Chapter 4

The Digital Transfomation–Organizational Identity Nexus: Identity as Interpretive Filter and Transformation Outcome

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Abstract

Digital transformation (DT) is increasingly recognized as organization-wide renewal that reshapes value creation, governance, and accountability regimes. Yet DT also constitutes a transformation of meaning: as digital initiatives redefine what is measured, rewarded, and justified, organizations must renegotiate "who we are" for both members and stakeholders. This chapter develops a conceptual account of the DT–organizational identity (OI) interplay by treating identity as simultaneously (1) an interpretive filter and legitimacy constraint that conditions transformation scope and acceptance, and (2) an object of revision as technologies, operating models, and stakeholder scrutiny reconfigure organizational self-definitions. We propose a reciprocal and recursive framework in which DT and OI co-shape each other through identifiable mechanisms and persistent tension fields. Identity strain becomes especially salient when DT redirects value propositions toward servitization and ecosystems, redistributes authority through new operating models, and embeds datafied and algorithmic evaluation that heightens concerns about transparency, accountability ownership, and fairness. The chapter links these tensions to organizational and managerial responses, arguing that effective transformation governance must include meaning governance. We discuss narrative and integrative governance, leadership practices, employee participation as identity work infrastructure, and algorithmic governance safeguards (e.g., auditability, calibrated explanations, contestability) that protect legitimacy while enabling adaptive identity revision. We conclude by outlining implications for research on digital organizational identity and algorithmic decision-making, and for practice in governing identity during ongoing digital change.

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1. Introduction

Digital transformation is increasingly understood as organization-wide renewal in which technologies and data reshape value creation and governance, not merely the adoption of new IT (Verhoef et al., 2021; Vial, 2019). Reviews further emphasize that DT unfolds through multiple initiatives across layers of the organization and its environment, often involving new operating models, platform/ecosystem arrangements, and data-driven decision regimes (Mergel et al., 2019; Plekhanov et al., 2023; Warner & Wäger, 2019). Because these shifts redefine what counts as evidence, performance, and accountability, DT is also a transformation of meaning of how organizations justify priorities and actions to members and stakeholders (Hinings et al., 2018).

These dynamics make organizational identity (OI) central. Organizational identity, what members perceive as central, distinctive, and continuous, has long been used to explain how organizations sustain coherence under change, while also highlighting that identity is negotiated and potentially unstable when environments shift (Albert & Whetten, 1985; Gioia et al., 2000). Under DT, identity is not only pressured by changes in roles, decision rights, and evaluation criteria; it is also activated as an interpretive lens through which digital opportunities and threats are judged as legitimate or illegitimate for an organization like us (He & Baruch, 2010; Hinings et al., 2018). Employee sensemaking is especially consequential here, because lived experiences of DT shape whether transformation narratives translate into engagement or resistance.

Accordingly, this chapter treats DT and OI as reciprocal and recursive rather than unidirectional (Wessel et al., 2021). DT can trigger identity change by reconfiguring value propositions and altering authority and control regimes, sometimes producing identity ambiguity when digital claims outpace operational alignment (Kohtamäki et al., 2019; Tronvoll et al., 2020). At the same time, identity commitments shape DT scope and pathways by filtering what is seen as coherent and credible (Vial, 2019). These interactions are further accelerated by digital visibility and stakeholder feedback loops, which amplify scrutiny of inconsistencies between identity claims and enacted practices . This reciprocal view aligns with the emerging stream that reframes identity under digital conditions as digital identity or digital organizational identity (DOI) (Czakon et al., 2024).

This chapter contributes by (1) specifying mechanisms through which DT reshapes identity and identity reshapes DT, (2) organizing identity change around persistent tension fields (e.g., continuity vs. change; servitization/

ecosystem shifts; algorithmic control, transparency, and fairness), and (3) linking these tensions to managerial responses and governance options.

The remainder of the chapter proceeds as follows. Section 2 establishes conceptual foundations; Section 3 develops the reciprocal DT–OI framework and stakeholder acceleration; Section 4 details mechanisms and tension fields; Section 5 discusses organizational and managerial responses; the conclusion summarizes implications and research directions.

2. Background

2.1. Organizational Identity

Organizational identity (OI) remains a core construct for explaining how organizations sustain coherence and legitimacy while navigating change. Building on the foundational definition of OI as the set of claims perceived by organizational members as central, distinctive, and continuous, contemporary scholarship increasingly emphasizes the processual and contested nature of identity, particularly under conditions of discontinuity and transformation (Albert & Whetten, 1985; Gioia et al., 2000). Recent syntheses further indicate that the enduring influence of the foundational definition lies less in the assumption of stability and more in its analytical utility for examining how organizations negotiate continuity over time (Knorr & Hein-Pensel, 2024).

To reduce conceptual slippage in digital transformation debates, it is important to distinguish OI from closely related constructs. OI refers to an organization's collectively produced self-definition, the meanings attached to "who we are". Organizational culture, by contrast, concerns shared assumptions, values, and taken-for-granted practices that guide internal behavior and interpretation (Tadesse Bogale & Debela, 2024). Organizational image refers to members' beliefs about how external audiences perceive the organization, often functioning as a mirror that can confirm or destabilize internal identity claims (Gioia et al., 2000). Reputation, in turn, is an externally anchored and temporally cumulative evaluation of an organization's standing, built through stakeholder judgments over time and often shaped by comparisons to peers (Bigus et al., 2024). These distinctions matter empirically because identity–image–reputation misalignments often become salient during transformation, when stakeholders reinterpret organizational claims and practices at speed and scale through digital channels (Hatch & Schultz, 2002; Rindova et al., 2005).

For the purposes of the book chapter, OI is treated as both an interpretive lens and a strategic constraint/enabler. Identity provides a framework through which members interpret what digital transformation means, what is legitimate

for an organization like us, and which strategic moves are seen as coherent or incoherent with the organization's perceived essence. At the same time, identity is itself exposed to revision when technological, structural, and relational changes alter how members experience the organization and how stakeholders evaluate its actions. This reciprocal orientation is particularly relevant in the emerging stream explicitly examining OI in relation to digital transformation and Industry 5.0 pressures, where OI is increasingly reframed as digital identity or digital organizational identity (DOI) (Czakon et al., 2024; Hein-Pensel, 2025).

2.2. Digital Transformation

Digital transformation (DT) is broadly conceptualized as an organization-wide renewal technnologies and data reshape value creation, delivery, and capture, accompanied by changes in operating models, capabilities, and governance (Silva et al., 2022; Verhoef et al., 2021). Building on this view, recent integrative reviews frame DT not as a single initiative but as a multi-layered transformation affecting core activities, peripheral activities, and the organization's external environment (Plekhanov et al., 2023). DT is widely discussed through several intertwined elements. First, it intensifies the strategic role of data and analytics, eshaping what counts as evidence and how performance is defined and monitored (André Hanelt et al., 2021). Second, DT is increasingly enacted through platform and ecosystem arrangements that shift boundaries of the firm and redistribute value creation across partners and complementors (Verhoef et al., 2021). Third, DT is commonly associated with new operating models such as agile and cross-functional product teams, which alter authority structures and coordination mechanisms, changes that are inherently identity-relevant because they reshape "who has voice," "what matters," and "how we decide" (Verhoef et al., 2021).

A particularly consequential dimension of DT is the expanded adoption of technology-enabled and data-driven decision-making, which can generate performance gains while simultaneously raising questions about accountability, transparency, and fairness. These issues have become central not only operationally but also normatively, because stakeholder expectations increasingly include responsible and explainable digital practices. This trend is amplified by the Industry 5.0 discourse, which explicitly prioritizes human-centricity, sustainability, and resilience as evaluation criteria for advanced technological development (Breque et al., 2021). Importantly, DT research increasingly converges on the claim that transformation outcomes depend less on technology adoption per se and more on organizational capabilities and alignment conditions such as governance, leadership, readiness, and

cross-boundary integration. For instance, systematic work on DT readiness emphasizes that organizational preparedness is multidimensional and extends beyond IT resources to include strategic and organizational factors (Michelotto & Joia, 2024).

Additionally, DT and organizational identity (OI) can be understood as mutually constitutive: DT is not only a technological or operational shift but also a process through which digital technologies redefine value propositions, potentially giving rise to a new organizational identity, while prior identity commitments shape which transformation paths appear legitimate and feasible (Wessel et al., 2021). In this view, DT can generate differentiated identity outcomes, ranging from reinforcement of established self-definitions to the formation of digitally inflected identity claims, depending on how transformation unfolds across structures, practices, and value propositions (Graf et al., 2023). Identity dynamics also matter for performance and viability: misalignment between an organization's established identity and newly articulated digital identity claims can produce identity ambiguity and, in turn, sustain strategic behaviors that hinder transformation (Zhang & Su, 2025). These dynamics become particularly salient in digital servitization contexts, where organizations shift toward service- and ecosystem-oriented value creation and must renegotiate core self-understandings alongside new relational and governance arrangements (Kohtamäki et al., 2019; Tronvoll et al., 2020).

3. Reciprocal Dynamics of Digital Transformation and Organizational Identity

This section conceptualizes the relationship between digital transformation (DT) and organizational identity (OI) as reciprocal and recursive rather than unidirectional (Mergel et al., 2019). DT reshapes organizational meanings and self-definitions by reconfiguring value creation logics, decision-making regimes, and stakeholder relations (Vial, 2019). At the same time, OI provides an interpretive frame through which organizations make sense of digital opportunities and risks, thereby influencing which transformation pathways are perceived as legitimate, desirable, and feasible. Treating DT and OI as mutually constitutive is analytically important because it shifts attention away from a narrow focus on "technology adoption" toward processes of meaning-making and legitimacy construction during transformation (Hinings et al., 2018).

DT can prompt OI change by reconfiguring the organizational answer to core questions of purpose, distinctiveness, and continuity (He & Baruch, 2010). First, DT frequently involves shifts in value propositions and business

models (e.g., product-to-service moves, platform participation, data-enabled offerings), which reshape what the organization claims to do and why it matters (Nambisan et al., 2017; Vial, 2019). These shifts are identity-relevant because they alter the basis on which organizational members justify priorities and interpret success. Second, DT introduces new operating models and coordination mechanisms, including agile practices and cross-functional product teams, that redistribute voice, authority, and expertise (Ina M. Sebastian et al., 2020; Warner & Wäger, 2019). Such changes can unsettle established status orders and professional identities, thereby generating identity tensions and renegotiations of "who we are". Third, DT expands technology-enabled and data-driven decision-making, intensifying the centrality of analytics and algorithmic systems in organizational control and evaluation (Mergel et al., 2019). While such shifts can produce performance gains, they also raise questions about accountability, transparency, and fairness, which can become identity-relevant when organizations have historically grounded legitimacy in expertise, professionalism, or relational trust (Grimmelikhuijsen & Meijer, 2022). In this sense, DT alters not only what organizations do, but also how they justify what they do, affecting the moral content of identity claims.

OI also shapes DT by acting as an interpretive filter and legitimacy constraint on transformation choices (Hinings et al., 2018). Identity frames what organizational members perceive as strategically appropriate: it influences how digital threats and opportunities are interpreted, which capabilities are prioritized, and what types of change are seen as coherent with "an organization like us" (He & Baruch, 2010). This identity-based filtering matters because DT is rarely a fully planned, linear process; rather, it unfolds through multiple initiatives and organizational layers, requiring sustained alignment across strategy, structure, and meaning. Identity influences DT through three pathways (Ina M. Sebastian et al., 2020; Vial, 2019). First, identity shapes strategic ambition and scope: organizations whose identity is anchored in stability, reliability, and risk control may privilege incremental digitalization and governance-heavy approaches, whereas organizations with exploration-oriented identities may more readily accept experimentation and iterative innovation (Warner & Wäger, 2019). Second, identity shapes resource allocation and capability building, affecting how quickly organizations invest in data, platforms, and digital talent (Ina M. Sebastian et al., 2020). Third, identity shapes change legitimacy: when transformation narratives resonate with identity claims, employee engagement and cross-boundary coordination are more likely; when narratives conflict with identity, resistance may emerge that cannot be resolved through technical training alone (van der Schaft et al., 2024). These identity effects are especially visible in digital servitization,

where organizations often shift from product-centric logics toward service- and ecosystem-oriented value creation. Such shifts require not only new capabilities but also renegotiated self-understandings regarding what counts as value, which stakeholder relationships are central, and what forms of governance are legitimate. In this setting, identity operates not merely as background context but as a constraint and enabler that shapes how deeply servitization and platform/ecosystem strategies can be institutionalized (Kowalkowski et al., 2022).

The DT–OI relationship is mediated and accelerated by stakeholders. Digital channels increase visibility, speed, and comparability, enabling external audiences to interpret organizational claims and actions rapidly (Nambisan et al., 2017) . This increases the likelihood that inconsistencies between identity claims and enacted practices will become salient and contested. Internally, employees also function as critical stakeholders because they experience DT through changes in roles, performance metrics, and decision processes, all of which can trigger identity-relevant concerns about status, fairness, and belonging (van der Schaft et al., 2024). Externally, customers, partners, and regulators may reinterpret the organization's identity as DT reshapes service delivery, data practices, and ecosystem participation, thereby influencing legitimacy and strategic options (Grimmelikhuijsen & Meijer, 2022; Suchman, 1995).

4. Dynamics and Tension Fields of Identity Transformation

Section 3 established that DT and OI are recursively linked. Building on that framing, this section specifies the mechanisms through which identity transformation is triggered and the tension fields through which identity change becomes contested, stabilized, or fragmented. Rather than treating identity change as a discrete event, this chapter conceptualizes it as an ongoing process of sensemaking and renegotiation, which becomes particularly salient when digital initiatives alter organizational routines, authority structures, and the symbolic bases of legitimacy

4.1. Mechanisms that Trigger Identity Transformation in Digital Change

Digital transformation can initiate identity change through several interrelated mechanisms. First, DT commonly reconfigures value creation logics, for example, by shifting from product-centric offerings to service- and solution-oriented portfolios, or by repositioning the organization within platforms and ecosystems. Such strategic moves often require organizations to revise their self-descriptions, because identity claims are anchored in what

the organization perceives as its core purpose and distinctiveness (Graf et al., 2023; Ravasi & Schultz, 2006; Tripsas, 2009). In practice, identity change becomes more likely when new digital value propositions become central to organizational narratives and investment priorities, rather than remaining peripheral innovation projects.

Second, DT frequently entails changes in work design and coordination, including cross-functional product teams, agile operating rhythms, and continuous delivery. These shifts reshape "who has voice" and "what counts as expertise," thereby disrupting established status orders and professional boundaries. Identity is implicated because occupational identities and group memberships provide the micro-foundations through which organizational self-understandings are enacted and defended (Rialti & Filieri, 2024; Sun & Tell, 2025). When digital transformation changes who is authorized to define priorities—e.g., product owners, data scientists, platform teams—identity renegotiation tends to intensify.

Third, DT expands the role of data, analytics, and algorithmic evaluation in performance management and decision-making. These systems do more than optimize decisions; they also change the organization's justificatory regime by elevating particular forms of evidence and redefining what constitutes "good work." When algorithmic or data-driven systems are perceived as opaque or unfair, they can generate identity-relevant concerns about professionalism, autonomy, and moral legitimacy (Jabagi et al., 2025; Kellogg et al., 2020). Because identity claims often include normative elements (e.g., "we are responsible," "we are expert-led," "we are customer-trusting"), perceived violations of fairness or accountability can destabilize identity coherence even when technical performance improves.

Finally, DT amplifies external visibility and stakeholder feedback, particularly through digital channels that increase speed, comparability, and responsiveness. This environment intensifies identity scrutiny: discrepancies between what an organization claims to be and what stakeholders experience can be surfaced quickly and widely. Such feedback loops accelerate identity dynamics by forcing organizations to defend, repair, or revise identity claims under conditions of heightened transparency (Martín-de Castro, 2021; Miotto et al., 2020).

4.2. Core Tension Fields in Digital Identity Transformation

A recurring tension field concerns balancing demands for rapid digital innovation against identity elements anchored in stability and dependable operations. In high-reliability contexts, attempts to accelerate DT can be interpreted internally as identity-threatening, especially when transformation is

associated with increased uncertainty, reduced control, or altered professional status hierarchies (Poláková-Kersten et al., 2023). More broadly, even outside high-reliability settings, organizations often face pressure to present a coherent identity while simultaneously legitimizing experimentation and iterative change—making "continuity with change" a persistent identity-management problem rather than a temporary transition challenge.

Digital servitization intensifies identity tensions because it frequently requires organizations to reorient from product-centric value logics toward service- and ecosystem-based value creation, altering what "counts" as success, expertise, and customer value. A paradox lens identifies multiple tensions—spanning organizing, performing, learning, and belonging—some of which explicitly involve organizational identity and data utilization in interorganizational networks (Tóth et al., 2022). These tensions can strain identity coherence when legacy identity claims (e.g., engineering excellence, product mastery) conflict with emerging service platform roles and relational governance expectations.

As DT expands analytics and algorithmic systems in coordination and evaluation, identity tensions often concentrate around autonomy, recognition, and perceived procedural fairness. Research on algorithms at work shows that algorithmic control becomes a contested terrain: it reshapes organizational control mechanisms and triggers resistance and negotiation over how work is monitored and valued (Kellogg et al., 2020). In parallel, legitimacy research on algorithmic decision-making identifies recurring threats—such as opacity, accountability gaps, and fairness concerns—that can quickly translate into identity-relevant issues when organizations claim responsibility, professionalism, or trustworthiness as central identity elements (Grimmelikhuijsen & Meijer, 2022).

Identity tensions are amplified by employee sensemaking processes, especially when DT alters roles, decision rights, performance metrics, and career pathways. Evidence from employee-centered DT research shows that employees interpret DT at multiple levels and over time, suggesting that identity-relevant reactions (belonging, status, fairness, purpose) can shift dynamically as transformation progresses (van der Schaft et al., 2024). This supports treating identity transformation as a staged and iterative process rather than a one-time reframing.

When the tension fields above are not explicitly governed, three adverse outcomes become more likely. First, Different units may enact competing "digital" meanings and priorities, producing parallel identity claims that undermine cross-boundary coordination. An archetype perspective implies

that without integrative sensemaking, DT can yield hybrid or competing identity configurations that are difficult to stabilize (Graf et al., 2023). Second, Publicly articulated digital identity claims may persist without deep operational alignment, sustaining ambiguity and weakening the organization's ability to make consistent investment and governance choices. Identity discrepancy research suggests this can entrench behaviors that hinder DT progress (Zhang & Su, 2025). Third, As algorithmic decision-making expands, perceived unfairness, opacity, or accountability gaps can challenge organizational legitimacy and directly pressure identity claims about responsibility and trust. The legitimacy threats identified in algorithmic governance scholarship make clear that such risks are not peripheral; they become consequential precisely because they shape stakeholder judgments of what the organization "is" and "stands for" (Grimmelikhuijsen & Meijer, 2022; Kellogg et al., 2020). Taken together, this section suggests that identity transformation under DT is best understood as an ongoing negotiation across multiple tension fields. The next section therefore turns to organizational and managerial responses—governance, leadership practices, and identity work—that can help organizations preserve coherence while enabling adaptive identity revision through digital change (Hein-Pensel, 2025).

5. Organizational and Managerial Responses: Governing Identity During Digital Transformation

Section 4 demonstrated that identity transformation under digital transformation (DT) unfolds through persistent tension fields rather than resolving as a discrete transition. Consequently, organizational responses must address not only the technical and structural layers of DT, but also the interpretive and normative layers. For large established organizations in particular, DT tends to generate dilemmas that require deliberate resolution at the levels of leadership, governance, and structural design, as organizations attempt to sustain continuity while enabling reconfiguration. From an identity perspective, this implies that governing transformation is inseparable from governing meaning: managers must ensure that evolving digital practices do not outpace, contradict, or fragment the organization's self-definition.

A first response is to institutionalize narrative governance: disciplined, organization-wide framing that clarifies what DT is, what remains continuous, and what will be reinterpreted or abandoned. Because DT accelerates visibility and multiplies stakeholder interpretations, unmanaged narratives often produce identity ambiguity, particularly when aspirational digital claims are not supported by decision rules, resource allocations, and daily practices. Empirical work conceptualizing DT as a socially constructed process shows

that narratives can become excuses to avoid action, but they can also function as mechanisms of coordination and accountability when deliberately governed (Tinjan, 2025). Thus, identity-consistent framing should translate identity claims into operational commitments. This reduces the risk of symbolic digitalization and strengthens internal and external plausibility.

A second response concerns integrative governance that prevents fragmentation across units and initiatives. DT frequently redistributes authority, toward product teams, platform functions, analytics groups, or cross-functional steering forums, making decision rights themselves identity-relevant. Evidence indicates that DT can reshape the allocation of decision-making rights within complex organizational forms, reducing centralization under certain conditions and thereby changing how authority and autonomy are enacted (Yang et al., 2024). This is precisely where identity tensions intensify: decentralized digital initiatives may generate multiple, incompatible interpretations of what "digital" means, producing parallel identity enactments that undermine coherence. Accordingly, governance should clarify: (1) transformation portfolio logic, (2) decision-rights architecture, and (3) metric regimes. Research on DT project governance in the financial sector similarly emphasizes that DT alters the role and governance of IT functions and requires organizations to position and steer governance practices across maturity situations (Lacombe & Jarboui, 2023).

A third response is to enact leadership practices that stabilize coherence without suppressing adaptation. DT often requires agile rhythms, cross-functional coordination, and rapid iteration; however, these practices can be experienced as identity-threatening if they are interpreted as delegitimizing legacy expertise or undermining established standards. Recent research on agile leadership in successful DT projects shows how leadership can create fast decision loops and sustained participation while maintaining organizational alignment (Rialti & Filieri, 2024). From an identity standpoint, the key is not simply being agile, but ensuring that new operating rhythms are framed as identity-consistent evolutions rather than repudiations of what the organization values.

A fourth response is to treat employee participation as identity work infrastructure, not as a generic change management tactic. Identity transformation is enacted through how employees interpret changing roles, evaluation criteria, and authority relations. Research on employee participation in DT highlights individual microfoundations, such as psychosocial readiness and employees' transformation predispositions, that shape willingness to contribute to transformation initiatives (Abhari, 2025). This implies that

organizations should institutionalize participation channels that allow employees to negotiate meaning: structured sensegiving forums, role and career narratives that protect professional dignity, and feedback loops that visibly influence transformation design. Without these mechanisms, identity tensions often manifest as resistance that cannot be solved by technical training or communication alone.

A fifth response concerns algorithmic governance, because data-driven evaluation and algorithmic decision systems can rapidly become identity-relevant. Algorithmic systems do not merely optimize; they reshape justificatory regimes, what counts as evidence, who is accountable, and how fairness is interpreted. Interpretive synthesis of algorithmic management research stresses that different underlying assumptions produce very different organizational implications, including effects on meaning-making and identity formation (Sullivan et al., 2024). At the same time, systematic evidence on fairness perceptions shows that legitimacy hinges on stakeholder perceptions of procedural and distributive fairness, not only on technical accuracy (Starke et al., 2022). Recent empirical research in HR-related algorithmic decisions likewise suggests that perceived fairness is consequential for attitudes and outcomes, reinforcing that algorithmic governance is inseparable from legitimacy and identity (Jabagi et al., 2025). Therefore, identity-consistent algorithmic governance should define minimum safeguards: auditability, explanation standards calibrated to decision stakes, contestability/appeal routes, and explicit accountability ownership. A complementary systematic review of algorithmic decision-making in organizations frames outcomes as emerging from tensions, implying that governance must manage these tensions rather than assume they can be eliminated (Wang, 2026). Practically, safeguards should be framed as who we are made concrete through policy and workflow.

6. Conclusion

Digital transformation is often described in terms of new technologies and redesigned processes, yet its organizational significance also lies in the shifts it produces in value creation, accountability, and stakeholder scrutiny. This chapter argued that these shifts make DT inseparable from questions of organizational meaning: as digital initiatives reconfigure what is measured, rewarded, and governed, they also reshape how organizations justify "who we are" to members and external audiences. A core claim advanced here is that organizational identity (OI) is not merely a downstream consequence of DT. Identity commitments operate as a legitimacy constraint and interpretive filter that conditions transformation scope, sequencing, and acceptance, making the DT–OI relationship reciprocal and ongoing rather than linear. This reciprocity

helps explain why comparable digital programs generate different outcomes across organizations: identity affects which pathways appear credible, while digital change challenges existing self-definitions by altering roles, decision rights, and the bases on which performance is evaluated.

The chapter organized these dynamics around persistent tension fields. Identity strain becomes particularly salient when DT (1) redirects the value proposition and ecosystem position (e.g., toward digital servitization), (2) introduces new operating models that redistribute expertise and coordination, and (3) embeds datafied and algorithmic evaluation regimes that heighten concerns about transparency, accountability ownership, and fairness. These tensions are amplified by digital visibility and stakeholder feedback loops, which can rapidly surface discrepancies between aspirational "digital" claims and enacted practices. Practically, this implies that transformation governance must explicitly include meaning governance. Effective responses combine narrative governance that ties identity claims to operational commitments, integrative governance that prevents fragmentation across units and initiatives, leadership practices that stabilize coherence while enabling revision, employee participation as identity work infrastructure, and algorithmic governance safeguards (auditability, contestability, and clear accountability assignment) to protect legitimacy as digital control expands. Future research can build on this agenda by tracking identity dynamics longitudinally across transformation stages, sharpening conceptual boundaries around digital organizational identity ,and specifying when algorithmic decision-making stabilizes identity versus triggers legitimacy threats through perceived unfairness or opacity.

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