HOW DIGITAL TRANSFORMATION INFLUENCES ORGANIZATIONAL CULTURE IN SMALL AND MEDIUM-SIZED COMPANIES IN ROMANIA

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Abstract
Digital transformation is one of the most profound processes of organizational change today, influencing the structures, practices, and identities of companies around the world. For small and medium-sized enterprises (SMEs) in Romania, this process is marked by the tension between limited resources and the pressure to adapt quickly to a global digital economy. This article investigates, from a philosophical and interdisciplinary perspective, how digital transformation shapes organizational culture in Romanian SMEs. The epistemological, ethical, and socio-cultural dimensions of the phenomenon are analyzed in relation to concepts such as collective identity, technological autonomy, and the meaning of work in the digital age. In conclusion, it is argued that digital transformation is not just an instrumental change, but a process of redefining the values and symbols that underpin organizational life.

Keywords: digital transformation, organizational culture, SMEs, organizational philosophy, digital ethics, Romania

1. Introduction

Digital transformation is often described in terms of technology through the implementation of cloud storage solutions, the use of artificial intelligence, process automation, or the adoption of online collaboration platforms. However, at a deeper level, digital transformation proves to be a cultural and philosophical process that affects how organizations build their identity, values, and daily practices.

In Romania, SMEs are the backbone of the economy, representing over 99% of all active companies and approximately two-thirds of jobs, thus forming the "backbone" of the Romanian economy. These companies face the pressure of digitization coming from two directions. On the one hand, from the market and customers, who demand fast, transparent, and digitally adapted services, and on the other hand, from European institutions, which promote initiatives such as *the Digital Europe Programme* and *the SME Digitalisation Index.*

In this context, organizational culture, understood as a set of values, norms, and symbols, is undergoing a profound transformation. It is no longer just a matter of adopting technical tools, but of redefining how organizations relate to time, space, authority, and the meaning of work.

This article aims to explore these transformations through an interdisciplinary approach, situated at the intersection of the philosophy of technology, organizational studies, and Romanian economic realities.

2. Originality of the research and delimitation of the topic

Although management literature frequently addresses the digitization of small and medium-sized enterprises (SMEs) in terms of efficiency and competitiveness, fewer studies focus on the cultural and symbolic dimension of digital transformation.

However, organizational philosophy provides an appropriate framework for analyzing not only "what is changing," but also "what new meanings are being constructed."

The topic is defined by reference to three levels:

- Technological: analysis of digital means (platforms, applications, algorithms).
- Cultural: the impact on organizational norms, values, and symbols.
- Philosophical: reflection on how technology redefines collective identity and the meaning of work.

This approach offers a double originality: on the one hand, by focusing on Romanian SMEs as cultural spaces; on the other hand, by using the philosophy of technology as a lens for interpreting the phenomenon.

3. Theoretical foundation: between philosophy and organizational sciences

3.1. Organizational culture as a symbolic phenomenon

In 1984, Edgar Schein, one of the leading theorists of organizational culture, defined organizational culture as a set of basic assumptions formed over time, which have worked well enough to be considered valid and to be passed on to new members as the correct way to perceive and act within the organization. In other words, organizational culture represents the values, norms, and symbols shared by group members, which guide their collective behaviors and common perceptions of reality. This perspective highlights the fact that the set of formal rules does not exhaust culture; on the contrary, the essence of culture lies in the shared meanings that give coherence to actions in an organizational context.[1]

From a philosophical and sociological perspective, organizational culture is seen as a fundamentally symbolic phenomenon, a "horizon of meaning" common to members. Gareth Morgan suggested that, in essence, the culture of an organization means "shared meanings, shared understanding, and shared thinking" among members. Similarly, William Ouchi describes organizational culture as a "set of symbols, ceremonies, and myths that communicate the basic beliefs and values of the members of the organization"[2] **.** Such symbolic elements (rituals, stories, organizational heroes) act as mechanisms through which values and norms become visible and are transmitted internally. Therefore, organizational culture goes far beyond the inventory of formal procedures: it provides a common system of meanings and beliefs that give direction, meaning, and identity to behaviors within the organization. Culture functions as an implicit framework that shapes how individuals perceive, think, and act together, enabling coordination and cohesion in organizational life.

[1]https://www.easistent.ro/?p=8631#:~:text=Ogbonna%2C%20%C3%AEn%201992%2C%20consolida%20definirea,9

[2] ORGANIZATIONAL CULTURE IN PUBLIC ADMINISTRATION: A COMPARATIVE ANALYSIS, Octavian MOLDOVAN Felicia Cornelia MACARIE

3.2. The philosophy of technology

Martin Heidegger emphasized in his essay "On the Question of Technology" that technology is not a simple neutral tool, but a way of revealing (Entbergung) the world[3] . In other words, technology shapes the way reality appears to us, determining what emerges as "truth" (aletheia) in our experience. Heidegger pointed out that any technology implies a certain understanding of the existence of things. For example, a hydroelectric power plant makes the river appear not as a free natural phenomenon, but as a utilitarian reservoir of available energy.

In this sense, considering technology merely as an externalized means is to ignore its profound influence on how we interpret and value the world. Applying this idea to the contemporary organizational context, it follows that modern digital technologies not only facilitate work processes, but actively shape how the reality of the organization is perceived and experienced by its members. Recent studies inspired by the philosophy of technology and new materialism argue that digital technologies "cannot be viewed merely as simple tools, but as active agents that shape and influence organizational realities"[4] .

In other words, introducing a digital system within a company changes not only the speed or efficiency of processes, but also the way employees understand and relate to their work. Digital technology creates new practices and frameworks for interaction, reorganizing communication and information flow, which leads to the emergence of new experiences and values in organizational culture. From the perspective of technology philosophy, we can say that digitization reveals a new configuration of the organizational world, causing organizations to reevaluate their processes, relationships, and the meanings they generate within themselves.

3.3. Romanian SMEs as spaces for transformation

Small and medium-sized enterprises (SMEs) in Romania are in a paradoxical position in relation to digital and cultural transformation. On the one hand, resource constraints limit their ability to adopt advanced technologies: many SMEs have limited financial resources, and major investments in digital infrastructure are often postponed because the costs are considered too high. The limited budgets of these firms are prioritized for immediate needs (salaries, raw materials, etc.), making it difficult to allocate

[3] https://www.thecollector.com/heidegger-technology/

[4] https://www.frontiersin.org/journals/sociology/articles/10.3389/fsoc.2024.1426930/full

funds for large-scale digitization projects. This reality is reflected in the slower pace of adoption of new technologies among Romanian SMEs compared to large companies or the EU average, a phenomenon documented by reports on the digitization of the local economy.

On the other hand, however, the structural flexibility of SMEs gives them an important advantage: due to their small size and flexible organizational structure, they can adapt and innovate more quickly. Unlike multinationals, which often exhibit bureaucratic inertia, small companies are less bureaucratic and more open to change, reacting promptly to emerging opportunities.[5]

This increased agility allows SMEs to easily experiment with innovative cultural models and new technologies, quickly integrating unconventional ideas or practices into their way of working.

Studies show that many technological and organizational innovations originate in the SME sector, precisely because these smaller entities take risks and test new solutions in a way that large companies are reluctant to do.

Therefore, Romanian SMEs can be seen as true spaces for transformation, like living laboratories where constraints can coexist with creativity. Despite limited resources, their flexible organizational culture facilitates the adoption of innovative practices (both technological and managerial), contributing to the evolution of the organizational climate and their long-term resilience.

4. Methodology

This paper adopts an interdisciplinary approach, designed to capture both the empirical and organizational dimensions of digital transformation, as well as its philosophical and symbolic implications. The choice of this methodology is justified by the complex nature of the research subject, the intersection between organizational culture, technology, and the specific characteristics of Romanian SMEs, which cannot be reduced to a single analytical paradigm.

Conceptual analysis

The first methodological step consists of a conceptual analysis of the notions of "digital transformation" and "organizational culture." Digital

[5] https://www.fdc.ro/imm-definitie-provocari-si-rolul-crucial-pe-care-intreprinderile-mici-si-mijlocii-il-au-in-economia-mondiala/#:~:text=IMM,oportunit%C4%83%C8%9Bi%20%C3%AEn%20schimbare%20din%20domeniu

transformation is defined, according to the European Commission, as the process by which organizations integrate digital technologies into all aspects of their business, generating fundamental changes in their business model and organizational culture. At the same time, organizational culture is understood, according to Edgar Schein, as a set of shared values, norms, and symbols that shape the behaviors and thinking of the members of the organization. The conceptual analysis allowed us to define the theoretical framework and understand the connection between digitization and internal cultural transformations.

Secondary case studies

The second methodological step consisted of using secondary case studies, extracted from the literature and recent reports on SMEs in Central and Eastern Europe. For example, the Digital Economy and Society Index (DESI) reveals significant gaps between SMEs in the region and the EU average, especially in terms of the integration of advanced technologies.

At the same time, research dedicated to SMEs highlights the fact that their flexibility and less bureaucratic structure facilitate the rapid adoption of innovative practices. The comparative l analysis of these sources highlighted the particularities of the Romanian context, but also common trends in the region.

Philosophical reflection

Finally, the methodology includes a philosophical reflection on the relationship between humans and technology and on the ethical implications of digitization. Inspired by Martin Heidegger's vision, which describes technology as a "way of revealing" the world and not simply a tool, this reflection allows us to understand how digital technologies are reconfiguring organizational reality. In addition, recent literature on the philosophy of technology argues that digital tools must also be analyzed from the perspective of ethical responsibility and impact on organizational values. This dimension adds depth to the empirical analysis, highlighting the symbolic and normative role of digitization.

Methodological synthesis

By combining the three levels—conceptual, empirical, and reflective—an integrative perspective on digital transformation emerges. This captures both the concrete dimensions of digitization (processes, infrastructure, efficiency)

and the symbolic and normative dimensions (values, meanings, responsibilities). In this way, the methodology supports the paper's objective of understanding how Romanian SMEs can become spaces for cultural and technological transformation, going beyond simple technical adaptation and articulating a holistic vision of digitization.

5. Digital transformation and organizational culture in Romanian SMEs

5.1. From hierarchy to network

One of the major effects of digitization on SMEs is the change in the way organizational structures are configured. Traditionally, small and medium-sized companies operated on the basis of simple hierarchies, but with clear lines of authority. With the adoption of digital collaboration platforms (Slack, Microsoft Teams, Asana, etc.), these hierarchies tend to "flatten," and the emphasis shifts from rigid chains of command to flexible communication networks. The literature emphasizes that digitization is leading to more horizontal forms of organization, based on connectivity and rapid information exchange.

In Romania, this trend translates into a partial democratization of access to information: employees have the opportunity to participate more actively in decision-making processes and contribute directly to information flows, reducing dependence on traditional hierarchical channels. At the same time, according to recent analyses, SMEs that adopt digital platforms collaborate more effectively and manage to reduce internal communication barriers, which promotes innovation and organizational resilience.

5.2. Collective identity and belonging

Digital transformation is not only changing the way we communicate, but also our perception of organizational belonging. In a digitized work environment, belonging is no longer defined exclusively by the physical space of the office, but by participation in digital networks, visibility on online platforms, and involvement in virtual collaborative projects.

This change profoundly influences collective identity. Instead of a sense of community based on physical proximity, a distributed identity is emerging, built through digital interactions and recognition of the visibility of online contributions. For Romanian SMEs, this reality has a particular impact, given that many of them have adopted hybrid or remote working solutions during the

pandemic, and organizational cohesion has had to be reconfigured through virtual spaces.

Thus, organizational culture takes on new symbolic meanings: traditional rituals and symbols (physical meetings, informal interactions in the office) are complemented or even replaced by digital rituals (regular video calls, asynchronous communication, virtual social spaces).

5.3. Digital leadership

Digital transformation requires the emergence of a new type of leadership. While in the traditional paradigm the leader exercised a predominantly authoritarian and controlling role, in the digital context the emphasis shifts to facilitative leadership based on stimulating continuous learning, managing online collaboration, and promoting a culture of innovation.

The literature on e-leadership emphasizes that digital leaders must have technological skills, but also the ability to manage cultural and generational diversity. In Romania, this transformation has major implications: SMEs often bring together heterogeneous teams, in which digital natives (young people familiar with technology since childhood) collaborate with employees trained professionally in a pre-digital era.

This context generates challenges related to communication, working styles, and resistance to change.

Thus, the role of the digital leader becomes that of a cultural and technological mediator, capable of integrating the experience of older generations with the dynamism and adaptability of younger ones. At the same time, leaders are called upon to ensure a balance between innovation and ethical responsibility, in a context where digitization is not only a technical process, but also one that redefines organizational values and symbols.

6. Philosophical dimensions of digital transformation

6.1. Autonomy and technological dependence

Digital transformation brings a philosophical ambivalence between autonomy and dependence. On the one hand, digital technologies increase the autonomy of employees and organizations: rapid access to information, the flexibility of remote working, and the use of collaboration tools offer a greater degree of freedom and control over work.

On the other hand, these benefits also generate new forms of dependence. Organizations are becoming increasingly dependent on global technology providers (Microsoft, Google, Amazon Web Services), which raises issues of digital sovereignty and control over critical infrastructure. The philosophy of organizational freedom is thus reconfigured: internal autonomy is often exercised within a framework marked by structural dependence on global actors, which limits the strategic options of Romanian SMEs.

6.2. The meaning of work

Another essential aspect is the redefinition of the meaning of work. Algorithms and automation take over repetitive and standardized tasks, leaving room for activities based on creativity, critical thinking, and collaboration.

The philosophy of work, from Hannah Arendt to contemporary authors, emphasizes that work is not only a means of subsistence, but also a framework for personal and social fulfillment.

In SMEs, this process is very visible: their small size and the proximity between members encourage experimentation with new forms of cooperation, where the meaning of work does not derive exclusively from tasks, but from visible contributions to common projects. Therefore, digital transformation not only optimizes productivity, but also reorients the value horizon of work towards expressive and relational dimensions.

6.3. Digital ethics

Digitization brings to the fore a series of ethical dilemmas that become an integral part of organizational culture. These include:

- employee surveillance through monitoring software, which raises questions about the limits of confidentiality and trust;
- the use of personal data and compliance with the legal framework (GDPR) in a context where data is becoming a strategic resource for organizations;
- the balance between professional and private life, affected by the permanent availability required by some digital platforms.

The philosophy of digital ethics proposes guidelines for addressing these dilemmas: transparency, responsibility, respect for autonomy, and the cultivation of trust.

For Romanian SMEs, integrating these principles is extremely important, as the lack of clear ethical policies can generate internal tensions and the loss of trust capital, which is an almost "vital" resource for small organizations.

6.4. Time and space in digitized organizations

Digital technologies are radically reconfiguring the perception of time and organizational space. Work is no longer limited to the "9-to-5" interval and the physical office, but takes place in a digital continuum, where synchronous and asynchronous coexist.

Manuel Castells spoke of the "space of flows," in which digital interactions transcend traditional geography and create new forms of social coordination. This dissolution of the boundaries between work and personal life is, however, ambivalent: it offers opportunities for flexibility and autonomy, but also risks of information overload, burnout, and the blurring of boundaries between the professional and private spheres.

For Romanian SMEs, which often operate with limited resources, these tensions are amplified.

Digitalization allows them access to global markets and collaborators; on the other hand, it creates the pressure of permanent connectivity, which can affect organizational balance and the lives of employees. The philosophy of organizational time and space, in this sense, becomes a critical tool for understanding how digitalization is changing not only work processes but also the human experience of work.

7. Cultural resistance and the paradoxes of digitization

A phenomenon often overlooked in studies on digitization is cultural resistance. In many Romanian SMEs, employees perceive technology as a threat to job stability, seeing automation as a process that could marginalize their skills or even replace their positions. In other situations, digitization is associated with a break from the "traditional way of working," which is perceived as more personal, safer, and more familiar. In the literature, this resistance is explained not only by a lack of digital skills, but also by identity and symbolic dimensions: people relate to their work as an integral part of their own identity, and technological changes can be perceived as a threat to this continuity (Schein, 2010; Hofstede, 2011).

From an organizational philosophy perspective, resistance should not be interpreted exclusively as an obstacle, but as a form of identity defense. It

expresses people's need to protect the meaning of their work, values, and community practices in the face of changes perceived as imposed or rapid. In this sense, managing digital transformation cannot be reduced to the implementation of technical infrastructures, but must include processes of dialogue, negotiation, and cultural co-creation that recognize and integrate employee concerns.

At the same time, the phenomenon is marked by a series of paradoxes of digitization.

First, technology promises increased efficiency, transparency, and competitiveness, allowing SMEs faster access to markets, customers, and resources. Second, the uncritical or unilateral implementation of digital solutions can generate anxiety, alienation, and a decline in social cohesion within organizations (Zuboff, 2019). Thus, the same process that promises innovation and flexibility can cause psychological insecurity and cultural resistance.

Understanding these paradoxes is essential for the responsible implementation of digital transformation. Beyond technical tools, digitization is a deeply cultural and symbolic process that requires attention to the identity dynamics of organizations and the balance between the promise of efficiency and the need for meaning and cohesion. In the case of Romanian SMEs, where resources are limited and interpersonal relationships are closer than in corporations, these paradoxes are felt even more intensely.

8. General conclusions and recommendations

Digital transformation is profoundly influencing the organizational culture of SMEs in Romania. It is reconfiguring traditional hierarchies, replacing them with networked structures, democratizing access to information, and changing the way collective identity and belonging are defined.

At the same time, the meaning of work is shifting towards activities based on creativity and collaboration, while leadership is becoming less authoritarian and more focused on facilitating learning and cooperation.

From a philosophical perspective, digital transformation is not just a technological process, but an act of symbolic construction: organizations rediscover and redefine their values through digital technologies. It brings with it paradoxes and cultural resistance, which must be understood not only as obstacles, but as legitimate forms of identity defense.

Moreover, it reconfigures the relationship between autonomy and dependence, raises questions about the ethics of data use, and changes the

perception of time and organizational space. Ultimately, it can be said that digital transformation represents, for Romanian SMEs, a test of cultural creativity and ethical maturity, rather than a simple adoption of technological tools. It opens up the possibility of a new organizational paradigm, in which technology is not an end in itself, but a medium through which people rediscover the meaning of work, belonging, and shared responsibility.

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