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LEVERAGING DIGITAL TRANSFORMATION FOR SUSTAINABLE CORPORATE EVOLUTION IN VIETNAM

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Abstract

The paper examines the impact of digital transformation (DT) on sustainable corporate development in Vietnam, particularly for SMEs. This study investigates the factors that impact the adoption of digital technologies in SMEs through the Technology-Organization-Environment (TOE) framework. The study highlights the significance of forward-thinking leadership in addressing cognitive resistance and adopting innovative approaches. Utilising third-party digital platforms can provide cost-effective solutions for SMEs, even in the face of limited resources. Support from the government, in the form of incentives and policy initiatives, plays a vital role in promoting sustainable growth. Digital transformation (DT) facilitates the growth of markets, decreases costs, and enhances resource management, all while promoting sustainable practises and encouraging innovation. The research offers valuable insights for academia and professionals, offering practical guidance for SMEs and promoting sustainable corporate development in Vietnam.

Keywords: *Digital transformation, technology organization environment, sustainability, small and medium enterprise.*

1. Introduction

Vietnam's economy is at a critical point where digitalization is crucial due to various influential factors. This analysis includes factors such as the conversion of state-owned enterprises into market-aligned corporations, Vietnam's central location for assembly and manufacturing, and the presence of extensive supply chains. The Trump administration's protectionist trade policies and the COVID-19 pandemic have forced organisations to adopt remote business practises, emphasising the importance of DT (Baryshnikova, 2017).

DT refers to the disruption caused by digital technologies and how organisations strategically respond to it (Vial, 2019). The process includes various technologies, from emerging ones like quantum computing to operational ones like cloud computing (Abell, 2020). The benefits of implementing these technologies include improved efficiency, reduced costs, and decreased operational risks. However, achieving these advantages is often hindered by the complexity of digital transformation implementation, resource limitations, and employee resistance.

Vietnam's economy is currently dealing with the challenges of the Middle-Income Trap. In this context, the effective implementation of DT is crucial. To shift from export-driven growth to increased domestic consumption, an economic transformation is needed. A recent study by the World Bank (Cirera et al., 2021) found that only a small number of Vietnamese manufacturing enterprises have truly committed

to digital transformation. SMEs have limited involvement due to ineffective management practises and government preference for state-owned enterprises.

Despite the challenges, adopting DT is crucial for SMEs to achieve sustainable growth and expand their business during the fourth industrial revolution (Philbin, Viswanathan, Telukdarie, 2022). DT can help businesses create sustainable products and services, promote innovation, improve customer experience, and optimise capital efficiency (Schallmo & Daniel, 2018; Šimberová, Chen, Bui, 2022). Sustainability is crucial for the enduring feasibility of enterprises and contributes to the well-being of the Vietnamese economy.

SMEs encounter various limitations such as restricted financial resources, a shortage of qualified personnel, and insufficient digital infrastructure. These constraints underscore the importance of adopting a sustainable approach to the process of digital transformation. The present study examines the impact of digital transformation on sustainability practises within Vietnamese enterprises, employing the Technology-Organization-Environment (TOE) framework as the analytical lens. This study investigates the various factors that influence the adoption of digital technologies and analyses their effects on both organisational and environmental factors.

The results of this study will offer significant insights for SMEs as they embark on their digital transformation endeavours. These findings will contribute to the advancement of knowledge and practical implementations of digital transformation in Vietnam, thereby fostering the sustainable growth of the country's corporate sector.

The paper has a traditional structure, starting with an introduction and including sections for literature review, methodology, findings, discussion, and conclusion. This study focuses on research conducted in Vietnam, specifically looking at how DT can be used to promote sustainable corporate development. This study focuses on exploring how DT can contribute to long-term sustainability in Vietnamese businesses, rather than just highlighting the importance of corporate sustainability.

2. Literature Review

This literature review explores the complex dynamics of DT in SMEs in Vietnam. This study serves as a fundamental basis for future academic investigations, specifically focusing on the potential of digital technology to promote and support sustainable practises within corporate settings. The analysis is based on the TOE framework, which offers a comprehensive comprehension of the elements that impact the digital transformation process of SMEs in Vietnam. The inclusion of sustainability within this framework highlights the capacity of DT to facilitate sustainable corporate development. The primary aim of this study is to investigate the impact of DT on corporate sustainability in Vietnam, as it represents the central focus of the research.

2.1 Digital Transformation

DT has gained scholarly attention in recent years (Agarwal et al., 2010; Galindo-Mart ín et al., 2019; Burton-Jones et al., 2020). The literature has explored the topic by analysing the required resources and capabilities, different transformation processes and modes, and the associated benefits.

During the early stages of digital transformation, organisations primarily focused on implementing internal management information systems such as ERP or CRM systems (Agarwal et al., 2010). Matt et al. (2015) and Li et al. (2018) emphasised the importance of improving business processes in their work. The main goal of these transformations is to reduce costs and improve business processes.

Cross-boundary technological systems like e-commerce and social media have expanded the reach of digital transformation. DT has a significant impact on businesses, affecting not only internal processes

but also business models, organisational strategy, and corporate culture (Frank et al., 2019; Li, 2020; Singh and Hess, 2017; Sainger, 2018; Hoang et al., 2020).

The shift from internal processes to broader organisational changes has sparked renewed enthusiasm for organisational DT. According to Li et al. (2018), changes in business information systems have a broader impact on organisational routines, business processes, capabilities, and culture.

This review explores the benefits of big corporations creating and using their own digital platforms. These corporations have ample resources and capabilities, making the process relatively easy for them. Helfat and Raubitschek (2018), Correani et al. (2020), and Eller et al. (2020) explore how organisations can use internal resources to develop capabilities that overcome resistance to change and organisational inertia. SMEs face challenges in implementing DT (Castagna et al. (2020) and Westerlund (2020)) suggest using third-party digital platforms as a possible solution. Research has focused on the digital transformation of SMEs in recent years. Existing studies mainly focus on the technological features of digital platforms. Several studies (Bouwman et al., 2019; Castagna et al., 2020) have examined the effectiveness of online communication tools and transaction processes.

Scholars agree that DT is more of a managerial concern than a technical one in the field of innovation management. DT success depends on technical resources and addressing managerial challenges. Challenges in this context involve redesigning business processes, providing training, investing in human resources, and optimising organisational design (Li, 2020; Crupi et al., 2020; Li et al., 2018; Hoang et al., 2020; Dethine et al., 2020).

2.2 The Role of Business Leaders in Digital Transformation.

Business leaders are important in driving digital-induced organisational changes, especially in the context of digital transformation (Singh and Hess, 2017; Sainger, 2018; Klein, 2020). Business leaders must understand and believe in the benefits of digital technologies (DT) to effectively incorporate and utilise them (Klein, 2020; Hoang et al., 2020).

SME leaders may not fully grasp the significance of IT or DT. Research by Heavin and Power (2018) and Isensee et al. (2020) indicates that individuals who are limited by their own experience and past achievements tend to overlook the value of digital technologies and are unlikely to embrace DT. SME leaders' cognitive inertia hampers digital adaptation. SME leaders face the challenge of managing various roles with limited resources. Data-driven decision-making, innovative communication methods, and novel business models are essential.

Leaders must have a comprehensive understanding of their current situation and potential challenges in order to create an effective strategy (Frank et al., 2019; Brock and Von Wangenheim, 2019; Bouwman et al., 2019). The article addresses the challenges faced by SME leaders in digital transformation and offers leadership strategies for success. Limited research exists on the impact of digital transformation (DT) on firms' managerial problems. Limited information exists on the challenges of implementing digital transformation (DT) and how organisations tackle them. This literature review explores strategies and approaches for managers to tackle challenges in implementing digital transformation in their organisations.

2.3 Small and medium-sized enterprises

The significance of SMEs in national economies lies in their substantial quantity and their role in generating employment opportunities. Larger firms tend to have higher levels of productivity, resulting in a greater contribution to the national GDP compared to smaller firms. Micro-enterprises make up a significant portion of SMEs in Vietnam and various other nations. Typically, micro-enterprises have less than 10 workers and frequently comprise of individuals who are self-employed. These companies have a

scarcity of resources and function in unstable circumstances, making only a small contribution to production. According to Co et al. (2017), government policy shows a preference for state-owned and foreign-owned businesses rather than domestic small and medium-sized enterprises. The research concentrated on bigger and more established companies within the SMEsindustry.

Vietnamese small and medium enterprises (SMEs) are divided into three groups based on their size: micro, small, and medium. According to Dezan Shira and Associates (2017), the categories can have a maximum of 200 employees and must fulfil either or both of these conditions: total capital not exceeding VND100 billion (around US$4.4m) or total revenue from the previous year not exceeding VND300 billion (around US$13.2m). The Vietnamese government offers support to SMEsthrough various benefits and incentives. These measures aim to tackle issues such as limited access to funding, a shortage of skilled workers, and unfair competition. SMEsare recognised for their capacity to quickly innovate and adjust to emerging opportunities. They also play a crucial role in the nationwide distribution of goods and services. SMEshave a crucial impact on advancing the participation of women and young people in the labour market.

Developing economies have a large proportion of small and micro enterprises, with a smaller number of medium-sized enterprises compared to developed economies. Foreign investing firms face difficulties when trying to collaborate with and incorporate smaller businesses into their supply chains due to the missing middle phenomenon. According to a quantitative study conducted by Ngo and Chi (2020), it was discovered that out of 2,500 Vietnamese SMEs, only the larger ones were able to enhance their production value instead of solely relying on price competition. The development of small and medium-sized enterprises is crucial for Vietnam's industrial progress. The ineffective distribution of capital is impeding the economic progress of the nation. According to Kinghan et al. (2020), studies suggest that capital is showing a preference for profitable companies rather than those that truly require it.

2.4 Research Framework

The research framework of this study is based on the TOE framework, which is a well-known theory used to analyse the factors that impact the adoption of digital transformation by small and medium-sized enterprises in developing nations (Qalati & Yuan, 2021). This framework investigates how technological, organisational, and environmental factors affect SMEsin Vietnam, a developing country currently experiencing a digital transformation. Technological factors include factors such as comparative advantage, compatibility, and complexity. The components of an organisation include support from the organisation, its human resources, and a culture of innovation. In a business setting, environmental factors include elements such as uncertainty, the satisfaction of customers, and the assistance provided by the government.

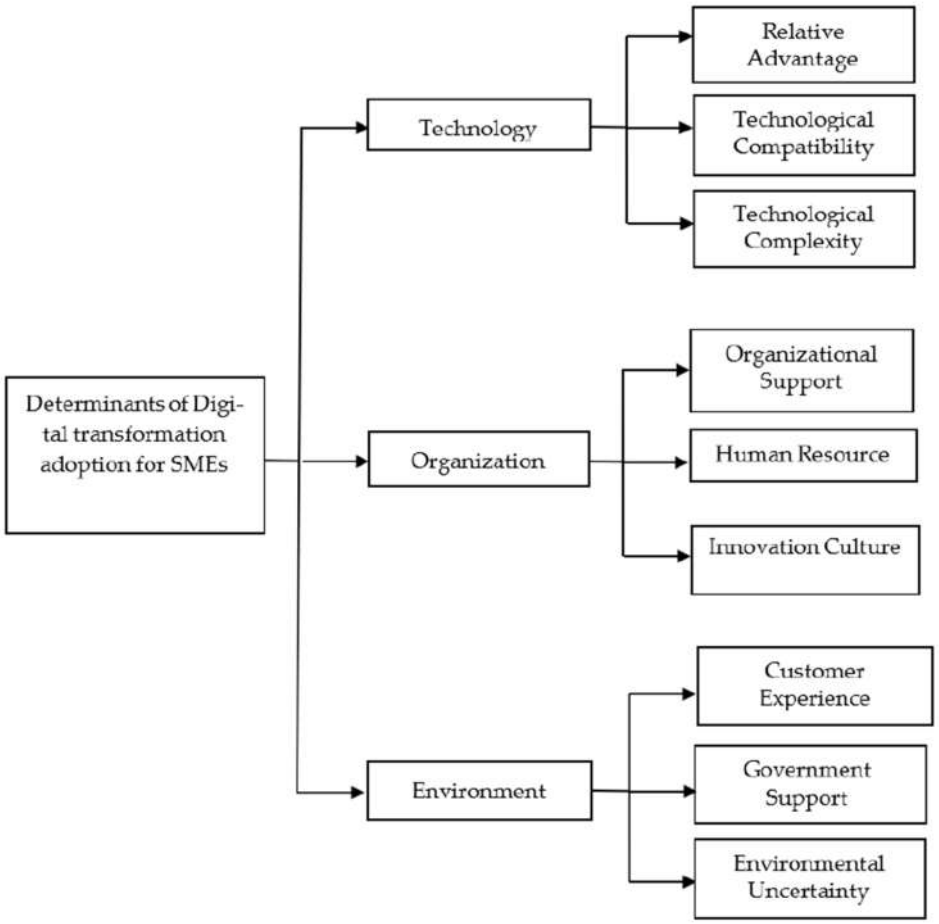

Figure 1: TOE Framwork

2.4.1 Relative Advantage

SMEs can benefit from digital transformation in several ways, such as reaching a wider market, reducing expenses, and easily adopting new business models (Kendall, Tung, Chua, 2001). According to Moghavvemi (2012), small and medium-sized enterprise (SME) owners are more inclined to embrace new technology if they have confidence in its ability to enhance their business operations. When making decisions, SMEs should take into account the benefits of digital transformation. The implementation of digital transformation has the potential to enhance the efficiency of resources, minimise the impact on the environment, and encourage the adoption of sustainable business methods.

2.4.2 Technological Compatibility

Companies must prioritise technological compatibility when adopting innovative technologies. Organisational innovation is influenced by how well it aligns with a company's culture, models, and core values (Jakliˇc, J.; Grublješi˘c, T.; Popovi˘c, 2018). SMEs must align adjustments with their organisational culture. Technological compatibility involves integrating digital transformation with sustainability goals, such as reducing carbon emissions, promoting circular economy practises, and fostering social inclusivity.

2.4.3 Technological Complexity

Technological complexity is the level at which a company adopts and implements an innovative technology (Feeny & Roger, 2003). Digital transformation is seen as a shared concern. Digital transformation can be challenging for companies due to technological changes, customer behaviours, and

other digitalization-related challenges (Jöhnk, 2020). SMEs struggle with technology due to its complexity. Overcoming complexity can lead to sustainable outcomes like better energy efficiency, less waste, and increased social engagement.

2.5 Organizational Factors

2.5.1 Organizational Support

The evaluation of organisational support involves assessing the extent to which company leaders offer and support resources for employees to carry out business activities. The use of contemporary information technology platforms is essential for increasing productivity enhancement (AlNasrallah, 2022). According to Schwarzmüller (2018), leaders of SMEsmust find appropriate strategies to help their employees successfully carry out digital transformation in order to enhance business performance.It is important to offer assistance for sustainability projects in order to cultivate a mindset of sustainability within the company.

2.5.2 Human Resources

The presence of human resources is essential for the functioning of businesses and plays a significant role in their growth and progress (Becker & Huselid, 2006). It is important for businesses to consistently acknowledge that their human resources are a valuable asset that can be used to evaluate the company's competitive advantage. The impact of digital transformation on human resource management in companies is significant, as it emphasises and assesses the skills and responsibilities of HR managers (Bell, Lee, Yeung, 2006). Sustainability should be the main focus of training and development programmes, as they should equip employees with the required expertise and abilities to implement sustainable practises.

2.5.3 Innovation Culture

The presence of an innovation culture significantly influences the outcome of digital transformation endeavours. Innovation culture refers to the embrace of novel ideas and the readiness to undertake risks in order to generate fresh value (Bharadwaj et al., 2013). An innovative culture fosters employee creativity and encourages the utilisation of digital technologies to develop novel business models, products, and services. This culture should promote sustainability and encourage innovative solutions to environmental and social challenges.

2.6 Environmental Factors

2.6.1 Unpredictability

Unpredictability in the business environment impacts the digital transformation process of SMEs. The business environment has become more unpredictable due to the rapid development of digital technologies, changes in customer behaviour, and changes in the competitive landscape (Bharadwaj et al., 2013). The unpredictability mentioned encompasses variations in environmental regulations, changes in consumer preferences favouring sustainable products, and the effects of climate change on business operations, all viewed through a sustainability lens.

2.6.2 Customer Experience

The customer experience significantly impacts the digital transformation of SMEs. Bharadwaj et al. (2013) argue that digital technologies empower SMEs to enhance customer experience and offer personalised products and services. In the realm of sustainability, enhancing customer experience involves satisfying the increasing desire for sustainable goods and services, as well as involving customers in sustainability endeavours.

2.6.3 Government Support

The provision of governmental assistance plays a crucial role in shaping the digital transformation journey of SMEs. The provision of government support can be observed through the implementation of policies aimed at fostering digital transformation, which encompass various measures including tax incentives, training programmes, and financial assistance (Bharadwaj et al., 2013). This support encompasses a range of policies and incentives aimed at fostering sustainability, including the provision of subsidies for renewable energy, the implementation of regulations pertaining to carbon emissions, and the establishment of programmes designed to promote the adoption of circular economy practises.

The literature review has given a thorough understanding of digital transformation in small and medium-sized enterprises in Vietnam. The text explores the evolution of DT, its impact on business operations, and the challenges and opportunities it brings for SMEs. The review highlights the importance of business leaders in driving digital transformation and emphasises the need to address both managerial and technological issues. It has provided insights into the state of SMEs in Vietnam, their economic contribution, and the challenges they face in innovation and digitalization.

As a theoretical lens, the review has introduced the TOE framework to analyse the impact of DT on business sustainability. This framework will investigate the technological, organisational, and environmental factors that impact the adoption of DT by SMEs in Vietnam.

The next section will outline the methodology used in this study to further explore these issues. The findings section will present and discuss the results of the study in relation to the reviewed literature. The goal is to show how DT can be used to promote sustainable practises in corporations, improving their long-term success and resilience.

3. Research Methodology

This study explores how digital transformation affects sustainable practises in SMEsin Vietnam, analysing different sectors of the economy. The research employs a thorough approach, which involves using structured questionnaires, semi-structured interviews, and focus group discussions, to understand how digital transformation can contribute to promoting sustainability in businesses.

3.1 Research Farmwork

The main aim of this research is to assess the impact of digital transformation on the adoption and implementation of sustainable practises among SMEs in Vietnam. In this study, we utilise the Fuzzy Analytical Hierarchy Process (AHP) methodology to evaluate the comparative significance of the Technology, Organisation, and Environment (TOE) model within the specified context (Saaty, 1980; Chang, 1996). The present study proposes a research framework that adopts a three-layer hierarchical structure, wherein each layer corresponds to a distinct facet of TOE model. Specifically, Level 1 represents the significance of subject matter experts SMEs in the process of embracing digital transformation. The dimensions of the TOE model were examined at the second level, wherein the factors of each layer were compared in a pairwise manner. In this study, a pairwise comparison approach is employed to assess the relative significance of different layers in influencing the adoption of digital transformation. By systematically comparing these layers, we aim to identify the most influential factors that drive the adoption of digital transformation in various contexts.

3.2 The Fuzzy Analytical Hierarchy Process (AHP)

The Fuzzy Analytic Hierarchy Process (FAHP) methodology was first introduced by Saaty in 1994 and later enhanced by Chang in 1996. It is a decision-making method that specifically deals with uncertainty and subjectivity. Fuzzy numbers are utilised to account for subjective preferences and gain insights into the factors that impact the acceptance and implementation of sustainable practises in digital transformation.

The process includes constructing a hierarchical diagram that illustrates various levels, each representing the purpose of the research, criteria for evaluation, and available choices. This diagram helps in organising and understanding the different components involved in the methodology. A matrix is generated to evaluate scales by comparing them in pairs. This is done using a rating scale that is based on triangular fuzzy numbers. Chang (1996) provides a detailed description of the transformation steps outlined in Table 1, which correspond to the TFN scale ranging from 1 to 9. The adjustment can be described using three values (l, m, u), where l and u represent the lower and upper boundaries, and m represents the value being evaluated. This representation helps in understanding the extent of the adjustment.

Table 1: The Standard of fuzzy AHP (Chang,1996)

Linguistic Variables	Intensity of Importance	TNF Assigned
Equal	1	(1,1,1)
Weakly More important	3	(2,3,4)
Significantly More important	5	(4,5,6)
Very Strongly More Important	7	(6,7,8)
Extremely More Important	9	(9,9,9)
Between two adjacent scales ‘values	2,4,6,8	

Step 3: involves constructing a fuzzy comparison matrix (Ã) based on the experts' opinions through pairwise comparison, as shown in Table 1.

$$\tilde{A} = \begin{bmatrix} 1 & \tilde{a}_{12} & \cdots & \tilde{a}_{1n} \\ \tilde{a}_{21} & 1 & \cdots & \tilde{a}_{2n} \\ \cdots & \cdots & \cdots & \cdots \\ \tilde{a}_{n1} & \tilde{a}_{n2} & \cdots & 1 \end{bmatrix}$$

In the given scenario, it is stated that if the indices i and j are equal, then the value of ãij is 1. Conversely, if i and j are not equal, then the value of ãij can be 3, 5, 7, or 9. Additionally, the value of ãji is determined to be 1/3, 1/5, 1/7, or 1/9.

To compare fuzzy parameters, a linguistic variable was created to represent the evaluation levels. This variable is described in the table provided.

In Step 4, we calculate the sum of each row in the ãij matching matrix. Then, we normalise these values using a specific formula derived from Chang's research in 1996.

$$S_i = \sum_{j=1}^{m} \tilde{a}_{ij} \times \left[\sum_{i=1}^{n} \sum_{j=1}^{m} \tilde{a}_{ij} \right]^{-1}$$

The correlation weights for each alternative are represented by triangular fuzzy numbers, indicating the weights assigned to each condition. The next step of the process entails the task of identifying the lowest value for every combination of fuzzy numbers.

$$V(S_i > S_j) = sup_{x \geq y} \left[min\left(\mu_{S_i}(x), \mu_{S_j}(y) \right) \right]$$

$$W_i = \frac{\min V(S_i \geq S_j)}{\sum_{k=1}^{n} \min V(S_k \geq S_j)}$$

In order to obtain the weight vector, it is necessary to normalise the given matrix and then involves assessing the level of sustainability by utilising the Consistency Ratio (CR) index. The Random Index (RI) is a tool used to determine the amount of randomness in a specific situation, while the Consistency Index (CI) is used to evaluate how consistent something is. According to Chang (1996), the variable "n" is used to represent the total number of criteria. When the CR (Consistency Ratio) is less than 0.1, the evaluations and judgements made by the DMs demonstrate a high level of consistency. On the other hand, when the CR surpasses this limit, the assessments become unreliable and require adjustment.

$$CR = \frac{CI}{RI} CI = \frac{\lambda_{max} - n}{n - 1}$$

Final we involve calculating the weighted value of each factor.

3.3 Data Collections

The primary objective of this research was to examine how SMEs in Vietnam are adopting digital transformation. This study focused on various industries including manufacturing, construction, trade, services, and agriculture. To ensure the accuracy and fairness of the information, a three-step approach was used to create the survey. The study's main elements were identified by consulting with both SME leaders involved in digital transformation projects and experts in this field. As a result of taking this action, a total of three main dimensions and nine sub-dimensions were selected. In addition, a thorough survey was created and later translated into Vietnamese, utilising the knowledge and skills of experts in the industry. Afterwards, a preliminary study was conducted, involving a group of eight experienced leaders from SMEs who had successfully implemented digital transformation in their organisations. The leaders, who have at least ten years of experience in commerce, manufacturing, and services, provided their assessments on how easy it was to understand the survey. Furthermore, they conducted a thorough examination of the three main factors and nine sub-factors, employing a rating system with nine levels.

Furthermore, the authors made revisions to the questionnaire in response to the feedback received from the respondents, who expressed the necessity for further clarification of its contents. Afterwards, the final questionnaire was given out to a specific group of SMEs that were selected from the Vietnam Association of Small and Medium Enterprises (VINASME) database. A group of 100 individuals was randomly selected from different locations across Vietnam, covering a wide geographical range from the northern to the southern regions. The survey chose SMEs in a way that accurately represented the distribution of SMEs across different regions. The southern region, which exhibits the highest concentration of SMEs, was found to have a sample selection rate of 40%. In comparison, the northern region displayed a slightly lower rate of 35%, while the central region had the lowest rate at 25%.

Telephone communication was established with leaders of SMEs, resulting in the recruitment of 86 managers who expressed their willingness to partake in the research. The survey was distributed electronically through email, allowing respondents a 12-day period to provide their responses. Additionally, a letter expressing gratitude for their participation was included. After the response period ended, a total of 86 emails were received from leaders of small and medium-sized enterprises (SMEs). The researchers reached out to 100 managers and chose 86 of their responses to analyse using the Fuzzy Analytic Hierarchy Process (AHP) methodology.

The study used a systematic approach to collect data, which helped make the research process strong and easy to understand. This approach provided a solid foundation for understanding how digital transformation is being implemented in SMEs in Vietnam.

4. Finding and Discussion

4.1 Findings

The inclusion of the findings and discussion sections is essential for the interpretation and comprehension of the implications arising from the research outcomes. The research utilises the Fuzzy Analytical Hierarchy Process (AHP) methodology in a systematic manner to prioritise the factors that impact the adoption of DT in SMEs in Vietnam. Table 2 presents the relevant data. The relative ranking comparison is presented in order to illustrate the clarity of our analysis.

Table 2 shows the comparison of relative rankings.

Main Dimensions	**Weights (Rank)**	**Sub-Dimensions**	**Local Weight**	**Global Weight (Rank)**	**CR**
Technology	0.245 (2)	Relative advantage	0.228	0.042 (3)	0.055
		Technological Compatibility	0.511	0.143 (2)	
		Technological Complexity	0.261	0.055 (6)	
Organisation	0.244 (3)	Organisational Support	0.510	0.110 (4)	*0.005*
		Human Resources	0.357	0.089 (5)	
		Innovative Culture	0.133	0.008 (9)	
Environment	0.511 (1)	Customer Experience	0.705	0.420 (1)	0.008
		Government Support	0.225	0.118 (3)	
		Environmental Uncertainty	0.070	0.015 (8)	

The findings of the study indicate that environmental factors have the greatest relative significance (0.511) in the adoption of digital technology within SMEs. This implies that the decision-making process of SMEs in relation to DT is greatly influenced by various factors in the external business environment, such as customer experience, government support, and environmental uncertainty.

Specifically, The study ranks factors influencing digital transformation adoption by SMEs in Vietnam based on their global weights. The weights indicate the importance of each factor in the decision-making process. The insights from the global weights are as follows:

Customer Experience **(Global Weight: 0.42):** This factor is ranked first, indicating that enhancing the customer experience is regarded as the most essential aspect of SME digital transformation initiatives. SMBs can cultivate customer loyalty, improve business efficiency, and achieve sustainable growth by placing a premium on the customer experience. This demonstrates the importance of adopting a customer-centric strategy in the digital age.

Technological Compatibility **(Global Weight: 0.143)**: This factor highlights the significance of ensuring that new digital technologies are compatible with the existing systems and practises of SMEs. Ensuring compatibility minimises disruptions, reduces implementation expenses, and maximises DT's

benefits. This factor's ranking emphasises the paramount importance of technological compatibility for SMEs undergoing digital transformation.

Government Support: This factor highlights the importance of government involvement in enabling digital transformation. Government assistance in the form of funding, policymaking, and the provision of resources can aid SMEs in overcoming the financial and technical obstacles associated with DT. This finding highlights the significance of government participation in ensuring the successful and sustainable digital transformation of small and medium-sized enterprises.

Organisational Support **(Global Weight: 0.110)**: This factor emphasises the importance of creating an organisational environment that promotes the use of digital technologies. It involves encouraging innovation, providing comprehensive training programmes, and ensuring that employees are willing and able to actively participate in DT initiatives. Internal organisation support has been identified as a crucial element for achieving successful and sustainable digital transformation.

Human Resources **(Global Weight: 0.089)**: This factor highlights the significance of SME investments in human resources. Training employees on the efficient application of digital technologies and aligning human resource strategies with DT objectives are essential. Human resources continue to play a crucial role in digital transformation, despite this factor's lower ranking.

Technological Complexity: The study also highlights the lower ranking (0.055) of technological complexity, indicating that while human resources play a crucial role in DT, the complex nature of technology can pose significant challenges for SMEs.

4.2 Discussions

The findings of this research emphasise the importance of taking a comprehensive approach to digital transformation. This approach should take into account the benefits provided by digital technologies as well as the challenges faced by small and medium-sized enterprises (SMEs). The results provide a strong foundation for future studies on the strategies that small and medium-sized enterprises (SMEs) can employ to effectively navigate their journey of digital transformation.

The incorporation of digital transformation highlights the significance of giving priority to customer experience for small and medium-sized enterprises (SMEs). In order to accomplish this, small and medium-sized enterprises (SMEs) should concentrate on improving the customer journey by striving to create a positive and memorable experience. By taking this action, small and medium-sized enterprises (SMEs) have the opportunity to cultivate strong customer loyalty and improve their overall operational effectiveness. This aligns with the main goal of sustainable business growth, as companies that prioritise enhancing customer experience are more likely to build customer loyalty and achieve long-term success.

The importance of having technology that is compatible with existing systems and receiving support from the government is crucial for small and medium-sized enterprises (SMEs) to successfully adopt digital technologies (DT). It is necessary for SMEs to integrate digital technologies into their current practises and platforms, while also acknowledging the government's role in helping them do so. The Vietnamese government has introduced several initiatives to facilitate the acceleration of digital transformation in small and medium-sized enterprises (SMEs). This has become especially important in the Vietnamese context.

The involvement of organisational support and human resources in the adoption of digital transformation highlights the importance of employees' skills and their willingness to utilise digital technology in business operations. This suggests that for DT to have a positive impact on a company's long-term growth, it is crucial to prioritise both enhancing employees' digital skills and fostering an innovative organisational culture.

The findings of the study indicate that in order to achieve sustainable corporate evolution in Vietnam through digital transformation, it is necessary to adopt a comprehensive approach that takes into account various factors such as customer experience, technological compatibility, government and organisational support, and human resources. When these factors are appropriately addressed, they have the potential to greatly improve the long-term sustainability of Vietnamese enterprises.

5. Conclusion

The review highlights the crucial role that business leaders play in spearheading successful DT initiatives in Vietnam. In order to foster sustainable corporate practises, leaders need to actively overcome cognitive inertia and be open to embracing innovative communication methods, data-driven decision-making, and novel business models. SMEs encounter difficulties when it comes to embracing DT because they have limited resources and operational constraints. SMEs can overcome these challenges by utilising third-party digital platforms that provide accessible and cost-effective solutions. Government support is essential for promoting sustainable growth through benefits, incentives, and policy initiatives. The TOE framework offers a comprehensive understanding of the various factors that influence the adoption of digital transformation in SMEs. These factors include technological compatibility, organisational support, and environmental elements such as customer experience and government support.

Digital technology has the potential to assist Vietnamese businesses in achieving sustainable long-term growth, improving resource efficiency, and making a positive impact on sustainability. The review emphasises the potential of DT in expanding market reach, reducing costs, and promoting resource efficiency. It also highlights the significance of embracing sustainable practises and fostering an environment that encourages innovation. The findings offer valuable insights for future research and practical applications that aim to promote positive change in Vietnam's corporate sector. Ultimately, these efforts contribute to the broader objective of achieving sustainable development.

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