Exploring the Key Causes of Organizational Resistance to Digital Transformation

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ABSTRACT

This study aims to identify and explore the key causes of organizational resistance to digital transformation, focusing on cultural, structural, and leadership-related barriers in the context of Iranian organizations. A qualitative research design was employed using semi-structured interviews with 21 participants from various public and private sector organizations in Tehran. Participants were selected through purposive sampling to ensure firsthand experience with digital transformation processes. Data collection continued until theoretical saturation was achieved. All interviews were transcribed verbatim and analyzed using thematic analysis with the support of NVivo software, allowing for systematic coding and identification of core themes and subthemes. The analysis revealed three major categories of resistance: (1) Cultural and psychological barriers, including fear of job displacement, change fatigue, and resistance to learning new skills; (2) Structural and operational challenges, such as inadequate infrastructure, poor communication, and lack of strategic clarity; and (3) Leadership and governance issues, including passive leadership, vision misalignment, and bureaucratic rigidity. Participants highlighted that resistance often emerged not from hostility but from uncertainty, lack of trust, and perceived loss of autonomy. The findings were consistent with and extended previous studies by contextualizing resistance in a developing country setting. Organizational resistance to digital transformation is multifaceted and deeply rooted in both human and systemic factors. Successful digital transformation requires more than technological investment—it demands inclusive leadership, cultural alignment, structural readiness, and transparent communication. By addressing the psychological, operational, and strategic dimensions of resistance, organizations can build more resilient and adaptive transformation frameworks.

Keywords: Digital transformation; Organizational resistance; Change management; Leadership; Culture; Structural barriers; Qualitative research; Iran

Introduction

Digital transformation has emerged as a central imperative for organizations across all sectors, driven by rapid advances in information technologies, growing customer expectations, and the increasing volatility of global markets. At its core, digital transformation entails the integration of digital technologies into all aspects of business, fundamentally altering how organizations operate and deliver value to stakeholders (Vial, 2019). Beyond the implementation of technological tools, digital transformation demands a profound cultural shift and organizational agility, requiring firms to experiment, challenge established processes, and adapt continuously. Despite its

transformative potential, numerous organizations fail to fully realize the promised benefits of digital transformation due in large part to internal resistance (Kane et al., 2015).

Resistance to change is not a new phenomenon in organizational studies; however, resistance to digital transformation is distinct in its complexity. It is often multi-layered, involving psychological, cultural, structural, and leadership-related components (Rogers, 2003; Wamba et al., 2017). Unlike traditional organizational change that may involve linear shifts in process or structure, digital transformation is dynamic and often perceived as disruptive, posing existential threats to established ways of working, employee identities, and organizational hierarchies (Hinings, Gegenhuber, & Greenwood, 2018). Employees may resist due to fears of job loss, diminished autonomy, or inadequacy in acquiring new digital skills (Laumer, Maier, & Eckhardt, 2016). Leaders may demonstrate passive or symbolic support without truly driving transformation forward (Hess, Matt, Benlian, & Wiesböck, 2016). Understanding these various forms and sources of resistance is crucial for effective implementation of digital initiatives.

Cultural resistance is particularly prevalent in organizations with deeply rooted norms and practices. These cultures often prioritize stability, predictability, and tradition—values that are challenged by the disruptive nature of digital innovation (Westerman, Bonnet, & McAfee, 2014). For instance, digital transformation often necessitates a departure from hierarchical decision-making toward flatter, more collaborative structures. This can create dissonance in organizations where authority and control have traditionally been centralized. Moreover, digital transformation requires a high degree of openness to experimentation and failure—traits that may clash with risk-averse organizational cultures (Baiyere, Salmela, & Tapanainen, 2020). In such contexts, resistance manifests not only as overt opposition but also as subtle disengagement, passive non-compliance, or symbolic participation.

Another critical barrier to digital transformation lies in structural and operational deficiencies. Legacy IT systems, fragmented communication channels, and poorly defined digital strategies can all contribute to resistance (Susanti et al., 2023). Organizations frequently embark on digital transformation without a clear roadmap or without aligning technological changes with business goals. This misalignment leads to confusion among employees, undermines commitment, and fosters skepticism about the legitimacy of the transformation effort (Fitzgerald, Kruschwitz, Bonnet, & Welch, 2014). Additionally, when digital transformation initiatives are under-resourced—lacking adequate funding, time, or skilled personnel—they often stall, further entrenching resistance and reinforcing narratives of failure or futility among staff (Sebastian et al., 2017).

Leadership and governance play a pivotal role in shaping employee perceptions and behaviors toward digital change. Effective digital transformation requires leaders to act as change agents—articulating a clear vision, modeling desired behaviors, and supporting their teams through periods of uncertainty (Kane, Palmer, Phillips, & Kiron, 2017). However, in many cases, leaders either lack the digital literacy to engage meaningfully with transformation or are constrained by organizational governance systems that prioritize stability over innovation (Verhoef et al., 2021). Poor leadership communication, inconsistent commitment, and top-down decision-making approaches further alienate employees and amplify resistance (Horlacher & Hess, 2016). When leadership fails to demonstrate authentic buy-in, employees are less likely to view transformation as a shared endeavor and more likely to interpret it as a transient or politically driven agenda.

Psychological dimensions of resistance are equally important yet often overlooked in organizational strategies. Individual employees experience transformation through the lens of personal identity, job security, and competence. Research shows that employees frequently associate digital transformation with a loss of control, erosion of

expertise, and uncertainty about future roles (Ravichandran, 2018). These psychological threats can lead to anxiety, withdrawal, and even sabotage. Particularly among older or long-tenured employees, there may be a strong attachment to legacy systems or traditional workflows that have defined their careers (Laumer et al., 2016). The absence of psychological safety in such settings—where employees feel judged or excluded for expressing concerns—exacerbates resistance and hinders open dialogue about digital initiatives.

Moreover, resistance is not always irrational or obstructive; in some cases, it reflects valid concerns about the unintended consequences of digital transformation. For example, the introduction of new digital platforms can exacerbate existing inequalities, overload employees with additional tasks, or create dependence on third-party vendors. These consequences, if not anticipated and addressed, can fuel justified resistance rooted in a desire to protect core values or ethical standards (Taroun & Yang, 2011). Recognizing resistance as a form of feedback rather than mere defiance allows organizations to adapt their strategies, build trust, and co-create transformation processes with employees.

Given the multifaceted nature of resistance, a growing body of research calls for a more nuanced and context-sensitive understanding of the phenomenon. While quantitative studies have provided valuable insights into the correlations between organizational variables and resistance, there is a need for deeper qualitative inquiry to uncover the lived experiences, perceptions, and narratives that shape resistance in real-world settings (Vial, 2019). Particularly in developing countries or highly bureaucratic environments, where digital transformation intersects with broader issues of institutional inertia, political influence, and regulatory constraints, qualitative approaches are essential for capturing complexity (Bouwman et al., 2019).

This study contributes to the literature by offering an in-depth qualitative exploration of the key causes of organizational resistance to digital transformation in the context of Tehran-based public and private organizations. Through semi-structured interviews with 21 participants engaged in or affected by digital change efforts, the study identifies and categorizes the core psychological, structural, and leadership-related factors that hinder transformation. By employing thematic analysis and leveraging NVivo software for data management, the study provides a rich, empirically grounded framework for understanding resistance. The findings aim not only to inform academic discourse but also to offer practical insights for managers, change leaders, and policymakers seeking to facilitate more inclusive, responsive, and successful digital transformation processes.

In sum, the success of digital transformation does not depend solely on technology adoption, but equally on organizational readiness, cultural alignment, and effective leadership. Resistance is a natural part of any major change effort, but when left unaddressed, it can derail even the most well-intentioned initiatives. By uncovering the underlying causes of resistance in specific organizational contexts, this study seeks to inform the design of more empathetic, participatory, and sustainable digital transformation strategies.

Methods and Materials

Study Design and Participants

This study employed a qualitative research design to explore the underlying causes of organizational resistance to digital transformation. A phenomenological approach was adopted to gain in-depth insights into the lived experiences and perceptions of organizational members regarding the challenges and barriers they encounter

4

during digital transformation efforts. The participants were purposefully selected based on their direct involvement or leadership roles in digital transformation initiatives within their respective organizations.

A total of 21 participants were interviewed, consisting of mid- and senior-level managers, IT professionals, and strategic planners working across various public and private sector organizations in Tehran. The participants represented diverse industries, including finance, healthcare, manufacturing, and government services, to ensure a comprehensive understanding of organizational resistance in different contexts. The sample size was determined based on the principle of theoretical saturation, which was reached when no new themes or insights emerged from the data.

Data Collection

Data were collected through semi-structured interviews, which allowed for flexibility in exploring participants' perspectives while maintaining a consistent framework of inquiry. An interview guide was developed to cover key themes such as perceptions of digital transformation, organizational culture, leadership, employee attitudes, communication processes, and prior experiences with change initiatives. Each interview lasted between 45 to 70 minutes and was conducted face-to-face or via secure online platforms, depending on participants' preferences and availability.

All interviews were audio-recorded with participants' informed consent and transcribed verbatim for analysis. Ethical considerations were strictly adhered to throughout the research process, including confidentiality, voluntary participation, and the right to withdraw from the study at any time.

Data analysis

Thematic analysis was employed to analyze the qualitative data. The transcripts were first read multiple times to achieve familiarity, followed by initial coding to identify meaningful units of information. These open codes were then categorized into themes and subthemes reflecting patterns related to organizational resistance. NVivo software was used to facilitate systematic coding, organization, and retrieval of qualitative data.

Throughout the analysis process, credibility was ensured through member checking, where participants reviewed selected interpretations of their interviews for accuracy. Additionally, triangulation was achieved by comparing perspectives across participants from different organizational settings. Reflexive journaling and peer debriefing further enhanced the trustworthiness of the findings.

Findings and Results

Theme 1: Cultural and Psychological Barriers

Fear of Job Displacement emerged as a pervasive concern among participants. Many employees feared that digital transformation would render their roles obsolete. One participant stated, "They don't say it out loud, but deep down, people are afraid they'll be replaced by software or AI" (Participant 5). This fear often led to covert resistance or disengagement from transformation initiatives.

Change Fatigue was also prevalent, especially in organizations that had undergone multiple transitions in a short span. Employees felt overwhelmed by the constant demands for adaptation. As one participant reflected, "Every year there's a new system or app, and we're just expected to keep up. It's exhausting" (Participant 12). This fatigue led to skepticism and lowered motivation to engage with new digital systems.

Resistance to Learning New Skills was expressed by employees who felt they lacked the digital competencies required for transformation. The learning curve associated with new technologies was a significant stressor. One manager shared, "Some of our staff have been doing the same job for 20 years. Telling them to start using data dashboards is a real stretch" (Participant 8).

Identity and Professional Ego played a hidden but important role in resistance. For many, their identity was tied to traditional expertise and manual processes. Digital transformation threatened to devalue that experience. As one senior employee explained, "When a machine does what I used to do manually, it feels like my skills don't matter anymore" (Participant 3).

Trust Deficit toward leadership's motives often fueled resistance. Some employees believed digital transformation was a disguise for downsizing or increased control. A participant remarked, "We're told this is for modernization, but no one explains what's really behind it. That makes people suspicious" (Participant 10).

Loss of Autonomy also surfaced as a significant concern. Participants reported that automation and centralized digital platforms reduced their discretion in decision-making. One employee noted, "Before, I could make changes on the spot. Now I have to go through a rigid system that doesn't understand our daily needs" (Participant 17).

Emotional Disengagement emerged when staff felt detached from the organization's digital vision. This disengagement often manifested as passive resistance. One participant confessed, "Honestly, I just pretend to go along. It's not worth fighting, but I'm not invested in any of this" (Participant 6).

Theme 2: Structural and Operational Challenges

Inadequate Infrastructure was a major barrier in several organizations. Legacy systems, weak connectivity, and poor interoperability hindered smooth implementation. One IT specialist observed, "Our hardware is outdated, and half the time the software doesn't sync with what we already use" (Participant 11).

Lack of Clear Strategy also undermined transformation efforts. Many employees felt the organization lacked a coherent digital roadmap. A manager mentioned, "There's a lot of talk about digital transformation, but no one really knows what the end goal is or how we'll get there" (Participant 9).

Resource Constraints—including budget, staffing, and tools—were repeatedly cited. Participants described stretched teams and limited technical support. As one interviewee explained, "We're told to digitize everything, but we don't have the staff or software licenses to do it properly" (Participant 20).

Poor Communication Channels contributed to confusion and resistance. A top-down approach dominated, with limited room for dialogue. An employee commented, "We get emails about new platforms, but there's no room to ask questions or provide input" (Participant 14). This lack of two-way communication diminished ownership.

Ineffective Change Management further hindered progress. The absence of dedicated change agents and a lack of post-implementation support were common issues. As one participant reflected, "They launch the system, then disappear. We're left to figure it out on our own" (Participant 2).

Siloed Departments created fragmentation in transformation efforts. Departments operated in isolation, each following its own agenda. One project manager said, "There's no coordination. One unit is going digital while the next still uses paper. It's a mess" (Participant 13).

Theme 3: Leadership and Governance Issues

Passive or Risk-Averse Leadership was described as a fundamental issue. Some leaders were hesitant to push digital initiatives for fear of failure. A participant noted, "Our top leaders prefer to play it safe. They don't want to be blamed if something goes wrong" (Participant 18).

Lack of Vision Alignment between executives and departments created confusion. Participants reported misaligned priorities and competing interests. As one employee put it, "IT wants one thing, HR wants another, and no one's really listening to each other" (Participant 4).

Inconsistent Commitment from leadership also weakened transformation efforts. Shifting priorities and leadership turnover resulted in a lack of continuity. A participant explained, "We start something, then a new director comes in and drops it halfway" (Participant 7).

Authoritarian Decision-Making styles limited employee involvement. Decisions were often imposed without consultation, leading to resistance. One respondent shared, "We're told what to do without any discussion. That doesn't work when you're trying to change how people work" (Participant 16).

Poor Role Modeling by leaders undermined credibility. Leaders often failed to use the digital tools they promoted. As one employee expressed, "They expect us to use the platform, but they still stick to Excel and paper" (Participant 1).

Governance Rigidity was cited as another structural hindrance. Bureaucratic red tape and policy resistance made adaptation slow. A participant lamented, "To change one workflow, we need five signatures and two months. Digital doesn't work like that" (Participant 19).

Discussion and Conclusion

This study set out to explore the key causes of organizational resistance to digital transformation within a sample of 21 participants from Tehran-based public and private organizations. Thematic analysis revealed that resistance stems from three interrelated domains: cultural and psychological barriers, structural and operational challenges, and leadership and governance issues. These findings reinforce and extend previous research by providing context-specific insight into the human and institutional obstacles that impede digital advancement, especially in transitioning economies.

The first major theme—cultural and psychological barriers—reflects deeply entrenched fears and identity disruptions among employees. Fear of job displacement and change fatigue were prominent across interviews, mirroring findings from prior studies that highlight employee anxiety about automation and the future of work (Laumer, Maier, & Eckhardt, 2016). These fears are not irrational; rather, they often arise from poorly managed communication and a lack of future role clarity. This aligns with Ravichandran (2018), who noted that uncertainty surrounding digital transformation can erode employee confidence and psychological security.

Furthermore, resistance to acquiring new skills and the protection of professional ego reflect the tension between technological innovation and personal identity, as discussed in the work of Hinings, Gegenhuber, and Greenwood (2018). These psychological defenses are often rooted in feelings of obsolescence and diminished status. In line with Westerman, Bonnet, and McAfee (2014), this study confirms that resistance is often more emotional than logical, especially when change is imposed without dialogue.

Lack of trust in leadership and the perception of lost autonomy emerged as potent causes of disengagement. These findings support Baiyere, Salmela, and Tapanainen's (2020) assertion that digital transformation is not merely technical—it is a social and political process that requires psychological safety and trust in institutional intentions. In environments where decisions are top-down and opaque, resistance may become normalized as a self-protective behavior (Verhoef et al., 2021).

The second major theme—structural and operational challenges—underscores the foundational barriers many organizations face in implementing digital initiatives. Inadequate infrastructure, including outdated IT systems and poor internet connectivity, was a recurring concern. This is consistent with Sebastian et al. (2017), who emphasized that technical readiness is a key determinant of transformation success. Moreover, the absence of clear digital strategies left employees confused and skeptical about the purpose of new technologies, aligning with Fitzgerald et al. (2014) who warned against launching digital initiatives without a strategic vision.

Resource constraints such as limited funding, personnel shortages, and insufficient training opportunities further complicated implementation. These concerns echo Susanti et al. (2023), who noted that developing economies often face these systemic limitations, making digital transformation efforts inherently fragile. Additionally, ineffective change management processes and siloed departments compounded resistance. Participants described a lack of post-implementation support and minimal interdepartmental coordination, confirming findings by Wamba et al. (2017), who found that internal fragmentation and poor follow-through frequently lead to failure in digital initiatives.

Poor communication practices were another significant driver of resistance. A top-down communication model that limited feedback and employee participation led to feelings of alienation. This supports the argument made by Taroun and Yang (2011), who observed that inclusive and iterative communication strategies are essential for reducing resistance in large-scale change initiatives.

The third theme—leadership and governance issues—emerged as a critical determinant of resistance. Participants frequently cited passive or risk-averse leadership as a barrier. Leaders' hesitancy to make bold digital decisions or their failure to model digital behaviors undermined organizational momentum. Kane et al. (2017) similarly found that leadership plays a foundational role in shaping digital maturity and employee engagement with new systems.

A lack of vision alignment and inconsistent commitment to digital goals were also reported, creating organizational ambivalence. This finding reinforces the work of Hess et al. (2016), who argued that misaligned leadership undermines strategy execution and erodes trust among middle managers and staff. Authoritarian decision-making, where digital initiatives were mandated without consultation, further deepened resistance, supporting the arguments of Horlacher and Hess (2016) that participatory leadership styles are better suited for transformation contexts.

Governance rigidity—particularly in the form of bureaucratic delays and inflexible regulations—was cited as a structural hindrance. These governance challenges mirror the findings of Bouwman, Nikou, and de Reuver (2019), who emphasized the need for agile, adaptive policy environments to support continuous innovation. In this study, long chains of command and risk-averse governance policies led to a paralysis in decision-making, stalling digital efforts even when frontline staff were willing to adapt.

Taken together, the findings of this study illustrate that resistance to digital transformation is not monolithic but emerges from the interaction between individual psychology, organizational culture, structural limitations, and leadership behavior. Resistance is often rational, context-dependent, and, when interpreted correctly, can offer critical feedback for redesigning transformation strategies (Rogers, 2003).

Acknowledgments

8

Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

All ethical principles were adheried in conducting and writing this article.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

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