

The Effect of Digital Evolution on Strategic Innovative Performance in Chinese Hotels: A Systematic Investigation of Organisation Flexibility in the Digital Realm

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ABSTRACT

Using organisational flexibility as a case study, this systematic review looked at how digital development has affected the strategic innovative performances of Chinese hotels. To guarantee rigour and dependability, researchers followed the PRISMA criteria to find, review, and evaluate significant publications using tools including frequency mapping, text analysis, and theme coding. According to the results, digital development greatly improved invention by allowing the combination of cutting-edge technologies like AI, cloud computing, and smart service systems; increasing the customer experiences; and encouraging data-driven choices. For hotels to keep up with the ever-changing demands of their customers and the technology industry, organisational flexibility became an essential intermediary. Innovative results, business viability, and ecological sustainability were all enhanced by digital managerial techniques, adaptive resource utilisation, and responsive frameworks, according to the research. High development costs, reluctance to evolve, and inconsistent digital development of hotels throughout various locations in China were among the problems noted in the review. The evidence indicates that digital growth, when bolstered by adaptable corporate rules, enhances the effectiveness of strategic inventiveness. The study found that Chinese hotel proprietors must be resilient to shifts and adaptable about competitive in today's lodging business. This evaluation examined the hotel sector in China from several perspectives, which included the interaction among technological progress, managerial transformation, and innovation in products.

Keywords: Digital evolution; Strategic innovative performance; Organisational flexibility; Chinese hotels; Innovation management.

1. INTRODUCTION

When companies undergo a digital shift, they use new technologies to change how they operate, provide better encounters for customers, and create new types of businesses. The transformative influence of technological advances on enquiries and advertising techniques has made them increasingly reliant on it than any time before. This shift has had the greatest impact on the hotel business. Powered by modern technologies such as connectivity to the internet, artificial intelligence (AI), and big data, organisations are shifting their focus from traditional technical advancements to more sustainability practices (Wynn & Jones, 2022). Rapidly adopting novel innovations might make customers happier, make businesses run more smoothly, and lead to more inventive ways to solve problems. The hotel sector in China has changed quickly over the last ten years because of changing customer preferences and the extensive use regarding digital technology. Many hotel companies have had to reconsider their plans because of new technologies like AI, cloud computing, big data analytics, and the internet of things. Customised services, predictive solutions, and real-time decision-making are just a few of the ways these advances have made functioning better and made it easier for customers to connect with them (Buhalis et al.,

2023). Adapting to shifts in technology while keeping a competitive edge in this digital arena is made possible by organisational flexibility. There is a growing correlation between the level of digital incorporation and strategic inventive performance, which is the capacity of a hotel to use new technology to create new goods, amenities, and procedures (Wang et al., 2024). To thrive in today's cutthroat Chinese hotel industry, digital innovation is an absolute must. By using new digital technology, hotels can cope with changing markets, rising consumer demands, and fierce competition throughout the world. There has been little study examining how organisational flexibility influences the link within digital innovation and advancement.

2. BACKGROUND OF THE STUDY

A high level of flexibility is needed to achieve strategic goals, deal with modifying circumstances, and improve longevity. Distribution chains and tourist businesses are two examples of how companies might deal with novel strategies and unexpected problems. To stay ahead of the competition, companies need to be creative and flexible. In today's fast-paced environment, traditional organisational models require to be revamped since infrastructures require to be more adaptable. Flexibility is when an organisation can adapt to its resources, processes, and objectives when things outside of it evolve, such when technology moves quickly (Xu et al.,). The hotel industry in China has seen tremendous transformation in recent years as a result of technology developments. Hotel chains have embraced digital offerings driven by state-of-the-art innovation such as AI, cloud computing, big data analytics, and the internet of things in order to remain competitive and adapt to the constantly evolving hospitality sector. In addition to enhancing productivity, these technologies change consumer tastes by increasing the establishment's options for excellent service, personalisation, and accessibility (Giotis & Papadionysiou, 2022). Strategic innovation performance is now a key accomplishment factor in this industry, allowing hotels to get an edge, stand out, and be sustainable in the long run via the use of digital technologies. The ability of organisations to adapt is a key component that connects digital progress with creative results. The ability to swiftly adjust to changes in technology, rethink internal procedures, and incorporate digital skills into overall strategy is a key competency for hotels (Hongjie & Suryani,). When it pertains to China's fast-growing and fiercely competitive hotel business, the key to successfully merging technology acquisition with strategic innovation is to maintain organisational flexibility. Despite its increasing importance, there is a dearth of systematic studies that assess the effects of digital evolution on the inventiveness of Chinese hotels by way of organisational flexibility.

3. PURPOSE OF THE RESEARCH

This systematic review set out to examine how digital development has affected the strategic innovative performance of Chinese hotels, paying particular attention to the part played by organisational flexibility in this new digital environment. Finding out how digital tools, technical developments, and new digital techniques affected hotel performance in a cutthroat market was the primary goal of the research. This study aimed to find out how hotels were able to improve their service quality and operational effectiveness via the use of digital evolution. hotel businesses were able to successfully use digital technology because of cultural factors. The purpose of the review was to draw attention to important developments, recommendations, and problems with digital strategy adoption, as notably as the role that organisational flexibility plays in overcoming these obstacles and improving results. scholars, and government officials, advancing the understanding of how to use digital evolution to accomplish long-term innovative strategies in China's hotel sector via the dissemination of new theoretical information and practical tactics. The goal of this research was to provide hotel management with practical information.

4. LITERATURE REVIEW

There are several literature discussed about the digital transformation and organisational flexibility in hotel industry. Businesses, consumer interactions, and development tactics are all being impacted by the technological shift, which is making waves in business Chinese hotels are better able to adapt to changing market conditions because to the incorporation of technology like AI, big data analytics, and smart technology platforms. By facilitating making choices based on data, enhancing visitor experiences, and simplifying procedures, digital technologies promote inventiveness, according to previous research. Also, the article stressed the importance of managerial adaptability as a moderating variable that enhances the connection between digital transformation and inventive performance in strategy. This establishes digital transformation as a key factor in the sector's ability to remain competitive in the long run (Ercik & Kardaş, 2024). The effect of technology developments on the tourist sector's workers was the subject of an in-depth research. Its primary goal was to learn how changes including social networking sites, online website, smartphone devices, and other tech—have altered labour patterns, skill sets needed for certain jobs, and job definitions themselves. The study investigated both the ways in which technology advancements are changing the nature of work and the ways in which these changes are impacting industrial practices. They offered insight on how the evolution of technology has changed the nature of work and the skills employers want, underscoring the growing importance of ongoing training and education (Sahibzada et al.). A previous study explored that the important effects for analysing the benefit of tourist goods and supplying network adaptability, this research presents a novel viewpoint on the digital transformations approach, which comprises precedents, facilitators, and operators. Companies undergo a digital shift when they use new digital technology to enhance their company or processes significantly. Technological innovations are at the core of the digital revolution, and prior research has shown that tourist businesses employ them to speed up societal and business-related change. With the help of technological advances, travel firms can now provide a more customised and customer-focused service. Consequently, the actual option concept comes from a commercial background; it examines the viewpoints that executives have when they assess investments choices (Ku.). Before embarking on their digital evolution, tourism businesses should assess their current technical capacity and ensure they have sufficient funding and experienced team members in the field of digital innovations. These literatures helped to get the information about the effect of digital evolution on strategic innovative performance considering organisation flexibility in the digital realm.

➤ **Inclusion Criteria**

Geographic and Industry Focus: Only literary publications centred on Chinese hotels, especially one among the hospitality sector, were chosen for the study to guarantee applicability to the local and business-specific circumstances.

Key Concepts Covered: Researchers selected papers that looked at how digital evolution relates to successful innovative strategies, with a focus on how organisations needed to be flexible in the digital era.

➤ **Exclusion Criteria**

Non-Hospitality Industries: Research not related to the hotels and lodging sectors was omitted.

Geographic Irrelevance: Studies that did not focus on Chinese hotels or were conducted outside of China were excluded to ensure contextual accuracy.

Lack of Core Focus: To stay true to the purpose of the inquiry, any publications that did not focus on digital development, successful innovative strategy, and organisational flexibility were thrown out, no matter how relevant they might be for Chinese hotels.

5. RESEARCH QUESTION

- What is the impact of digital evolution on organisation flexibility in the digital realm?

6. RESEARCH METHODOLOGY

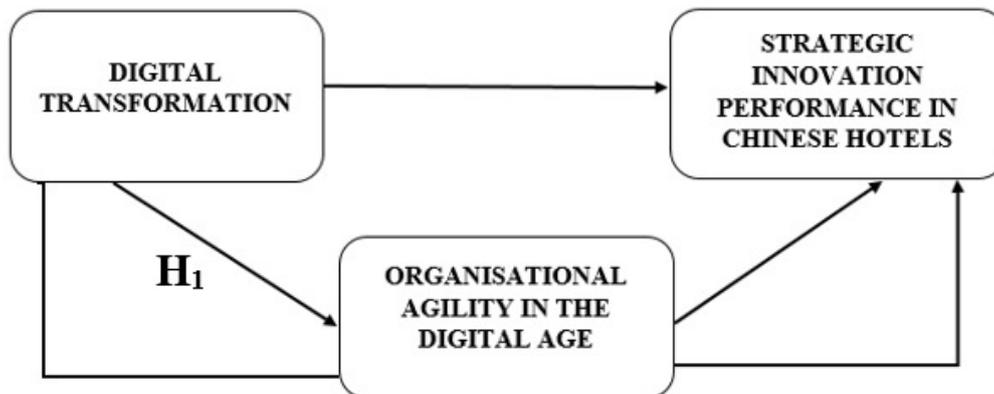
6.1 Research Design

The impact of digital evolution on strategic innovative performance in Chinese hotels was studied using a systematic analytical technique, with a focus on the mediating function of digital-age organisational capacities. Developing trends, research gaps, and appropriate theoretical frameworks were identified via the thorough filtering, coding, and analysis of the gathered papers, which ensured scientific rigour. This method shed light on the theoretical accomplishments to the area of digital evolution investigation as well as the practical ramifications for hotel management by providing an in-depth explanation of how digital flexibility impacted the digital growth of China's hotel sector.

6.2 Data and Measurement

Digital evolution traits, the success of strategic innovations in Chinese hotels, and organisational adaptability were the main factors considered. After researching and selecting studies according to the PRISMA standards, they used tools including theme coding, content analysis, and frequency mapping to evaluate the papers they chose. The examined material was shown to be credible, applicable, and consistent via this approach.

7. CONCEPTUAL FRAMEWORK



8. RESULT

❖ INDEPENDENT VARIABLE

• Digital evolution:

Complicated and nuanced modifications, frequently surprising the researchers who find them, are a creative wellspring provided by evolution. Not only has evolution shown incredible inventiveness in the biological surroundings, but it has also surprised and amazed scientists examining artificial species that have evolved in computer settings. Evolution is an algorithmic mechanism that operates independently of any given substrates. In fact, numerous experts in the subject of digital evolution can give instances of how their respective positions developing organisms and algorithms have cleverly thwarted their

plans, revealed bugs in their code that were previously unknown, made adaptations that nobody saw coming, or exhibited behaviours and effects that are eerily like those observed in nature (Jasim et al., 2024). The importance of digital management cannot be overstated in today's dynamic corporate climate. The need of strong digital executives in driving innovation, cultivating flexibility, and understanding complex technology developments is growing as ever more organisations embrace digitalisation to stay relevant. Improving productivity, enhancing customer services, and driving general company success are all possible due to statistical perspectives, which digital leaders use to devise and implement digitisation initiatives. The importance of digital dominance is magnified in a dynamic context where consumer tastes and market tendencies are always evolving (Mavitha & Kushe Shekhar, . Companies must pivot to stay relevant in today's dynamic markets, test out new ideas for how to do business, and meet the ever-evolving needs of their customers. When businesses constantly incorporate new digital technology into their activities, processes for making decisions, and overall competitiveness, this is called digital evolution. The steady incorporation of advances like AI, cloud computing, data analytics, and the Internet of Things characterises digital development rather than a static digital revolution (Fan et al., 2023). It highlights the ways in which hotels and other companies adapt their operations, strategies, and services to meet the demands of customers and new digital trends. In today's fast-paced digital world, when being able to quickly adapt and respond is essential, this method improves productivity, fosters creativity, and guarantees long-term adaptation.

❖ **MEDIATING VARIABLE**

• **Organisation flexibility in the digital realm:**

The ability of an organisation to quickly adjust its frameworks, procedures, and assets in accordance with developments in technology and digital possibilities is referred to as organisational flexibility in the digital domain. Flexible organisations and decentralised decisions powers are examples of structural adaptability; swift shifts in objectives and business strategies are examples of strategically flexible; and scalability IT, interoperability applications, and adaptable processes are examples of operational flexibility (Willie, . All these types of adaptability work collectively to allow for continual digital transformation. In the hotel industry, adaptable businesses are better able to use data analysis, cloud computing, AI, and the internet of things into service design and operations (Pescatore, 2022). This allows for more rapid innovation and better interactions for guests. The transparency of data flows and the ability to dynamically reallocate resources are two ways in which technological advancement enhances flexibility. On the other hand, organisational flexibility serves to magnify the innovative benefits of digital investments by mediating the relationship across implementation of technology and effectiveness. To balance short-term profits with long-term growth, innovative organisations actively pursue both inquisitive and exploited tactics. This strategy is known as innovation flexibility (Li et al., . The subject's importance in achieving a lasting competitiveness advantages and the requirements it puts on corporate capacities make it appealing to academics and businesspeople alike.

• **Relationship between digital evolution and organisation flexibility in the digital realm:**

There is an evolving and continuously reinforced link between digital progress and organisational flexibility in the digital environment. a combination of the help of cutting-edge technologies like Internet of Things, cloud computing, artificial AI, and big data analytics, businesses can better handle data, reorganise their resources, and adapt to changing consumer demands because of digital development. lodgings, like other businesses, may take use of those technological developments to improve efficiency, tailor customer experiences, and test out new revenue streams. The level of organisational flexibility, however, is crucial to the success of digital changes. Decentralised decision-making, adaptable procedures, and adaptable teams are examples of flexible architectures that help businesses incorporate digital technology more effectively (Cosa & Torelli, 2024). This flexibility guarantees that expenditures in digital infrastructure result in measurable invention and enhanced efficiency. Corporations that are resistant to transforming and bureaucracy may find it difficult to fully

use digital technologies. Organisational flexibility is a result of and a cause of digital development. The former promotes the latter by making it easier to work together and share information, while the latter speeds up the process of adopting new technology (Hanelt et al., 2021). The two factors feed into one another, creating a virtuous loop in which technological advancement fortifies organisational flexibility and organisational agility guarantees the long-term effects of digital change.

Researchers have built their whole understanding of the relationship between digital evolution and organisation flexibility in the digital realm:

- ***“H₀₁: There is no significant relationship between digital evolution and organisation flexibility in the digital realm.”***
- ***“H₁: There is a significant relationship between digital evolution and organisation flexibility in the digital realm.”***

By facilitating more effective procedures, data-driven decision-making, and better consumer services, the systematic research found that digital evolution has greatly boosted strategic innovative performance in Chinese hotels. Innovative services, enhanced processes, and brand-new business models were discovered to be closely correlated with the use of technology including data analysis, cloud computing, mobile platforms, and AI. Organisational flexibility played a crucial role in this interaction, serving as both a moderator and a mediator. To turn digital advances into long-term innovations, hotels needed to have adaptable structures, strategies, and procedures. Quick reactions to modifications in the market and consumer expectations were associated with more flexibility, according to the findings, which in turn ensured long-term competitiveness. On the other side, digital projects were less successful due to inflexible organisational tactics. The results show that this study adds to the existing literature by showing how digital progress and organisational flexibility work hand in hand to propel innovation in hotel industry.

Scientists reject the null hypothesis and accept ***“H₁: There is a significant relationship between digital evolution and organisation flexibility in the digital realm ”*** considering these findings.

9. DISCUSSION

From what one could gather from the discussion of this systematic review, digital development was the driving force behind the strategic innovative performance of Chinese hotels. There were indications that service design, operational efficiency, and customer pleasure were all improved by the incorporation of new technologies including cloud platforms, big data analytics, and AI. But these advantages were not the same for every industry; they depended on how adaptable the business was. The conversion of digital investments into creative outputs was more effective for hotels with flexible systems, decentralised decision-making, and flexible procedures. Hotels were able to swiftly adapt to fluctuating client needs because organisational flexibility served as both a catalyst and a means of crossing over. On the other hand, hotels that had rather inflexible procedures had a hard time seeing how digital technologies might benefit their guests. The review also noted that being adaptable helped with digital innovation and continual advancement, which kept businesses competitive. To succeed in invention for the long haul in the hotel industry, this research found that connecting digital progress with organisational flexibility was crucial.

CONCLUSION

Digital development was shown to have a significant impact on the strategic innovative performances of Chinese hotels, according to this systematic review. Research showed that new technology implementation improved service innovation, logistical effectiveness, and revenue creation. These new

techniques included cloud computing, data analytics, mobile applications, and AI. This relationship's mediator and moderator turned out to be organisational flexibility. The most effective use of digital technologies for innovation was seen in hotels that had adaptable resource allocations, decentralised decision-making, and flexible organisational frameworks. Companies with inflexible processes, on the other hand, struggled to reap the strategic advantages of their digital investments. Digital technologies encouraged flexible thinking, while organisational flexibility boosted the effect of digital projects, according to the review. The two factors reinforced each other. This research offered a conceptual framework for understanding how Chinese hotels attained sustained innovation in the digital age by combining current empirical and industry data. Organisational transformation should accompany digital technology integration, according to the review, to achieve optimal strategic accomplishment. This research proved that in China's hotel industry, there is a vital connection between digital progress, organisational flexibility, and innovative results.

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