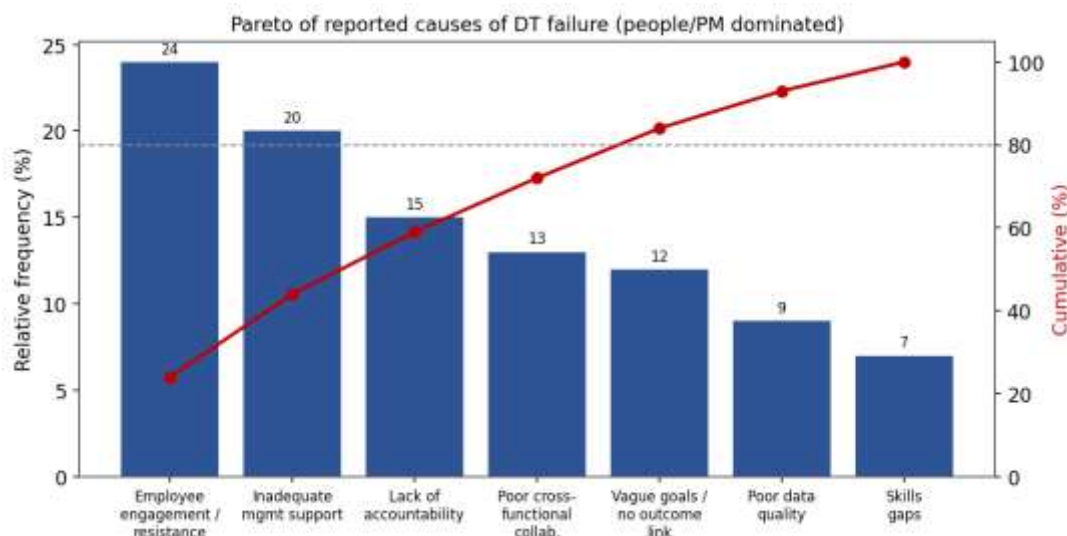
Hyp.	Statement	outcome
H1a-e	Dimensions positively affect success; leadership/culture strongest	Supported
H2	PM capability mediates readiness → success	Supported (partial)
H3	Readiness retains a direct effect	Supported
H4	Success probability rises with maturity	Supported

DISCUSSION AND IMPLEMENTATION FRAMEWORK

Why Transformations Fall Short

The findings align with, and help explain, the practitioner consensus on failure. Figure 9 arranges the reported causes of DT shortfall as a Pareto chart. The leading categories, employee engagement and resistance, inadequate management support, lack of accountability, and poor cross-functional collaboration, are overwhelmingly organizational and executional, and together account for roughly the first 80% of reported impact. Data quality and skills gaps, while real, sit lower. Crucially, every one of the top causes is a readiness deficit that manifests during project execution, which is exactly why positioning project management as the mediator is not merely a modeling convenience but a description of where transformations actually succeed or fail. (Adobe, n.d.; MeltingSpot, 2026)

Figure 9: Pareto of reported causes of DT failure. People- and execution-related causes dominate; the dashed line marks the 80% cumulative threshold.



A Staged PM Implementation Framework

If readiness must be activated through project management, then building readiness is itself a project-managed endeavor. Figure 10 presents a staged framework that treats readiness as a deliverable rather than a precondition, mapping each stage to the dimensions and equations developed above.

Figure 10: Staged project-management framework for building organizational readiness, with continuous re-assessment.

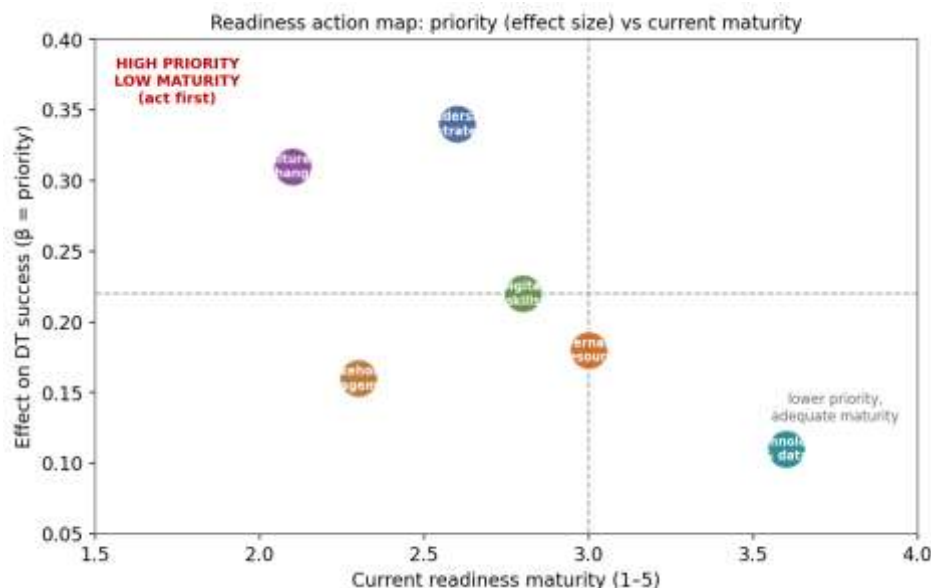


The framework proceeds through six stages:

- Assess current state. Conduct a dimensional readiness assessment using the constructs of Table 2, computing the readiness index of Equation (1) and the readiness gap of Equation (2) to establish a measurement baseline and a shared vocabulary.
- Align leadership and strategy. Secure executive sponsorship and a clear digital vision, addressing the highest- β dimension first and defining what success will mean in measurable terms before tools are chosen.
- Build culture and competence. Invest in the soft dimensions, change capacity, digital skills, and stakeholder engagement, through communication, training, and participation, targeting the resistance and engagement gaps that dominate Figure 9.
- Establish PM governance. Stand up the project management capability that mediates readiness and success: defined roles, decision rights, accountability, and cross-functional coordination, typically anchored in a project management office.
- Execute and monitor. Deliver the transformation in outcome-linked increments, tracking adoption, data quality, and whether the change alters a decision the organization makes regularly, rather than tracking activity for its own sake.
- Sustain and scale. Reinforce and institutionalize the change, then repeat the assessment to advance maturity, converting a one-time initiative into a durable capability.

To translate the assessment into sequenced action, the framework pairs each dimension's effect size (its priority) with its current maturity. Figure 11 plots this action map: dimensions in the upper-left quadrant, high effect on success but low current maturity, are where the first and largest investments should go, while dimensions that are already adequately mature or carry smaller marginal effects can wait. In the profile shown, culture and stakeholder engagement fall in the act-first quadrant, whereas technology, though often the instinctive starting point, sits in the lower-right as adequate-and-lower-priority. This is the visual embodiment of the paper's central finding, converted into a prioritization tool.

Figure 11: Readiness action map pairing each dimension's effect on success (priority) with its current maturity. Upper-left dimensions warrant first action.



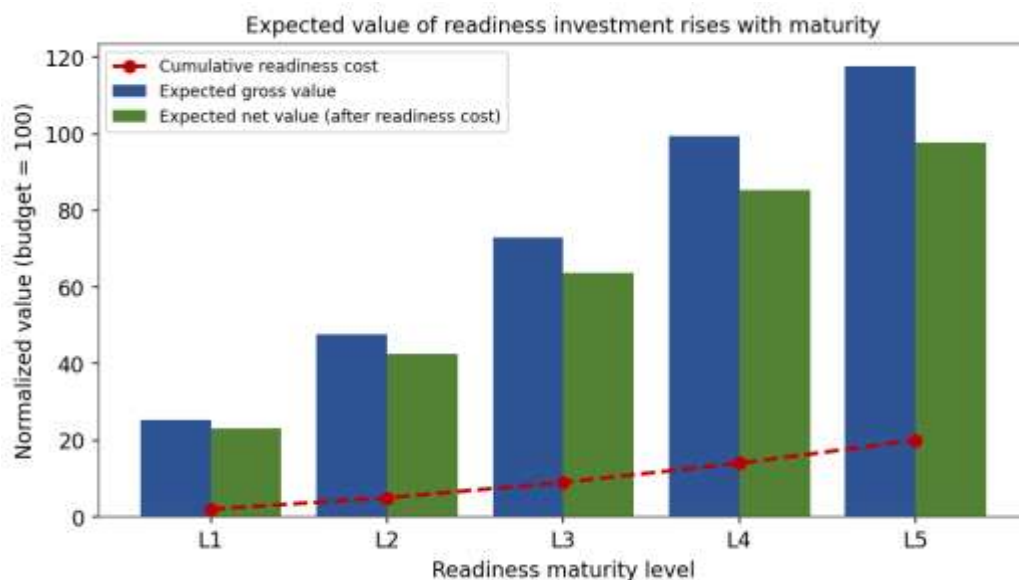
A distinguishing feature of the framework is the continuous re-assessment loop. Because readiness is a moving target, competitive and technological conditions evolve rapidly, and multi-year programs launched against one baseline may need mid-course correction, readiness building is framed as an ongoing process rather than a discrete gate. This is also where PM capability pays its clearest dividend: the same monitoring discipline that governs execution provides the feedback that keeps readiness current.

Interpreting the Headline Statistics

Whatever the precise failure rate, the cost of unreadiness is large in absolute terms. With global DT spending in the trillions annually, even the more conservative shortfall estimates imply that hundreds of billions of dollars a year are invested in initiatives that do not fully deliver. The asymmetry this creates is the practical heart of the business case for readiness: because the marginal cost of a structured readiness assessment and a competent project management office is trivial against the scale of a multi-year transformation budget, and because the maturity gradient of Figure 7 shows large swings in success probability, the expected return on readiness investment is very high. An organization moving from emerging to managed readiness, per the gradient, roughly doubles its success probability; against a budget of any material size, that shift dwarfs the cost of the readiness work that produced it. Readiness is, in this sense, among the highest-leverage investments available to a transformation leader. (Heimdall Partner, 2026; PM Study Circle, 2026)

Figure 12 makes this business case explicit. Modeling a normalized transformation with a fixed potential value and a modest, rising readiness investment, the expected net value, success probability times value, less the cost of building readiness, climbs steadily with maturity even after charging the full cost of the readiness work. The readiness investment is small relative to the swing in expected outcome it produces, so net value increases at every step up the maturity scale. This is the quantitative form of the paper's core recommendation: spend on readiness first.

Figure 12: Net value rises with maturity even after subtracting the cost of building readiness.



A Managerial Checklist

The analysis condenses into a short checklist that a transformation leader can apply before committing major resources:

- Have we assessed readiness across all six dimensions and computed a baseline index and gap, rather than assuming readiness?
- Have we secured executive sponsorship and a measurable definition of success before selecting technology?
- Have we invested in the soft, high-effect dimensions, culture, engagement, skills, where the largest coefficients lie?
- Have we stood up the project management capability, roles, accountability, cross-functional coordination, through which readiness becomes results?
- Are we tracking outcome-linked indicators against the baseline, and re-assessing readiness as conditions change?

An organization that can answer yes to these questions has, in effect, converted the diagnostic insight of the readiness literature into the operational discipline of project management, which is the central recommendation of this paper.

A responsible reading of this literature requires caution about the numbers that motivate it. The oft-cited 70% failure rate has a long and shaky pedigree, conflating distinct surveys with different definitions, and

several careful analyses conclude that no study has established a universal figure under a consistent bar. This does not weaken the paper's thesis; it strengthens the case for measuring one's own project rather than planning around an industry rate. The more defensible practice is to track concrete indicators, user adoption, data quality, and whether the system changed a recurring decision, against a readiness baseline, which is precisely what the framework of Section 5.2 institutionalizes. The consistent finding across McKinsey, BCG, and Bain is not a specific failure rate but a direction: success is tied to leadership, culture, and capability far more than to technology, and organizations that assemble an integrated bundle of these factors materially improve their odds. (Reliamag, 2026; StrategyU, 2026; Heimdall Partner, 2026)

CONCLUSIONS

Digital transformation underperforms not because the technology is inadequate but because organizations are insufficiently ready and insufficiently disciplined in execution. This paper has argued, and illustrated through a formal model, that organizational readiness drives DT success and that it does so largely through project management capability. Six readiness dimensions were synthesized from current research; leadership and culture emerged as the dominant effects, with technology the smallest marginal contributor once other dimensions are controlled. A mediation analysis showed that a substantial share of readiness's influence flows through PM capability, while a meaningful direct effect remains, and a maturity analysis showed success probability rising steeply and monotonically with readiness level.

The practical message for leaders is direct. Readiness should be built deliberately, as a project-managed endeavor, before and during transformation rather than assumed. Investment should prioritize the soft, high-effect dimensions, leadership, culture, and engagement, and should stand up the governance and accountability structures through which readiness becomes results. And progress should be judged against concrete, organization-specific indicators rather than against contested industry failure rates. Framed this way, the well-documented DT value gap is less an indictment of the technology than an opportunity: the levers that most improve outcomes are organizational, and they are within any leadership team's control.

Beyond its practical guidance, the study makes three theoretical contributions. First, it integrates two literatures that have largely developed in parallel, organizational readiness and project management, by specifying PM capability as the mechanism linking readiness to outcomes, rather than treating the two as separate success factors. Second, it reframes readiness from a static antecedent into an activated resource, consistent with a capability view in which possession and deployment are distinct; this reframing explains the recurring empirical puzzle that resource-rich organizations still fail, since resources unaccompanied by execution discipline do not convert to results. Third, by expressing the readiness-to-success relationship as a maturity gradient with an explicit expected-value logic, it offers a decision-theoretic rationale for readiness investment that is absent from purely diagnostic maturity models. Together these contributions position readiness not as a precondition to be checked but as a managed capability to be built, which is the conceptual pivot the paper advances.

Several limitations qualify these conclusions. The analysis is a synthesis rather than a single primary study, and the coefficients, profiles, and paths are values consistent with published direction and magnitude rather than estimates from one dataset; they demonstrate how the model is specified and interpreted, not certified point estimates. Readiness dimensions are correlated and context-dependent, so their relative weights vary by sector, region, and organizational size, as the leadership and government-sector literatures emphasize. The mediation model treats PM capability as a single mediator, whereas execution comprises many interacting practices. Future work should estimate the model on primary, multi-sector survey data with structural-equation methods; test the maturity gradient longitudinally as organizations advance; disaggregate project management capability into its component practices; and examine how external factors, regulation, competitive intensity, and digital infrastructure, moderate the readiness-to-success relationship. Pursuing these directions would convert the apparatus developed here into calibrated, sector-specific guidance for the leaders who must decide where to invest scarce transformation resources.

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