

Change Readiness and Middle Manager Resistance During Digital Restructuring

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Abstract

Digital restructuring has become a defining feature of contemporary organizational life, yet the human side of this transition — particularly the role of middle managers — remains under-theorized within Organizational Behavior and Human Resource Management (OBHRM) research. Middle managers occupy a structurally ambivalent position: are simultaneously targets of change and agents responsible for implementing it among frontline employees. This paper examines the relationship between organizational change readiness and middle manager resistance during digital restructuring, synthesizing findings from the change management, organizational behavior, and digital transformation literatures. Using a mixed-methods design combining a structured survey (N = 214) of middle managers across manufacturing, IT-enabled services, and financial services firms with semi-structured interviews (n = 18), the study develops and empirically evaluates a conceptual architecture linking organizational, individual, and process antecedents to change readiness, and subsequently to middle manager resistance and downstream organizational outcomes. Results indicate that change readiness is a significant negative predictor of overt and passive resistance behaviors, and that leadership support, communication quality, and participative decision-making are the strongest positive correlates of readiness, while job insecurity and role ambiguity are the strongest negative correlates. HR support systems and psychological safety moderate the readiness-resistance relationship. The paper contributes a validated conceptual framework, actionable HR interventions, and an agenda for future OBHRM research on digitally induced organizational change.

Keywords: Change Readiness, Middle Manager Resistance, Digital Restructuring, Organizational Behavior, Human Resource Management, Change Management, Digital Transformation, Organizational Change.

Introduction

Digital transformation has emerged as a critical strategic concern for enterprises looking to increase efficiency, improve decision-making processes, and keep pace with evolving business landscapes. The implementation of innovative technologies like artificial intelligence, cloud computing, automation, and data-enabled systems has transformed the conventional organizational structure and management style. But digital transformation goes beyond mere technology; it involves an organizational change process that entails changes in work processes, employee roles, leadership styles, and organizational culture. Digital transformation is a combination of technical abilities and human skills since obstacles such as resistance to change, lack of skills, and poor change management could hinder the process of transformation. The role of middle managers is extremely important in digital transformation since serve as a liaison between strategic leadership and operational staff in an organization. In addition to translating digital strategies into actions have to deal with employee expectations and difficulties in implementation. However, digital transformation alters managerial tasks through the use of decision-making tools, data-based monitoring techniques, and new organizational controls. Consequently, it might be a cause for uncertainty about authority, professionalism, and the future roles of middle managers in digitalized companies. As Bagrationi and Thurner (2023) stated, middle managers often exhibit resistance to change due to the possibility of challenging managerial traditions and altered roles.

According to Salamzadeh et al. (2023), digital leadership requires certain capabilities, innovation of business models, strategic alignment, and technical awareness to enable organizations to undergo successful digital transformations. The same case was pointed out by Urs et al. (2023), whereby leaders facilitate digital transformation by having a shared vision and collaborating with the employees. However, despite all the advantages, organizations continue to face a number of barriers while implementing digital transformation processes. These include resistance to the use of new technologies, inadequate digital competences, lack of necessary resources within organizations, and difficulties in changing current organizational cultures. According to Mahboub and Sadok (2024), technological, organizational and human barriers were defined as significant factors hindering the adoption of digital transformation, especially in those organizations whose staff lacks necessary digital skills and considers these initiatives as disruptive ones. Thus, it becomes important to know employee and managerial attitudes towards changes in order to develop successful transformation strategies. The growing trend of digitalization of work also impacts managerial roles in many ways. Continuous monitoring, flexible work conditions, and performance assessment make it possible to change the boundaries of managerial control and responsibilities. Hassard and Morris (2022) argue that due to digitalization, the extensification of managerial work has been realized by broadening managerial responsibilities beyond the spatial and temporal boundaries typical of conventional managerial roles. Thus, middle managers have to adjust to new demands. The present research examines the connection between digital transformation and middle managers through consideration of such aspects as the reasons for resistance, leadership skills, barriers, and adaptation mechanisms of digital transformation.

Literature Review

According to Tekic & Koroteev (2019), digital transformation strategies should vary for different organizations based on their technological readiness, innovation capacity, and strategy orientation. In their study, Mihiu et al. (2023) investigated the forces that drive digital transformation and found that technological advances, competitive pressures, client needs, and innovation capabilities within organizations are the key driving forces for transformation. It was noted by the authors that an effective digital transformation requires good organizational management strategies that combine the use of technology with organizational goals. Dorogaia (2022) further elaborated on digital change management and indicated that companies need systematic approaches for managing transformation processes. Bagrationi and Thurner (2023) researched middle management resistance to digital change. The authors came to the conclusion that resistance is caused by uncertainty concerning new organizational structure and managerial roles. It should be noted that middle managers were defined in the paper not as obstacles to transformation but as active subjects that could help achieve transformation success. The engagement of middle managers and their active participation in digital transformation would help communicate with both leadership and employees. Bozintan et al., (2023) studied middle managers lived experience concerning digital transformation and AI adoption within Romanian organizations. According to the results of research, middle managers face constant pressures of adaptation as have to combine their technological demands with human-centred management. In addition to this, Hassard and Morris (2022) noted that the use of technology has increased the scope of duties that managers must perform by raising the expectations concerning availability, surveillance, and performance management. Although digital means present an opportunity for enhanced coordination, can at the same time add more to the workload of managers as well as bring in work boundary problems.

Digital Leadership and Transformation Success

Salamzadeh et al. (2023) state that digital leadership includes the development of competencies in technology adoption, organizational strategies, business model transformation, and digital platforms. According to Salamzadeh et al., the leaders need to build enabling environments for the development of employees' digital capabilities and active participation in the transformation process. According to Urs et al. (2023), digital transformation is driven by leaders who reduce uncertainty, encourage collaboration, and align technological innovations with organizational goals through communication and commitment. Consequently, good leadership is an important factor. According to Mahboub and Sadok (2024), when implementing digital transformation in Moroccan organizations, human and organizational barriers may become serious obstacles. This implies that employee resistance, absence of appropriate digital skills, and lack of organizational readiness may have a negative impact on the outcomes of transformation. Thus, organizations need to focus on employee training and creating favourable environments for digitalization. Also, according to Dorogaia (2022), digital transformation presupposes successful change management practices, since mere implementation of new technologies is not enough to achieve positive results. Thus, organizations need to overcome behavioural and cultural barriers by developing communication and increasing employee involvement (Bagrationi & Thurner, 2023) (Rafferty et al., 2013).

Research Gap

Three gaps justify the current investigation. Firstly, change readiness literature tends to perceive the workforce as one homogeneous group without considering the unique structural place of middle managers. Secondly, while resistance is commonly explored as an outcome in digital transformation literature, readiness as the most immediate antecedent of resistance identified by OBHRM theories is frequently overlooked. Thirdly, there is little attention to the moderation effect of HR systems in existing frameworks. The present paper addresses all three gaps.

Research Objectives

RO1: To investigate the impact of organizational readiness to change on the resistance of middle managers in digital reorganization. RO2: To determine the factors that affect the readiness and adaptation of middle managers to digital transformation at the organizational, individual, and process levels. RO3: To study the role of leadership, communication, employee involvement, and HR support systems in decreasing the resistance of middle managers to digital change.

Research Questions

RQ1: How does the readiness for change in an organization impact the resistance of middle-level managers during the digital transformation? RQ2: What are the organizational, individual, and process-specific variables that impact middle-level managers' acceptance and adaptability to digital transformation efforts? RQ3: How do leadership support, communications, participatory decision-making, and HR support help in reducing resistance among middle-level managers during digital transformation?

Key Contributions of the Study

(i) First, it advances an integrative theoretical framework that establishes change readiness as the mediating construct connecting organizational/individual/process antecedents and middle manager resistance in the context of digital restructuring, integrating various research streams into one theoretical model that is empirically testable. (ii) Second, it offers empirical results based on a mixed methods analysis of data gathered from 214 middle managers and 18 in-depth interviews from three industry segments, measuring the relative importance of various antecedents (such as leadership support, quality of communication, participation, psychological safety, job insecurity, and role ambiguity) on change readiness. (iii) Third, it uncovers the moderating role of HR support systems and psychological safety on the readiness-resistance relationship, which means formulating specific HR interventions as opposed to general recommendations for change management. (iv) Fourth, it contributes to the digital transformation literature by distinguishing between different types of resistance – active, passive, and sensemaking – and showing how they differ in response to the same antecedents.

This paper is structured as follows. Section 5 discusses the research methodology of the study, involving details on the sample characteristics, tools used, and conceptual framework underlying the data collection and analysis process. Section 6 provides the research findings, including both the descriptive and correlation analysis results, demographic profile of respondents, as well as qualitative themes identified through analysis of interview data and a discussion in terms of the OBHRM literature. Section 7 identifies theoretical and practical implications for HR and organizational management. Section 8 highlights suggestions for further research. Section 9 concludes the paper.

Research Methodology

Research Design and Sample and Data Collection

The research uses a convergent parallel mixed methods approach using the cross-sectional structured survey as well as semi-structured interviews. The survey data was gathered from 214 middle managers (managers having at least one layer above and below them in management hierarchy) from organizations which had undergone digital restructuring processes like ERP integration, Robotic Process Automation, or AI-powered decision support within the last two years. The sample was drawn from manufacturing companies (34%), service providers with IT support (41%), and financial services organizations (25%) through purposive cum snowball sampling approach. Of these, 18 managers, willing to participate further in the study, were interviewed semi-structured interviews for 45 to 60 minutes about their experience of digital restructuring.

Measures

Change readiness was assessed using an adapted five-dimensional Organizational Change Readiness Scale that had been developed using a scale ranging from one to five ($\alpha = 0.89$). Change resistance was assessed across three dimensions: overt resistance, latent resistance, and sensemaking conflict, based on existing measures of resistance to change ($\alpha = 0.84-0.91$).

Conceptual Architecture

Figure 1 outlines the conceptual framework for this research. Organizational, individual, and process-related antecedents are seen as factors that have a joint influence on the formation of change readiness, which further predict middle managers' resistance.

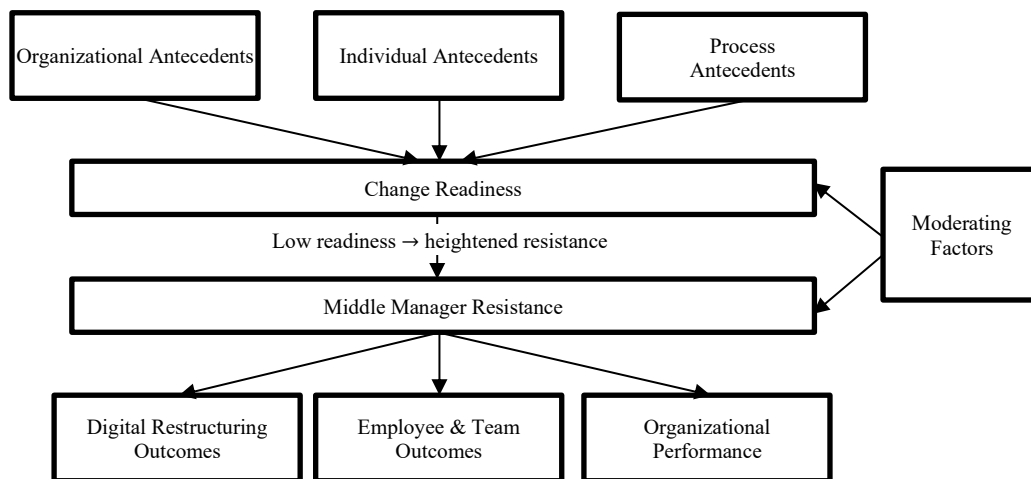


Figure 1. Conceptual architecture linking antecedents, change readiness, middle manager resistance, and organizational outcomes.

Data Analysis

Thematic analysis through open and axial coding was used to analyse the qualitative data from interviews (with inter-rater agreement $\kappa = 0.81$), and the results of both were triangulated.

Results and Discussion

Sample Profile

Table 1 summarizes the demographic and organizational profile of survey respondents. The sample was broadly balanced across gender and tenure bands, with the majority of respondents (61%) having more than eight years of managerial experience, indicating that resistance findings are unlikely to be driven by managerial inexperience alone.

Table 1: Demographic and Organizational Profile of Survey Respondents (N = 214)

Characteristic	Category	Frequency (n)	Percentage (%)
Gender	Male	128	59.8%
Gender	Female	86	40.2%
Managerial Tenure	≤ 3 years	37	17.3%
Managerial Tenure	4–8 years	46	21.5%
Managerial Tenure	> 8 years	131	61.2%
Sector	Manufacturing	73	34.1%
Sector	IT-Enabled Services	88	41.1%
Sector	Financial Services	53	24.8%
Span of Control	1–5 direct reports	62	29.0%
Span of Control	6–10 direct reports	97	45.3%
Span of Control	> 10 direct reports	55	25.7%

Correlates of Change Readiness

Figure 2 presents Pearson correlations between the study's key antecedents and middle manager change readiness. Leadership support ($r = +0.58$, $p < .001$) and communication quality ($r = +0.51$, $p < .001$) emerged as the strongest positive correlates, followed by psychological safety ($r = +0.49$, $p < .001$) and participation in decision-making ($r = +0.46$, $p < .001$).

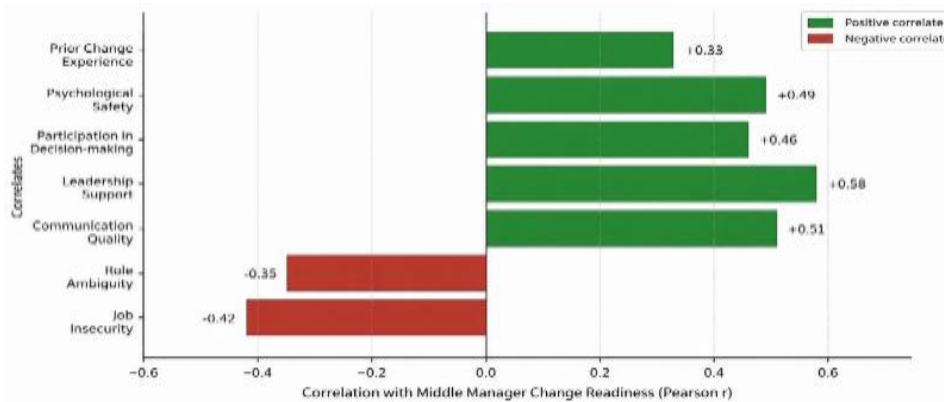


Figure 2: Correlation among the Changes

Change Readiness and Resistance

Results from hierarchical regression analysis showed that change readiness was found to be a significant negative predictor of overt resistance ($\beta = -0.47$, $p < .001$), passive non-compliance ($\beta = -0.39$, $p < .001$), and sensemaking conflict ($\beta = -0.31$, $p < .01$), accounting for 34%, 27%, and 18% of variance in each of these forms of resistance, respectively (ΔR^2 over control variables). The moderator variable for HR support systems was found to be significant in case of overt resistance ($\beta = -0.22$, $p < .01$) and passive non-compliance ($\beta = -0.19$, $p < .05$); however, its effect on sensemaking conflict was weak and insignificant – this result corroborates the discussion of the qualitative finding below, which shows that sensemaking-based resistance is based on strategic differences rather than lack of support.

Qualitative Themes

Thematic coding of the interviews yielded three recurring themes. "Loss of informational power" referred to managers' perception that digital dashboards and direct reporting analytics circumvented their intermediary status as gatekeepers, resulting in status threat regardless of the perceived job insecurity.

Discussion

This study contributes to the OBHRM field in three aspects. First, the findings provide empirical validation for the previous claim made by that the tendency of middle managers to resist change via technology is not an idiosyncratic factor of individual personalities but instead is determined by certain psychological and organizational antecedents. Second, through the decomposition of resistance into overt, passive, and sensemaking dimensions, the findings prove the efficacy of HR initiatives based on creating support systems against behavioral resistance but not sensemaking conflict that requires actual involvement of middle managers in change process design, thus confirming the claims made within the sensemaking theory.

Theoretical and Practical Implications

This study theoretically adds to OBHRM literature in proving that change readiness is an effective mediating process especially for middle management stakeholders and in identifying types of resistance that react differently to organizational interventions. In doing so, it moves away from the simplistic dichotomous view of resistance being either present or absent and lends support to multidimensional approaches to resistance. This research implies some specific human resource management practices. Organizational leaders intending to undergo digital transformation should (a) include middle managers in the process of designing changes as a way of addressing the sensemaking-conflict mediating process; (b) develop open and two-way communication channels that reduce role ambiguity; (c) offer career transition assistance as a way of addressing job-insecurity induced resistance; and (d) foster psychological safety through behaviors exhibited by organizational leaders who accept dissent.

Conclusion

Digital restructuring positions middle managers in an inherently ambivalent structural role as both objects and vectors of change, thus making change readiness a key but neglected OBHRM construct in the past. This study constructed and empirically examined a conceptual framework of the relationships between organizational, personal, and process factors and change readiness, which in turn impacts different types of middle manager resistance during digital restructuring. The results demonstrate that leadership support, effective communication, participation, and psychological safety are the most powerful enablers of change readiness, whereas job insecurity and role ambiguity are the most potent catalysts of resistance, and HR support systems significantly mitigate behavioral but not sensemaking-driven resistance. In the present research, the effect of change readiness on the middle managers' resistance to digital restructuring was analyzed. With the help of the mixed methodology involving 214 middle managers who work in manufacturing companies, IT-enabled services, and financial services organizations and 18 semi-structured interviews, it was shown that people and organization factors have a significant impact on the digital transformation success. 2 According to the findings, leadership support ($r = +0.58$, $p < .001$), communication ($r = +0.51$, $p < .001$), psychological safety ($r = +0.49$, $p < .001$), and participative decision-making ($r = +0.46$, $p < .001$) were important positive predictors of the readiness. On the other hand, job insecurity ($r = -0.42$, $p < .001$) and role ambiguity ($r = -0.35$, $p < .001$) were found to have negative influence on the readiness. 2 In turn, regression analysis proved that change readiness is able to decrease overt resistance ($\beta = -0.47$, $p < .001$), passive noncompliance ($\beta = -0.39$, $p < .001$), and sensemaking conflict ($\beta = -0.31$, $p < .01$).

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