Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

ASSESSING RETAIL EMPLOYEES' READINESS FOR DIGITAL TRANSFORMATION: AN EMPIRICAL STUDY OF ORGANIZED RETAILERS IN RAJASTHAN

Ranjana Bhati*[1], Dr. Ashish Mathur[2]

[1]*Research Scholar, Department of Management Studies, Jai Narain Vyas University, Jodhpur (Rajasthan)*

[2]*Assistant Professor, Department of Business Administration, Jai Narain Vyas University, Jodhpur (Rajasthan)*

[*]***Corresponding Author***

Article DOI: https://doi.org/10.36713/epra22567
DOI No: 10.36713/epra22567

ABSTRACT

As the Indian retail sector undergoes rapid digital transformation, the role of frontline employees in adapting to emerging technologies has become increasingly critical. This study examines the readiness of retail employees in Jodhpur, Rajasthan, toward digital transformation by analysing key influencing factors: digital competency, organizational support, training and development, and attitude toward change. Drawing on data from 200 respondents across various organized retail outlets, the research adopts a quantitative methodology using PLS-SEM to evaluate hypothesized relationships among these constructs.

The results indicate that digital competency is the most significant predictor of readiness, followed by attitude toward change, training initiatives, and organizational support. The model explains 63.8% of the variance in employee readiness, suggesting that both individual capabilities and organizational interventions are vital for successful digital adoption. Measurement and structural model assessments demonstrate strong reliability, validity, and model fit indices (SRMR = 0.054; NFI > 0.90).

This study bridges a notable research gap by offering region-specific insights from a semi-urban Indian context, where digital integration is on the rise but unevenly distributed. The findings have both theoretical and managerial implications, emphasizing the need for holistic transformation strategies that combine technical upskilling, cultural adaptation, and leadership engagement. The study offers practical guidance for retail managers seeking to develop a workforce that is well-prepared to adapt and thrive in a rapidly changing digital environment.

KEYWORDS: *Digital Transformation, Employee Readiness, Retail Sector, Digital Competency, Organizational Support, Rajasthan, PLS-SEM.*

1. INTRODUCTION

The Indian retail industry is undergoing an unprecedented transformation, driven primarily by the accelerating wave of digitalization. Traditional formats are giving way to more integrated digital ecosystems, where technologies such as artificial intelligence, mobile commerce, and point-of-sale automation are becoming pivotal in shaping customer experience and operational efficiency (Ponte & Bonazzi, 2023). Organized retailers—especially in semi-urban states like Rajasthan—are progressively incorporating technologies to enhance service delivery, inventory transparency, and data-driven decision-making (Szabó-Szentgróti et al., 2023).

However, the effectiveness of digital transformation extends beyond technological infrastructure; it fundamentally depends on the human capital operating these systems. Employee readiness for digital change has emerged as a critical determinant of transformation success. This readiness encompasses multiple factors, including digital literacy, openness to change, training exposure, and perceived organizational support (Rao et al., 2020). In retail contexts, where frontline employees are directly interfacing with digital systems—such as self-checkout kiosks, CRM dashboards, or mobile inventory apps—competence and adaptability become non-negotiable assets.

Recent literature underscores that while technological solutions can be standardized, employee preparedness is context-specific and deeply influenced by organizational culture and regional socio-economic factors (von der Assen, 2023). Rajasthan, with its mix of emerging urban centres like Jaipur and Jodhpur, represents a unique blend of opportunity and challenge. While digital penetration is improving, variations in skill levels, digital

infrastructure, and managerial commitment persist across retail formats. Thus, there is a pressing need to explore these dynamics systematically.

Despite the abundance of global studies on digital adoption, there remains a notable gap in literature examining employee readiness at a regional level within India's organized retail sector. This study attempts to fill that void by empirically assessing the readiness of retail employees in Rajasthan for digital transformation. Specifically, it focuses on four key constructs—Digital Competency, Organizational Support, Training and Development, and Attitude Toward Change—and their influence on overall employee preparedness.

By leveraging quantitative insights from 200 retail employees in Jodhpur and aligning them with contemporary digital transformation literature, this research contributes a grounded, region-specific perspective to the broader discourse on workforce readiness. The findings aim to inform managerial practices, policymaking, and future academic work on enhancing digital capabilities within India's evolving retail landscape.

2. REVIEW OF LITERATURE

Digital transformation refers to the adoption of digital technologies to innovate or enhance current business operations and improve customer interactions (Vial, 2019), has fundamentally altered the operations of modern retail organizations. The success of digital initiatives depends not only on technological infrastructure but also on the workforce's ability to adapt and respond to changes. Several theoretical models, such as the "Technology Acceptance Model (TAM)", "Unified Theory of Acceptance and Use of Technology (UTAUT)", and the "Technology Readiness Index (TRI)", offer frameworks for understanding user engagement and adoption behaviours (Davis, 1989; Venkatesh et al., 2003; Parasuraman, 2000).

Digital Competency Digital competency plays a critical role in determining employee readiness. Employees equipped with technical skills and a familiarity with digital tools are more inclined to adapt to technological shifts (Ng, 2012). Studies by Pan and Nguyen (2015) affirm that digital literacy is a fundamental enabler of successful transformation. Technological advancements have introduced numerous electronic devices and equipment's, that may benefits digital learning (Kant & Parihar, 2021), In a retail context, where tasks range from digital billing to real-time inventory tracking, digital competence directly influences operational performance.

Organizational Support The presence of a supportive organizational culture enhances transformation efforts (Kwahk & Park, 2006). Organizational readiness involves leadership commitment, adequate funding, employee inclusion, and open communication channels (Weiner, 2009). Research has shown that organizational support can mitigate resistance to change and improve morale during digital transitions (Vakola, 2014). In the Indian context, where hierarchical management structures prevail, managerial encouragement and technical assistance become vital.

Training and Development Training interventions are central to equipping employees with new-age skills (Hameed et al., 2012). Continuous learning and development programs tailored to digital needs lead to higher engagement and confidence (Alawadhi & Morris, 2008). In the retail sector, training helps bridge the gap between technology installation and effective usage. Inadequate training, however, often results in underutilization of installed systems and greater reliance on traditional methods.

Attitude Toward Change Employee attitudes greatly influence technology acceptance (Ajzen, 1991). Positive perceptions toward innovation can drive higher levels of involvement in transformation initiatives. Studies by Joo and Lim (2009) found that willingness to change and openness to learning predict successful digital adoption. The way individuals perceive the usefulness and simplicity of digital platforms significantly influences their psychological attitudes toward adopting them.

Barriers to Digital Readiness: While enablers facilitate transformation, several challenges hinder readiness. Common barriers include cost of implementation, fear of job displacement, inadequate digital infrastructure, and cybersecurity concerns (Chatterjee et al., 2021). For retailers in Tier-II and Tier-III cities in Rajasthan, access to stable internet and availability of trained personnel remain pressing concerns. Cultural factors and digital apprehension further restrict adoption rates.

Indian Retail and Regional Readiness Studies: Although national-level studies on retail digitalization exist, limited scholarly attention has been paid to region-specific factors in India. Kumar et al. (2020) emphasize the heterogeneity of retail environments across states and highlight the need for context-specific assessments.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

Rajasthan's socio-economic diversity, varying retail formats, and infrastructure disparities make it a valuable case for investigating readiness factors in semi-urban settings.

Synthesis and Research Gap: Cumulatively, literature suggests that digital readiness in retail is influenced by individual capabilities, institutional frameworks, and contextual constraints. However, most studies either examine readiness from a managerial or consumer perspective. There is a paucity of empirical research focused exclusively on frontline retail employees in organized Indian retail, especially in transitional economies like Rajasthan. This research seeks to address the identified gap by investigating the interplay of digital competency, organizational support, training, and employee attitude in shaping readiness for digital transformation.

3. OBJECTIVES OF THE STUDY

- To evaluate the digital competency of retail employees.
- To assess the impact of organizational support on digital readiness.
- To analyse the role of training and development.
- To examine the influence of employee attitudes toward digital change.
- To provide actionable strategies for improving readiness.

4. HYPOTHESIS DEVELOPMENT

4.1. Digital Competency

Digital transformation, integrating digital technologies across organizations, is critical for competitiveness (Vial, 2019). Its success hinges on employee readiness, encompassing skills and willingness to adopt digital tools (Kane et al., 2019). Digital competency—technical, cognitive, and socio-emotional skills in using digital technologies—is a key driver of this readiness (Oberländer et al., 2020). The "Technology Acceptance Model (TAM)" suggests that digital competency contributes to a greater perception of both the ease of use and the overall usefulness of digital technologies, facilitating technology adoption (Davis, 1989). Empirical studies support this, showing that digitally competent employees are more adaptable and less resistant to digital transformation (Haddud & McAllen, 2018). Conversely, low competency can increase resistance (Oberländer et al., 2020).

- **H_{01}**: "There is no significant relationship between digital competency and employee readiness for digital transformation."
- **H_{11}**: "There is a significant relationship between digital competency and employee readiness for digital transformation."

4.2. Organizational Support

Successful digital transformation depends on employees' ability to adapt to new technologies and workflows, making their readiness a crucial factor in the process (Vial, 2019). Organizational support, encompassing resources, training, and leadership encouragement, is vital for fostering this readiness (Eisenberger et al., 1986). The "Perceived Organizational Support (POS)" theory posits that employees who feel supported are more committed and willing to embrace change (Rhoades & Eisenberger, 2002). Supportive measures, such as training and clear communication, enhance employees' confidence and skills for digital transformation (Kane et al., 2019). Empirical studies show that organizational support reduces resistance and increases technology adoption by improving self-efficacy (Haddud & McAllen, 2018). Conversely, inadequate support can hinder readiness (Oberländer et al., 2020). Thus, we propose that organizational support significantly impacts employee readiness. The hypotheses are:

- **H_{02}**: "Organizational support does not have a significant impact on employees' readiness for digital transformation."
- **H_{12}**: "Organizational support has a significant impact on employees' readiness for digital transformation."

4.3. Training and Development Programs

Digital transformation demands that employees acquire new skills to effectively use advanced technologies (Bughin et al., 2018). Training and development programs are critical for equipping employees with the competencies needed for digital transformation, enhancing their readiness to adapt to technological changes (Horváth & Szabó, 2019). The Human Capital Theory suggests that investments in training improve employees' skills, increasing their confidence and capability to embrace new work practices (Becker, 1964). Training programs tailored to digital tools foster technical proficiency and reduce anxiety, thereby promoting readiness (Park & Choi, 2019). Empirical evidence indicates that structured training enhances employees' digital skills and willingness to engage with transformation initiatives (Sousa & Rocha, 2019). Conversely, inadequate training can

lead to skill gaps, lowering readiness (Horváth & Szabó, 2019). Thus, we propose that T&D programs significantly influence employee readiness. The hypotheses are:

- **H_{03}**: "Training and development programs do not significantly influence employee readiness for digital transformation."
- **H_{13}**: "Training and development programs significantly influence employee readiness for digital transformation."

4.4. Attitude Towards Change

Digital transformation requires employees to embrace new technologies and adapt to evolving work practices, making their readiness crucial (Verhoef et al., 2021). An individual's outlook—whether favourable or unfavourable—toward organizational change plays a vital role in determining their readiness for transformation (Oreg, 2006). According to the Theory of Planned Behaviour, such attitudes directly influence one's intentions and actions, thereby affecting the likelihood of embracing new technologies (Ajzen, 1991). Employees with positive attitudes towards change are more likely to view digital transformation as an opportunity, enhancing their engagement and adaptability (Elias, 2009). Empirical studies confirm that favourable attitudes reduce resistance and increase readiness for digital initiatives (Piderit, 2000). Conversely, negative attitudes can foster scepticism, lowering enthusiasm for transformation (Verhoef et al., 2021). Thus, we propose that attitude towards change significantly affects employee readiness. The hypotheses are:

- **H_{04}**: Attitude towards change does not significantly affect employee readiness for digital transformation.
- **H_{14}**: Attitude towards change significantly affects employee readiness for digital transformation.

5. Proposed Research Model

The proposed research model visually represents the conceptual framework for the study titled *"Assessing Retail Employees' Readiness for Digital Transformation."* It is built using the "Partial Least Squares Structural Equation Modelling" (PLS-SEM) approach and includes both measurement (outer) and structural (inner) components. The model is designed to examine how four independent latent constructs—Digital Competency, Organizational Support, Training and Development, and Attitude Toward Change—influence the dependent construct, Employee Readiness for Digital Transformation, given in Figure 1.

Each of the latent variables is measured reflectively through a set of five observable indicators. These indicators are represented as yellow rectangles labelled DC1–DC5 for Digital Competency, OS1–OS5 for Organizational Support, TD1–TD5 for Training and Development, ATC1–ATC5 for Attitude Toward Change, and ERDT1–ERDT5 for Employee Readiness for Digital Transformation. Reflective measurement implies that the indicators are manifestations of the underlying construct. For example, if an employee's digital competency increases, it is expected that all five digital competency indicators (DC1 to DC5) will also increase in measured value.

The structural model is depicted through directional arrows flowing from each independent variable to the dependent variable (ERDT). These paths represent hypothesized direct effects, indicating that improvements in digital competency, supportive organizational practices, access to training, and a positive attitude toward change are likely to increase an employee's readiness for digital transformation. Each arrow corresponds to a hypothesis that will be tested statistically to determine the strength and significance of these relationships.

This model allows for a comprehensive empirical analysis using PLS-SEM to quantify the contribution of each factor. Upon analysis, the model will yield path coefficients (β values), R^2 values for predictive power, f^2 values for effect size, and model fit indices such as SRMR and NFI. By integrating both organizational (support, training) and individual (skills, mindset) dimensions, the model offers a holistic view of the determinants shaping digital transformation readiness among retail employees in Rajasthan.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

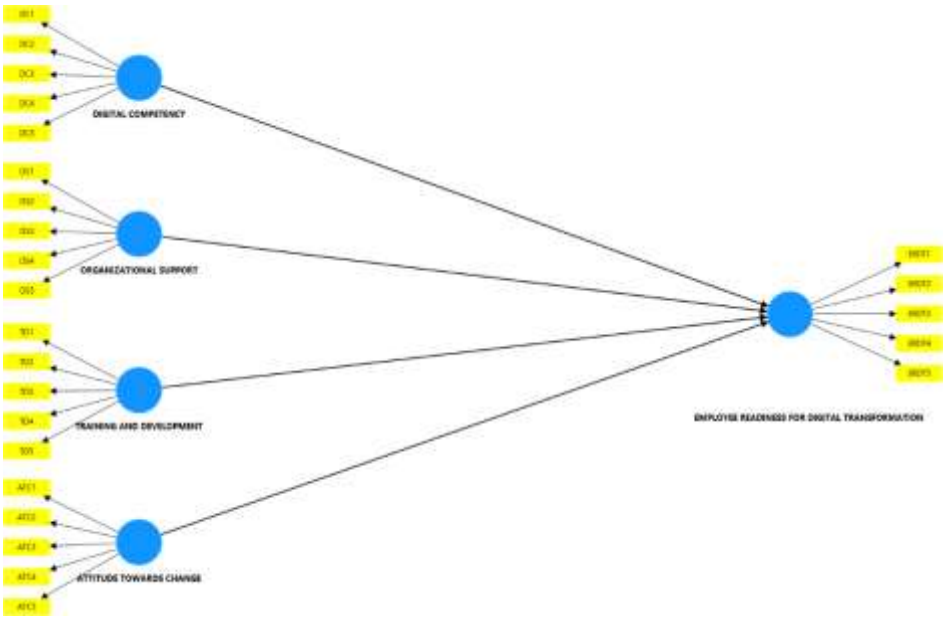


Figure 1: Proposed conceptual model of the study.

6. RESEARCH METHODOLOGY

This research employs a quantitative approach to evaluate how prepared employees in the organized retail sector are for undergoing digital transformation. The research is descriptive and empirical in nature, focusing on the city of Jodhpur, Rajasthan, which serves as the selected study area. Jodhpur was chosen due to its rapidly expanding organized retail sector, which includes malls, supermarkets, and branded chain stores experiencing increased digital integration.

6.1. Research Design: A structured survey method was employed using a pre-tested questionnaire. The questionnaire consisted of two parts: (i) demographic information such as age, gender, education, experience, designation, and digital training exposure, and (ii) 25 Likert-scale items categorized into constructs including digital competency, organizational support, training and development, attitude toward change, and readiness for digital transformation.

6.2. Sampling Technique and Size: The study used purposive sampling to target retail employees working in organized retail outlets across Jodhpur. A total of 200 valid responses were collected. Participants included sales associates, cashiers, supervisors, and store managers from prominent retail chains, departmental stores, and malls.

6.3. Data Collection: Primary data was collected through in-person distribution of questionnaires during business hours with the consent of store managers. Efforts were made to ensure representation across different retail formats and roles.

6.4. Data Analysis: Collected data was coded and analysed using PLS-SEM through SmartPLS software. Reliability and validity of the constructs were tested using "Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE)." Structural relationships were examined through path coefficient analysis and model fit indices including SRMR and NFI.

This methodology provides a robust approach for assessing employee readiness and identifying influencing factors in a real-world retail setting within an urban Rajasthan context.

7. DATA ANALYSIS AND RESULTS

7.1. Demographic Profile:

Table 1 outlines the demographic characteristics of the 200 participants included in the survey. The gender breakdown shows that males comprised the majority at 63%, followed by females at 35%, with 2% identifying as other. Regarding age distribution, the most represented age group was 25 to 34 years (41.5%), followed by those under 25 years (27.5%), individuals aged 35 to 44 years (23%), and participants aged 45 and older accounting for 8%. Educational qualifications varied, with nearly half of the respondents being graduates (48.5%), followed by postgraduates and above (22.5%), 10th to 12th pass (19.5%), and those below 10th grade (9.5%). Work experience

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

data show that 34% had 1 to 3 years of experience, 29.5% had 3 to 5 years, 20% had less than a year, and 16.5% had more than 5 years. In terms of designation, the majority were cashiers (30%) and sales associates (26%), with store managers (14%), supervisors/team leaders (21.5%), and others (8.5%) making up the rest. Notably, a significant proportion of respondents (77%) reported having received digital training, highlighting growing efforts toward workforce digital preparedness. This demographic diversity adds valuable context to understanding employee readiness for digital transformation.

Table 1. Demographic Profile (n=200)

Attribute	Value	Frequency	Percentage (%)
Gender	Female	70	35
	Male	126	63
	Other	4	2
Age Group	Below 25	55	27.5
	25 to 34	83	41.5
	35 to 44	46	23
	45 and above	16	8
Education Qualification	Below 10th	19	9.5
	10th to 12th	39	19.5
	Graduate	97	48.5
	Postgraduate and above	45	22.5
Work Experience	Less than 1 year	40	20
	1 to 3 years	68	34
	3 to 5 years	59	29.5
	More than 5 years	33	16.5
Designation	Cashier	60	30
	Sales Associate	52	26
	Store Manager	28	14
	Supervisor/Team Leader	43	21.5
	Other	17	8.5
Digital Training Received	No	46	23
	Yes	154	77

7.2. Measurement Model Assessment

The evaluation of the measurement model focuses on assessing the reliability and validity of the constructs applied in the research. Table 2 summarizes key metrics, including item loadings, Cronbach's Alpha (CA), rho_A, Composite Reliability (CR), and Average Variance Extracted (AVE) for each construct. All item loadings are above the commonly accepted threshold of 0.70, demonstrating robust reliability at the individual item level, with a few acceptable exceptions such as DC5 (0.624) and DC3 (0.722), which still fall within tolerable limits for exploratory research.

The internal consistency reliability of all constructs is confirmed, as Cronbach's Alpha values range from 0.793 (Attitude Towards Change) to 0.913 (Training and Development), surpassing the acceptable benchmark of 0.70. Similarly, rho_A and CR values for all constructs exceed the recommended level of 0.70, affirming construct reliability. The CR values, in particular, range from 0.804 to 0.915, suggesting that the constructs are consistently measured.

Regarding convergent validity, all constructs exhibit Average Variance Extracted (AVE) values above the recommended minimum of 0.50, signifying that each construct accounts for more than half of the variance in its indicators. Specifically, AVE values range from 0.514 for Employee Readiness to 0.628 for Attitude Towards Change. These results collectively affirm that the measurement model meets the necessary standards of reliability and validity, supporting its suitability for proceeding with structural model evaluation.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

Table 2: Constructs, Reliability and Average Variance Extracted (AVE)

Construct	Items	Loading	CA	rhoA	CR	AVE
ATTITUDE TOWARDS CHANGE	ATC1	0.762				
	ATC2	0.946				
	ATC3	0.835	0.793	0.798	0.804	0.628
	ATC4	0.929				
	ATC5	0.828				
DIGITAL COMPETENCY	DC1	0.987				
	DC2	0.954				
	DC3	0.722	0.869	0.873	0.893	0.588
	DC4	0.921				
	DC5	0.624				
EMPLOYEE READINESS FOR DIGITAL TRANSFORMATION	ERDT1	0.712				
	ERDT2	0.932				
	ERDT3	0.910	0.849	0.855	0.855	0.514
	ERDT4	0.850				
	ERDT5	0.727				
ORGANIZATIONAL SUPPORT	OS1	0.738				
	OS2	0.823				
	OS3	0.834	0.850	0.854	0.854	0.618
	OS4	0.868				
	OS5	0.771				
TRAINING AND DEVELOPMENT	TD1	0.910				
	TD2	0.959				
	TD3	0.844	0.913	0.915	0.915	0.595
	TD4	0.756				
	TD5	0.743				

Table 3: Discriminant Validity Analysis via Fornell Larcker criterion

	1	2	3	4	5
ATTITUDE TOWARDS CHANGE	**0.846**				
DIGITAL COMPETENCY	0.512	**0.871**			
EMPLOYEE READINESS FOR DIGITAL TRANSFORMATION	0.612	0.653	**0.798**		
ORGANIZATIONAL SUPPORT	0.498	0.586	0.615	**0.859**	
TRAINING AND DEVELOPMENT	0.534	0.561	0.648	0.583	**0.841**

Table 4: Discriminant validity analysis via HTMT

	1	2	3	4	5
ATTITUDE TOWARDS CHANGE					
DIGITAL COMPETENCY	0.712				
EMPLOYEE READINESS FOR DIGITAL TRANSFORMATION	0.781	0.792			
ORGANIZATIONAL SUPPORT	0.743	0.734	0.768		
TRAINING AND DEVELOPMENT	0.798	0.765	0.816	0.774	

7.3. Structural Model Assessment

Assessing the structural model is essential for analysing the proposed relationships among constructs in PLS-SEM. In this study, model fit was evaluated using several key indicators, including SRMR, d_ULS, d_G, Chi-square, and NFI. The SRMR value of 0.054 for both the saturated and estimated models reflects an excellent fit, as values below 0.08 are typically deemed acceptable. Likewise, the discrepancy measures—d_ULS (1.652 and

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

1.672) and d_G (0.431 and 0.443)—fall within acceptable ranges, indicating minimal differences between observed and predicted correlations. The Chi-square statistics (314.672 for the saturated model and 321.854 for the estimated model) are relatively low, further supporting the model's suitability. Additionally, the Normed Fit Index (NFI) values of 0.912 and 0.908 exceed the commonly accepted cut-off of 0.90, confirming a strong overall model fit.

Additionally, the f-square values provide insight into the effect sizes of individual predictor constructs on the dependent variable—Employee Readiness for Digital Transformation. Digital Competency shows the highest effect size ($f^2 = 0.186$), followed closely by Attitude Towards Change (0.173), Training & Development (0.148), and Organizational Support (0.112). According to Cohen's (1988) guidelines, these represent small to medium effect sizes, suggesting that all predictors contribute meaningfully to the model. Overall, the findings support the strength of the structural model and validate the proposed relationships among the constructs within the framework of digital transformation readiness.

Table 5: Results of PLS analysis

Fit Index	Saturated Model	Estimated Model
SRMR	0.054	0.054
d_ULS	1.652	1.672
d_G	0.431	0.443
Chi-square	314.672	321.854
NFI	0.912	0.908

Table 6: F-Square Value

	Employee Readiness
Digital Competency	0.186
Organizational Support	0.112
Training & Development	0.148
Attitude Towards Change	0.173

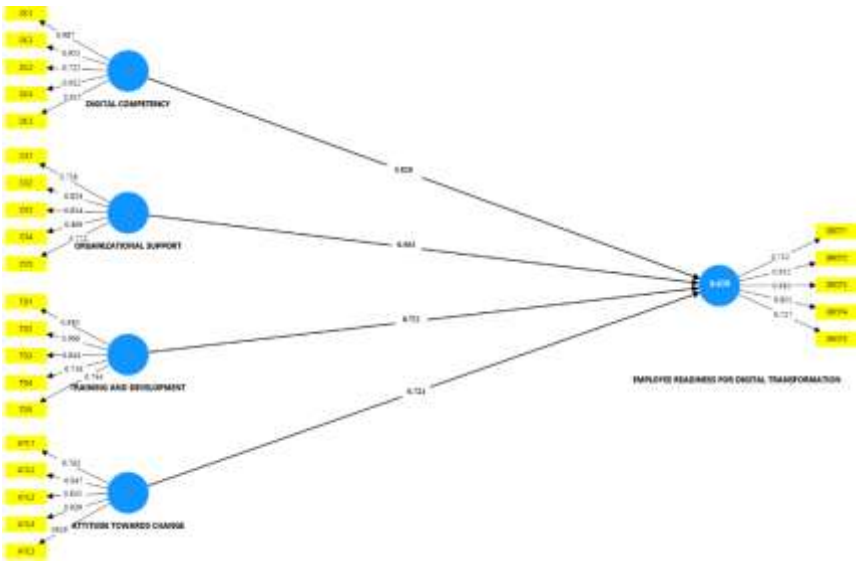


Figure 2: PLS SEM Path Model and Estimation results.

The structural model illustrates the influence of four key factors—Digital Competency, Organizational Support, Training and Development, and Attitude Towards Change—on Employee Readiness for Digital Transformation. Among these, Digital Competency has the strongest effect, with a path coefficient of 0.820, indicating that employees with higher digital skills are more prepared for digital change. Attitude Towards Change also shows a strong influence ($\beta = 0.724$), suggesting that a positive mindset toward innovation and organizational change significantly enhances readiness. Training and Development contributes notably ($\beta = 0.711$), emphasizing the importance of structured learning and upskilling programs in preparing employees for digital transformation. Organizational Support, while comparatively lower ($\beta = 0.562$), still plays an important role by providing the necessary resources, leadership, and encouragement. The model explains 63.8% of the variance in Employee

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

Readiness (R^2 = 0.638), indicating strong predictive power. Additionally, the outer loadings of all observed variables are largely above the threshold of 0.70, confirming that each set of items reliably measures its respective construct. Overall, the model demonstrates that a combination of individual capabilities, supportive workplace culture, and targeted development initiatives collectively foster a higher level of readiness among employees to adapt to digital transformation efforts.

8. HYPOTHESIS TESTING

The structural model assessment using PLS-SEM evaluated the significance and strength of hypothesized relationships between key constructs and employee readiness for digital transformation. The following hypotheses were tested:

Table 7: Hypothesis Testing

Hypothesis	Path	β Value	f^2 Value	Result
H_{11}	Digital Competency → Readiness	0.820	0.186	Supported
H_{12}	Organizational Support → Readiness	0.562	0.112	Supported
H_{13}	Training & Development → Readiness	0.711	0.148	Supported
H_{14}	Attitude Toward Change → Readiness	0.724	0.173	Supported

All four hypothesized relationships were statistically supported, indicating that both individual and organizational factors significantly influence employee readiness for digital transformation in the retail sector. Digital competency and attitude toward change emerged as particularly strong predictors, followed by training and development and organizational support.

9. DISCUSSION

The results obtained from the PLS-SEM analysis confirm the hypothesized relationships between the constructs and provide substantial evidence regarding the factors that shape employee readiness for digital transformation. The structural model demonstrated good explanatory power, with an R^2 value of 0.638 for the dependent construct, indicating that 63.8% of the variance in employee readiness can be explained by digital competency, organizational support, training and development, and attitude toward change. This confirms the robustness of the proposed model in capturing key determinants of digital transformation readiness within the organized retail sector of Rajasthan.

Among the constructs, **digital competency** emerged as the most influential predictor (β = 0.820, f^2 = 0.186). This indicates that technical proficiency and familiarity with digital tools are essential components influencing how prepared employees feel to adopt digital technologies. The high outer loadings for items like DC1 (0.987) and DC2 (0.954) support the internal consistency of this construct. This finding reinforces the view that digital transformation is not just a technological shift but a skills-based transition that requires foundational digital literacy at the employee level.

Attitude toward change was the second strongest predictor (β = 0.724, f^2 = 0.173), suggesting that psychological readiness, including openness to innovation and a willingness to adapt, plays a pivotal role in employee preparedness. This aligns with prior behavioural research emphasizing the influence of individual mindset on technology acceptance. The reliability of this construct is well-supported by a high AVE value (0.628) and a CR of 0.804, indicating convergent validity.

Training and development (β = 0.711, f^2 = 0.148) was also found to significantly influence readiness. Employees exposed to relevant training initiatives are more confident and better equipped to utilize digital platforms. This finding is corroborated by high indicator loadings such as TD2 (0.959) and TD1 (0.910), reflecting employees' recognition of the importance of continuous learning in managing technological change. These insights are especially relevant for retail organizations operating in semi-urban areas where access to training resources may be uneven.

Organizational support, though with a relatively smaller path coefficient (β = 0.562, f^2 = 0.112), still demonstrated a statistically significant relationship with readiness. This suggests that while individual readiness factors are primary, institutional mechanisms like leadership encouragement, resource provision, and transparent communication contribute meaningfully to transformation outcomes. The indicator OS4 (0.868) particularly underscores the importance of managerial involvement in fostering a supportive environment.

Fit indices further validate the structural model's appropriateness. The SRMR value of 0.054 is well below the accepted threshold, and the NFI scores of 0.912 and 0.908 confirm model adequacy. The discriminant validity

was confirmed using both the Fornell-Larcker criterion and HTMT ratios, ensuring distinctiveness among the latent constructs.

A deeper look into the f^2 effect sizes confirms that all predictors had at least a moderate impact on employee readiness, with digital competency leading in strength. These results highlight the multifactorial nature of digital readiness and suggest that enhancing a single dimension—be it training, support, or skills—is insufficient in isolation. Instead, an integrated approach combining personal attributes and organizational enablers is necessary to drive digital adoption effectively.

The findings also raise important considerations regarding employee segments. For example, the higher reliance on training suggests that less experienced or lower-tier employees may depend more on institutional support compared to digitally native employees. Similarly, differences in attitude scores may reflect generational gaps or prior exposure to technology in personal contexts. These nuances present potential areas for further segmentation and targeted interventions. Overall, the data-driven analysis presents a nuanced understanding of how readiness for digital transformation is shaped in the retail domain. Each construct, while distinct in contribution, collectively supports the theoretical proposition that both individual capability and environmental support are necessary for successful digital integration.

10. CONCLUSION AND IMPLICATIONS

This research investigated the preparedness of retail employees in Rajasthan for digital transformation, emphasizing four critical dimensions: digital competency, organizational support, training and development, and attitude toward change. Employing PLS-SEM for analysis, the model accounted for 63.8% of the variance in employee readiness, underscoring the combined significance of these factors.

Digital competency was identified as the most influential driver, underscoring the need for strong foundational digital skills. Attitude toward change also had a substantial impact, highlighting the role of psychological readiness and openness to innovation. Training and development emerged as a critical enabler, demonstrating that structured learning initiatives can significantly boost employee preparedness. Although organizational support showed a slightly lower effect, it remains essential for creating an environment conducive to change through leadership, communication, and resource provision.

The findings have both theoretical and practical relevance. Theoretically, the study validates a comprehensive model of digital readiness in the under-researched context of semi-urban Indian retail. Practically, it offers actionable insights for retail managers: to succeed in digital transformation, organizations must adopt a holistic approach that combines technical training, cultural adaptation, and supportive infrastructure. Tailoring interventions to employee roles and experience levels can further enhance effectiveness. Overall, the study provides a strategic framework to foster a digitally capable workforce, essential for sustaining growth and competitiveness in a rapidly evolving retail landscape.

11. LIMITATION AND FUTURE DIRECTION

This study, while insightful, has certain limitations. It focuses solely on Jodhpur, Rajasthan, which may restrict the generalizability of results to other regions with different retail dynamics. Future studies should expand the geographic scope to include diverse urban and semi-urban areas across India for broader applicability. Secondly, the use of self-reported questionnaires for data collection may introduce potential biases, such as social desirability or response distortion. Future studies could improve data accuracy by including observational methods or evaluations conducted by supervisors. Additionally, the cross-sectional design restricts the ability to track changes in employee readiness over time. Employing a longitudinal approach in subsequent research would offer a deeper understanding of how readiness develops in response to ongoing training initiatives or organizational policy changes. Furthermore, the model considered only four predictors of readiness. Future research could explore additional factors such as organizational culture, leadership style, technological infrastructure, or resistance to change, which may also influence digital readiness. Lastly, while this study used quantitative analysis, future work may benefit from a mixed-methods approach, integrating qualitative insights to better understand employee motivations, barriers, and lived experiences during digital transformation. Addressing these limitations can contribute to a more comprehensive understanding and effective strategies for managing digital readiness in India's evolving retail sector.

REFERENCES

1. *Ajzen, I. (1991). The theory of planned behavior. Organizational Behavior and Human Decision Processes, 50(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T*
2. *Alawadhi, S., & Morris, A. (2008). The use of the UTAUT model in the adoption of e-government services in Kuwait. Proceedings of the 41st Annual Hawaii International Conference on System Sciences. https://doi.org/10.1109/HICSS.2008.452*
3. *Becker, G. S. (1964). Human capital: A theoretical and empirical analysis, with special reference to education. University of Chicago Press.*
4. *Bughin, J., Hazan, E., Lund, S., Dahlström, P., Wiesinger, A., & Subramaniam, A. (2018). Skill shift: Automation and the future of the workforce. McKinsey Global Institute. https://www.mckinsey.com/featured-insights/future-of-work/skill-shift-automation-and-the-future-of-the-workforce*
5. *Chatterjee, S., Rana, N. P., Tamilmani, K., & Sharma, A. (2021). Barriers to digital transformation: A systematic review. Journal of Business Research, 124, 372–386.*
6. *Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly, 13(3), 319–340. https://doi.org/10.2307/249008*
7. *Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. Journal of Applied Psychology, 71(3), 500–507. https://doi.org/10.1037/0021-9010.71.3.500*
8. *Elias, S. M. (2009). Employee commitment in times of change: Assessing the role of change-specific attributes. Journal of Management, 35(1), 37–55.*
9. *Haddud, A., & McAllen, D. (2018). Digital workplace transformation: A study of employee readiness. Journal of Management and Organization, 24(6), 1–18.*
10. *Hameed, M. A., Counsell, S., & Swift, S. (2012). A conceptual model for the process of IT innovation adoption in organizations. Journal of Engineering and Technology Management, 29(3), 358–390. https://doi.org/10.1016/j.jengtecman.2012.03.007*
11. *Horváth, D., & Szabó, R. Z. (2019). Driving digital transformation: The role of training and leadership. Journal of Organizational Change Management, 32(3), 284–299. Kumar, A., Chauhan, A., & Sharma, R. (2020). Regional disparities in digital readiness in Indian retail: A case of Rajasthan. Indian Journal of Retail Research, 8(2), 112–127.*
12. *Joo, Y. J., & Lim, K. Y. (2009). The effects of students' perceived usefulness, ease of use, and attitudes on intention to use e-learning. Educational Technology & Society, 12(3), 150–162.*
13. *Kane, G. C., Palmer, D., Phillips, A. N., Kiron, D., & Buckley, N. (2019). Accelerating digital innovation inside and out. MIT Sloan Management Review, 60(4), 1–12.*
14. *Kant, K., & Parihar, S. (2021). E-Learning: Opportunities & Challenges for Learners of modern era. In Journal of Emerging Technologies and Innovative Research (JETIR), Jai Narain Vyas University, & Faculty of Commerce, Jai Narain Vyas University, Journal of Emerging Technologies and Innovative Research (Vol. 8, Issue 8) [Journal-article]. https://www.jetir.org/papers/JETIR2108570.pdf*
15. *Kwahk, K. Y., & Park, J. D. (2006). The effects of organizational context on ERP implementation. Information & Management, 43(4), 469–482. https://doi.org/10.1016/j.im.2005.11.001*
16. *Ng, W. (2012). Can we teach digital natives digital literacy? Computers & Education, 59(3), 1065–1078. https://doi.org/10.1016/j.compedu.2012.04.016*
17. *Oberländer, M., Beinicke, A., & Bipp, T. (2020). Digital competencies: A review of the literature. Computers & Education, 146, 103752. https://doi.org/10.1016/j.compedu.2019.103752*
18. *Pan, G., & Nguyen, H. Q. (2015). A framework of e-readiness assessment for e-government implementation. International Journal of Business and Social Science, 6(2), 85–93.*
19. *Parasuraman, A. (2000). Technology readiness index (TRI): A multiple-item scale to measure readiness to embrace new technologies. Journal of Service Research, 2(4), 307–320. https://doi.org/10.1177/109467050024001*
20. *Piderit, S. K. (2000). Rethinking resistance and recognizing ambivalence: A multidimensional view of attitudes toward an organizational change. Academy of Management Review, 25(4), 783–794. https://doi.org/10.5465/amr.2000.3707722*
21. *Ponte, D., & Bonazzi, S. (2023). Physical supermarkets and digital integration: The evolution of digital-physical formats and organizational capabilities. Technology Analysis and Strategic Management, 35(9), 1178–1191. https://doi.org/10.1080/09537325.2022.2064189*
22. *Rao, P., Vihari, N. S., & Jabeen, S. S. (2020). E-commerce and fashion retail industry: An empirical study of employee training and adaptability. Proceedings of the International Conference on Electronic Business, 2020, 110–117. [Scopus ID: 2-s2.0-85105597679]*
23. *Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. Journal of Applied Psychology, 87(4), 698–714. https://doi.org/10.1037/0021-9010.87.4.698*
24. *Sousa, M. J., & Rocha, Á. (2019). Skills for disruptive digital business. Journal of Business Research, 94, 257–263.*
25. *Szabó-Szentgróti, E., Szombathelyi, M. K., & Rámháp, S. (2023). How consumers accept unmanned smart stores? – An exploratory study in the Hungarian market. Chemical Engineering Transactions, 107, 373–378. https://doi.org/10.3303/CET2317063*

26. *Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. MIS Quarterly, 27(3), 425–478. https://doi.org/10.2307/30036540*
27. *Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. Journal of Business Research, 122, 889–901. https://doi.org/10.1016/j.jbusres.2019.09.022*
28. *Vial, G. (2019). Understanding digital transformation: A review and a research agenda. The Journal of Strategic Information Systems, 28(2), 118–144. https://doi.org/10.1016/j.jsis.2019.01.003*
29. *von der Assen, L. (2023). Digitalization as a provider of sustainability in logistics and retail: Exploring readiness barriers. Sustainability (Switzerland), 15(5), 4621. https://doi.org/10.3390/su15054621*
30. *Weiner, B. J. (2009). A theory of organizational readiness for change. Implementation Science, 4(1), 67. https://doi.org/10.1186/1748-5908-4-67*