

Strategic management in the digital era: A systematic literature review and research agenda

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Abstract---Organisations have come a long way in how they build and execute strategy with the advent of digital technologies like artificial intelligence, big data analytics, cloud computing and platform ecosystems. Although some literature has focused on digital transformation, innovation, and technology adoption, the implications for strategic management of digitalisation are dispersed across the disciplines and theories. This study systematically reviews the literature on digital technologies from 2010 to 2024 to provide a synthesis of the influence of digital technologies on the main strategic management processes, such as competitive positioning, dynamic capabilities, business model innovation and organizational governance. The analysis is performed in the context of a structured review protocol that sorts existing research into the main thematic clusters, and finds prevailing theories, methods and empirical contexts. A major finding in the review is that classical strategic theory is not well integrated with digital phenomena, that many contexts of the emerging economy are underrepresented, and that only a little emphasis is placed on strategic renewal that occurs over time rather than the short term. The paper suggests a future research agenda highlighting potential avenues of theory development, methodological development and managerial relevance based on these gaps. The review brings together the fragmented insights to advance strategic management scholarship and suggest avenues for further research on strategy in the digital era.

Keywords---Strategic management, digitalization, literature review.

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1. Introduction

Digital technologies have become the key to organisations' competitive success, growth and survival. The applications of artificial intelligence, big data analytics, cloud computing, digital platforms, and algorithmic decision systems have not just transformed the way things are done but have also impacted the very basis of strategic management. Strategies are no longer defined as long-term planning or positioning in the industry, but rather they are more defined by real-time data, relationships in the ecosystem and continuous adaptation. In a digitally-integrated world, many of the principles of traditional strategic management thinking are called into question (Porter & Heppelmann, 2014; Bharadwaj et al., 2013). Most of the early strategic management literature was concerned with the conditions for enduring advantage in a given industry context in terms of industry structure, competitive dynamics and the resources a firm possesses (Porter, 1980; Barney, 1991). Digitalisation has however created conditions of rapid change, low marginal costs, network effects and blurred industry boundaries, thus creating more volatile and harder to guard competitive advantages (Teece, 2018). Digital platforms help new players scale rapidly, data-based insights fuel decision making and ecosystems bring about a new value chain. The changes point to a need for theoretical development of strategic management in the digital age, not incremental extensions of existing theories.

Reversely, researchers in fields ranging from strategy to information systems and innovation studies have analyzed the digital transformation, platform competition and data-driven strategy phenomena. The implications of digital technologies for the reconfiguration of resources, the innovation of business models and the agility of the organisation have been investigated (Vial, 2019; Warner & Wäger, 2019). Research, meanwhile, has focused on the strategic importance of dynamic capabilities for sensing digital opportunities, capturing digital value, and restructuring organisations (Teece et al., 2016). Despite all this, the literature is still disorganized: It is spread across disciplines, and often takes a narrow focus on one aspect of strategy, rather than a holistic view of the reconfiguration of strategy. The existing literature has a focus on digitalisation as a contextual factor instead of digitalisation as a strategic lever influencing fundamental managerial decisions. Numerous studies focus on the process of adopting technology and/or on performance outcomes rather than on the more complex questions of the competitive positioning of digital initiatives, governance and long-term strategic renewal (Sebastian et al., 2017). Furthermore, classical strategy theories like the resource-based view theory or industrial organisation economics are often used in an almost unaltered manner and are thus not adapted to the data-driven benefits, platform dependency or competition at the ecosystem level (Keen & Williams, 2013). This is a concept conflict between long-held frameworks of strategy and new realities of digital.

A second gap is related to contextual diversity. The bulk of the empirical data on digital strategy comes from large companies in developed economies and mainly from North America and Europe (Hanelt et al., 2021). Less focus has been directed at emerging economies, small and medium sized enterprises, or sectors with a strong regulatory framework, where the evolution of digital transformation is unique and constrained. This focus is narrow, which restricts the findings' applicability and neglects the importance of the institutional conditions, infrastructure maturity and the characteristics of the labour market for the strategic responses to digitalisation (Nambisan et al., 2019). Moreover, the temporal dimension of strategy in the digital world is not sufficiently researched. The long-term impact of digital technologies on strategic coherence, organisational identity, and competitive sustainability is not as well known, although they enable a swift turn to experimentation and a quick improvement of performance (Wenzel et al., 2021). While these are pertinent issues for managers and policy makers and have increased in importance, they have not been treated systematically in some detail. In view of these difficulties, an in-depth review of the strategic management literature in the digital age is sorely needed. A structured review can consolidate disparate findings and consider current theoretical approaches, and identify areas of debate. A systematic literature review (SLR) differs from narrative or technology-focused survey reviews, as it allows for the selection, classification and analysis of previous work to be done in a transparent way, which improves conceptual clarity and can enhance the accumulation of knowledge

(Tranfield et al., 2003). Importantly, such a review can be more than just a descriptive mapping, and critically evaluate the impact of digitalisation on strategic thinking.

Therefore, the purpose of this study is to review and synthesize various scientific studies of strategic management in the digital era. In this respect, the purpose of this study is to systematically review and synthesize scientific studies about strategic management in the digital era. The review will guide through three questions. To begin by answering this question, what have researchers already said about the link between the strategic management processes and digital technologies? Second, what are the prevalent theories, methods and empirical contexts of existing research? Third, what are the gaps in theoretical and empirical knowledge and what are the possible avenues for future research to advance strategic management scholarship in digitally driven environments? This review has significant contributions on three points by answering these questions. It brings together the tools from the fields of strategy and information systems, and innovation studies, into an integrated framework of understanding digital age strategy. Second, it emphasizes the theoretical lack of structure in the application of theory, the lack of contextual coverage and methodological approaches. Third, it formulates a forward-looking research agenda, spelling out interesting directions for theory building and for empirical studies. The study will help researchers who want to further progress strategic management theory and practitioners who face digital disruption and its implications for strategic decision-making.

2. Review Methodology

To ensure a theory-driven, transparent, and replicable synthesis and to build theory on the research on strategic management in the digital era, a systematic literature review approach is used in this study. In this area a systematic review is well suited since it is difficult to find and abstract existing research that is dispersed across the areas of strategy, information systems, innovation and organisation studies, using different concepts and analytical perspectives. The review process was structured based on the principles of systematic reviews in management research (Tranfield et al., 2003; Denyer & Tranfield, 2009) in order to reduce the selection bias and enable critical interpretation of the results of the review, rather than simply summarizing the previous outputs.

2.1 Search Strategy and Data Sources

The literature search was conducted in leading academic databases that are known for their high-quality academic research on management and strategy, such as Scopus and Web of Science. These databases were chosen because they provide full coverage of peer-reviewed journals in strategic management, information systems and their related areas. The review encompassed articles from 2010 to 2024, highlighting the emergence of platform economies, data-driven decision-making, and mega digital transformation projects in the digital era. Structured keyword search strategy was used. The following are examples of the key terms searched: Strategic management, digital strategy, digital transformation, platform strategy, data driven strategy, artificial intelligence, and others. Boolean operators were used to narrow down and ensure that the results have relevance. Journal articles in English were the only sources used, to ensure uniformity in concept interpretation and methodological approach.

2.2 Inclusion and Exclusion Criteria

To ensure relevance and quality, explicit inclusion and exclusion criteria were applied. Articles were included if they:

1. Explicitly addressed strategic management concepts in relation to digital technologies.
2. Were published in peer-reviewed academic journals.
3. Contributed theoretical, empirical, or conceptual insights relevant to firm-level or ecosystem-level strategy.

Articles were excluded if they focused solely on technical system design, operational IT implementation, or consumer-level digital behaviour without clear strategic implications. Conference papers, book chapters, editorials, and practitioner-oriented reports were also excluded to uphold academic rigour and

comparability. This screening process helped narrow the review to studies that directly engage with strategic decision-making in digital contexts.

2.3 Screening and Selection Process

The screening process was carried out in multiple stages. To exclude studies that were obviously not relevant, titles and abstracts were first screened. Second, all the full text was used to assess how well they met the aims of the review. At this point, articles had their theoretical foundation and the focus of the strategy examined along with their relevance to the dynamics of the digital era. Iterative comparison with the review criteria was used for disagreements in classification, working in line with best practice in management research systematic reviews (Petticrew & Roberts, 2006). The last sample is a filtered one that captures dominant debates, new themes and methodological trends in strategic management research on digitalisation. The review is not meant to be comprehensive but it does give a full and representative picture of the works of influence in the field.

2.4 Data Extraction and Analytical Framework

Systematically, key information of the selected articles was extracted, such as theoretical perspective, research method, empirical context, focus on digital technology and the strategic outcomes examined. The coding was structured to facilitate comparison of findings across studies and thematic synthesis. The review does not approach the topic purely from the frequency perspective, but focuses on interpretive synthesis to reveal the patterns, tensions and gaps in the literature (Macpherson & Jones, 2010). The analysis was done in an iterative fashion between descriptive mapping and conceptual integration. The articles were aggregated into thematic clusters reflecting the articles' main strategic focus, for example competitive advantage, dynamic capabilities, business model innovation and ecosystem governance. This method helps to develop theories, connecting pieces from one to another to create a structure.

2.5 Scope and Limitations

Like most systematic reviews, there are some limitations in this review. Emphasis on journal articles in major databases may lead to exclusion of other relevant research found in books or new conference research. Furthermore, content in English language publications will tend to underrepresent region-specific perspectives, and especially the perspectives of countries outside of the West. The limitations, however, are offset by the methodologically rigorous and clear review design. In general, this approach offers good support for the synthesis of the way strategic management is being transformed in the digital age. It will help to identify dominant theoretical approaches, trends in the empirical work, and gaps, that will guide the thematic analysis and future research agenda that will be developed in subsequent sections.

3. Theoretical Foundations of Strategic Management in the Digital Era

The complexity and multidimensionality of digitalization are reflected in the multiple theoretical traditions that are used in research on strategic management in the digital era. Digital technologies have not supplanted the already existing theories of strategy, but have thrown them into fresh interpretations and extensions. This section summarizes the main theoretical lenses adopted in the literature and how they have been fitted to the context of strategically acting in digitally driven environments.

3.1 Resource-Based View and Digital Assets

In the past, the resource-based view (RBV) has pointed to firm specific resources as sources of competitive advantage (Barney, 1991). In a digital context, scholars have expanded this thinking to data, analytics, digital infrastructure and algorithmic know-how as strategic resources. Digital resources are not like physical resources; they are often scaleable, recombining and highly dependent on complementary organizational capacities (Kraaijenbrink et al., 2010). Consequently, it is not so much about having the technology as it is about being able to incorporate digital assets into the managerial

processes and routines of the organization. Other researchers have contended that the advantages of the digital are short-lived, because the resources are easily replicated and widely spread (Carr, 2003). Rather, competitive differentiation comes from how firms use these resources in distinctive ways, for example, through embedding analytics into strategic decision making, or by linking digital platforms to customer engagement strategies (Bharadwaj et al. 2013). This view demonstrates the weaknesses of a static RBV perspective and identifies the necessity to have a dynamic interpretation of resource value in rapidly transforming digital environments.

3.2 Dynamic Capabilities and Strategic Renewal

The dynamic capabilities theory is one of the most prominent and important theories used to look at strategy in the digital age. It emphasizes a firm's ability to sense opportunities, capture value, and reconfigure resources to deal with environmental change (Teece et al., 2016). Digital technologies bring this framework into sharp focus, as they drive an acceleration of market change and innovation cycles. Businesses need to constantly change their approach, structures and business models to stay competitive. Empirical evidence indicates that digital transformation projects are more likely to be successful if companies build digital sensing capabilities via data analytics, fast experimentation, and cross functional coordination (Warner & Wäger, 2019). The literature also provides evidence of issues with capability development, such as legacy systems, skill shortages, and organizational inertia. The results indicate that dynamic capabilities vary across firms and are dependent on the context, leading to the question of how dynamic capabilities can be developed and maintained over time in different institutional environments.

3.3 Platform and Ecosystem Perspectives

Traditional strategy theories have made a number of assumptions that are centred on the firm and competition taking place inside well-defined industries. With the advent of digitalisation, this assumption has been shaken by the possibilities of platform based business models and competition on the ecosystem level. Platform theory focuses on the importance of digital platforms which enable multiple streams of user groups to interact and may create winner take all dynamics and network effects (Gawer & Cusumano, 2014). This provokes the shift in strategic management thinking from optimizing within the system to govern, orchestrate and capture value across ecosystems. Ecosystem based perspectives are an extension of this logic, focusing on how firms interact and compete at the same time in complex web of partners, developers and users (Adner, 2017). It is not just about the capabilities of the firm, but also having the ability to define an ecosystem architecture, setting standards, and managing interdependencies in order to achieve strategic success in these contexts. Although this view has been adopted, a body of literature has dealt mainly with the high technology industries, and there are questions concerning how ecosystems can be developed in other traditional or regulated industries.

3.4 Institutional and Socio Technical Perspectives

In addition to economic and capability-based views, others take a different approach that draws on institutional and socio-technical theories to explain strategic management in digital environments. Institutional theory emphasizes the role of institutional mechanisms and norms in shaping strategic decisions concerning digital transformation (Hinings et al., 2018). This is especially true in emerging economies, or within the public sector, where factors other than competition limit digital strategies. Socio-technical approaches focus on the interplay between technology, people and organizations. From this perspective, the digital strategy is not a single, head-on managerial action but rather it emerges from the practice of everyday users and from their interactions (Leonardi, 2011). While the different viewpoints provide valuable insights, they are somewhat underrepresented in the existing strategic management literature that has mostly focused on firm performance rather than process-oriented research.

3.5 toward an Integrative Theoretical Understanding

In general, the literature shows a growing theoretical pluralism in the research on strategic management in the digital age. This diversity, however, has also resulted in the fragmentation of the topics, and not a great deal of integration across theoretical lenses. There are plenty of studies that use existing theories without considering the implications of digitalization in relation to the underlying theory. This review makes the case for the need of integrative frameworks that bridge the gap between resources, capabilities, platforms and institutional environment to advance strategic management scholarship.

4. Core Themes in Strategic Management Research in the Digital Era

The papers presented in this volume develop on the theoretical underpinnings already mentioned above, and these papers converge in several thematic areas that are common to the research in strategic management in the digital era. These themes have been the topic of numerous scholarly discussions on the strategic implications for digital technologies for firms, industries and ecosystems. These themes are not necessarily linked together, but can develop independently and independently with a richness and fragmentation of literature.

4.1 Digital Transformation & Competitive Advantage

One of the central topics is about the digital transformation and competitive advantage. Digital transformation is often described as a process that helps companies adopt digital technologies in their core business to boost their performance and reinvent their competitive position (Vial, 2019). Research in this strand focuses on the efficiency and productivity that can be achieved through investments in analytics, automation, and digital platforms, as well as opportunities for differentiation and responsiveness to market changes. But experience indicates that digital transformation does not necessarily result in better performance. The importance of complementary organizational factors like leadership commitment, strategic alignment and cultural readiness in driving digital initiatives to competitive results has been highlighted in several studies (Kane et al., 2015; Sebastian et al., 2017). This collection of work clearly demonstrates that the "best" advantage in the digital age is not the same and not all, but rather dependent on managerial decisions and organizational context.

4.2 Business Model Innovation and Value Creation

Innovation in business model, brought about by digital technologies, is another recurring theme. By digitalizing, companies can reimagine value creation, delivery and capture, and sometimes even create new value logics and customer engagement mechanisms (Amit & Zott, 2012). The studies here are focused on subscription based, data-based services and platform-based services that threaten to upset the balance of the industry. Strategic management literature highlights that business model innovation is not only a technological product, but it is a strategic solution to the new competitive environment (Teece, 2018). Digital tools reduce the cost of experimentation, but also accelerate the race by facilitating easy imitation. There is a constant need to continuously innovate and change the business model to continue with value creation. Although there is increasing interest, there is only limited literature to offer insights about how trade-offs between exploration and exploitation are managed in the process of digital business model evolution.

4.3 Data-Driven Strategy and Algorithmic Decision Making

With the new data and sophisticated analytical tools, research has been fueling interest in data driven strategy. Researchers look at how companies leverage big data, machine learning and artificial intelligence for strategic decision making on pricing, market entry, and resources allocation (Brynjolfsson and McElheran, 2016). The results of this study indicate that data driven methods can help provide better decision-making by reducing uncertainty and provide a more detailed market analysis. Meanwhile, there's a worry that algorithms are taking the place of managerial expertise. Researchers note a conflict between human intuition and algorithms suggestions, especially in complicated and novel strategic scenarios (Faraj et al., 2018). In strategic management, these issues lead

to questions of governance, accountability, and what the role of managers is in digitally supported decision-making processes, that have been insufficiently covered so far.

4.4 Platform Strategies and Ecosystem Competition

Digital platforms have proliferated as a key strategic mode across a wide range of industries, leading to a large volume of research on platform strategies and ecosystem competition. This literature investigates mechanisms by which firms develop platform architectures and attract complementors and how complementors can use network effects to create scale and dominance for firms (Gawer & Cusumano, 2014). In this context, strategic issues are balancing openness and control, multi-sided interactions and value capture in ecosystems. Platform competition in technolife industries has been extensively studied, but for other traditional industries like manufacturing, healthcare, or education, fewer studies examine how platform logic infiltrates. There are more studies on the diffusion of platform logic into the technolife industries, but less research on how it enters traditional industries like manufacturing, healthcare or education. Furthermore, the literature is largely devoted to successful platform leaders and only a few are dedicated to failed or weak platform. This gives rise to success bias and narrows the perspective of strategic risk and failure in digital ecosystems (Adner, 2017).

4.5 Organizational Structure, Leadership, and Governance

Another theme is concerned with implications of digital strategy within organisations. Structural, governance and leadership changes are needed to enable cross-functional collaboration and speedy decision-making as part of digitalization. The discovery of the new positions like Chief Digital Officers and the active participation of the top management in digital strategy formulation are brought to light by the research (Singh & Hess, 2017). Data ownership, cybersecurity, and ethical data use are also themes of governance issues highlighted in studies. Although these issues are of a strategic nature, they are often considered more as operational issues than as parts of the strategic process. This separation makes it difficult for existing research to fully reflect the effects of governance decisions on the strategic consequences in the digital age.

4.6 Synthesis of Thematic Insights

Themes in strategic management research are shifting away from positioning and resource allocation to a broader view of the digital era, as evidenced by these titles. There are, however, some inconsistencies in the literature regarding long-term strategy, diversity of context, and integration of theory. Studies often have a narrow focus, e.g., performance outcomes or the adoption of technology, without making connections to broader strategic trajectories.

5. Contextual and Methodological Trends in the Literature

In addition to the thematic focus, there are distinct research contexts and methodological approaches in the strategic management literature relating to digitalization. It is crucial to analyse these trends to gain insight into the way the knowledge in this field has been built, and to identify key gaps. This part provides a synthesis of prevailing empirical settings, research designs, and methodological approaches of the previous research on strategic management in the digital era.

5.1 Empirical Contexts and Industry Focus

Most of the empirical evidence on digital era strategy is in the highly technologized sector such as information technology, e-commerce, software and digital platforms. These areas provide fertile ground for the study of the speed of innovation, data-based business models and competition in ecosystems. Many insights for digital strategy have emerged from companies which have high levels of digital maturity and relatively few regulatory restrictions (Gawer & Cusumano, 2014; Bharadwaj et al., 2013). Conversely, other traditional sectors like manufacturing, healthcare, education and public services are less emphasized. Digitalization is generally cast as a problem for the end stages of adoption and not a fundamental change in strategy when examined in the context of these sectors. This imbalance is

detrimental to grasping how strategic management unfolds in environments where legacy systems, institutional restrictions, and skill deficiencies impact digital journeys. Furthermore, small and medium businesses are underrepresented, as they are important economic actors, but have distinct strategic needs and difficulties in the implementation of digital technologies (Chanas et al., 2019).

5.2 Geographic Distribution of Studies

The academic literature is strongly dominated by studies of developed economies, especially in the USA and Western Europe. Research from these areas tends to take for granted high levels of digital infrastructure, advanced technologies and supportive regulatory environments. These environments provide insights but are not necessarily representative of strategic issues encountered by companies in emerging and developing countries. There is limited and mostly descriptive research on emerging market research, and research that is strategic is reconfiguring instead of focusing on barriers to adoption (Nambisan et al., 2019). This is important as institutional settings, labour markets and readiness to digitalization are not homogenous in the various regions. If there is limited geographical diversity, then strategic management theory may be based on a limited set of assumptions that may not apply to a global context.

5.3 Dominant Research Methods

To the methodologic level, literature revealed that, qualitative case studies and quantitative cross sectional studies are preferred. Case based research has contributed to the understanding of complex processes of digital transformation and the building of dynamic capabilities in organisations, especially (Warner & Wäger, 2019). These studies (small sample sizes) offer rich contextual information but not necessarily generalizeable. Most quantitative research uses survey data or historical performance data to investigate the association between companies and digital investments and their performance. Such designs allow for testing of hypotheses, but can be unable to represent the dynamic and process-oriented nature of strategy in digital environments. Longitudinal designs, which are important for strategic change over time, are still rather rare (Wenzel et al., 2021).

5.4 Measurement and Conceptual Challenges

Another methodological problem was the measurement of the main constructs. The term digital transformation, digital capability and data-driven strategy are not used in a consistent way in the studies. There are various kinds of research that use perceptual measures, and some studies use proxy measures like IT spending or digital maturity indices. This lack of standardization makes it difficult to perform comparisons across studies and to construct theories. In addition, there is often a focus on financial measures of performance, like profitability or market value, while very little consideration is given to strategic performance measures like resilience, learning, or ecosystem positioning. This one-sided view can negate the focus on potential longer-term implications of digital strategy decisions.

5.5 Implications for Knowledge Development

As a whole, these contextual and methodological trends point towards an incomplete research landscape of strategic management in the digital era. Some industries, some areas and some techniques have had a disproportionate influence in developing dominant theories to the exclusion of others. To overcome these drawbacks, more methodological diversity such as longitudinal studies, integrated designs with mixed methods, and comparative studies across contexts are necessary.

6. Synthesis of Findings and Identification of Research Gaps

The preceding analysis has shown that important progress has been made in the understanding of strategic management in the digital era, but at the same time there are important limits in the development of this knowledge. This section makes a synthesis of the core concepts from the thematic, theoretical and methodological review and point out the gaps that hinder theory development and empirical relevance.

6.1 Fragmentation Across Disciplines and Theories

A unique feature of the studies is the fragmentation of research across disciplines. Digital phenomena are discussed in related fields such as strategic management, information systems, innovation studies, and organization theory, but each field uses its own language, set of assumptions and analysis tools. Consequently, there is a lack of integration and synthesis (Keen & Williams, 2013) of insights about digital transformation, platform strategies, and data-driven decision making. In strategic management research, too, studies mostly focus on a single theoretical perspective at a time. For instance, resource-based view or dynamic capability views are often used without taking into account the dynamics of the ecosystem or institutional barriers. This silo mentality makes it difficult to fully capture the strategic behavior in digitally interconnected environments within existing theories.

6.2 Limited Reinterpretation of Classical Strategy Concepts

While a number of studies are based on existing strategy theories, few critically rework the core assumptions of strategy theories with regard to digitalization. The notion of sustainable competitive advantage, industry boundaries and the control of the firm is also typically assumed as fixed when it is not (Teece, 2018). This results in the distance between abstraction and real life. Moreover, classical strategy frameworks were created in settings where change was slower and firm boundaries were more circumscribed. Their use in digital contexts assumes a level of simplicity which may not always be appropriate for strategic complexity. There is a need for theory development to express data as a strategic asset, algorithmic coordination, and platform dependency as an essential strategic condition and not as a secondary phenomenon.

6.3 Contextual and Geographic Blind Spots

There are also strong contextual deficits in the review. Research is highly focused on advanced economies, advanced firms and a handful of emerging markets, small firms and regulated industries. In doing so, this narrow focus fails to capture how institutional environments and infrastructure restrictions and labor market conditions influence strategic reactions to digitalization (Hanelt et al., 2021). Also, most studies focus on private sector organisations and neglect the public and non-profit sectors. This is especially problematic in the context of digitization's increasing influence in public administration and social services, as strategic management concepts are less applicable than they could be.

6.4 Short Term Orientation and Outcome Bias

Another interesting omission regards the time frame of the studies conducted so far. Numerous studies focus on short-term performance measures (efficiency gains or market value) and ignore the longer term strategic implications. Comparatively little is studied on issues like capability erosion, organisational learning, strategic path dependence and resilience (Wenzel et al., 2021). In digital environments, this outcome bias is especially tricky because the innovations can be quick to see and experiment, and short-term gains may lead to a lack of strategic consistency. Theory and practice can only be furthered by a more nuanced understanding of digital strategies as they change over time.

6.5 Underexplored Governance and Ethical Dimensions

At the same time, while there has been growing awareness of ethical and governance problems with digital technologies, the ethical and governance aspects are of only minor importance in much of the strategic management literature. Issues like data privacy, algorithmic bias, cybersecurity and accountability are often considered as operational challenges instead of strategic issues. The split makes it hard for current frameworks to cover the comprehensive strategic impact of digitalization. The incorporation of governance and ethics to strategic management research could enable the research community to address more effectively the impact of trust, legitimacy and regulatory compliance on competitive positioning and long terms value creation.

6.6 Summary of Research Gaps

In sum, five gaps emerge from this synthesis: lack of theoretical integration, lack of reinterpretation of classical strategy concepts, contextual underrepresentation, short time focus in analytical perspective, and neglect of governance and ethical issues. These gaps need to be addressed by a more comprehensive and proactive research agenda.

7. Future Research Agenda

The answers to the deficits outlined in the previous section lie in a conscious change in strategic management research's approach to digitalization. Future studies should focus not only on the extension of existing frameworks incrementally, but also on theory development, contextual expansion and methodological innovation. This section provides directions for possible future research on strategic management in the digital world.

7.1 Reframing Classical Strategy Theories for Digital Contexts

The future should see the development of studies that do not simply use the traditional strategy theories as templates to be applied, but reinterpret the theories in a critical way in order to reveal their basic assumptions. In a world of abundance of data, fast imitation, and interdependence of ecosystems, notions like competitive advantage, industry boundaries and strategic control should be rethought. Scholars will gain insight into the application of the concepts of resource based and industrial organization in the context of value creation being dependent on access to resources, algorithms, and participation in platforms rather than ownership of tangible resources. Some potential exists also for further development of hybrid models that integrate the theoretical frameworks of dynamic capabilities and ecosystem and institutional approaches. This integration can provide a more realistic picture of how companies manage digital complexity, between internal capability-building and collaboration with external partners, as well as regulatory constraints.

7.2 Strategy in Emerging Economies and Diverse Organizational Settings

To make strategic management theory more relevant and generalizable, the field of empirical research must be expanded. Looking forward, further research is needed into digital strategy in emerging economies where businesses may have to contend with different consumer behavioral patterns, regulatory uncertainty, and a lack of infrastructure. In these contexts, theories can be tried and adapted in various institutional settings. Furthermore, SMEs, public sector institutions and non profit institutions need to be given more attention. These institutions are not impacted in the same way as large multinational institutions, which creates unique challenges for strategy in this regard in terms of resources, legitimacy, and mission alignment. Comparative research on organizations of different types and in different geographical regions would help to inform a more comprehensive understanding of digital era strategy.

7.3 Longitudinal and Process-Oriented Research

Research in the future should be longer term, adopting longitudinal designs that focus on the evolution of the digital strategies over time, as existing research is short-term oriented. These methods can help identify patterns of strategic experimentation, capability building and path dependence which are less apparent in cross-sectional studies. Process oriented research can also help illuminate the mechanics of the translation of strategic intent to action and the reasons for when the digital initiatives fail or underperform. On a methodological level, the use of qualitative case studies in combination with quantitative data on a longitudinal basis presents a potential means of obtaining depth and generalizability. New developments in digital trace data and archival sources also allow dynamic analysis of strategic behavior.

7.4 Governance, Ethics and Responsible Digital Strategy

Digital technologies are becoming an increasing factor in organizational decision making and future research should consider incorporating governance and ethical issues in strategic management

frameworks. Data governance, algorithmic transparency, cybersecurity and the ethics of AI usage are just a few examples of topics that should be explored not only as compliance concerns, but also as strategic decisions. This domain can be further researched to understand the influence that governance mechanisms have on trust and legitimacy and long-term competitiveness, especially in regulated industries. The association of ethical strategy with performance and resilience outcomes might also facilitate the normative and economic viewpoints in strategic management research.

7.5 Managerial Cognition and Human–Algorithm Interaction

A second promising approach is to investigate the influence of managerial cognition on digitally mediated strategy processes. For managers, it is essential to understand how they interpret, believe in or challenge the digital recommendations that are made. As algorithms and analytics systems become more of a part of strategic decision making, the ability to interpret, trust, or question digital recommendations becomes more essential for managers. Future research could explore human-algorithmic interaction in decision-making processes within uncertainty. This is one path that could help to develop a more complex understanding of strategic agency in the digital age in which technology complements, rather than supplants, managerial decision making.

7.6 Summary of the Research Agenda

To conclude, the following are the areas worthy of further studies related to strategic management in the digital world: theoretical integration, diversity of contexts, depth of time, and sensitivity toward ethics. These dimensions will enable researchers to create stronger and more relevant theories based on the facts of digitally fueled competition.

8. Conclusion

The aim of this study is to compile and critically analyse the growing research literature on strategic management in the digital era. The paper highlights previous studies in order to provide an integrated understanding of the impact of digital technologies on the fundamental strategic processes of competitive positioning, capability creation, business model innovation and governance. The results indicate that traditional strategy concepts are not becoming redundant because of digitalisation but the implication, level and use of these concepts has had a significant transformation. The review shows that there has been significant progress in research, with a deeper understanding of the role that digital technologies play in firms as they strive to generate value and adapt to the environment. There is a body of theory that has been widely used to account for strategic behaviour in the digital realm, including the resource-based view, dynamic capabilities and platform perspectives. At the same time, these analyses identify continued interdisciplinary division and a lack of contextual variety and an emphasis on short-term performance results. These patterns narrow the scope of strategic management scholarship to failing to grasp the complexity and long-term implications of digital transformation.

This review brings together the themes, theories and methods and is an important addition to the literature on strategic management in three ways. First, it brings together research that was spread out in a variety of publications, and makes clear the major themes and approaches. Secondly, it pinpoints important gaps in theory adaptation, empirical scope and methodological rigour. Third, it fosters a structured research agenda for future research with clear directions, including its strategic focus on emerging economies, the importance of the role of strategy processes in a longitudinal approach, and strategic importance of governance and ethics. The results highlight that the development of digital strategy is not only a technical issue, but a continuous strategic process that demands a fit between abilities, organization and external ecosystems for practitioners. The managers should manage the trade-offs between the need for quick experiments and long-term strategic consistency and deal with governance and ethical aspects as part of competitive strategy. In total, this review illustrates the continuing development of strategic management in the digital era and its potential for theory advancement and application. The integration and contextualisation of research along with the use of a

time perspective will further enhance the knowledge about how organisations develop and sustain their strategy in the ever-transforming digital world.

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