

THE IMPLICATION OF DIGITAL TRANSFORMATION ON STRATEGIC INNOVATION PERFORMANCE IN CHINESE HOTELS: A SYSTEMATIC REVIEW OF THE ORGANISATIONAL AGILITY IN THE DIGITAL AGE

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ABSTRACT

Digital technologies' evolution has revolutionised management practices, visitor experiences, and organisational structures around hotel practices in China. To grow further and compete during accelerated digital evolution, organisational agility as a strategic capability is increasingly regarded. The present work reviews the influence of digital evolution on the strategic innovation performance of Chinese hotels systematically. The research emphasises the mediational role of organisational agility during the digital era. The research uses an exhaustive peer-reviewed scholarship review published from 2020 to 2025 to illustrate how emerging technologies like artificial intelligence (AI), big data analytics, cloud technologies, and the IoT enable organisations to react quickly to changes in the market and customers' requirements. It was illustrated from the studies conducted that the organisations with high organisational agility are better placed to absorb changes in technologies, offer superior customer service, and innovate better. With the ability for agility, hotel management is able to fast-track the process of making the correct decisions quickly, encourage cooperation across functional domains, and capitalise on digital technologies. Furthermore, the study demonstrates the need of an adaptable organisational culture that promotes constant learning, experimentation, and responsiveness. This is in addition to highlighting the fact that digital transformation is useless on its own. Chinese hotels have the potential to improve their creative capabilities, expand in a sustainable manner to an ecologically friendly level, and restore their competitiveness in the digital era if they are able to demonstrate strategic agility.

KEYWORDS: *Digital Transformation; Organisational Agility; Strategic Innovation; Chinese Hotels; Competitiveness.*

1. INTRODUCTION

In the ever-changing hotel industry, staying ahead of the competition necessitates consistently putting creative strategic concepts into practice. China is leading the way in the digital revolution that is changing the hotel business worldwide. Chinese hotels are revolutionising their operations and visitor interactions with the use of AI, big data analytics and the Internet of Things. Because of these technological advancements, hotels are now able to provide more efficient and personalised service to their guests. Hotels can maintain their competitiveness, differentiate themselves in the market, and provide long-term value to their stakeholders by continuously innovating. The agility of a hotel determines how well it can adjust to shifting market dynamics. In the hotel industry, two of the most crucial elements of the innovation process are knowledge and innovation approaches. Information and knowledge are crucial for fostering creativity and innovation. They also provide the foundation for strategic decision-making and enable hotels to adapt to changing guest demands (Cheng et al., 2023).

Due to factors such as a crowded and homogenous market, high exit hurdles and low entrance barriers, and cost-driven clients, the hospitality and tourist business faces the most intense and cutthroat competition of any service sector. As a result, businesses in the tourist and hospitality industries need a set of competencies to be competitive. Because of these skills, they can persevere through difficult times, outwit their rivals, succeed commercially, and do better overall. Competition for Chinese hotels is growing both locally and internationally. To remain competitive, hotels must create flexible plans that include digital transformation and innovation (Tirathanachaiyakun & Khummadee, 2025). Organisational agility may help hotels use the potential of technology to gain a competitive edge. Agile hotels may better serve their visitors by tracking their preferences in real time, customising their services for each person, and adjusting their operations appropriately. In a competitive sector, hotels may stand out by improving their innovation performance via the ability to adapt to changing conditions swiftly.

2. BACKGROUND OF THE STUDY

In a world where many variables are always changing such as politics, economics, society, culture, technology, and the environment, disruptions may happen progressively or suddenly. In response to the worldwide COVID-19 pandemic that caused extensive disruptions, new business models were developed. China's hotel industry has seen tremendous growth in recent years. Due to growing disposable incomes and the growth of the hotel sector, this is already a reality. The issue Chinese hoteliers face is how to use strategic innovation ideas to boost their company's success. If they want to thrive in the contemporary market, they have to take this action. The introduction of new products and amenities is an additional aspect of strategic innovation. Eliminating administrative hurdles inside the organisation may increase efficiency and productivity. Innovative procedures enable businesses to maximise their resources, save money, and operate more quickly. The culture of an organisation may be greatly improved via strategic innovation (Zhuofan & Nowalid, 2024). The advantages of strategic agility include the capacity to respond quickly to changes, act on new information and take action to reduce market risk and uncertainty. The extent to which a company uses operational and resource agility is the study's definition of strategic agility. Resource agility is the ability to quickly and efficiently deploy and realign resources in response to changing market conditions, customer demands, or organisational needs. Businesses that demonstrate this agility are better equipped to react quickly to changes in the circumstances of their sector, which raises competitiveness and productivity. Effective management of resources, such as money, labour and technology may improve an organisation's overall performance and its capacity to respond to opportunities and threats (Gu, 2023). Agile hotels may also set themselves apart in a very competitive market by rapidly inventing and introducing fresh experiences, customised goods, and streamlined processes that appeal to modern tourists. Thus, fostering agility is not only essential but also advantageous for hotels to thrive in this fiercely competitive environment.

3. PURPOSE OF THE RESEARCH

This research investigated the influence of digital transformation on strategic innovation performance in Chinese hotels, paying specific attention to the organisational agility's role in mediating that connection. It is important to comprehend how management processes, service, and innovation change due to digital transformation, given the hotel sector in China continues to make technological advancements. The primary aim of the study was to determine how Chinese hotels use digital technologies such as automation, big data, and AI to make their operations more agile, creative, and sustainable. Furthermore, the research sought to learn how Chinese hotels could adapt to these technological advancements and make their strategic intentions practical applications through organisational agility. The research explored how employees' continual learning and experimentation is encouraged through digital platforms, enhanced collaboration, and faster decision-making. The study of that connection highlighted the necessity of organisational agility insofar as it determines whether technology utilisation leads to improve innovate results or organisational complexity. The findings would assist Chinese leaders and hotel management in formulating strategies for improving their firms' innovate potential. Consequently, they would benefit from being better placed to address the needs of the digital age, stay ahead of their competitors, and propel their further development.

4. LITERATURE REVIEW

Despite research on hotel performance and innovation, data from a Chinese viewpoint on organisational agility is limited. Cultural, economic, and geographical variables may affect the correlation between innovative characteristics and company performance. A hotel's ability to be creative is crucial to its ability to adjust to changing market conditions and shifting customer preferences. The findings of this research provide light on the practical ways in which hotels may leverage their

own resources and knowledge to achieve operational excellence, while also highlighting the influence of innovative capabilities on hotel performance. The depth to which a hotel can provide new services, streamline current ones, and give guests distinctive experiences is a sign of its innovative potential (Elkhwesky et al., 2022). Resource agility refers to deploying and rebalancing the resources fast in accordance with shifting circumstances in the customer, organisational requirements, or the market. Organisations that exhibit such resource agility respond more promptly to shifting circumstances of their industry, consequently becoming more productive and more competitive. Successful resource management, as for example, funds, labour and technology could benefit an organisation as much in terms of performance as in terms of meeting opportunities as well as threats. Agile hotels could also differentiate from a highly competitive industry by innovating and introducing new experiences, custom products, and streamlined processes that meet the requirements of contemporary day travel. Therefore, developing agility is not only imperative but also optimal for hotels to sustain in such a highly competitive environment (Darvishmotevali et al., 2020). Additional measures of the hotel's effectiveness in attracting, keeping, and inspiring top talent include employee satisfaction surveys and staff turnover rates. Operational efficiency metrics such as room turnover time and maintenance expenses, gauge how effectively a hotel makes use of its resources and maintains operations. Market competitiveness metrics like the one market share and brand reputation may be used to assess the hotel's standing in relation to competitors as well as its capacity to draw in and retain guests in a competitive setting (Yildiz & Aykanat, 2021).

• INCLUSION CRITERIA

Geographic and Industry Focus: To ensure relevance to the regional and industry-specific context, research only focused on literature works based on Chinese hotels, specifically one within the hospitality sector.

Key Concepts Covered: In this research, organisational adaptability in the digital age is an important area to investigate in accordance with the growing body of literature on the topic of digital transformation and the effectiveness of strategic innovation.

Publication Type and Language: Articles published in English between 2020 and 2025 that have been peer-reviewed were considered for inclusion to ensure that the research remains rigorous and relevant.

• EXCLUSION CRITERIA

Non-Hospitality Industries: The data was only used in relation to the hotel and hospitality industries; thus, research that focused on other companies was not included.

Geographic Irrelevance: Research conducted in countries other than China or that did not specifically address Chinese hotels was excluded to maintain the accuracy of the context.

Lack of Core Focus: To stay in accordance with the study's emphasis, articles that did not specifically address digital transformation, strategic innovation performance, and organisational agility were excluded, even if they dealt with Chinese hotels.

5. RESEARCH QUESTION

- What is the impact of organisational agility in the digital age on strategic innovation performance in Chinese hotels?

6. RESEARCH METHODOLOGY

The research will use the systematic review methodology.

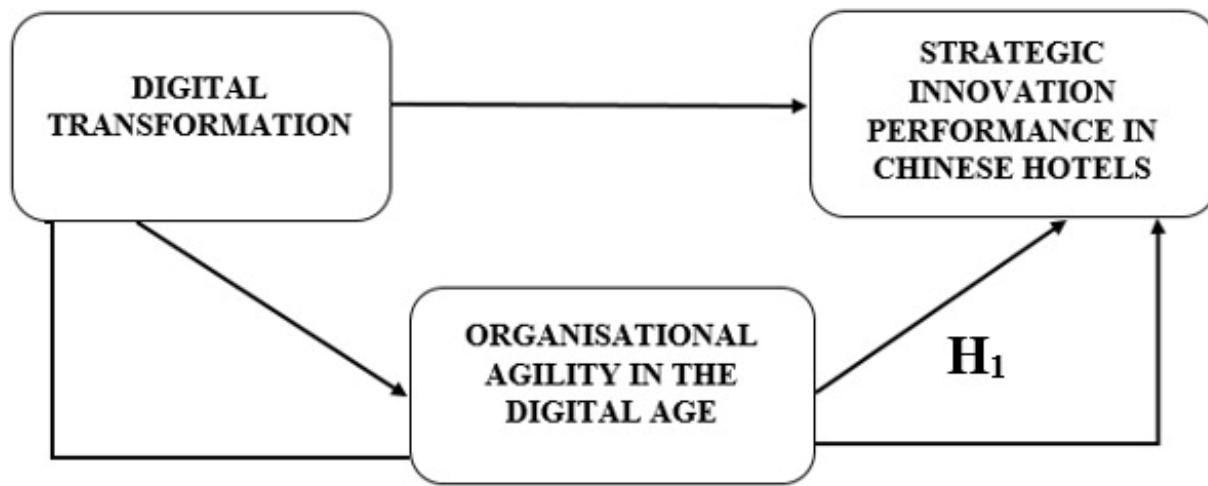
6.1 RESEARCH DESIGN

With an emphasis on the mediating role of digital-age organisational agility, this research employs a systematic analysis method to examine the relationship between digital transformation and the performance of strategic innovation in Chinese hotels. For peer-reviewed articles, websites and case studies from 2020 to 2025, databases like Scopus and Web of Science will be searched. To comprehend how digital agility has influenced the digital growth of China's hotel industry, the researcher will systematically filter, analyse and evaluate the data to identify trends, gaps, and theoretical frameworks.

6.2 DATA AND MEASUREMENT:

Data will be gathered from journal papers that have achieved peer review, industry reports, and empirical studies published between 2020 and 2025. Among the most crucial factors are the features of strategic innovation, the effectiveness of digital transformation in Chinese hotels, and organisational agility. The researcher will use the PRISMA standards to choose the studies, and then utilise content analysis, frequency mapping, and theme coding to evaluate them. The credibility, applicability and consistency of the chosen literature will be guaranteed in this way.

7. CONCEPTUAL FRAMEWORK



8. RESULT

❖ MEDIATING VARIABLE

• ORGANISATIONAL AGILITY IN THE DIGITAL AGE:

Organisational agility in the digital age refers to how quickly a company can adapt to changes in markets, technology, and customer demands. It involves responding quickly to opportunities and threats in a dynamic organisational environment. Agile companies are able to preserve their inventiveness, efficiency, and profitability in the face of change. In today's digital age, businesses depend significantly on technology systems. To remain competitive, one must modify their organisational structure, operational methods, and company strategies. The characteristics of an agile team are flexibility, speed, and the capacity to collaborate across functional boundaries. It also includes a dedication to continuous improvement and growth. Nimble organisations can experiment, take calculated risks and adjust their direction without going overboard (Xuejing & Abd Rani, 2024). The digital revolution has increased the importance of agility. Businesses can make better decisions quickly by using AI, cloud computing and data analytics. Leaders encourage their staff to embrace change and adopt a growth mindset. Communication is more transparent and cross-locational cooperation is made easier by collaboration tools. Chinese hotels have been able to improve their service standards and become more flexible via the use of digital technology. Hotels can anticipate the needs of their customers and provide individualised experiences because of AI, data analytics and the IoT. Smart check-ins, automated room controls, and digital personal assistants make things operate more easily and swiftly. Hotels can quickly respond to customer feedback and adjust to changing preferences by using these technologies (Khalil et al., 2023).

❖ DEPENDENT VARIABLE

• STRATEGIC INNOVATION PERFORMANCE IN CHINESE HOTELS:

The organisation can distinguish itself from the rest by means of strategic innovation through the development of new service provision and product development or the adoption of novel business plans. As such, firms will be able to distinguish themselves from their competitors. Market, technologies, as well as the things consumers desire, are constantly changing. Firms that consider strategic innovation can stay one-step ahead of the rest and react immediately to the changes. Due to this, individuals will pay more attention to changes, react appropriately to news, and make good use of emerging opportunities. Properly balanced acceptance of risk is vital for strategic innovation. Firms that favour trying new things and innovation can cope better with risk reduction. Firms fail when they are not able to innovate creatively to cope with changing consumer demands, as well as changing market conditions. The firm's readiness to strategic innovation will allow it to anticipate potential opportunities and dangers (Wu et al., 2023). It will be able to solve key issues by stimulating ecologically safer product development and activity. Innovations aimed at making people and the Earth better will make the firm's reputation better. Customer experience development as well as overall firm efficiency is highly dependent upon innovative development in the hospitality sector. The ability to react fast towards the adoption of new service provision, facilities, and procedures enables hotels able to adapt toward changing consumer demands, as well as emerging market trends (Mercan et al., 2021).

• RELATIONSHIP BETWEEN ORGANISATIONAL AGILITY IN THE DIGITAL AGE AND STRATEGIC INNOVATION PERFORMANCE IN CHINESE HOTELS:

Organisational agility in the age of digitisation is highly related to the effectiveness of strategic innovation in hotels in China. Quick responsiveness to dynamic customer needs, new technology, and guests' preferences is highly important for hotels. If everything is changing constantly, innovativeness in a hotel is related to how quickly it can adapt, become creative, and experiment. It is necessary for hotels to employ digital technology to collaborate more effectively, introduce new offerings, and deliver exceptional customer experiences in order to become more agile. Technological advancements in China have transformed the operations of hotels. Automation, data insights, and AI assist in faster decision-making and

more personalised assistance. Organisational agility at the appropriate level enables hotels to accept such technologies (Cubillas-Para et al., 2025). Agile people comprise teams that are motivated to accept change and develop their competencies. It is possible for such hotels to identify new methods of differentiating from the competitors and addressing evolving customer needs due to their ability to adapt. Individuals who are agile best combine creativity with their agility. New models of businesses, enhanced procedures, and increased brand value can all be discovered with their assistance. Management can more effectively sustain development by being agile and aligning technology investments with long-term objectives. Hotels can lag behind in meeting contemporary visitor requirements if they fail to become agile (Alkandi & Helmi, 2024).

Based on the preceding discussion, the researcher developed the following hypothesis to examine the relationship between organisational agility in the digital age and strategic innovation performance in Chinese hotels.

- *"H₀₁: There is no significant relationship between organisational agility in the digital age and strategic innovation performance in Chinese hotels."*
- *"H₁: There is a significant relationship between organisational agility in the digital age and strategic innovation performance in Chinese hotels."*

The systematic review has shown a considerable beneficial relationship between organisational agility in the digital age and strategic innovation success in Chinese hotels. According to research, hotels with higher levels of agility found it simpler to adapt to market changes, adopt new strategies, and adjust to current technologies. By improving internal communication, decision-making speed, and flexibility, agility promoted creativity. Additionally, the study revealed that digital transformation had a significant role in enabling agile businesses to integrate technology into their daily operations more effectively. Hotels that put an emphasis on digital competency and adaptation saw improvements in customer satisfaction, competitiveness and growth. In the context of contemporary hotel management, the concept of organisational agility has become more significant as a driver of digital innovation and long-term success. The findings of this study lend credence to this hypothesis. This indicates that the ***"H₁: There is a significant relationship between organisational agility in the digital age and strategic innovation performance in Chinese hotels"*** is accepted, and the null hypothesis is rejected.

9. DISCUSSION

These research findings affirm the correlation between organisational agility in the digital era and Chinese hotel effective strategic innovation. This diligent research indisputably finds that the more agile the hotels, the better they are able to handle fast digital transformations. The agile organisations have come to integrate the latest technologies like AI, data analytics, and automation to decide faster, make the business work well, and provide new service. The competitiveness requirement for Chinese hotel industry to be extremely adaptable will never be overemphasised. This is the most definitive contributor to the success of innovations with the help provided by the utilisation of technology. The study also sets the foundation for balancing technological developments with the capability of the people to adapt. The utilisation of open communication channels alongside digital training will make the employees feel comfortable embracing the new tools. The management will have to encourage the utilisation of variable work schedules alongside active learning to adapt better to the technologies' changes. The study review is adamant that organisational agility is one of the most definitive initiators of strategic innovation. Hotels in China embracing the idea of the agility as well as embracing digital transformation will be capable, competitive, and future-proof. The keen study on the utilisation of digital agility alongside adaptive management strategies to innovate better will teach the hotel administrators much.

10. CONCLUSION

The systematic review finds that organisational agility is greatly esteemed by Chinese hotels in the digital age to support their performance in strategic innovations. Hotels must be made fast-changers and agile to survive amidst widespread changes inflicted by continuous digital transformation. Chinese hotels are well placed to deal with fluctuating market demands and visitor expectations by unfolding agile management practices alongside information technologies like cloud computing, AI and data analytics. The transformation re-conceptualises the competitive environment alongside the value delivery models of Chinese hotels in the digital age where everything exists digitally. Agile hotels are distinguished by their excellent capability to foresee the future, modify their strategy, and execute innovations. From the conclusions found by the systematic review, hotels deploying agile frameworks instil creativity, teamwork, and excellence. The strategies complement inventive performance through accelerating functional efficiency, speed to decisions, as well as visitor delight. Further, by empowering the employee with the capability to perceive information technologies as strategic promoters rather than barriers, digital agility supports the development mentality. The data synthesis reveals that digital agility is an operational necessity alongside an ability capability inform the level of innovations alongside enduring competitiveness. Chinese hotels need to integrate versatility alongside digital transformation strategies for continued growth, bolstering the brand name, as well as delivering memorable visitor experiences. The introduction to the study thus establishes the reality where the hotels have to transform amidst the digital age where organisational agility provides the basis for the eventual success in innovations for the enduring competitiveness within the Chinese hospitality business.

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