

BEYOND TECHNOLOGY: BEHAVIOUR AND LEADERSHIP CHALLENGES IN DIGITAL BUSINESS TRANSFORMATION

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ABSTRACT

Digital Transformation (DT) has become a major focus with the rapid advancement of digital technologies. However, achieving successful digital business transformation (DBT) goes beyond simply implementing new technologies; it requires a strong emphasis on the organisational dynamics and the behaviours of leaders and staff. This paper shares findings from a focus group of nine experts who work as the Enterprise Transformation (ET) team within various organisations. The aim was to explore their lived experiences regarding organisational behaviour and workplace politics exhibited during DBT, as well as the challenges these behaviours pose to managers. Participants highlighted that disruptive transformations often lead to negative organisational behaviours to sabotage the efforts of the ET team, noting the paradox that high-performing employees are often the most resistant to change. They also observed that the organisation fails to recognise and celebrate the success of the transformation. The experts suggested alternative strategies for successful transformation, arguing that traditional change management approaches—designed to reduce disruption—are not suited to DBT. Furthermore, they recommended starting the transformation with a small, isolated team or department and gradually expanding once success is achieved. A key insight was that executive leaders must be fully committed to the change and adopt a ‘chaos management’ approach, which differs from conventional change management practices. Key propositions are suggested, emphasising that successful digital transformation hinges on addressing aspects of organisational dynamics - leadership, culture, communication, and processes - to navigate the complexities of disruptive digital transformation.

KEYWORDS

Digital Business Transformation, Organisational Behaviour, Organisational Politics, Change Management, Change Leadership, Chaos Management

1. INTRODUCTION

Over the past decade, the rate of change in the technology sector has accelerated rapidly, reshaping industries, organisations, and almost every aspect of daily life. Businesses must not only integrate digital technology across all areas of their operations but also enhance their business models, processes, activities, customer experiences, capabilities, and opportunities (Evans et al., 2022; Zeelie & Evans, 2021). Such a holistic approach is essential for fundamentally transforming how businesses operate, create value, and interact with customers, employees, and partners. Most organisations face significant disruption, and they need to understand the effects that digital technologies will have on their business, the industries they operate in, and the people they engage with (Lardi, 2023; Ridwansyah et al., 2023). Organisations that successfully navigate this transformation are often referred to as ‘Enterprise 4.0 organisations’ (Moreira et al., 2018; Upadrista, 2021).

A common misconception is that digital transformation is solely about technology. However, technology is only one piece of the puzzle that organisations must address (Vial, 2019). DBT entails a deep transformation of an organisation’s culture, operations, and ecosystem, where business is conducted through technology, processes, and people (Lardi, 2022; Thomas, 2019). Successful organisations in digital business transformation (DBT) strategies have prioritised people (Lardi, 2023; Matricano et al., 2022). A significant challenge is shifting employee behaviour from the traditional, top-down approach to technology acceptance, towards motivating employees to voluntarily and actively engage in the digital transformation process (Solberg et al., 2020). Ignoring the human element can doom digital transformation efforts to failure (Alieva & Powell, 2023).

This paper focuses on the people aspect of digital transformation, specifically investigating the negative organisational behaviours and office politics that arise during times of disruptive change. It aims to provide insights on how organisations can approach transformation in a way that motivates employees to participate and supports leaders throughout the process.

2. LITERATURE REVIEW

2.1 Digital Business Transformation

Digital transformation takes place in a business world characterised by uncertainty and constant change (Utesheva et al., 2016; Wessel et al., 2020). Organisations must adapt quickly to unpredictable changes and organisational agility is considered as one of the main objectives of any organisation (Moreira et al., 2018). There is no universally accepted definition of digital transformation. An organisation that has redesigned its products, services, staff roles and technology platform to provide a real-time, straight-through, self-service, ‘any stakeholder anywhere’ and ‘any channel anywhere’, fully automated and integrated ecosystem is referred to as an ‘Enterprise 4.0 organisation’ (Zeelie & Evans, 2021).

Digital transformation can be described from a *technology perspective*, e.g., as the integration of digital technologies into business processes to create fully digitised businesses. Several authors have defined digital transformation as the development and adoption of digital technology such as artificial intelligence (AI), big data, Internet of Things (IoT), robotics, and cloud computing (Kane, 2019; Lardi, 2023). Apart from the technology perspective, some

authors view digital transformation from a *business perspective*, namely a company-wide change that leads to the development of new business models. Digital Transformation is often marketed as a way of converting business processes into a digital format, resulting in bigger cost savings, and better and faster results (Ridwansyah et al., 2023). A third perspective of DBT is the *people perspective*, where some authors (Chevallard, 2023; Meske & Junglas, 2021; Moretti, 2020) refer to DBT as causing changes to the business that require a fundamental reshaping of people's behaviour.

DBT requires strong leadership. The Chief Executive Officer (CEO) must be fully committed to the transformation. If the CEO is not fully committed and cannot convince the executive and the board to support the transformation program, the organisation's chances of success are very low. The CEO must be prepared to lead the change, even at personal cost and personal risk to themselves. Digital transformation requires leadership from the top, involving the board early, as an initially small project becomes an enterprise-wide project (Evans et al., 2022).

DBT is a holistic concept that considers technological, organisational, human resource, and strategic changes. DBT results in major changes to processes, activities, competencies, and models, through the opportunities offered by disruptive digital technologies. Organisational dynamics and digital transformation are closely interconnected and the need for a holistic view and 'comprehensive approach' to digital transformation is stressed by numerous authors (e.g., Evans et al, 2022; Kane et al, 2015; Henriette et al., 2015; Matt et al., 2015; Terrar, 2015).

2.2 What is Expected of Employees during DBT

Employees need to acquire new skills to leverage digital tools and technologies effectively and adapt to the new business environment. Competencies relate to qualities of a person that enable the achievement of tasks (Le Deist & Winterton, 2005). In the context of digital transformation, improving employees' competence is especially important, as digital transformation drives change and creates challenges regarding new technologies, new processes, and new employee mindsets (Sun, 2021). A mindset is "a way of thinking that shapes how we perceive, feel and act" (Neeley & Leonardi, 2022, p. 51). Mindset therefore refers to a particular way of thinking, a set of beliefs, attitudes, and perspectives that shape how we interpret and respond to the world around us.

A *digital mindset* is described as a "set of attitudes and behaviours that enable people and organisations to see how data, algorithms, and AI open up new possibilities and to chart a path for success in a business landscape increasingly dominated by data-intensive and intelligent technologies" (Neeley & Leonardi 2022, p. 51). Hildebrandt and Beimborn (2022) conducted extensive research and refer to the required digital mindset as inclusive of "cognitive processes, cognitive filters and core beliefs" (Hildebrandt and Beimborn, 2022 p. 1). Alamede Franca (2023) says that "unlike a formal role, function, position or specific profession, a mindset is something that anyone can seek to develop in themselves" through "consistent, repetitive practice". Given that DBT requires a cultural change, the mindset of managers and employees must change to help create nimble and business-driven organisations that can continuously transform themselves to obtain better business results.

2.3 Behavioural and Political Aspects of DBT

Although technology is an enabler and a driver to business innovation, it is not the biggest and most crucial element of digital transformation (Lardi, 2023). Technology is only useful to transform a business if the managers and employees are willing to play an active role in the transformation journey (Benavides et al. 2021; Meske & Junglas, 2021; Prentice, 2022; Scholkmann, 2021). Digital transformation is really about behaviour and organisational politics (Chevallard, 2023; Li et al., 2021; Metallo et al., 2021; Moretti, 2020), i.e., how people deal with change and whether they choose to collaborate (Koor & Associates, 2023).

It’s essential to understand the reasons why organisational politics occurs in the workplace. In essence it is an unequal playing field where some individuals have more authority and power than others. Furthermore, some people are naturally more politically savvy than others and they are not afraid to use these skills to their advantage as a means of getting ahead of others. Competition for scarce resources is often at the heart of office politics. Whether it’s time, budget, or supplies, this competition makes corporate politics inevitable.

People tend to rely on general beliefs when they make judgments and act in specific situations (Solberg et al., 2020). Employees’ beliefs – i.e., their “digital mindsets” - are therefore likely to influence their engagement in, or withdrawal from, their company’s digital transformation initiatives. People have a natural tendency to prefer what is well-known and familiar rather than accept the unknown. DBT will not succeed if people are tied to their old ways; active participation and collaboration require them to focus on the future direction of the business and to be rewarded for their efforts (Moretti, 2020; Solberg et al., 2020; Stonehouse & Konina, 2019). Skills and knowledge are not sufficient to address the significant challenges that complex digital transformation brings. A paradigm shift is required in the mindset (i.e. ways of thinking) of the ‘Enterprise 4.0 employee’. Transformation teams often do not consider the most important element of the final implementation, namely the human factor (Lardi, 2023). The typical resistant and negative political behaviours during times of change found in literature have been categorised by the author, as indicated in Table 1:

Table 1. Organisational behaviours during change

Behaviour
<p>Treating colleagues unfairly Attack or blame others; Malicious gossip; Unfair criticism; Spread information that damages their reputation; Exploit weaknesses of others; Workplace bullying; Withhold information; Exclude and isolate colleagues; Deception; Make false allegations; Manipulate others; Block other employees’ ideas; Refuse to allow anyone else to undertake a role.</p> <p>Power play Use information as a political tool; Control information channels; Maintain alliances with powerful and influential people to create obligations; Use external consultants to support views; Knowledge hiding; Self-promotion; Form factions that commit to winning at any cost.</p> <p>Sabotaging the DBT Allow failures to occur; Low interest in the transformation; Spread rumours; Resist learning); Manipulation and sabotage; Block or slow down progress.</p>
Literature
Bloomberg, 2016; Chevallard, 2023; Denning, 2023; Jarrett, 2017; Koor & Associates, 2023; Magnusson et al., 2022; Matricano et al., 2022; McConnell, 2017; Meske & Junglas, 2021; Metallo et al., 2021; Mete & Eysel, 2020; Prentice, 2022; Roberts, 2022; Scholkmann, 2021; Solberg et al., 2020; Tiefenbeck, 2017; Tiersky, 2022; Trittin-Ulbrich et al., 2021; Visser, 2022; Wade & Obwegeser, 2019; Weber et al., 2022.

3. METHODOLOGY

3.1 Focus Group

Focus groups are a widely used method for collecting qualitative data. A focus group is a special type of group interview that is structured and organised to gather detailed valuable opinions, experiences, and knowledge from selected participants about a particular topic (Morgan 1996). Focus groups facilitate in-depth exploration of specific themes by engaging participants who possess similar qualities. The data collected from a focus group therefore reveal more information than one-to-one interviews, which enables the researcher to understand the issues in greater depth. This method promotes contact and collaborative reflection amongst its participants and enhances understanding of research issues from the viewpoint of the intended audience (Krueger 2014). A focus group session does not require a prescribed number of participants. In this exploratory research, we conducted a focus group session with a team of nine Enterprise Transformation (ET) experts, as indicated in Table 2:

Table 2. Focus group participants

Participant	Relevant experience	Number of DBTs	Industry and size of organisations (Large, Medium, or Small)	Leadership experience (years)
P1	40 years in IT, Business Analyst (BA), developer, CIO, COO, DBT expert, Enterprise Architect	5	Financial, Government, Defense, Health, Mining (L, M, S)	35
P2	30 years in IT, project manager, developer, BA	2	Financial, Government, Manufacturing, Health, Mining (L, M, S)	25
P3	30 years in IT project manager, developer, HR, BA	2	Financial, Government, Manufacturing, Health, Mining (L, M, S)	25
P4	Data specialist, AI, BA	1	Financial, Gaming and Hospitality (L)	10
P5	BA, SME (Super/insurance)	2	Financial (L)	-
P6	BA	2	Financial (L)	-
P7	Financial industry expert, BA, PM	1	Financial (L)	-
P8	BA, Data Scientist	2	Financial (L)	-
P9	40 years in IT, BA, database expert	2	Financial, Government, Mining, Health (L, M, S)	35+

Qualitative research is suitable for this study as it allows for an in-depth understanding of the participants' experiences, perceptions, and attitudes toward the human behaviours they observe during the digital transformation of a business. The focus group aimed to foster active discussion and critical reflection among participants, rather than solely seeking answers. The focus group approach allowed participants to share their experience and build on one another's views and comments. Our objective was to gather data about i) the behaviours observed during

digital transformation, ii) the impact of the behaviour on the transformation and iii) ways to support the transformation. The discussion was based on a script that was prepared by the researcher. The researcher acted as a facilitator and used questioning and summarising techniques to stimulate discussions, seek clarification, and prompt participants to share actual experiences. The session lasted 90 minutes, was audio-recorded, and transcribed for analysis.

3.2 Analysis of the Data

For this research, it was important to focus on finding, analysing, and reporting the main themes that were found in the information gathered from the focus group. Topic and analytic coding guided the effort to draw insights from the data. During the thematic analysis, we adhered to the six-step methodology outlined by Braun and Clarke (2006): becoming acquainted with the data, formulating codes, generating themes, reviewing themes, defining, and labelling themes, and finally, creating the report (Braun and Clarke 2006). Reading and re-reading the transcripts and listening to the recordings was conducted to gain a thorough understanding of the content. The data was systematically coded using NVivo software. Codes were assigned to meaningful units of text that capture specific ideas or themes related to the research questions. Similar codes were grouped together to form overarching themes. The identified themes were reviewed and refined to ensure they accurately represent the data. The transcript of the focus group discussion was coded with pseudonyms, and any identifying information was removed.

3.3 Ethical Considerations

During this research attention was paid to the consideration of the confidentiality of sensitive corporate information. The ethical aspects of the research have been approved by the Human Research Ethics Committee (HREC) of the University of South Australia as required by the Australian government research requirements, specified in the National Statement on Ethical Conduct in Human Research (2007 - updated 2018). Prior to conducting the focus group, consent was sought, confidentiality agreements were signed, security provisions were undertaken. Participants understood that their involvement in the study was entirely voluntary and that they can withdraw from the research project at any stage without consequence to their career or personal status. Names of individuals and organisations remain unidentified.

4. FINDINGS

4.1 What is DBT?

The focus group participants describe DBT as enterprise-wide transformation of a business to the digital economy in 4.0 architecture, where a digital platform runs the enterprise with digital experience the measure.

The platform is the hero. People support the platform.... (P3)

The products, services, staff roles and technology platform are redesigned to be 'outside-in'. This means a platform first design to provide a compelling real-time,

straight-through, self-service, personalised stakeholder experience, for any stakeholder anywhere, and any channel anytime, in a fully automated and integrated ecosystem. This shift leads to an interesting change in the organisational behaviour and politics displayed by people during a digital business transformation, as discussed in the next section.

4.2 Unique Behaviours during DBT

During a DBT employees often exhibit the same resistance to change as in less radical incremental change situations (Cheng et al., 2024). According to the focus group participants the drivers of these behaviours include stress and job security concerns, organisational inertia, organisational politics, leadership and communication issues, organisational culture, lack of employee involvement and empowerment, power dynamics and political behaviours, as indicated in Table 3:

Table 3. Drivers of behaviours during change

DRIVERS OF BEHAVIOURS	SUPPORTING QUOTES
Not willing to self-serve	<i>This is because they think we are there to do it for them. (P9)</i>
Feel powerful in their current role	<i>They can say they have 600 people reporting to them, whereas in the new world they don't have a role. (P3)</i>
Anchored to their original position	<i>This is my department, it's perfect what you're criticizing. (P1)</i>
Can't see their future in the organisation	<i>They think they're going to fail, or they are just comfortable where they are. (P3)</i>

In addition to the expected resistance to change, the ET team encountered various unique negative behaviours during business transformation, often aimed at the ET team. These behaviours are summarised in Table 4:

Table 4. DBT behaviours

BEHAVIOUR	SUPPORTING QUOTES
Resisting the ET team and sabotaging the transformation	
Nasty behaviour	<i>The good people go from being nice people to being mean to ugly towards us. (P1)</i>
Disrespect the ET team	<i>They don't acknowledge the skills that the ET team bring and depth of our knowledge. (P2)</i>
Treat ET as outsiders, 'us and them'	<i>We're sitting on the wrong side of the fence (P7)</i>
Start positively and then they start to complain	<i>They complain because that is how they are rewarded and recognised. After 12 months they have their own list of 12 things they don't like about you. (P6)</i>
Passive aggressive behaviour	<i>I'm trying to be helpful with the transformation; I appear to be helpful; I say I'm helpful; but in reality, I'm not helpful. (P1)</i>
Block progress	<i>They don't cooperate because they are either scared and under-skilled, or scared and skilled. (P4)</i>
Merely comply with regulations	<i>The way the data is handled meets the criteria of the regulator, not of the organisation or common sense. (P4)</i>

Sabotage by taking a long time to respond or ignoring requests	<i>They just ignore you. (P5)</i>
Gatekeeping	<i>They overcomplicate things and point you in 20 different directions. (P6)</i>
Regard the ET team as temporary and their other leaders as long-term people	<i>They feel disloyal to their manager when they talk to the ET team. (P2)</i>
Success equals silence	
Act in an exclusionary way	<i>They recognise only themselves and don't celebrate our success. (P3)</i>
Success is not acknowledged and celebrated	<i>The more successful we are, the worse the cultural issues we face. I pulled off what was nothing short of a miracle and they said that's how we planned it, why would we celebrate it? (P4)</i>
Don't want the ET team to succeed	<i>They need you to fail to let you know 'see I told you this enterprise transformation rubbish won't work'. (P3)</i>

The behaviours during DBT are therefore the same as during incremental change, except for the two exceptions:

4.2.1 The Best Employees Display the Most Resistance

The focus group participants indicated that behaviours change during the digital transformation:

You may have great leaders and employees on board, they're productive, they're working with you. Then you introduce digital transformation, and those very best people suddenly turn on you. (P1)

The strongest employees display the most resistance to change, as they are invested in their jobs and therefore willing to fight to maintain the status quo. P1 commented:

If someone is at the top of their game [...], they're kicking goals and meeting targets, they are going to fight very hard if someone comes in and says all of that's now in the bin because we're going to put in a new platform. The more a mother loves her cubs the harder she fights for them.

You have individuals who are used to using old legacy systems and being heroes in delivering results for you. Their bonuses, self-worth and recognition rely on them being able to pull data out [...] and merge the data and that legacy system and get some sort of result from it. I'm designing a different system that is 100% digital that never fails, it's always up 24/7 customer direct, and works.

So, if you ask me about culture, we are facing it all the time and we get hit with it – people go from being nice people to being mean to ugly. Some of the nicest most polite people in organisations who have been softly spoken are the people who are not used to conflict and so when this [ET] team comes in, they go from being sweet to gremlins.

When allocating people to the transformation initiative, P1 commented:

So, please do not give me your top performance. I want people who are disenfranchised, I want people who have a different mindset and think differently. Now, that's not your middle management, that's not your top performers; it's not your executives.

4.2.2 Silence Equals Success

The experts refer to their implementation of a digital platform, i.e., the software and technology used to streamline business operations and IT systems. Although the platform serves as the organisation's backbone for operations and customer engagement, executives and employees do not recognise the success of the ET team. Even executives that are getting pay raises and bonuses based on the current work, refuse to recognise that it's the digital platform that led to the success:

We have found that success translates to silence. There are no flowers, no congratulations, no cake for us. (P3)

The leader (P1) commented:

When <team member> first joined us, she did the amazing job, and the business was 100% silent and <team member> was in tears. She asked, 'what have I done wrong'? So, [...] when you're successful they just sit and then for days there's this deadly silence. Then I have to go to the CEO and say, excuse me, that was a very successful implementation and we've heard [nothing]. Then he goes, ohhhhh! and then suddenly we get people sending around congratulatory emails. But we had to ask.

However, the business teams celebrate their own success. They recognise themselves:

If the business over the weekend goes to an Expo and chats to people at the Expo, there are WhatsApp messages and emails about how fantastic and how great it was. I mean, not a success in sight, but just thank you so much for turning up and for the great spirit. (P1)

On the other hand, DBT is still a foreign concept:

So even when it is we're successful, they just look at us and go, 'what happened'? (P2)

P2 added:

I don't need a pat on the back, but I do resent the not calling success out, because it has been a team effort. I don't like not being part of a team that contributed to success. Sometimes they thank you for logging on for 15 minutes at 1am at night, but we all come into it as part of the team and sometimes only one portion of the team is celebrated.

The better the ET team does at the transformation, the worse the behaviour becomes and the worse the cultural issues they face. P1 gave a reason for the silence when they succeed:

They don't want us to succeed because they are still anchored to their original position, which is 'this is my department, it's perfect what you're criticising'. They need you to fail to let you know, 'see I told you it will never work, and we need to go back to doing it our way'.

4.3 Change Management is not a Suitable Approach for DBT

The approach taken to transform an organisation influences the resulting behaviours. In times of change, organisations usually revert to familiar change management approaches, but P1 says they find a greater intensity with transformation and if the organisation doesn't turn the traditional change management principles on its head it won't work. She refers to traditional change management as 'horse and cart type leadership' aimed at getting people on board:

They set up incentives, communication forums, HR is involved, Marketing is involved, there's bonuses and incentives to help people understand and get them on board. This is traditional

change management where you're going from the old situation to the new situation. In doing this, you can predict how employees will behave. Good employees will get on board and your average employees will be middle of the road. Employees will usually go along.

Transformation is different from mere change or continuous improvement; it requires 'change leadership'. Continuous improvement means that the organisation does the same thing, just better. Transformation is about doing something completely different. The experts indicated that the observed destructive behaviours manifest because leaders try to apply traditional leadership approaches, old-fashioned change management, continuous process improvement:

A digital transformation is a hop, skip and... a jump. A hop and a skip equate continuous process improvement. Digital transformation needs a jump. All the leadership styles and change management principles that work for a hop and a skip have the opposite effect in a jump. (P1)

The experts emphasised that they are not saying that change management is bad, but that it is simply the wrong technique for digital transformation.

Managing a transformation is not like the traditional unfreeze, freeze change management, where everyone waits until it is frozen to take ownership. The Chief Transformation Officer is the new CEO. This is the new world. There is no handover. You can come on board, but there is no handover. (P6)

Instead of change management, organisations need 'chaos management', i.e., a catalyst for change and innovation in organisations.

4.4 What is required for Successful Transformation?

Certain approaches will mitigate the unique DBT behaviours, namely that the best employees display the most resistance and silence equals success. A successful transformation requires:

4.4.1 DBT Requires 'Outside-In' Thinking

DBT requires rethinking the business model. DBT Programs do not want to understand what the current processes or systems look like or what people are currently doing. They're starting with the new and working back to see what must be changed in the old.

The participants indicated that DBT is different from anything the company has experienced before. Digitally transforming enterprises means that they're moving an organisation that consists of people, processes, and lots of systems to an 'Enterprise 4.0 organisation' where the platform contains the systems and the processes. The platform is what delivers the company's value or services. P1 explained:

An example would be Uber, right. So, Uber is a platform that deliver services. You only need the Uber app and a credit card loaded, but there's no contact center, there's no manual process. It's a digital service delivered via digital means, so a platform with people underneath.

DBT requires 'outside-in thinking'. This means that the transformation starts with a vision of the destination: the new digital platform, the new processes, new job roles and titles, new ways of leadership, etc. This approach is different from continuous process improvement. P1 commented that "if you try to do digital transformation using 'inside-out' thinking, or

continuous process improvement, you will fail”. It is difficult for people to accept that their old way of working is not relevant anymore:

It's like saying to 'horse and cart operators' that we now need 'drone operators. We don't want to know about your processes, your delivery routes, how you take and fulfill orders, provide a service. How you do that today is not significant at all in the future. We're going to define a new world and figure out how to run it in a way that you haven't even thought of. We're not going to ask your permission or even get you involved. You're going to run the old world until we switch it off. For good people, for staff that are really bought in and switched on, this is a very hard message. (P1)

While ‘inside-out / top-down thinking’ refers to the organisation being supported by people, processes, and systems (e.g. Customer Relationship Management (CRM) and Enterprise resource Planning (ERP) systems), ‘outside-in thinking considers the digital platform and ecosystem (processes and systems), stakeholders, data, personalised and digital experience, digital first, business rules, digital products, and digitally enabled people.

4.4.2 People’s Jobs Will Change

People have a natural tendency to prefer what is well-known and familiar rather than to accept the unknown. DBT will not succeed if people are tied to their old ways; active participation and collaboration require people to be focused on the future direction of the business and to be rewarded for their efforts. According to P2 DBT will result in *new roles – new titles – new rewards – new thinking....* (P2) and P1 added that *organisations and leaders that understand what facilitates employee engagement will be more successful with their digital transformation.*

4.4.3 Start Small and Create New Organisational Areas

The transformation must be executed by ‘a small steering committee, and you can bring in external consultants, university, whatever to drive the transformation and the organisation must have a problem, that you can solve through the transformation’. The experts also suggest that the first part of a transformation should be done on a part of the business that is not core business or that is not performing particularly well. A section of the employees is then invited to apply for the different roles required to create this digital part of the business, to the point where people can see the value.

We say we're leaving you a hundred percent alone, we're starting a new little piece over here, just this part of the business. Please just ignore it, carry on, you're doing a phenomenally good job. We'll get to you at some later date. So, people don't feel threatened; they don't think it's their flagship; they don't feel that they need to even be involved in this, and so we can get the platform up and start kicking goals. For example, we had a 200% turnaround in a \$0 area that the company didn't care about at all. Suddenly everybody's fighting to own it because it's now a very profitable part of the business. (P1)

4.4.4 Bring the Others Along Slowly

Once they see the value, the others can start moving across; one cannot take everyone on the journey from the start:

The only way to make it stick would be if you start a new organisation that can transition people across to it and the old organisation either carries on by itself. However, it either needs to be sold or shut down, i.e. not everything and everybody coming across. (P1)

The transformation team cannot do the transformation without somebody from the existing organisation.

And this is where we say choose wisely. Choose carefully. I don't want your best, I don't want your brightest, I don't want your heroes, I don't want your middle management. I want the people who know the business rules. And then I don't want them to be seconded to me. I want you to start a new organisation within your organisation. And they need to apply for a new job, new title, new CV, new pay, it's a new job.

Transformation requires a jump into the future, which means leaving everything behind. Some people are not prepared to do that. They believe they are an expert at the old, and they like the old. They choose to stay with the current way of doing things and run the risk of not having a job 5 or 6 years down the track.

Some people might say they like being an expert in the old world, not a stupid in the new world, so they go back to the old world. On the other hand, I had a 68-year-old say, please train me up, I'm ready to go. People do - or they don't - want to transform. You must slowly bring over people from your existing organisation into the new organisation that you've created within your organisation.

Others take the jump, they jump, they go hop, skip ... jump.

4.4.5 Leadership Commitment

For an organisation to bring in a transformation team and to run a transformation, an enterprise-wide digital transformation, you need a CEO who leads the initiative, and sets the vision and strategy. You also need executives who support the CEO initiative, who are not tasked with managing the existing business and not limited to any department, area, or existing issue. Furthermore, there must be a steering committee to drive the direction, provide guidance and oversight, make key decisions, and monitor progress. The CEO must be a visionary and 100% committed to the transformation.

What you need is a good manager in the position of the CEO who can manage the executives, the middle managers. Not someone who says, 'here is my vision and now I'm flying to Texas for a conference, and I expect the leadership team to continue and get everyone on board'. When they get back everyone is lip-servicing [...]. They should manage the managers, to get buy-in and set incentives up so everyone is incentivised financially, etc.

Referring to experience, P1 commented that, when she looks back, she realises that the transformation depends on the style and strength of leadership of each organisation:

If the CEO incentivises people by giving them a bonus based on the percentage of effort their team puts into using the new system instead of the old system, you will find that old systems will be disbanded, people will stop using them.

In many organisations the CEO is outside looking, representing the face of the business. The CEO needs to build the vision, but someone needs to build the castle.

The architect is not the builder. It can never be the same person.

A supportive message from the executive leader about the role of the ET team is important, yet P4 commented that they do a terrible job of selling it. P8 commented that one manager 'effectively congratulated his team on surviving ET and making it out on the other side'.

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The CEO said [the ET team leader] will join the company for a few years, she'll be disruptive and then she'll go away. I'm putting the fox in the henhouse and then we'll go back to being chickens, we'll settle back down. And people thought, okay, how do we make the fox go away faster? He should rather have said we're going to do something fundamentally different that's going to disrupt your world and it will stay disrupted, because the model will be 100% different. He did not say that, probably because a key KPI of a CEO is to keep employees happy. He is measured on feedback from employees, and that's wrong. (P1)

Instead, managers should change their way of thinking and credit the new way of working. The CEO should say that they're bringing in the experts who were picked by hand because they know their subject matter and that they are here to help the organisation, not stand in its way. (P4)

A change management approach is causing digital transformation to fail. People's jobs, their future, their pay, their bonus, their SLAs depend on them not joining the enterprise transformation, not taking the journey (P2). Leaders should give people room to experiment, learn and fail (P7). Organisations should therefore not keep incentivising and rewarding people for their current job. They should be rewarded for supporting the transformation:

As soon as someone sees the new world, they cannot unsee it; they can no longer stay in the old world. (P1)

5. DISCUSSION AND CONCLUSIONS

Digital business transformation integrates digital technology into all areas of a business, thereby fundamentally changing how the business operates and delivers value to customers. However, merely implementing new technologies does not constitute digital business transformation. It also requires a cultural change, which means that organisations continually challenge the status quo, experiment, and bring radical changes. For most organisations, the ability to adapt quickly to supply chain disruptions, time to market pressures, and rapidly changing customer expectations, has become critical for survival. A digitally transformed organisation is referred to as an Enterprise 4.0 organisation.

Digital transformation is different from anything a company has experienced before. The most successful transformation starts with such a shift at the employee, leadership, and organisation levels, thereby allowing the company to be more agile, risk-tolerant, experimental, and collaborative (Evans et al., 2022). Employees will therefore need different competencies, especially a different mindset, to be successful in this environment. Companies that start a digital transformation with a focus on technology are often disappointed; their investments and efforts don't have the intended impact (Kane, 2019). Organisations and leaders that understand what facilitates employee engagement will be more successful with their DBT (Solberg et al., 2020; Matricano et al., 2023; Tiefenbeck, 2017). Change and innovation is often greeted with fear or mistrust (Benavides et al., 2021; Prentice, 2022), which results in negative political behaviours that maximise self-interest and conflict with the goals and interests of others. Understanding the change in employee attitudes and the way in which DBT is managed is an important field of research (Matricano, 2023; Stonehouse & Konina, 2019).

A successful transformation requires 'outside-in thinking'. The focus group participants explained that the ET team do not want to understand what the current processes or systems look like or what people are currently doing. They're starting with the new and working back

to see what must be changed in the old (P1). The research participants aim to move employees' mindset from *You don't understand, we've been doing it this way for years and we cannot do it differently* towards *What must we do to transform, what are the risks, and can we live with them?* The research participants posit that DBT is not just a 'hop and a skip', but it requires a jump into the future, which means leaving everything behind.

The most effective way to get people's support for the transformation is by starting small with an area of the business that has a low turnover and is not a flagship area. Then, build the platform out slowly in iterative releases, showing success, until eventually most of the company has been transformed. Some of the good employees can be asked to transition across and manage the new environment. It takes a strong leader to manage a company that focuses on today and tomorrow at the same time whilst keeping these parts separate and then motivate enough people to transition across to the new ways of working (P1). Literature refers to this ability as organisational ambidexterity (O'Reilly & Tushman, 2013).

Leadership alignment and employee buy-in and commitment plays a critical role in the transformation journey (Lardi, 2023; Stonehouse & Konina, 2019). Leaders must assess their own fundamental beliefs about the changes, i.e., their 'digital mindset' (Solberg et al., 2020) and carefully consider the explicit and implicit messages they convey to employees (Larjovuori et al., 2018). To enable this, Kotter (2014) and Reynolds (2018) posit that 'change leadership' is required, which is significantly different from change management as it does not aim to contain and manage the effects of change, but is consciously disruptive, constantly challenging the status quo and looking for innovation opportunities. The research participants refer to such a change leadership approach as 'agile chaos management'.

From the research we suggest three propositions:

Proposition 1: A successful DBT goes beyond technology implementation and requires a focus on the behaviours of leaders and employees. The behaviours during DBT are similar to those exhibited during incremental change, with two additional and unique behaviours:

- 1) The best employees display the most resistance.
- 2) Silence equals success.

Proposition 2: Employees need to acquire new skills to leverage digital tools and technologies effectively. Addressing concerns about job displacement or changes in job roles is essential to maintain motivation to change, innovate and learn continuously.

Proposition 3: Executive leaders must fully commit to the transformation; else it will fail. Traditional change management approaches to contain the impact of change are unsuitable for DBT; it requires change leadership or chaos management, where leaders actively instigate change. It requires a hop, skip ... and jump.

In summary, all companies, leaders, and employees can learn to thrive in a digital transformation if they approach it in the right way. As Solberg et al. (2020) laments: 'If only digital transformation had been named more completely; if only it had been branded the digital transformation of people!'

6. LIMITATIONS AND FUTURE RESEARCH

This paper has limitations. This paper is limited in its generalisability, as only one focus group session was conducted with a group of ET experts to explore the concept of DBT and gain insights into the need for employees with a transformed mindset. However, we believe that the data captures the perspectives of an experienced team of experts who have each been responsible for various digital business transformations.

In future research, the Enterprise 4.0 mindset, as suggested in this paper needs to be further explored among different industry sectors. We will seek to expand this research and the associated thinking through interviews with DBT experts and consultants, to understand how the mindset impacts different behaviours during digital business transformation. We will describe how this new mindset, accompanied by the underlying skills and knowledge can be developed in prospective Enterprise 4.0-ready employees. The outcomes of this work could therefore lead to more tailored employee training and professional development programs. For future research, we also suggest exploration of the propositions and the emotional aspects of DBT.

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