

Master Thesis in Business & Management
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Narratives of Change:
Digital Transformation in the Shadow of Incumbency

*A qualitative case study of sensemaking and sensegiving processes
in a large and complex organization*

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Abstract

Digital Transformation (DT) constitutes a pressing challenge for large established organizations born in a pre-digital age. These incumbents face an urgent need to renew their deeply rooted cultures. Although cultural renewal is necessary to enable a DT, research on how culture transforms for a DT remains nascent. This study aims to develop insights on cultural renewal in DTs by analyzing how leaders at various levels alter organizational mindsets. By applying this perspective, this study deepens existing research on top leaders in DTs and expands its focus to middle managers. Thus, this study fills two research gaps: *how culture is renewed for a DT* and *how leaders at various levels drive and facilitate a new organizational mindset that renews the culture for a DT*. A qualitative single-case study of the Swedish Public Employment Service was conducted to fill these gaps. Following an inductive approach, sensemaking emerged as the theoretical lens to analyze the empirical findings. The primary findings show that leaders on all levels had an essential role in altering organizational mindsets. The Director-General was an important catalyst for the dissemination of a digital mindset. However, departments and their respective interpretive communities varied in their adoption of such a mindset. Specifically, the Digital Department effectively adopted a digital mindset and was thus able to renew its culture. Conversely, Traditional Departments did not fully succeed in breaking away from their traditional mindsets, resulting in the persistence of the incumbent organization's existing cultural values. Consequently, a collision of subcultures within the organization arose. The varied adoption of the digital mindset can be attributed to the distinct sensemaking and sensegiving of both top and middle management in each department. Additionally, the interpretive communities in which these managers operate, and their reciprocal influence within these communities, further shaped the degree of digital mindset adoption. Particular emphasis is placed on the role of the Chief Digital Officer, which was given autonomy and resources to lead the DT and effectively created an interpretive community with members constructing positive meanings of the change.

Keywords: Digital Transformation, Culture, Sensemaking, Sensegiving, Digital Mindset

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Linda & Emma

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Definitions

<i>Term</i>	<i>Definition in this study</i>
Cultural Renewal	This study defines cultural renewal as cultural values undergoing the “act or process of being renewed and/or refreshed” (Merriam Webster, 2024). Although this term lacks a universal definition, we draw inspiration for defining <i>renewal</i> in organizational change processes from Agarwal & Helfat’s (2009, p.282) definition of “strategic renewal of organizations”.
Culture	This study adopts Schein’s (1985) definition of culture: “ <i>a pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems</i> ” (p.9). Schein’s (1985) depiction of corporate culture (artifacts, values, underlying assumptions) is also adopted but the focus is limited to values. This aligns with previous DT research, taking a value-centric approach to culture (Giorgi et al. 2015).
Digital Mindset	Digital mindsets steer how organizational members make sense of technological changes in Digital Transformations, either viewing them as opportunities for personal growth or as a digital threat intruding on their competency or work practices (Solberg et al., 2020).
Digital Transformation	<i>“Digital transformation is concerned with the changes digital technologies can bring about in a company’s business model, which result in changed products or organizational structures or in the automation of processes.”</i> (Hess et al., 2016, p.124).
Interpretive community	Interpretive communities share cognitive frameworks, i.e., schemas, which serve as lenses through which individuals filter and make sense of their experiences (Ranson et al., 1980; Balogun et al., 2015).
Mindset	A mental attitude or inclination (Merriam Webster, 2024).
Organizational change	This study has adopted the definition of organizational change provided by Van de Ven and Poole, (1995), p512: “ <i>a difference in form, quality, or state over time in an organizational entity</i> ”.
Schemas	Schemas can be defined as cognitive knowledge structures, or mental maps, that guide memory, perception, and action. Individuals use schemas to encode information (Markus, 1977), which guide subsequent behavior (Weick, 1979; Harris, 1994).
Sensebreaking	<i>“Deliberate efforts to invalidate and reject established understandings held by individuals or groups.”</i> (Cristofaro, 2022, p.399).
Sensegiving	<i>“Sensegiving is concerned with the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality.”</i> (Gioia and Chittipeddi, 1991, p.442).
Sensemaking	Sensemaking is considered “ <i>as the process through which people assign meaning to issues or events that cause the current state of the world to be different from the expected state.</i> ” (Weick, 1979; 1988; 1995; 2009; Cristofaro, 2022).
Strategic Change	<i>“Strategic change involves either a redefinition of organizational mission and purpose or a substantial shift in overall priorities and goals to reflect new emphases or direction”</i> (Gioia & Chittipeddi, 1994).

Abbreviations

<i>Abbreviations</i>	<i>Definitions</i>
SPES	Swedish Public Employment Service
DT	Digital Transformation
DD	Digital Department
TD	Traditional Department
DG	Director General
CDO	Chief Digital Officer
CXOs	Collective term for the other C-level executives (x is a replaceable variable)
Journey	Journey of Renewal

1. Introduction

1.1. Background and Problematization

It is also to create a culture of daring to try, to make mistakes, and to think a bit outside the box. And that is required if you are going to digitize. So in that sense, I tend to think that this is really an interplay between leadership and culture. – T

The Digital Transformation (DT) phenomenon entails a paradigm shift that fundamentally impacts society at large. DT can serve as a catalyst, empowering organizations to push firm boundaries, invent digital business models, and create digital ecosystems. Its disruptive nature has become a topic of interest for practitioners and academics in contemporary times, making it an established topic in several research domains (Hanelt et al., 2021).

Although DT has given rise to new business models and valuable inventions, it is a complex task, constituting a pressing challenge for large established players born in a pre-digital age, facing an urgent need to modernize deeply rooted structures and cultures (Lucas & Goh, 2009; Volpentesta et al., 2023). This mounting challenge is reflected in incumbents' DT failure rates, stretching at 70% (Volpentesta et al., 2023). A telling example of a company that failed with its DT is the photography giant Kodak, which was unable to capitalize on its heavy investments in digital photography largely due to its rigid culture (Lucas & Goh, 2009). Real-life cases clearly show the importance of culture in DT and how it can become the fall for giants from the pre-digital age or, conversely, pave the way for nimble and fast-moving start-ups. It is recognized that DT requires a flexible and innovation-supportive culture that fosters a mindset of embracing change, offering support, and creating engagement and inclusion (Karimi & Walter, 2015). However, little is known of how incumbents, faced with an urgent need to renew their culture to enable DT, can rise to this challenge (Butt et al., 2024).

Leaders have long been considered critical drivers for renewing organizational cultures toward innovation and creativity (Schein, 1985). This view is increasingly emphasized in DT literature, recognizing that top leaders have a critical mission to influence the organizational mindset and, thus, culture (Warner & Wäger, 2019). Not least, scholars depict new roles, such

as the Chief Digital Officer (CDO), as hero-like figures driving the change and instilling a digital mindset (Singh & Hess, 2017). However, analyses of how these leaders renew the culture by altering mindsets remain superficial (Butt et al., 2024), and the role of other managerial levels in altering mindsets is largely overlooked (Nadkarni & Prügl, 2020). Therefore, to fill these research gaps, it is essential to analyze how managers at all levels construct DT narratives to renew organizational mindsets and cultures. Viewing such cultural renewal through a sensemaking lens allows for uncovering valuable insights that deepen our understanding of the paramount organizational change arising from DT.

This single case study analyzes the Swedish Public Employment Service¹ (SPES), a large public organization characterized by structural and governance complexity and long-standing heritage. The study aims to provide insights into how leaders at various organizational levels contribute to changing the culture for DT in an incumbent organization by altering mindsets.

1.2. Purpose and Expected Contribution

Despite the growing importance and interest, research on how culture transforms in a DT remains a nascent field requiring more research (Hartl & Hess, 2017; Nadkarni & Prügl, 2020; Konopik et al., 2022; Butt et al., 2024). In answering this research call, this study aims to make theoretical and practical contributions to the DT research domain. First, the authors seek to develop a theoretical model of how leaders disseminate mindsets to renew the culture of a large and complex incumbent to enable its DT. Second, this study aims to advance the understanding of leadership's role in renewing organizational culture for DT. Specifically, it aims to deepen and nuance the depiction of how leaders renew mindsets in an organization by analyzing the thus-far overlooked role of middle managers (Nadkarni & Prügl, 2020) and complementing existing research on top leaders in DT (e.g., Wrede et al., 2020). Finally, the authors analyze this phenomenon through a sensemaking lens, providing a rarely seen socio-psychological perspective to DT research.

¹ Henceforth referred to the abbreviation SPES. The Swedish name is Arbetsförmedlingen, and its governmental task is to match those who are looking for employees with those who are looking for work as efficiently as possible (Arbetsförmedlingen, 2024).

1.3. Research Question

This study aims to contribute to DT research by filling the gaps of how culture changes for DT and how leadership at various levels drives this change by altering mindsets. By conducting a retrospective case study of SPES, a large and complex public organization that has undergone a DT spanning seven years, the authors aim to answer the following research question:

How do leaders alter mindsets to drive a cultural renewal that enables the Digital Transformation of a large incumbent organization?

1.4. Delimitations

The following delimitations have been enforced to enable the authors to fulfill the study's purpose. Firstly, this single-case study investigates an organization's distinct mindset and cultural renewal during a DT. Although this study captures essential details and perspectives deepening the DT understanding, its generalizability might be limited. Secondly, the study aims to uncover how leaders renew culture by altering mindsets, leaving other cultural drivers out of focus in this study. Although this is a necessary delimitation to capture the role of leaders in altering mindsets for cultural renewal, a comprehensive picture of cultural drivers may not be reachable. Thirdly, the study does not attempt to label or categorize cultural values favorable for a DT. Instead, it uncovers *how* leaders in an organization undergoing a DT facilitate cultural renewal by altering mindsets. Finally, other non-cultural related strategic outcomes of the agency's DT fall outside the delimitations of this study. Thus, the causality of renewing culture and reaching strategic goals will not be analyzed.

2. Previous Research and Theory

This chapter reviews the current literature on Digital Transformation, deepening the insight of emerging topics relevant to the research question presented in section 1.3. These topics include culture, leadership, and mindsets. The review is followed by a research synthesis emphasizing the identified gaps and the adopted theoretical lens.

2.1. Literature Review

2.1.1. Digital Transformation

Digital transformation (DT) is considered one of the most prominent challenges faced by incumbents (Hess et al., 2016; Nadkarni & Prügl, 2020), with new technologies presenting “game-changing opportunities” and “existential threats” (Sebastian et al., 2017, p.1). Consequently, organizations have experienced increased pressure to prioritize DT strategically (Hess et al., 2016). Following its increasing importance, Information System research has focused on DT, making it a frequently discussed topic among scholars (Vial, 2019; Nadkarni & Prügl, 2020). The absence of a universal definition of DT contributes to an ambiguity surrounding the phenomenon (Warner & Wäger, 2019; Hanelt et al., 2020). However, themes can be extracted from the prevailing debate, resulting in the identification of three DT phases (Verhoef et al., 2021). The first phase, digitization, is defined as a change from analog to digital information, and the second phase, digitalization, is concerned with the transformation of business processes. The third phase, DT, is the most pervasive phase, comprised of a company-wide change resulting in altered business models (Verhoef et al., 2021).

From a technological perspective, DT implicates firm strategy through a qualitative shift. Adner et al. (2019) highlight three underlying technological core processes of DTs: *representation*, *connectivity*, and *aggregation*, constituting a shift from quantitative to qualitative changes. These processes drive firms to alter their strategies through business model development, new value propositions, and growth opportunities. However, as inferred by the definition of DT’s third phase (Verhoef et al., 2021), technology is only one aspect of the puzzle organizations must solve to remain competitive in an increasingly digitized world

(Vial, 2019). The proliferation of digital technologies affects incumbent organizations and requires adaptations, making DT naturally related to organizational change (Hanelt et al., 2020). This perspective is captured by Hess and his colleagues (2016), stating that “*Digital transformation is concerned with the changes digital technologies can bring about in a company’s business model, which result in changed products or organizational structures or in the automation of processes.*”

In line with this, Nadkarni and Prügl (2020) conceptualize DT as the intercept of the adoption of disruptive digital technologies and actor-guided organizational transformation of capabilities, structures, processes, and business model components. Within the actor-centric side, scholars have investigated organizational structure as a DT enabler (Sklyar et al., 2019; Verhoef et al., 2021). Findings highlight the importance of a business unit separated from the headquarters when innovating new business models and agile organizational forms enabling fast responses. Lastly, scholars argue that the IT unit needs to develop into a digital business unit with data and analytical skills to support digital value creation (Wrede et al., 2020; Verhoef et al., 2021).

Moreover, one area related to organizational structures is culture (Vial, 2019). Scholars argue that cultural renewal is critical for enabling DT (Hartl & Hess, 2017; Vial, 2019; Warner & Wäger, 2019; Volberda et al., 2021). However, strategic renewal enabled by organizational culture has received limited recognition in DT literature (Nadkarni & Prügl, 2020), and few studies have empirically examined this (Trenerry et al., 2021; Christodoulou et al., 2022). Research largely overlooks that DT touches upon deeply rooted organizational values (Van der Schaft et al., 2022), calling for more research on culture’s role in DT (Konopik et al., 2022).

2.1.2. Renewing Cultural Values for Digital Transformation

2.1.2.1. Analyzing Culture

Organizational culture has been described as the “organization’s mind” (Mintzberg et al., 1998, p.265). In organizational research, and more recently within the DT discourse, Edgar Schein’s (1985) cultural model has been utilized extensively to analyze corporate culture (Giorgi et al., 2015; Duerr et al., 2018; Butt et al., 2024). Schein’s model depicts culture

across three hierarchical levels, ranging from tangible to intangible: *artifacts*, *espoused values and beliefs*, and *basic underlying assumptions*. Schein (2010) underscores the third and most intangible level as the cultural essence, manifested in espoused values and visible at the artifact level. Within organizational theory, the conceptualization of culture as values is prominent (Giorgi et al., 2015), and scholars have described organizational values as the foundation of organizational culture (Deal & Kennedy, 1982; Hartl & Hess, 2017). In line with this, Information System scholars investigating culture have adopted a value-centric approach (Karimi & Walter, 2015; Hartl & Hess, 2017).²

2.1.2.2. Importance of Changing Culture to Digitally Transform Organizations

Scholars have found cultural renewal critical for successful DTs (Warner & Wäger, 2019), as heritage cultures can hinder incumbents' ability to respond to innovations (Lucas & Goh, 2009; Hartl & Hess, 2017). In line with this, Volberda et al. (2021) have found that the structure and norms of incumbents, inherited from another era, make it challenging for them to delve into new ways of operating. Thus, for these players, DT entails a shift towards relevant norms in the digital world (Volberda et al., 2021). Similarly, Lucas and Goh (2009) argue that in contrast to digitally-born actors, large and non-digital natives might need to reconfigure organizational structures, routines, and cultures to undergo a pervasive DT. More specifically, these scholars have found that inherited hierarchical and bureaucratic cultures favoring the status quo may cause DT to fail (Lucas & Goh 2009).

As organizational culture can hinder incumbents' ability to respond to innovations (Lucas & Goh, 2009), DTs can require a renewal of cultural values (Duerr et al., 2018; Warner & Wäger, 2019). The need to renew culture was evident for Volvo, recognizing that a shift in company identity and culture was needed to build new capabilities to digitally transform their business (Svahn et al., 2017). Similarly, when investigating the newspaper industry, Karimi and Walter (2015) found that successful management of innovation projects require an innovation-supportive culture with values of *innovative culture*, a *multimedia mindset*, and a *common language*. Diving into which organizational cultural values support DT, Hartl and Hess (2017) applied the Competing Values Framework (Quinn & Rohrbaugh, 1983) and found that flexible values support DT. Moreover, they argue that both clan values, such as *trust* and *failure tolerance*, and adhocracy values, such as *cooperation* and *customer*

² We adopt Schein's (1985) depiction of culture, but narrow down our focus to values, in accordance with previous research (Giorgi et al., 2015).

centricity, contribute to DTs. Similarly, scholars have found that the cultural values of *risk embracement* (Kane et al., 2015), *passion empowerment* (Butt et al., 2024), an *acceptance towards failure*, and a *start-up mentality* (Duerr et al., 2018; Butt et al., 2024) support DTs.

This value-centric research stream on culture and DT commonly adopts a descriptive approach, highlighting what a culture for DTs looks like regarding organizational values (Hartl & Hess, 2017). However, the process of renewing a culture for a DT, i.e., how these cultural values become ingrained in the organizational culture, remains overlooked in this research stream, calling for more research on this topic (Butt et al., 2024). Scholars suggest that leadership is essential to consider to fill this research gap, as it can shape the culture for DT (Wrede et al., 2020; AlNuaimi et al., 2022; Butt et al., 2024). Specifically, leaders have an important role in influencing the organizational mindset (Wrede et al., 2020; McCarthy et al., 2021; Volberda et al., 2021), which is found to be highly interrelated with culture (Hofstede et al., 2005; Ghosh et al., 2022). In line with this, scholars argue that altered mindsets can drive cultural renewal in DTs (Warner & Wäger, 2019).

2.1.3. Leaders Renew Cultural Values by Altering Mindsets

2.1.3.1. Leaders Creating a Digital Mindset

To analyze how cultural values are renewed to enable DTs, it is essential to consider how leaders alter organizational mindsets (Wrede et al., 2020; McCarthy et al., 2021; Volberda et al., 2021). Butt and his colleagues (2024, p.9) emphasize this, stating that leadership needs to engage organizational members with a “mindset change and cultural change that is happening right now.” Similarly, in their literature review on DT leadership, McCarthy et al. (2021) found that research has focused on the leadership type ‘the digital strategist’, which makes DT a strategic priority by changing the organizational mindset and achieving support from top management. This leader leads on a digital vision and mindset (McCarthy et al., 2021).

Scholars studying what a favorable mindset for DT looks like have found that a *digital mindset*, defined as self- and situation-oriented beliefs around digital technologies (Volberda et al., 2021), is critical (Solberg et al., 2020; Ghosh et al., 2022). Solberg et al. (2020) state that digital mindsets steer how organizational members make sense of technological changes, as it reflects individuals’ beliefs about their capability to learn new technology and whether

the technology is a resource that brings benefits through either competition or collaboration. Further, the scholars define a spectrum of digital mindsets, ranging from ‘fixed, exploitative, and competitive’ to ‘growth, collaborative, and expandable’. Employees inhabiting the former possess a negative and apprehensive outlook on DT, especially when it requires engagement in related complex and abstract tasks. As a result, such employees will undermine change initiatives. Conversely, employees with the latter digital mindset view technology changes in DT as opportunities for growth and collaboration and believe they hold the capability to develop the required skills.³ Essentially, digital mindsets determine whether managers and employees view the changes brought by DT as opportunities for personal growth or as digital threats intruding on their competency or work practices. This results in a variance of active engagement in DT among the organization’s members (Solberg et al., 2020).

2.1.3.2. Top Leadership

One research stream highlights top managers’ role in creating a digital mindset for DT by utilizing transformational leadership skills (Singh & Hess, 2017; Wrede et al., 2020; McCarthy et al., 2021; Fernandez-Vidal et al., 2022). Wrede et al. (2020) found that top management takes three critical actions in response to DT. The first step, *Understanding digitalization*, is determined by prior knowledge, attitudes, external points of reference, and assessing the ‘digital status quo’. The second step, *Setting the formal context of digitalization*, is achieved by making digitalization a strategic priority, redefining roles and responsibilities, and providing resources. The final step, *Leading change*, concerns winning employee commitment and building a mindset that embraces change while making everyone feel included, supported, and enabled. These tasks are achieved by signaling personal commitment, involving others, and building trust and commitment.

Scholars have begun focusing on new leadership roles, recognizing that top leaders of DTs need to drive a digital mindset within the organization while responding to the disruptions of digital technologies (Vial, 2019). One such role receiving increased attention in DT leadership research is the Chief Digital Officer (CDO) (Tumbas et al., 2017; Singh & Hess, 2017; Vial, 2019; Singh et al., 2020; Firk et al., 2021). Singh and Hess (2017) analyze how CDOs, the DT orchestrators, guide companies through their DTs. The authors find that the

³ Henceforth the study exclusively uses the term ‘digital mindsets’ when the positive criteria are fulfilled (i.e growth, collaborative, expandable) (Solberg et al., 2020).

CDO can play three roles: the *Coordinator*, the *Entrepreneur*, and the *Digital evangelist*. The latter is effective when there is a need to mobilize engagement in a hesitant organization. In such a context, the Digital evangelist instills enthusiasm and works towards a cultural renewal by utilizing inspirational skills and driving a digital mindset.

2.1.3.3. Middle Management

While top leaders have received attention in DT research, the role of middle managers remains scarce (Nadkarni & Prügl, 2020; Trenerry et al., 2021; Christodoulou et al., 2022). One rare research contribution to middle managers in organizations undergoing DTs was made by Christodoulou and his colleagues (2022), who found that middle managers have a critical role in involving employees in the change, motivating ownership and commitment, and creating a culture of experimentation. To further substantiate this research stream, more research on middle management in DT is needed (Christodoulou et al., 2022; Nadkarni & Prügl, 2020).

The scarcity of research on middle managers in DT contrasts organizational change research, which recognizes the role of middle managers in forming emerging strategies (e.g., Floyd & Wooldridge, 1997). Specifically, sensemaking scholars argue that middle managers hold an influential position in the strategy formation of top-down change initiatives, as they can make intended strategies lead to unintended outcomes (Balogun & Johnson, 2005). Their influence is derived from their *dual role* as recipients and deployers of plans. Thus, they attach new meanings to a strategic change as plan recipients and influence how employees make sense of the change through plan deployment, resulting in two sets of narratives (Balogun & Johnson, 2005; Balogun et al., 2015). Interestingly, middle managers' sensemaking is primarily influenced by informal social interactions with other middle managers, limiting the influence of top management's vertical directives (Balogun & Johnson, 2005). Drawing parallels to how leaders change the organizational mindset for DT, these findings suggest that it is essential not solely to consider top management's influence in driving a digital mindset.

Expanding middle managers' role in strategic change, scholars have investigated senior managers below the top management team and found that they encompass a heterogeneous collective with varied sensemaking, particularly in large organizations (Balogun et al., 2015). This heterogeneity is attributed to managers belonging to different divisions, thereby being

influenced by different interpretive contexts (Balogun et al., 2015). Consequently, change outcomes at the local level may differ as the actors shape the meaning of the social reality of each division (Hardy, 2000; Sonenshein, 2010; Balogun et al., 2015). These findings indicate that a renewal of organizational mindsets might not be coherent organization-wide, further highlighting the need to consider more managerial levels in different departments when analyzing how mindsets change to enable DT.

To summarize, scholars recognize leaders as critical in renewing organizational culture in DTs by changing organizational mindsets. Scholars have primarily emphasized the role of top leadership in altering mindsets. However, research on how these leaders create a digital mindset remains scarce. Similarly, middle managers' influence in renewing organizational mindsets is overlooked. This scarcity contrasts organizational research, recognizing middle managers as critical actors shaping change outcomes. Thus, there is a call for research investigating how managers on all levels drive a cultural change in DTs by altering the organizational mindset.

2.1.4. Research Gaps

After critically reviewing the literature relevant to the study's purpose, two research gaps have been identified in the DT field. First, further insight is needed into *how* culture is renewed to enable DT and second, how leaders and managers drive cultural renewal during DT by altering organizational mindsets.

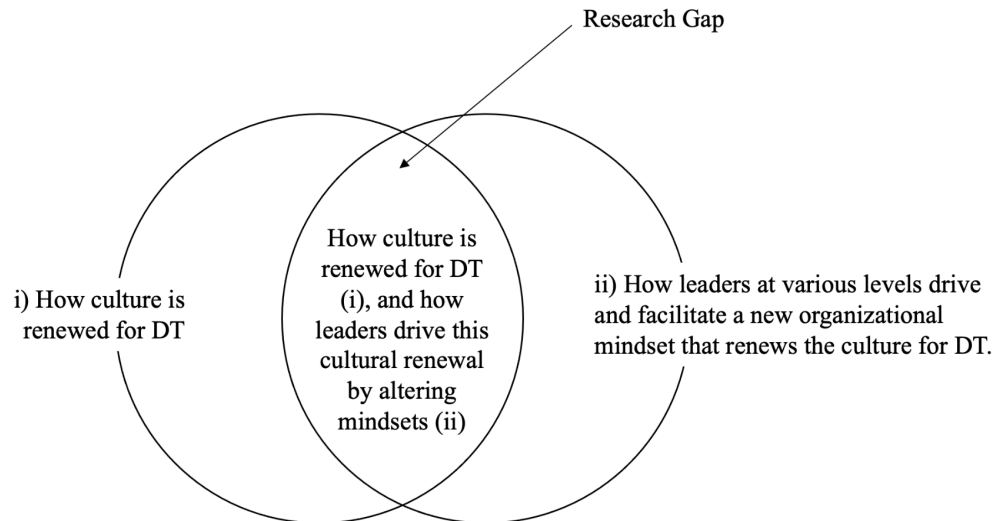


Figure 1. Overview of the identified research gaps.

2.1.4.1. Cultural Renewal for DT

The scholarly interest in DT has increased during the last decades, giving rise to an expanding body of DT literature within diverse research streams (Hanelt et al., 2021). However, research on how company culture influences and facilitates DTs and entailing organizational transformations remains nascent (Nadkarni & Prügl, 2020; Trenerry et al., 2021). Van der Schaft et al. (2022) exemplify this research scarcity, arguing that literature has overlooked DT's effect on deep organizational structures, such as cultural values. Although organizational culture remains relatively understudied in DT, scholars such as Vial (2019), Volberda et al. (2021), and Warner and Wäger (2019) highlight the cultural dimension's vitality in this disruptive age. Thus, there are calls for further research within DT and cultural renewal.

Although literature remains scarce, some scholars have contributed to research on culture and DT. Such research predominantly adopts a value-centric approach to culture and identifies a set of cultural values important for successful DT (e.g., Hartl & Hess, 2017). Thus, previous

research has focused on depicting what a culture for DT looks like rather than investigating how to cultivate such a culture. Consequently, a research gap has been identified. Specifically, Butt et al. (2024) call for further research guiding the development of culture in pursuit of DT strategy, and Konopik et al. (2022) call for further investigations of the role of cultural values in DT. Hartl and Hess (2017) also call for additional research on how cultural values are renewed to reach the optimal culture for DT. Thus, the conversation is shifting towards a question of *how* culture is renewed instead of *what* a culture for DT looks like, resulting in the gap: *How culture is renewed for a DT*.

2.1.4.2. Leaders Driving Cultural Change

Scholars suggest that leaders are critical to consider when analyzing cultural renewal (Butt et al., 2024). Specifically, scholars argue that DT leaders can renew the organizational culture by altering the organizational mindset (Warner & Wäger, 2019; Ghosh et al., 2022). Thus far, DT research has mainly focused on top leaders changing the organizational mindset (Wrede et al., 2020; McCarthy et al., 2021; Volberda et al., 2021; Fernandez-Vidal et al., 2022), not least CDOs (Singh & Hess., 2017; Singh et al., 2020; McCarthy et al., 2021). However, detailed analyses of how these leaders alter mindsets and renew organizational culture are rare. Additionally, the attention directed to middle management is limited (Nadkarni & Prügl., 2020; Trenerry et al., 2021; Christodoulou et al., 2022) despite their stated vitality in strategic change by sensemaking scholars (Balogun & Johnson., 2005). Thus, research depicting intricate details of how managers at various levels change and disseminate organizational mindsets to renew culture in DT remains scarce. Resultantly, a research gap is formed: *How leaders at various levels drive and facilitate a new organizational mindset that renews the culture for a DT*.

Identified Research Gaps	Amongst Others Highlighted By
i) How culture is renewed for DT	Hartl & Hess (2017), Vial (2019), Nadkarni & Prügl (2020), Trenerry et al. (2021), Volberda et al. (2021), Konopik et al. (2022), Van der Schaft et al. (2022), Butt et al. (2024)
ii) How leaders at various levels drive and facilitate a new organizational mindset that renews the culture for a DT	Singh & Hess (2017), Warner & Wäger (2019), Singh et al. (2020), Wrede et al. (2020), McCarthy et al. (2021), Trenerry et al. (2021), Volberda et al. (2021), Christodoulou et al. (2022), Fernandez-Vidal et al. (2022), Ghosh et al. (2022), Butt et al. (2024)

Table 1. Summary of research gaps.

2.2. Theoretical Lens

Organizational sensemaking theory constitutes the theoretical lens through which DT, leadership, mindset, and culture are analyzed. Drawing upon contributions from scholars such as Weick (1988; 1995; 2005), Gioia and Chittipeddi (1991), and Gioia et al. (1994), organizational sensemaking theory emerges as the cornerstone in the study's analysis. This theoretical orientation was cultivated through an inductive research process, where empirical findings guided emerging themes and concepts. Specifically, micro-organizational social processes (Balogun & Johnson, 2005), such as subcultures and diverse narratives, arose during the research process, resulting in the applicability of the organizational sensemaking theory. This section synthesizes theoretical constructs, positioning sensemaking theory as an insightful analytical tool to explore this study's phenomena.

2.2.1. Defining Sensemaking

"Sensemaking as a concept is well named, because, literally, it means the making of sense." (Weick, 1995, p.4).

Weick (2005) states that organizational sensemaking is firstly about how something comes to be an event for organizational members, and, secondly, it is about what an event means in the context of everyday life, providing an answer to the question *"What's the story here?"* (Weick, 2005, p.410). In 1995, Weick introduced seven characteristics of sensemaking to impose certain boundaries on the phenomenon. These are (1) grounded in identity construction, (2) retrospective, (3) enactive of sensible environments, (4) social, (5) ongoing, (6) focused on and by extracted cues, and (7) driven by plausibility rather than accuracy. (Weick, 1995). The characteristics of sensemaking can be represented as a sequence of *"people concerned with identity in the context of others engage ongoing events from which they extract cues and make plausible sense retrospectively, all the while enacting more or less order into those ongoing events"* (Weick, 1995, p.18).

2.2.2. Why Sensemaking Occurs

Sensemaking efforts become explicit when the current state of the world differs from the expected state or when no apparent way of engaging with the world is present (Weick, 2005). In such situations, people attempt to make sense of the disruption by looking for reasons,

such as plans, expectations, traditions, and institutional constraints, that enable them to resume their activities (Weick, 2005). Thus, change interventions can trigger sensemaking, commonly involving expectations violations and creating uncertainty, ambiguity, and confusion among the involved (Maitlis & Christianson, 2014). In line with this, the process of meaning construction during planned and strategic change has become widely recognized in sensemaking research (Gioia & Chittipeddi, 1991; Balogun & Johnson, 2005; Maitlis & Christianson, 2014; Balogun et al., 2015). The relevance of studying strategic change from a sensemaking lens is further supported by Gioia and Chittipeddi (1991), arguing that strategic change is fundamentally a “cognitive re-orientation” of the organization. This line of research has shown how shifts occur in individuals’ schemata during organizational transformation and how this generates change in organizational interpretive schemes (Balogun & Johnson, 2005).

2.2.3. Schemas and Interpretive Communities

Within sensemaking theory, individual and organizational schemas are central, as schemas make sensemaking possible (Harris, 1994). Schemas refer to cognitive knowledge structures, or mental maps, that guide memory, perception, and action. Individuals use schemas to encode information (Markus, 1977) and guide subsequent behavior in accordance with that information (Weick, 1979; Harris, 1994). In the organizational context, individuals carry several schemas to enable perception and responses to social entities, known as *in-organization* schemas. These schemas help explain individuals’ perceptions of themselves, actors in the organization, cultural artifacts, appropriate behaviors in specific situations, and the cognitive understanding of the culture to which they belong (Harris, 1994).

Some scholars have defined organizational culture as “shared schemas” (Louis & Sutton, 1991; Harris, 1994). However, simply sharing categories of schemas is not enough to establish a cultural presence within an organization. Instead, for culture to truly exist, the content and relative *salience* of those schemas must be similar among the organization’s members (Harris, 1994). How does this similarity come about? Schein (1985) argues that schema similarity emerges through sharing experiential space, time, communication, interaction, and problem-solving. Therefore, organizational subgroups are common, as these naturally share experiences in a more immediate setting, resulting in subcultures with a more well-defined set of schemas than the schemas across the entire organization (Harris, 1994).

Although organizational studies acknowledge subcultures (Harris, 1994), research on strategic change has referred to organizations as unitary actors, thus implying uniform sensemaking communities (Kaplan, 2008). However, sensemaking scholars argue that grouping “managers” or “employees” in organizational contexts can be conceived as distinct interpretive communities, each shaped by its cognitive frameworks originating from diverse backgrounds and contextual factors. The interpretive communities’ shared cognitive frameworks serve as lenses through which individuals filter and make sense of their experiences (Ranson et al., 1980; Balogun et al., 2015). Consequently, variations in interpretive schemes across organizational departments lead to diverse interpretations of change initiatives and responses. Both relational and interpretive contexts shape these interpretive schemes and differ in the sense that in relational contexts, collective meaning emerges through observation and interaction with peers, subordinates, and superiors. Conversely, in interpretive contexts, individuals draw upon clues and available interpretations within the collective to frame their understanding of situations (Balogun et al., 2015).

To summarize, although sensemaking scholars such as Balogun et al. (2015) adhere to the idea that organizational sensemaking is inherently social, these sensemaking processes can be seen to occur within distinct interpretive communities, which entail schema similarity (Harris, 1994) and are similar to subcultures. Thus, it highlights the diverse organizational sensemaking processes and departs from reifying organizations as unitary actors (Balogun et al., 2015).

2.2.4. Defining Sensegiving

The sensegiving concept is widely adopted in literature and differs from sensemaking in that it is future-oriented (Sandberg & Tsoukas, 2015). Organizational members must understand and make sense of a planned change (Gioia & Chittipeddi, 1991). Thus, the CEO or the top management team needs to define a revised conception of the organization via sensemaking and let a “captivating” vision that embraces “ambiguity-by-design” evolve and guide the organizational renewal (Gioia & Chittipeddi, 1991, p.445-446). This vision is disseminated to stakeholders through a sensegiving process, where the CEO actively engages in cycles of negotiated social construction activities to influence the interpretive schemas of organizational members. Thus, the CEO shapes stakeholders’ schemas to align with strategic

objectives and desired outcomes. Essentially, “*sensegiving is concerned with the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality.*” (Gioia & Chittipeddi, 1991, p.442). Accordingly, sensegiving directly addresses managers’ or top executives’ attempts to communicate the meaning of organizational change to its members (Sandberg & Tsoukas, 2015) and control sensemaking processes (Maitlis, 2005).

Attempting to change recipients’ sensemaking through sensegiving is typically done through language, symbols, and symbolic actions (Gioia & Chittipeddi, 1991) and discursive and linguistic skills (Maitlis & Lawrence, 2007). Additionally, sensegiving commonly involves a breakdown or destruction of meaning, referred to as sensebreaking (Pratt, 2000). Cristofaro (2022, p.399) defines sensebreaking as “*deliberate efforts to invalidate and reject established understandings held by individuals or groups.*”. Such efforts question existing understandings that contradict desired ones by portraying the existing identity or strategy as unwanted (Schildt et al., 2019).

Scholars argue that sensemaking-sensegiving cycles facilitate sensemaking within organizations on individual and collective levels (Ran & Golden, 2011). These cycles are continuous processes among organizational agents. As top management instills sensegiving into employees through language, narrative construction, or symbols (Maitlis & Lawrence, 2007), a sequential sensemaking process emerges (Sonenshein, 2010). Thus, employees should not be seen as passive recipients of leaders’ emotional schemata. Instead, through this cycle, employees will either adopt or reject others’ emotional schemata (Cristofaro, 2022).

Middle managers have been particularly highlighted in sensemaking literature (Gioia et al., 1994), emphasizing their dual sensemaking process (Cristofaro et al., 2022). These managers, situated between top management and employees, undertake two critical tasks (Gioia et al., 1994). Firstly, middle managers are recipients of top management’s plans (sensegiving), which they interpret and comprehend (sensemaking). Secondly, they actively develop these ideas and convey them to employees further down the organizational hierarchy (sensegiving) (Gioia et al., 1994; Balogun & Johnson, 2005). Thus, the sensemaking-sensegiving cycle becomes particularly prominent in the middle management role. This understanding is grounded in Gioia et al.’s (1994) observation that sensemaking and influence often overlap and intertwine. In essence, middle managers occupy a crucial organizational position. They

grasp and contextualize top management's directives and actively refine and communicate these directives to employees (Gioia et al., 1994; Balogun & Johnson, 2005).

This view of top and middle management aligns with the co-evolutionary logic of sensemaking and substantiates a multilevel influence on sensemaking within an organization (Balogun et al., 2015). Such a perspective assumes particular relevance in the analysis of change initiatives within large organizations, as it sheds light on how individual meaning constructions of top management directives are shaped and diffused throughout the organization. Thus, a sensemaking perspective provides insights into strategy implementation and why a strategic change can lead to unintended outcomes (Balogun & Johnson, 2005).

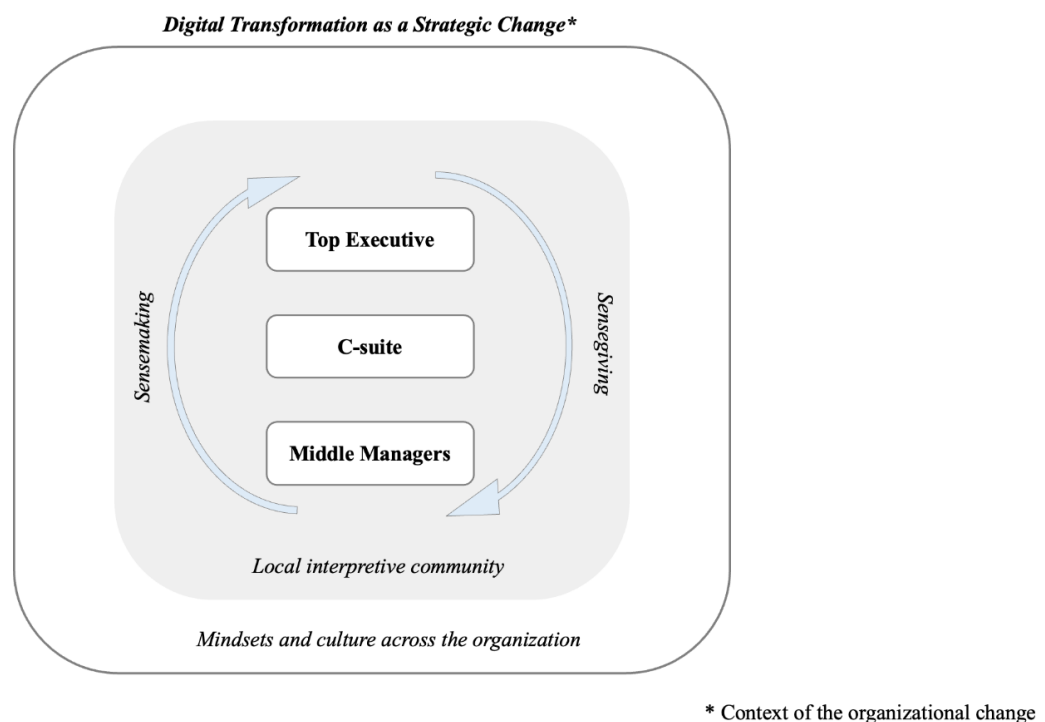


Figure 2. Illustration of the theoretical lens.

3. Methodology

This section presents the stages of the research process. Following an inductive research approach, a qualitative single case study was conducted on the Swedish Public Employment Service (SPES). The research process began with preparatory work, followed by the main study, which consisted of two phases of in-depth interviews. Finally, this section reflects on the quality and ethical considerations of the study.

3.1. Scientific Research Approach

3.1.1. Methodological Fit

First, this study undertakes an inductive grounded theory approach, as called upon by DT scholars (Hanelt et al., 2021; Trenerry et al., 2021). Second, a qualitative approach is most suited due to this study's partly unexplored themes and focus on capturing detailed accounts of employees' perceptions of organizational phenomena (Yin, 2003). Third, as the sensemaking process of managers and employees is fundamental for understanding leaders' renewal of culture, an interpretive qualitative approach with in-depth interviews is well suited (Gioia & Chittipeddi, 1991). Further, a single case study provides insights into a unique case that illustrates how a large and complex incumbent organization undertakes the challenge of renewing organizational mindsets and cultures in a DT. Although culture is inherently idiosyncratic to its organization (Butt et al., 2024), the authors aim to emerge themes and patterns of how leadership changes the culture in DTs by altering mindsets, making the study's findings useful for scholars and practitioners.

3.1.2. Research Design

This case study employs an inductive methodological approach, a method well recognized within qualitative case study research (Bell et al., 2019). The process evolved through inductive measures, where theory was developed in a "data-driven manner" from data collected through semi-structured interviews (Bell et al., 2019, p.27). Additionally, the lens on theory building aligns with the grounded-theory approach, where consumption of theory within this field was limited to prohibit confirmation bias as "[...] *knowing the literature*

intimately too early puts blinders on and leads to prior hypothesis bias” (Gioia et al., 2012, p.21).

As for the stances within the philosophy of social science (Bell et al., 2019), this study’s ontological and epistemological positions are elaborated upon by explaining their assumptions. Ontology in business research intends to theorize about the nature of reality. This study adopted a constructionist ontological position, implying that “*social phenomena and their meanings are continually being accomplished by social actors*” (Bell et al., 2019, p.27). This assumption is shared with sensemaking theory (Weick, 1995). Through this stance, the study adheres to the entailing assumptions, such as viewing social objects and categories as socially constructed and culture as an emergent reality continuously evolving. In contrast to the objectivist ontological position, the social world is not imposed on individuals from external forces but is actively shaped through peoples’ actions and behaviors (Bell et al., 2019).

Further, an interpretivist epistemological position is employed, which concerns the social scientists who seek to *understand* human behavior. The study agrees with the interpretivists’ view of human action and meaning-making as the elements that make up reality (Bell et al., 2019). Further, this study draws upon Burrell and Morgan’s (1979) framework of research paradigms. The interpretative paradigm holds the following research assumptions on how to study an organization: it “*focuses on the conceptions of social actors and implies that understanding must be based on the experience of those who work in organizations*” (Bell et al., 2019, p.34). Consistent with these methodological assumptions, this study undertakes a qualitative research strategy (Bell et al., 2019), with semi-structured interviews forming the basis of the research design. This interview format explores managers’ sensemaking and sensegiving of mindset and cultural renewal for an organization’s DT.

Data Type	Numbers Processed
Interviews	25
Prep interviews	4
Semi-structured interviews	21
Documents	4
Reports	3
Presentations	1

Table 2. Data collection overview.

3.1.3. Research Case

“This has been and remains a paradigm shift for the SPES’s operations and employees.”⁴

Public agencies are large and complex organizations (Dowdy et al., 2017) and have long been associated with bureaucratic and hierarchical organizational culture (Parker & Bradley, 2000). As a DT requires a flexible culture (Hartl & Hess, 2017) rather than a hierarchical and bureaucratic one (Lucas & Goh, 2009), public organizations likely face pressure to undergo a cultural shift in the face of DT. Therefore, analyzing public organizations to close the identified research gaps and answer the study’s research question is suitable. Finding an incumbent public agency that had undergone this type of transformation was critical to properly analyze a mindset and cultural renewal for a DT.

The chosen organization, the Swedish Public Employment Service (SPES), fulfilled the above criteria as it digitally transformed its organization between 2014 and 2021. During this time, leadership was utilized to renew the organizational mindset and culture to enable its DT, referred to as The Journey of Renewal⁵. The employment of the former Director-General (DG) in 2014 marked the start of the Journey. The Journey was initiated with an internal audit to identify areas for operational improvement. The audit revealed that SPES had an “us and them” cultural division, hierarchical structures, and a tendency to search for errors and scapegoats. Thus, SPES’s culture in 2014 contrasted with a culture enabling DT (Hartl &

⁴ Document (Fenomenet Förnyelseresan, 2021).

⁵ Henceforth referred to as the Journey.

Hess, 2017). Moreover, the audit shed light on SPES's unmodern services and working methods and a record-low public trust, contributing to the portrayal of problems.

During the Journey, a target image was introduced. The vision 'Digital first' fostered digitized processes, and the leadership philosophy, 'Self-Leadership' (SL), aimed to improve organizational leadership and culture. SL consisted of five dimensions: 1) I take responsibility for the entirety, 2) I collaborate with partners, 3) I develop my personal leadership, 4) I capture and affect surrounding events, and 5) I lead by encouraging others. Moreover, a new vision, 'We make Sweden richer by making people and companies grow', and a new set of values, 'Professional, Inspiring, and Trustworthy', complementing the governmental ones, were implemented. The empirical section uncovers how these changes unfolded and how leaders contributed to a mindset and cultural renewal that enabled SPES's DT.

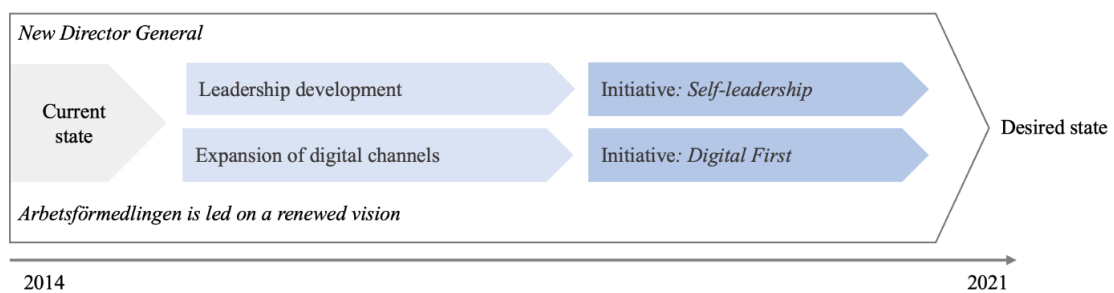


Figure 3. A conceptual overview of the aspects relevant to this study from SPES's Journey of Renewal.

During this study, the authors had close collaboration with SPES, which facilitated the data collection process. In particular, the collaboration facilitated the scheduling of interviews, learning about the organization through casual conversations, and access to company documents. Additionally, it enabled trust building with employees, thereby increasing the chance of obtaining truthful interview answers (Barnard et al., 1999).

3.2. Scientific Research Process

The research process comprised three main steps, as shown in Figure 4. The process was initiated by reviewing internal documents provided by the case organization and collecting initial empirical data through four exploratory interviews. Insights from this phase informed the direction of the main study. Upon completing the first phase of the main study, after which initial dominant concepts could be extracted from the empirical findings, the authors revised the study's initial direction before initiating the second phase of interviews.

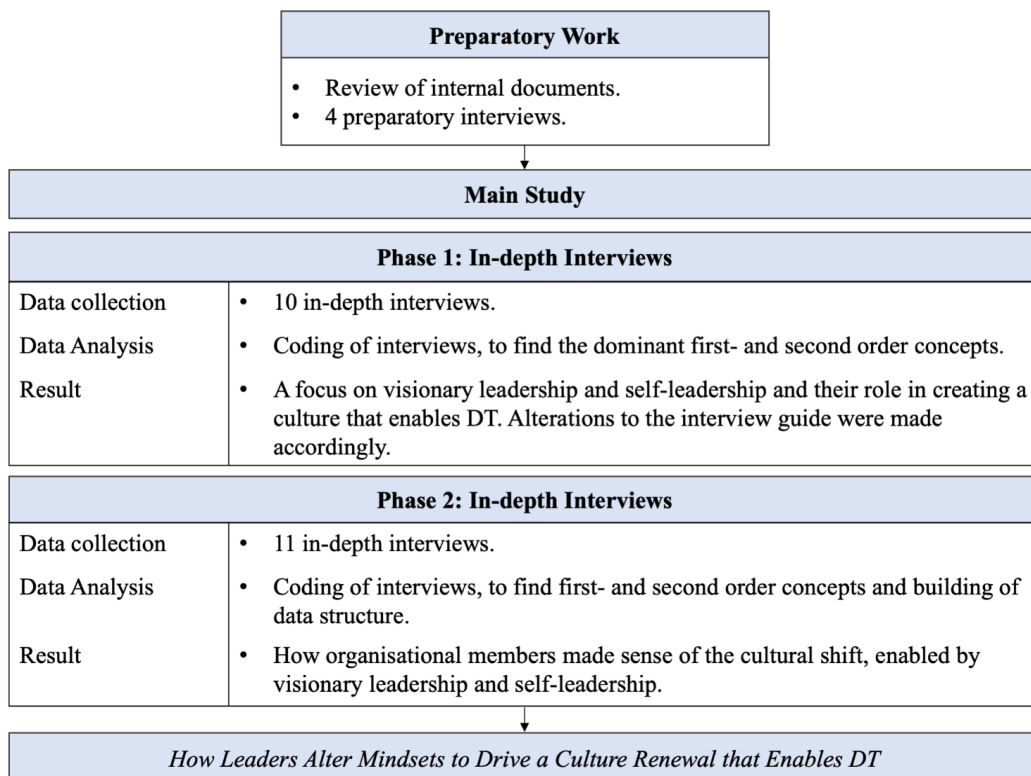


Figure 4: Overview of the scientific research process.

3.2.1. Preparatory Work

Before initiating the main study, internal documents were reviewed to enrich the authors' understanding of SPES and the Journey. In case studies and qualitative research, documents can provide valuable background information about an organization (Bell et al., 2019), allowing interviews to focus on other topics. The document reviews revealed that the leadership philosophy was central to the Journey and received various reactions and interpretations.

In addition to documents, four preparatory interviews were conducted (Appendix A). Two expert interviews were conducted to enrich the authors' understanding of SPES. The other two interviews were held with SPES employees and centered around the organization's mission and critical events and decisions made during the Journey. Findings from these interviews highlighted the role of leadership and culture in the DT. They confirmed the need to investigate further how the organizational culture was renewed and how leadership, grounded in the new leadership philosophy, contributed to this change. Based on these findings, a broad research question was formulated, and a more defined interview guide was developed. As the interview guide was updated, the employees participating in the preparatory interviews were also invited to take part in the main study.

3.2.2. Main Study: In-Depth Interviews

In-depth interviews were conducted with a diverse group of SPES employees. As meaning is conveyed through language, a linguistic-based approach facilitates the comprehension of the complexities and depth of the studied phenomena (Bell et al., 2019).

3.2.2.1. Interview Sample

When deciding upon the interview subjects, the authors sought to cover a broad set of perspectives from diverse hierarchical positions. Thus, the sample included individuals from various organizational levels, including top leadership, middle management, and employees. Further, the respondents' relevance was decided through the *a priori purposive sampling* method, with criteria established at the outset of the research (Bell et al., 2019). The criteria follow as (i) full-time employment in the organization; (ii) employed for a minimum of two years during the Journey; (iii) diversity in terms of both departments and roles, as the authors sought to interview respondents who crafted the DT's strategic initiatives or solely experienced the change processes. The quantity of the interview sample was not predetermined. Instead, it was controlled with the goal of *theoretical saturation*, a state where no more conceptual themes or insights unfolded from the data (Bell et al., 2019). After conducting 18 interviews, only one new theme emerged, and after the 19th interview, no new insights were generated. Nonetheless, two additional interviews were carried out to ensure theoretical saturation and that all themes were thoroughly covered (Crouch & McKenzie, 2006). The final sample is presented in Appendix C.

3.2.2.2. Interview Design

Upon scheduling each interview, interviewees were provided an overview of the research topic. However, this material was kept brief to prevent pre-rehearsed responses from interviewees. The semi-structured interviews incorporated open-ended questions to elicit genuine perspectives (Bell et al., 2019). These questions held a thematic focus on the organization's leadership philosophy, mindsets, culture, digitalization, and the relationship between leadership and its cultural impact. Considering the interviewees' organizational roles, the content was partly tailored to capture individual reflections and interpretations (Bell et al., 2019). The interviews lasted approximately 55 minutes, allowing room for follow-up questions unfolding in each session.

While the themes and context of the Journey guided the discussions, the authors remained attentive to the interviewees' sensemaking processes and perceptions of the events. This included assuring interviewees that there were no right or wrong answers, alleviating the risk of social desirability bias, and thus aligning with Podsakoff et al.'s (2003) recommendation. Further, to mitigate becoming biased toward the subject's view or going native, as cautioned by Mills et al. (2010), the authors alternated between conducting interviews and note-taking. Due to the case's retrospective nature, the authors acknowledged the potential influence of the organization's current leadership, mindset, and culture on the interviewees' responses.

Due to the organization's nationwide presence and the aim of a diverse interviewee sample, part of the data collection was conducted through video interviews. While video interviews may limit the interpretation of body language and non-verbal cues, research suggests that digital interview tools are nearly as effective as physical ones, assuring the validity of this data collection method (Irani, 2019). Furthermore, given the organization's role in the public sector and persistent media exposure, careful measures were taken to uphold participant anonymity and confidentiality of transcripts and recordings, aligning with the ethical standards outlined by Bell et al. (2019). Finally, as the interviews were conducted in Swedish, careful attention was paid to the translation process to ensure fidelity to the original semantic nuances, with cross-validation conducted by both authors.

3.3 Data Analysis

3.3.1. Data Processing

Following the inductive approach, the main study was guided by empirical findings rather than existing theories. The study's primary objective was to uncover socially constructed organizational phenomena, specifically the perception of how leadership renewed organizational mindset and culture in a DT. Thus, Gioia et al.'s (2012) grounded theory approach was deemed suitable for data processing. The coding process involved the construction of 1st-order concepts and 2nd-order themes inspired by this approach. The authors performed the initial coding of 1st-order concepts independently. After completion, the codings and possible inconsistencies were compared and discussed. Interviewees' exact terms and phrasings were preserved when forming a comprehensive compendium of 1st-order concepts (Gioia et al., 2012). Furthermore, the authors focused on what was said and how it was said to capture their *Lebenswelt* and understand the meaning behind their terms and phrasings (Schwandt, 2007).

After constructing the 1st-order concepts, the authors began treating themselves as "knowledgeable agents", simultaneously thinking of informant codes, 2nd-order theory-centric themes, and the larger narrative to be able to answer the question "What is going on here? (theoretically)" (Gioia et al., 2012). Thus, the authors began considering how the 1st-order concepts were related and how they could explain how individuals' perceptions of leadership renewed the organizational mindset and culture. Several 1st-order concepts emerged at this stage, which could be further distilled into six 2nd-order themes. Subsequently, these resulted in three aggregate dimensions: *Top leaders carrying and negotiating the vision*, *Divisional managerial sensemaking around DT initiatives*, and *Collision of subcultures*. Thus, the data structure was completed and can be found in Appendix F. The process remained inductive, as the theoretical knowledge was not emphasized until the formation of the 2nd-order themes (Gioia et al., 2012). Figure 5 depicts an exemplary interviewee quote and the entailing 1st-order concept, 2nd-order theme, and aggregate dimension.

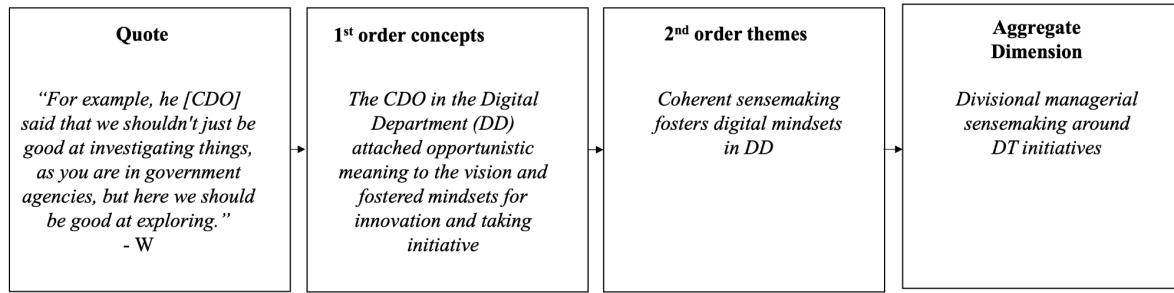


Figure 5. Data processing example.

3.3.2. Quality Considerations

Quality criteria aligned with the qualitative research approach were employed, as commonly endorsed by researchers within this methodology (Bell et al., 2019). Compared to quantitative studies, which commonly refer to reliability and validity in assessing research quality, qualitative research lacks a unified viewpoint on quality assessment (Bell et al., 2019). However, it is widely agreed that quality criteria should be congruent with the research approach's philosophical assumptions. This study adheres to the interpretivist paradigm to evaluate the research, recognizing that researchers' values are intrinsic throughout all phases of the research process (Given, 2008). This approach encourages the readers to independently appraise the study's rigor by scrutinizing its trustworthiness, an equivalent concept to reliability and validity in quantitative research (Lincoln & Guba, 1985). Trustworthiness in qualitative studies encompasses four criteria: credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985). The subsequent sections discuss how these criteria were addressed in the study.

3.3.2.1. Credibility

Credibility is crucial, denoting the extent to which the obtained results are deemed valid to represent the collected data. This concept parallels validity in quantitative research methodologies (Bell et al., 2019). Specifically, credibility relates to internal validity, emphasizing the harmony between the researcher's observations and the theoretical constructs under examination (Lincoln & Guba, 1985). Respondent validation confirmed the authors' understanding of their social world, ensuring the interpretation's accuracy (Bell et al., 2019). The interviewee sampling process adhered to the criterion of theoretical saturation, leading to 25 interviews conducted throughout the research process, including the preparatory ones. This conscientious approach ensured robust and comprehensive qualitative data.

Additionally, active involvement from both researchers was maintained throughout the data collection and interpretation stages. Moreover, the finding's credibility was secured by utilizing multiple reference points, including in-depth interviews and an examination of internal documents. This strategy aimed to enhance credibility through data triangulation (Lincoln & Guba, 1985).

3.3.2.2. Transferability

Transferability, an essential aspect of qualitative research, was a primary focus of this study. Therefore, the authors strove to produce detailed accounts of the cultural context, employing the “thick descriptions” strategy to enhance transferability. By offering descriptive and nuanced depictions of the context, the authors aimed to enable the audience to evaluate the findings against diverse contexts, discerning transferable aspects to context-specific ones. (Bell et al., 2019). The use of open-ended questions, guided themes, and focused discussions further contributed to this objective, allowing interviewees to express detailed reflections on the phenomena. Transferability touches upon concerns related to external validity, which pertains to how findings can be generalized to contexts beyond the study environment (Lincoln & Guba, 1985). While critiques against single-case studies often concern transferability, the comprehensive descriptions of SPES enable others to independently make informed judgments about the validity of the generated findings in their respective contexts (Yin, 2003; Bell et al., 2019).

3.3.2.3. Dependability

As introduced by Lincoln and Guba (1985), dependability, paralleling reliability in quantitative studies, concerns adopting an auditing approach in the research process, ensuring that complete records are kept of all of its phases in an accessible manner (Bell et al., 2019). The authors took several measures to achieve dependability. First, a thorough description of the research process was provided. Second, details regarding the interview and data analysis processes were included in the appendix. Finally, structural records of research findings and progress were kept throughout the research process, ensuring a complete mapping of helpful information and a common ground of information.

3.3.2.4. Confirmability

The authors avoided letting personal values and biases steer the research conduct and findings (Bell et al., 2019), ensuring that they were not “*figments of the inquirer’s imagination*” (Tobin & Begley, 2004, p.392). Hence, the authors took measures to ensure confirmability, which parallels objectivity in quantitative research (Bell et al., 2019). While complete confirmability may be unattainable, the authors achieved it to a certain extent by remaining focused on how interviewees perceived and made sense of the organization’s leadership and cultural change in accordance with the grounded theory approach (Gioia et al., 2012). Additionally, the authors formed 1st-order concepts individually to minimize subjectivity before entering a discussion. The interview findings were also cross-checked against internal documents to achieve triangulation (Lincoln & Guba, 1985).

3.3.3. Ethical Considerations

Ethical considerations were prioritized during the research process. Therefore, interviewees were ensured complete anonymity and gave written consent to participate in the study. To maintain anonymity, the names and roles of the respondents were given codes. As the authors initiated all interviews by informing the respondents of their anonymity, a safe interview environment was created, allowing interviewees to speak freely. The authors also asked permission to record the interviews for transcription. The option to record the interview was underlined as entirely voluntary, and if the respondent did not consent to recording, the authors took notes of the interview instead. Upon completion of the interviews, the personal data was stored according to GDPR and thus deleted upon completion of the thesis. Finally, the transcriptions or interview notes were shared with each participant, who was given the opportunity to redact any statements. Similarly, the authors asked permission to use specific quotes from the interviewees before including them in the thesis.

4. Empirical Results

The following section presents the empirical findings from 21 in-depth interviews with employees at the case company (described in section 3.1.3), supported with exemplary quotes and documents. The findings are structured and presented in accordance with the developed framework (Figure 6), which divides the empirical findings into four parts. First, the role of the Upper Management is discussed, followed by the Digital Department (DD) and the Traditional Departments (TDs). Finally, collisions of subcultures are discussed. A summary of empirical results (Table 3) concludes this chapter.

4.1. Empirical Context

Following the outdated work practices, low public trust, and cultural and leadership challenges in 2014, SPES underwent a Digital Transformation (DT) to digitalize the organization and address the “us and them” culture and the detail-oriented leadership. The new Director-General (DG) entered his position with a vision for the digitalization and leadership of SPES. This vision developed into the term ‘Digital first’, which guided the agency’s modernization, and a new leadership philosophy, Self-Leadership (SL), which aimed to renew the organization’s leadership and culture. SL was introduced organization-wide using the ‘water staircase’ method, disseminating it to all managerial levels. The empirical findings explore how leaders renewed the organizational mindset and culture to enable the DT.

4.2. Upper Management

4.2.1. Director-General

Starting at the highest management level, all 21 interviewees talked about the DG’s pivotal role in the DT. Interviewees considered him to bring an important contrast to the previous leadership. He also instilled an enthusiasm for change and conveyed an urgency and importance to distance themselves from the old ways of working, as exemplified by interviewee N:

He said something like this, 'Behind us, there's only the abyss.' He wanted to instill this kind of crisis awareness and make the managers understand that now it's actually about shifting thinking and mindset and leading in a different way. – N

Others spoke of the DG as the embodiment of the Journey, carrying and communicating the vision of modernizing the agency, leveraging digitalization, and renewing the leadership philosophy. The DG communicated with all departments and offices nationwide to explain the reason for the DT. Thus, he got many employees on board with the change and generated a movement of bravery and engagement.

The then Director General, I would say, was really the general of the Journey of Renewal. He lived it, and he expressed it in a very good way, many times in many contexts. I think he gave many managers the courage to dare. – J

I think if he hadn't traveled all over Sweden in 2014 and explained why we were doing a renewal tour, nothing would have happened. – R

Finally, empirical results demonstrate the DG's efforts in transitioning the organization's mindset away from a previous tendency to seek out scapegoats when failures occurred and toward a culture fostering exploration and initiative-taking.

The DG had an expression, perhaps a little sloppy, with the 80-20 rule. If we get 80% right, then we have to accept that 20% will be wrong. But as long as we arrive at 80% in the right way, it's worth it. – S

4.2.2. Executive Team

13 interviewees recognized the executive team's role in leading the digital and leadership change, owning the decisions made, and supporting the transformation's innovation activities. Interviewee P emphasized the executive team's responsibility in driving the change, considering it a critical body for realizing the DG's vision.

The DG allowed everyone in the management team to have a very large responsibility for driving the entire renewal journey. There was a commitment to this from everyone on the

executive team (...) So, in that way, there was a common, I think, shared responsibility in working with the whole renewal journey at a high level. And that trickled down to the next [level] and the next and the next. – P

However, eight respondents also presented a contrasting perspective on the executive team's collaboration and effectiveness in leading the change as one unit. Although interviewees recognized its essential role in the DT, they detected a varied commitment to the digital vision, particularly between executives leading digital and traditional departments.

There was always some conflict between the two departments. And there is a very strong conflict of interest there. How fast is digitalization progressing? Did they know about it in production, then? That is the agency's employment parts. It was often the case that the IT team or the digitalization team said that we have told you this. And then they [the production team] said that we haven't heard that. So, it's clear that there were tensions in these objectives as well. It wasn't like we were a 'hallelujah' group on that. – T

The division between digital and traditional departments can be further understood by considering the autonomy provided to each executive. The CDO heading the Digital Department (DD) was given more freedom and resources to digitize and innovate than other executives. In line with this, he effectively carried the digital vision set by the DG and adopted the new leadership philosophy. Thus, he was seen as a critical driver for the transformation, leading the digitalization and innovation of the organization, as emphasized by interviewee J:

He was given extremely wide latitude and somehow became the DG's right-hand man when it comes to digitalization and expressing digitalization and talking about digitalization. – J

Other CXOs did not adapt to the digital vision in the same way as the CDO did. Similarly, executives differed in the views and enactments of SL. This misalignment was partly attributed to the challenge of translating SL to departments further away from digitalization, bound to more traditional ways of operating. Interviewee W offers insight into this uncoordinated ownership of SL in the executive team below:

And the executive team, they weren't coordinated enough. They didn't manage to take enough ownership of that [SL]. So it became very complicated. – W

4.3. Digital department

4.3.1. Top Leadership

11 respondents mentioned the CDO as a critical actor driving a new mindset within the department, focusing on the opportunities brought forward by the DT. Seven interviewees stated that he unleashed a lot of energy within DD in his role as CDO. Specifically, by introducing the value of “explore”, he steered the department towards focusing on exploring rather than investigating, encouraging employees to test and try hypotheses. In that sense, he adopted the leadership philosophy and encouraged an acceptance of failure and a focus on possibilities, as exemplified by the quotes below:

For example, he [the CDO] said that we shouldn't just be good at investigating things, as you are in government agencies, but here we should be good at exploring. – W

He [the CDO] unleashed a lot of energy. It was like, well, don't think so much now, try it instead. Think just enough and then we try it out and then we let it out and we see what the customer thinks. – A

Additionally, in line with the collaborative dimension of SL, the CDO introduced the value of “invite”, which referred to increased and strengthened collaboration internally and externally. Internally, bridges to other departments were built, creating stronger relationships. Employee J emphasizes cross-functional relationship building by contrasting it to the old ways of working:

'It's actually my department or unit that is responsible for this; this is none of your business.'
From that to building alliances and working in partnerships and collaboration to drive the development towards a common direction. – J

Externally, “invite” referred to collaboration with partners in the private market. Amongst the initiatives, two identity-building ones were the collaboration with Spotify and the partnership

with Google. These collaborations contrasted the previous ways of working, as exemplified by the quote below:

Our partner is Google. It's not the Social Insurance Agency and the Tax Agency anymore. – W

When reflecting upon the influence of the CDO, six interviewees mentioned the influence of the CDO's professional background in the private market with smaller and fast-moving tech companies. Interviewees considered the CDO's background to bring new perspectives and inspiration, as exemplified by interviewee N:

It [recruits from the private market] is positive for an old and stiff organization like this, with new blood and people who could be inspiring and instill enthusiasm. – N

4.3.2. Middle Managers

Six interviewees mentioned that most of the middle managers and employees in DD adopted a mindset similar to that of the CDO and acted according to SL. One particularly dominant dimension of SL was 'capturing and affecting surrounding events', enacted by exploring ideas and unknown grounds. Interviewees mention that managers below the CDO adopted an exploring and opportunistic mindset related to the ability to innovate digitally. Employee A demonstrates this, as this employee approved a high-risk project, showing trust in another employee and exhibiting an exploring mindset.

Yes, but then I told [employee x] this, yes, try it. I don't really believe in this idea, but try it out and see, and it became the world's freaking success. – A

Interviewees also talked about DD's growth in recruitment to the department, enabling middle management to recruit employees aligned with the department's emerging mindset. The recruitment expansion contributed to the spread of the mindset and leadership philosophy, as shown by the quote below:

I inherited very few [employees], but we expanded during this time. So I got to recruit people that I had hand-picked (...) And with that, the self-leadership actually made it very easy for me to just let them get on with it, and do it, and take it to the next level. – A

4.3.3. Self-Leadership

The abovementioned changes, including the exploration mindset and acceptance of failure, can be attributed to the introduction of SL. All six interviewees of DD considered SL to encourage them to innovate and take responsibility for their initiatives. Thus, the leadership philosophy was considered to drive a decentralization of responsibility, as exemplified by employee J:

So for me, it was like, okay, I can't sit still in a boat, instead, we have to take the initiative, we have to do something. – J

This ability and encouragement to take responsibility for your initiatives relate to the fundamental belief of SL, namely the view of humanity. Employee R highlights this view, stating that SL is about trusting your employees:

If the customer has a need and you feel that you can fulfill that need with this action, make that decision, stand by it. Because then I think you are making a professional evaluation, and then I trust your judgment. – R

This view of SL, instilling trust, engagement, and enthusiasm, released DD's creative and innovation-filled power. As the answers were coherent across employment levels, the findings suggest that the 'water staircase' was successful, with innovation ambitions trickling down to all employees. The encouragement to contribute to the DT by taking initiative and collaborating is illustrated by interviewee J:

I think it created a lot of enthusiasm. It felt a bit like if you think that you were a bit sprained before, a bit lacking in self-confidence, you kind of embrace it. Yes, finally, this sounds good. Let's sort of work together now, let's improve, let's develop the organization with self-leadership as a base somewhere. – J

4.3.4. Cultural Values

The leadership of the CDO and middle managers in DD, highly influenced by SL, drove a department-specific development of values. Nine interviewees state that the department, described as an "island of opportunities", pioneered the cultural and digital change in the

organization. DD created a start-up culture where employees were encouraged to innovate and develop new ideas, as exemplified by employee B:

It was a bit like a start-up. But there were a lot of us. A start-up with a thousand people (...) you have a thing in common that you want to achieve. And take almost any measures to succeed with it. Talk how you want, buy almost whatever you want, and just make it happen.

– B

A prominent value within this start-up culture was the acceptance of failure, which was found necessary to enable the innovation-supportive environment at DD. Similarly, a cultural value of daring to try, in which employees felt confident innovating and challenging the status quo, was mentioned. The quotes of employees T and R exemplify the importance and presence of an acceptance of failure and braveness:

But it is also to create a culture of daring to try, daring to make mistakes, daring to think a little outside the box. And that is required if you are going to digitize. So, in that sense, I tend to think that this is really an interplay between leadership and culture. Getting those two to fertilize each other. That there should be a culture of permission. Yes, you can simply make mistakes. Every penny we put into an IT investment will not be successful. But so be it. – T

Be more responsive and interested, dare to show mistakes, not be the perfect manager but be brave and also say but I did this wrong, or I think we should have done it differently. 'I apologize; it was probably me who made a mistake'. So, nobody said that before. It really was such a huge difference. – R

Further, DD acquired its own office a few hundred meters across from headquarters, providing an area for the department-specific culture of DD to manifest itself. The CDO chose to relocate DD's offices to allow for cultural renewal distinct from other organizational parts. This was highlighted by interviewee W:

I think the CDO realized that we can't go to the same office and talk about these big visions we're going to do. And sometimes we are still stuck in this culture because it's in the walls, and now we have to do everything the same as everyone else does at the headquarters. If we

go back to the same room, the same workplace, and try to say that now we're going to do something completely different, that's not possible. – W

4.4. Traditional Departments

4.4.1. Top Leadership

On the executive level, 11 interviewees mentioned that most executive team members adopted an opportunistic mindset to the change but eventually began to pull in different directions concerning the DT. The misalignment among executives was reflected in their varied interpretations and adoption of SL, as illustrated by employee W. Similarly, different executives also had varied commitments to the digital direction of SPES and ‘Digital first’, as exemplified by employee H:

We also had different ideas of what was important in self-leadership, how to act. And we acted in completely different ways. – W

It became evident that it could be hard to collaborate between the ones who ran faster and the others. That we had different views on where SPES was headed. – H

Building on the difficulties of achieving unanimity of SL and ‘Digital first’ in the executive team, interviewee H mentioned that the new ways of working were not as easily translated to Traditional Departments (TDs), working with more routine and rule-bound tasks. Consequently, managers had to make department-specific interpretations and adjustments to SL and the digital vision.

No, but I don't think the new ways of working can be translated [to certain departments]. That is what made it hard. Then it is more like, what does digitalization mean to us? – H

4.4.2. Middle Managers

The role of middle managers in driving change was mentioned in 16 interviews. Managers, either regional, sectional, or unit managers, were highlighted as important agents in

communicating top management's new leadership philosophy to their organizations, as emphasized by interviewee D:

No, but when it comes to these soft issues such as leadership, values, and so on, I think it's crucial that line managers are like, they are the project office, they are the engine of change, they are the ones who have discussions with their employees. – D

However, 14 interviewees also recognized the challenge of disseminating SL coherently across all management levels. Respondent U highlighted this challenge, stating that middle managers must interpret and coherently execute top management directives across the organization.

The challenge was a very large organization, with a lot of managers who had to see, interpret, think, and pass on the message in a reasonably equal way – and managing to capture all employees so that they are also involved. I would say that was the biggest challenge. – U

Recognizing this challenge, the 'water staircase' was implemented to facilitate SL's dissemination. However, some interviewees reflected on its effectiveness. Further, respondents attributed the opinions and actions of middle managers to determine the extent to which SL was implemented at lower organizational levels. Thus, varied adoptions of, or non-compliance with, the leadership philosophy arose, hindering subordinates from adapting to these changes and developing an opportunistic mindset of the DT. This perspective, exemplified by interviewees E and S, demonstrates managers' vital role in driving change and altering mindsets, as they also hold the power to hinder their development:

I have come out to offices where you discover that, yes, no change has occurred, and then you hear it straight from the employees. No, but our manager has said that we don't give a damn about that; we do what we usually do instead. It's much more flexible. – E

But it's true that around the organization, there were also middle managers who may not have thought that self-leadership was so good all the time. – S

Delving into why middle managers altered mindsets and disseminated SL differently, 14 interviewees mentioned that managers with long-term employment at SPES were used to more hierarchical leadership. Thus, SL contrasted the previous detailed-oriented leadership, causing uncertainty and insecurity about how to adapt to the changes. Consequently, these managers found it challenging to embrace and “live” the leadership philosophy, resulting in a limited mindset shift. As managers struggled to alter their mindsets, the dissemination and communication of SL to their employees was hindered, as exemplified by interviewees D and U:

This Journey kind of took a 180-degree turn and prevented the detail-oriented leadership. But, many of the managers had a habit and a way to handle the old ways of governing and leading and then it creates an uncertainty when the old ways no longer works. So, a sense of being lost in it (...) And they had a bit of a struggle to orient themselves and find the form for it [SL]. – N

And it requires that you, as a manager, are very confident in what it is yourself. And what you should say and how you should work with your employees on this. And the challenge was that not all managers were 100% confident either. And some employees keep up and some do not. And that is also part of this fragmentation. – U

Employee W argues that the managerial insecurity regarding SL resulted in employees being able to pursue their individual agendas. Consequently, a discourse questioning the effectiveness of SL emerged. The quote below illustrates that a successful implementation of SL entails not only communicating it but also embracing it:

In those departments where the manager was still very conservative and old-fashioned. There it became very strange because when they tried to live this new self-leadership, subordinate staff just got to do what they wanted instead. It was almost like it was freely chosen work a little bit. (...) It was not that they [managers] failed to teach it [SL], but that they themselves failed to live it. And then, the people further down the organization interpreted and developed their self-leadership in the wrong way. – W

Ten interviewees mentioned that SL also increased managers’ demands and efforts. Specifically, managers encountered challenges in prioritizing tasks and experienced a conflict

between fulfilling their managerial duties toward subordinates and participating in change initiatives, such as managerial training. Interviewee C offers insight into why managers encountered said difficulties:

And there may be a bit of a feeling that you haven't really landed in what the role is because, for a period of time, you had to look pretty much upwards. And I think that as a section manager, you are very important to your employees and to be close to them. And when you have both demands from below and above, somewhere there is not enough time, and then I think there can be an uncertainty in how to prioritize. – C

4.4.3. Self-Leadership

Ten interviewees mentioned that SL unleashed a force of engagement and enthusiasm for the Journey in TDs, promoting trust, collaboration, and engagement in taking the initiative. Thus, SL contributed to altered organizational mindsets and created a sense of engagement towards the DT, as exemplified by interviewee S:

There was a strong spirit of renewal in the agency and a will and engagement that was completely different from what was before that period. – S

However, following middle managers' challenges mentioned above, close to all interviewees mention that diverse narratives surrounding SL developed within the organization, hindering the spread of a mindset supporting the DT. Specifically, two different but related interpretations of SL emerged. One interpretation, mentioned by 17 interviewees, was that SL inferred that you could work on whatever you want, with limited regard to the strategic goals or managerial directives. Consequently, the DT and its initiatives went in different directions, as exemplified by interviewees I and L:

Then, a manager could tell an employee, 'I want you to do this.' 'No, but I decide for myself because this is self-leadership.' – I

It's just that the word almost became taboo because, in some cases, it went very far. Self-leadership became like, you took it too far, you still didn't take responsibility for the entirety, and you kind of did self-leadership in 14 different directions. – L

Taken to its extreme, “I can work with whatever I want” developed into “I can do whatever I want”, in the sense that work commitments, such as work hours and meetings, were voluntary. This interpretation resulted in anecdotal stories, one of which is mentioned below:

We are in the executive team, and a manager receives a phone call. Then it's the Sundsvall municipality that calls and is connected by the switchboard. 'We were supposed to have a meeting, but no one from SPES came to this meeting. Where are you?' The manager says 'no, we're on our way to a staff day'. I'm practicing self-leadership today. – T

The other emergent interpretation of SL, mentioned by eight interviewees, concerned the SL dimension of “Helping each other out”, which adopted the meaning “Helping your boss out”. Consequently, managers’ leadership became less present, implying reduced employee support and a “let go” leadership style. Interviewee R and C exemplify this phenomenon:

There were managers at quite high levels who had the attitude that 'my employees are there for me'. – R

And I think that somewhere, it has also created a certain, or for a period at least, a certain uncertainty about who I am for. And above all, our employees and section managers have felt that there may not be this really close leadership if everyone looks upwards in the organization. – C

Upon reflecting on SL, 15 interviewees considered the word itself to cause confusion about its meaning, as exemplified by interviewee G:

But we can't talk about this [SL]; we have to talk about personal leadership or something else. The word itself. But the actual content of the word, I don't think they had anything ... But the word, they thought it could be misdirected. – G

4.4.4. Cultural Values

Although diverse narratives of SL emerged, creating a rather dispersed and weakened change movement in the organization, nine interviewees highlighted notable shifts in cultural values from the previous ‘revision’ and ‘scapegoat’ culture. One of the more prevalent ones was the cultural value ‘acceptance of failure’, grounded in the mindset of ‘daring to be transparent when making mistakes’. These shifts differed from the previous state, as exemplified below:

The difference now was that they were confident that we don't want to sweep things under the carpet; we have to tell it how it is. – G

Additionally, 13 interviewees noted that the culture became more collaborative and humanitarian during the Journey. This change was reflected in employees’ behavior towards each other, showing more kindness and trust. Employee I illustrates the presence of the cultural value of ‘collaboration’:

Yes, but there was a [cultural] shift: to have trust in each other, to like each other instead of working against each other, to work with each other, hook arms. – I

Although several interviewees sensed a cultural renewal in TDs, 11 interviewees indicated that a complete shift of cultural values did not occur. Thus, certain aspects of the former culture remained in TDs. When interviewees reflected upon why the culture was difficult to change, they mentioned that TDs struggled with letting go of the traditional values of the deeply ingrained culture. Consequently, a widespread ‘hesitance to change’ is mentioned, as exemplified by interviewee U, describing the dominant organizational mindset as ‘skeptical by default’:

When there is a change, you start by being skeptical. It's like the basic default. No one just says wow, great. It's probably a culture. The default is to be skeptical and question a bit. I think that's actually the culture. – U

The respondents reasoned that the hesitance could be attributed to SPES employees being engaged and committed to their work and taking pride in the societal service they provide. This was particularly evident for traditional work methods, i.e., physical meetings with job

seekers, which employees considered an effective way to help unemployed people find work, especially those far from the labor market. Moreover, interviewees explain how these new ways of working, driven by 'Digital first', were considered to intrude on employees' work methods and their ability to fulfill their societal mission, creating a general resistance towards the DT. Thus, a commitment to traditions and their societal mission inhibited a cultural shift, as exemplified by employees U and H:

Ordinary people find it difficult to form an idea of how the digitization of something should be shaped (...) Some people were skeptical, of course, about 'Digital first', and there were many things that were digitized that some people thought belonged to the old craft, employment officers, and so on. – U

It is good that there are many opinions. It shows an engagement for... There is a very big engagement at SPES. And you really want to do right by the ones [jobseekers] you are working for. – H

Employee W exemplifies the endurance of cultural values, stating that not all managers altered their mindsets in accordance with SL towards becoming accepting of failures.

Some managers were much more, what should I say, not really embracing this culture of constantly backing up people who are trying. There were managers who were more like, no, you've made a mistake. You're not going to do this again. You get a scolding instead. – W

4.5. Collision of Subcultures

The interviews revealed the presence of subcultures between different departments, units, and physical offices, as exemplified by interviewee J:

It is a large authority with many workplaces. Each workplace has its own culture. You can feel it when you talk; it's in the walls. I feel that the air is vibrating when you enter certain places. – J

On an aggregate level, empirics reveal that the subcultures in TDs and DD contrast each other. Interviewees stated that DD, grounded in its distinct entrepreneurial culture, was moving faster than TDs in terms of digital development and innovation. Consequently, a division arose between the two departments, where DD was viewed as a separate entity that was culturally and operationally disconnected from TD. Thus, the DT heightened the existence of subcultures and the sense of “us and them” within the organization, as interviewees D and H showed:

(...) those who worked with digitalization were in their own way, so to speak, and there it would be very much like an entrepreneur, almost like a start-up business. And then there was the old business; they had their culture and their way of working, so I think there were very big cultural differences between them. – D

Then, there were different subcultures. Those who worked with digitalization and building services. Two managers were brought in from the private sector who worked in a completely different way and had a lot of drive and speed. That was good. Many of these things were good, but it was also a bit too fast sometimes. They didn't really have enough contact with the business. So there was a separate culture in those working groups and in those departments.

– H

Seven interviews delved into the underlying factors contributing to such a cultural division and mentioned the internal value and status placed on digitalization activities. Empirics show that DD was seen as a high-status department known for its visionary leadership and start-up culture, attracting individuals eager to join. Conversely, the traditional ways of operating were not given the same attention or recognition, resulting in a more limited emphasis on the TDs.

Then when he [the CDO] built this pioneering spirit that they got in the digital services department. First, they were only 25 people, now they are 350 or so. So it became a kind of experience that this is where the Employment Service's new stuff happens. So you wanted to hang out there; you wanted to work there. It was very clear that it was the future. – R

And ‘Digital first’ maybe also directed our focus on developing the digital parts and maybe a bit at the cost of the operational. And then, it created a certain feeling of what was the future and what wasn’t the future. – C

12 respondents mentioned that the collision of subcultures and the existence of an “us and them” became evident when TDs and DD collaborated. Specifically, different languages caused communication difficulties, and unaligned goals inhibited the establishment of a common ground. The digitalization of customer service exemplified the difficulties in collaboration. The initiative started as a joint project with TDs and DD but was later solely owned by DD to avoid cultural collisions in cross-functional collaboration.

We tried to collaborate initially, the traditional departments and us [DD], to build these AI services. But it didn’t go so well because the cultures were too different. So, eventually, the DG moved the entire question to us at DD instead. And it was the world’s chaos around that. ‘How can we move it to that department?’ – W

4.6. Summary of Empirical Results

Findings reveal that the DG generated a change movement in the organization by embodying and communicating the DT to the organization. The executive team was considered important in driving the DT but began to pull in different directions. The CDO adopted a digital mindset similar to the DG and relied on his previous work experience and inspirational skills to facilitate the digital vision and SL. Middle managers in DD bought in on the DT and appreciated the opportunity to innovate and collaborate. Similarly, SL fell out well in DD and was interpreted as top executives intended. Subsequently, the culture in DD was renewed. In TDs, CXOs encountered challenges in embodying the DT and translating SL and ‘Digital first’ to their departments. Moreover, due to their ties to the organization’s previous leadership, TDs’ middle managers interpreted and communicated SL differently, causing a varied DT adoption. To summarize, empirics point toward a shy cultural renewal in TDs. However, old cultural values persisted partly due to employees’ work commitment. Altogether, subcultures between DD and TDs arose, causing difficulties in collaboration. An overview of empirics can be found in Table 3 and reviewed further in Appendix E.

Top Leadership	Deployed by
Director General: Communicating and embodying the change	21/21
Executive team: e.g Pulling in different directions	8/21
Digital Department	
CDO: Inspired a digital mindset and brought the value of “invite” & “explore”	5/6 DD, 2/15 TD
Middle managers: Changes in leadership were similar to the intention	4/6 DD, 4/15 TD
SL: Interpreted as built on trust and humanity and created engagement	6/6 DD
Cultural values: A brave and innovative start-up culture	6/6 DD, 3 TD Documents
Traditional Departments: Top Leadership	
CXOs: Difficulties in interpreting and implementing SL & ‘Digital First’ and the new ways of working	11/15 TD, 4/6 DD
Middle Managers: Challenges to embrace or “live” SL (collision with traditional ways of working)	8/15 TD, 6/6 DD
SL: Unintended interpretations: e.g “I can do whatever I want”	11/15 TD, 6/6 DD
SL: Was discussed to be an ambiguous term that caused complexities and confusion	10/15 TD, 5/6 DD Documents
Cultural values: Positive: e.g “Acceptance of failure”	9/15 TD
Cultural values: Negative Renewed cultural values were hindered by managers’ and employees’ attachment to old ways of working and tradition	9/15 TD, 2/6 DD
Collision of Subcultures: Digital versus Traditional Departments	
Subcultures colliding: e.g “Us and them”	17/21
Subcultures colliding: e.g. Difficulties in collaborating	12/21

Table 3. Overview of empirical results.

5. Analysis

This chapter analyzes the empirical findings from a sensemaking lens. The chapter's structure follows the developed theoretical framework (Figure 6), constituting the study's theoretical contribution. Firstly, the upper management, comprised of the Director-General (DG) and the executive team, is analyzed. Subsequently, the Digital Department (DD), its Chief Digital Officer (CDO), middle managers, and digital mindset are analyzed. Following this, the CXOs, middle managers, and traditional mindset of the Traditional Departments (TDs) are presented. The model's final step describes a collision of subcultures. The chapter concludes with a summary of the analysis.

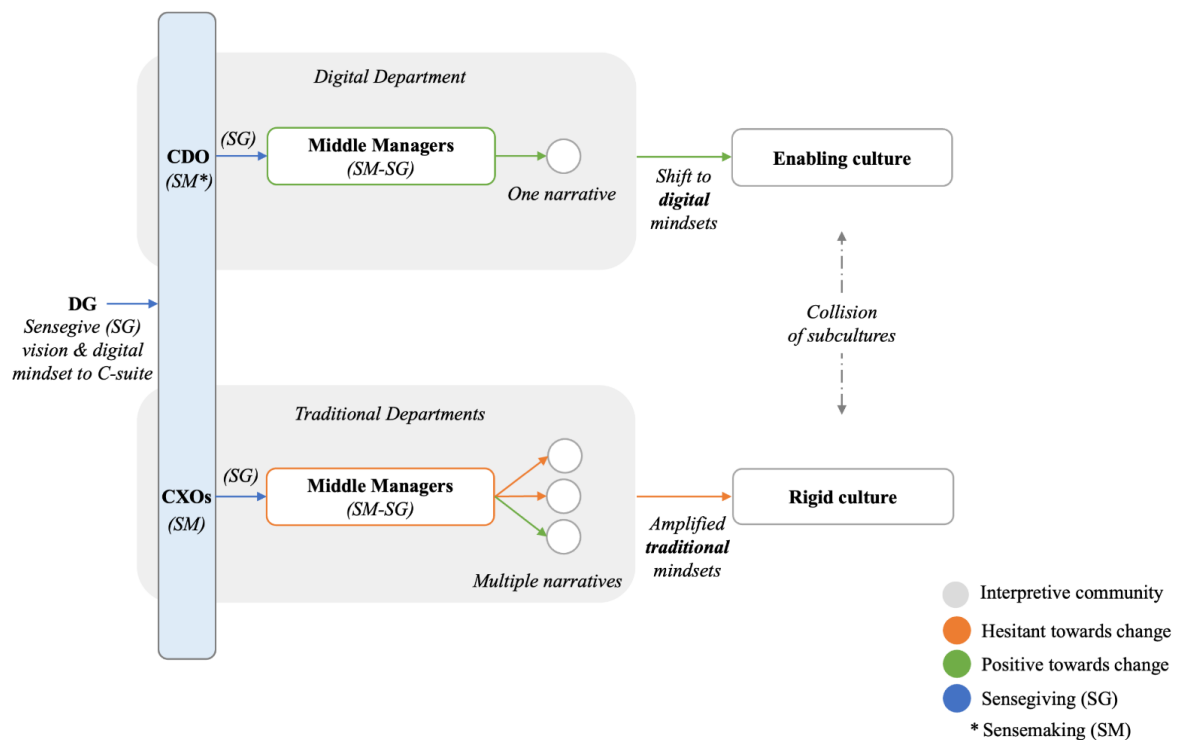


Figure 6. Developed Theoretical Framework

5.1. Upper Management

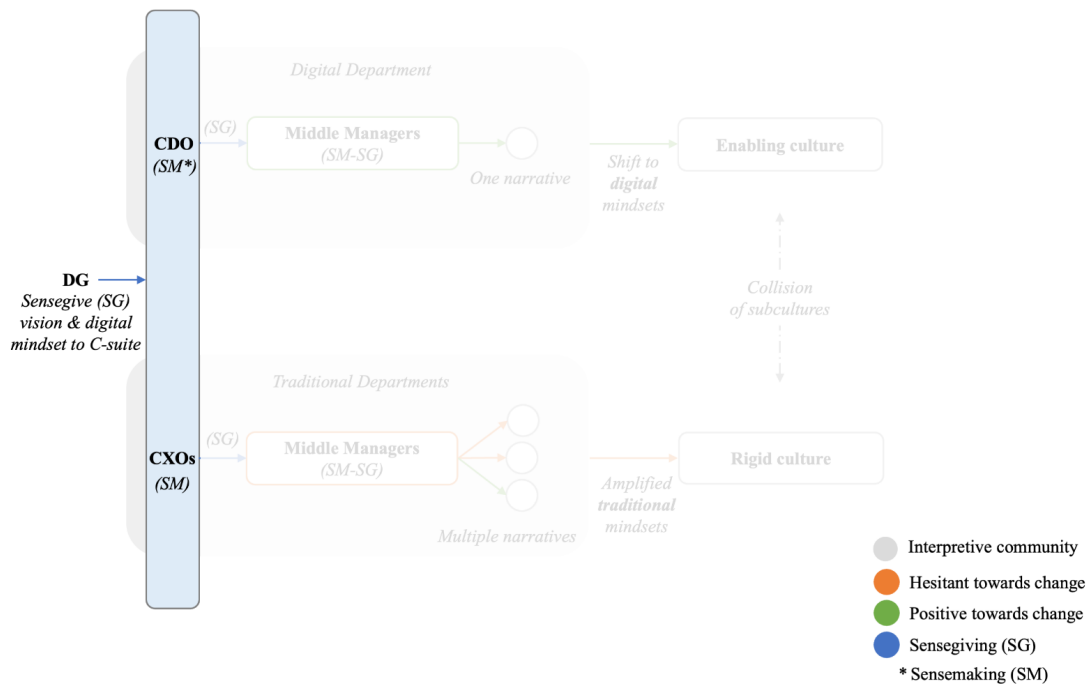


Figure 7. Part of the Theoretical framework illustrating the sensegiving and sensemaking of Upper management

5.1.1. Director General

The DG entered his position with a vision of a digitalized SPES grounded in a new leadership philosophy. Drawing upon sensemaking theory, the DG acted as a sensegiver (Gioia & Chittipeddi, 1991), utilizing linguistic skills and expressions to influence the employees meaning construction of the DT. He initiated the change by installing a sense of urgency to digitally transform SPES, as illustrated by the empirical statement, “Behind us is only the abyss”. By rejecting current understandings, strategies, and ways of operating, the DG engaged in sensebreaking (Pratt, 2000). The DG communicated a “captivating” vision (Gioia & Chittipeddi, 1991, p.446) to all organizational levels and divisions. Moreover, talking about SPES’s future holistically in terms of digitalization and leadership aligns with having a vision embracing “ambiguity by design”, which is found critical for sensegiving and engaging organizational members in sensemaking processes (Gioia & Chittipeddi, 1991, p. 445). The findings show that the DG’s sensegiving was effective, as his vision was met with enthusiasm from many organizational members welcoming the change he embodied. The DG’s sensegiving efforts were further amplified by his linguistic skills and scene presence

during his nationwide tours to deliver the vision. Empirics show that this further contributed to employees' developing an opportunistic meaning construction of the DT.

Drawing upon DT literature, the DG's cognitive schema can be characterized as a digital mindset, influencing his sensegiving to organizational members. Subsequently, multiple management levels underwent a process of cognitive reorientation (Maitlis & Christianson, 2014) that involved constructing a meaning of the DT. Although the DG's sensegiving efforts proved efficient, as employees initially made sense of the transformation positively, empirics show that it is insufficient to solely consider the DG's sensegiving efforts to analyze whether organizational members adopted a digital mindset during the DT. Another vital body to consider is the executive team. To align the executive team with the digital and leadership vision, the DG sensegave his preferred interpretive scheme through a negotiated social construction process (Gioia & Chittipeddi, 1991), where the team members tried to revise their schemes in the direction of a digital mindset.

5.1.2. Executive Team

The executive team bore the dual role of making sense of DG's vision and distributing it to lower organizational levels via sensegiving. This aligns with the view of sensemaking and sensegiving as a continuous cycle of interpretation (Sonenshein, 2010). The findings highlight the executive team's role in leading the DT in such a large organization (Wrede et al., 2020). However, the findings also show a difference in how the team approached the digital vision and SL. In particular, the CDO attached a strong positive meaning to this change, indicating that he had a digital mindset. Although other CXOs also viewed SL and the digital vision at a high level as positive, findings indicate a varied commitment to the DT and a less prominent presence of a digital mindset. Thus, varied meanings of SL and the digital vision arose within the executive team. These findings show that the top executives held different schemas, making them a rather heterogeneous group with varying sensemaking of the DG's sensegiving efforts (Balogun et al., 2015).

The findings reveal that the heterogeneity in the executive team can be attributed to their departmental affiliations. Drawing upon sensemaking literature, their varying meaning creations can be attributed to the interpretive communities within their respective departments (Balogun et al., 2015). The DT and its leadership changes align well with

departments closer to digitalization, having interpretive communities with a positive meaning attachment to a DT. This might not be the case for departments further away from digitalization. Thus, top executives faced varying degrees of difficulties in translating SL and ‘Digital first’ to their departments. Consequently, incoherent sensemaking in the executive team emerged, making it a heterogeneous group (Balogun et al., 2015) that engaged in distinct sensegiving efforts to their respective departments.

5.2. Digital Department

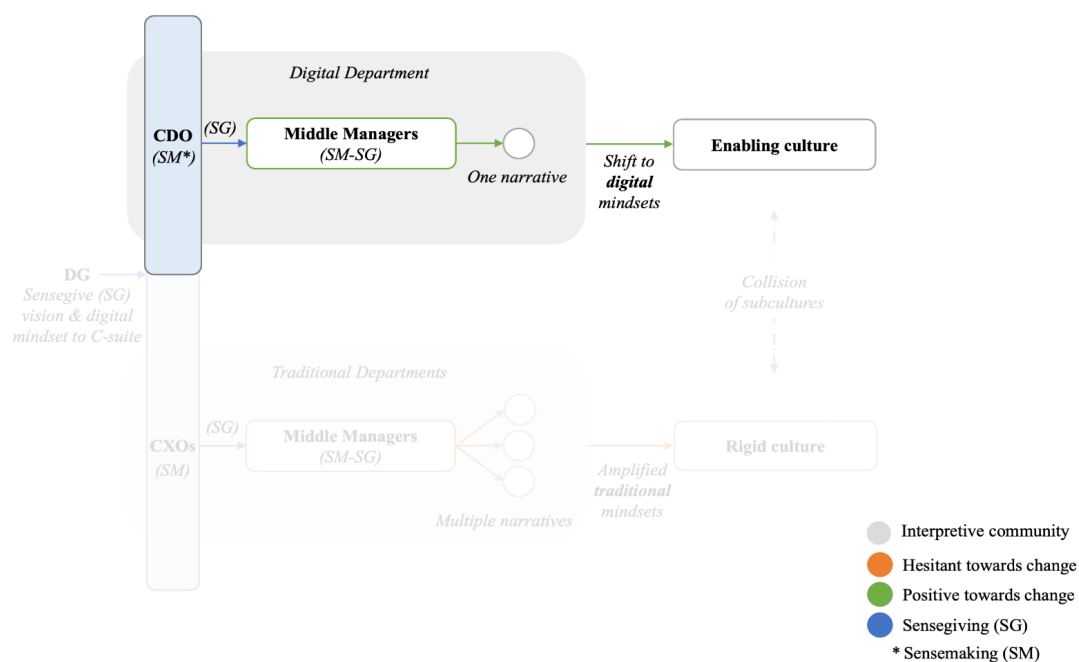


Figure 8. Part of the Theoretical Framework illustrating the sensegiving and sensemaking efforts in the Digital Department.

Previous to the DT, SPES relied heavily on analog methods and processes. SPES had to invest significant resources in digital technologies and innovations to transform their organization digitally. To successfully execute this change, the department responsible for digitalization activities, DD, received resources and greater autonomy during the DT. Empirics show that the CDO and the DD were granted substantial leeway to drive organizational digital innovation. Moreover, the prioritization of digitalization activities at SPES created positive spillover effects for DD, making the department seem prioritized internally and setting it apart from other departments. Viewed from this perspective, the DT

unleashed DD's innovative potential, encouraging its managers and employees to take responsibility for initiatives to drive the DT. This encouragement, autonomy, and sense of prioritization shaped how the interpretive community made sense of the DT and engaged members to adopt SL and create a digital mindset, which will be elaborated below.

5.2.1. Chief Digital Officer

The empirics revealed that the CDO attached an optimistic and opportunistic meaning to the digital vision and, by extension, the leadership philosophy. Thus, the CDO's mindset can be characterized as a digital mindset. The CDO's digital mindset can partly be attributed to the prioritization of his department and expertise in the DT, giving him increased autonomy to digitalize. The CDO's optimistic view of the DT can also be understood by considering his old schema, which influenced his sensemaking of the changes (Harris, 1994). The findings suggest that his previous work experience in fast-moving and digital environments in the private market aligned well with SL. Thus, he constructed positive meanings of SL and the digital vision (Weick, 1995). Resultantly, the CDO sensegave SL to his employees, and the meaning he attached to the philosophy, which can be summarized as 'dare to try and fail', spread to his managers and employees.

Empirical findings suggest that the CDO successfully sensegave his meaning construction of SL and the digital vision to his department. Employees viewed the CDO as a strong and present leader, talented at creating engagement for the DT through his sensegiving process, characterized by developing department-specific values, 'invite' and 'explore', and signing a partnership with Google. Thus, the CDO displayed linguistic skills and used symbolic actions in his sensegiving efforts (Gioia & Chittipedi, 1991; Maitlis & Lawrence, 2007). Additionally, entering new partnerships and developing values can be considered sensebreaking as these contrast the organization's status quo (Pratt, 2000). Subsequently, department members could distance themselves from traditional working methods at SPES. Altogether, the CDO's sensebreaking and sensegiving made him a valuable actor as a *Digital evangelist* (Singh & Hess, 2017) in mobilizing engagement and instilling a digital mindset in DD's interpretive community.

The creation of a digital mindset in DD can partly be attributed to the CDO's leadership skills. However, it is worth noting the relation between digital mindsets and digital business

units. The CDO's digital mindset can partly be attributed to his previous experience in the IT business, shaping his schema. Similar schema influence can be found in the external point of reference from the partnership with Google, indicating a systematic presence of digital mindset within this sector. Moreover, the findings show that employees had to be brave and try to digitally transform SPES. Thus, digital leaders need to support such behavior. Therefore, digitalization appears to entail and demand a digital mindset, going beyond the influence of an individual CDO.

5.2.2. Middle Managers

Although the CDO was important in the DT, the findings show that it is insufficient to rely solely on the top executives' sensegiving in such a large organization with various managerial levels. Instead, middle managers are also crucial in disseminating a digital mindset (Balogun & Johnson, 2005). Although deviations exist, most middle managers in DD constructed similar meanings of SL as the CDO did. Such meaning construction is exemplified by managers accepting high-risk behavior and expressing gratitude for being able to explore. As middle managers acted by this view of SL, the leadership philosophy became widespread within DD.

This alignment of meaning constructions of SL and avoidance of unintended outcomes (Balogun & Johnson, 2005) can be attributed to the sensegiving of the CDO, which greatly influenced middle managers' sensemaking. Findings also indicate that creating and implementing department-specific values, 'invite' and 'explore', contributed to forming a strong interpretive community in which the opportunities and positive aspects of leadership and digital change were highlighted. Thus, managers within the interpretive community developed a digital mindset and perceived the change as an opportunity. Moreover, the "us and them" division between DD and TDs and the relocation and separation of DD's offices indicate that the social interactions between middle managers mainly remained within DD. Thus, the lateral social interactions within DD likely reinforced the presence of a digital mindset (Balogun & Johnson, 2005), contributing to a relatively coherent meaning construction of SL, which was further disseminated through middle managers' sensegiving.

The findings indicate that a strong interpretive community with a digital mindset is important to avoid unintended change outcomes in DT. Such a digital mindset, characterized by an

opportunistic meaning attachment to DT, influenced the social sensemaking process within DD and contributed to a coherent meaning attachment to SL.

5.2.3. A Digital Mindset Driving a Renewed Culture

Although differences between individuals' sensemaking exist, findings show one dominant narrative of SL in DD. This meaning construction of SL was centered around an opportunity and encouragement to take initiative and collaborate with colleagues, as well as a positive view of humanity. The relatively coherent meaning construction can be attributed to the interpretive group's salient schema (Harris, 1994), aligning with a digital mindset. This digital mindset informed a renewal of cultural values towards fostering a more innovation-centric environment. Interviewees described the renewed culture as agile or start-up-like, in which flexible cultural values (Hartl & Hess, 2017) of an *acceptance towards failure, daring to explore*, and *helping each other* were dominant. The findings also show that this cultural shift was vital for getting a bottom-up innovation force in the DT, enabling digital initiatives at a large scale.

The findings suggest that DD succeeded in the difficult task of separating itself from the heritage culture of the organization (Lucas & Goh, 2009). By disseminating and reinforcing a digital mindset within the department, it managed to renew its cultural values toward becoming more innovation-centric, thereby enabling the DT. Apart from the sensemaking-sengiving processes of top and middle managers, the physical relocation of the department's offices and the recruitment of new employees contributed to the creation and diffusion of a digital mindset and, in turn, a cultural renewal in DD. Altogether, this enabled the department to create a distinct interpretive community with renewed cultural values different from the deeply rooted and bureaucratic ones found in TDs.

5.3 Traditional Departments

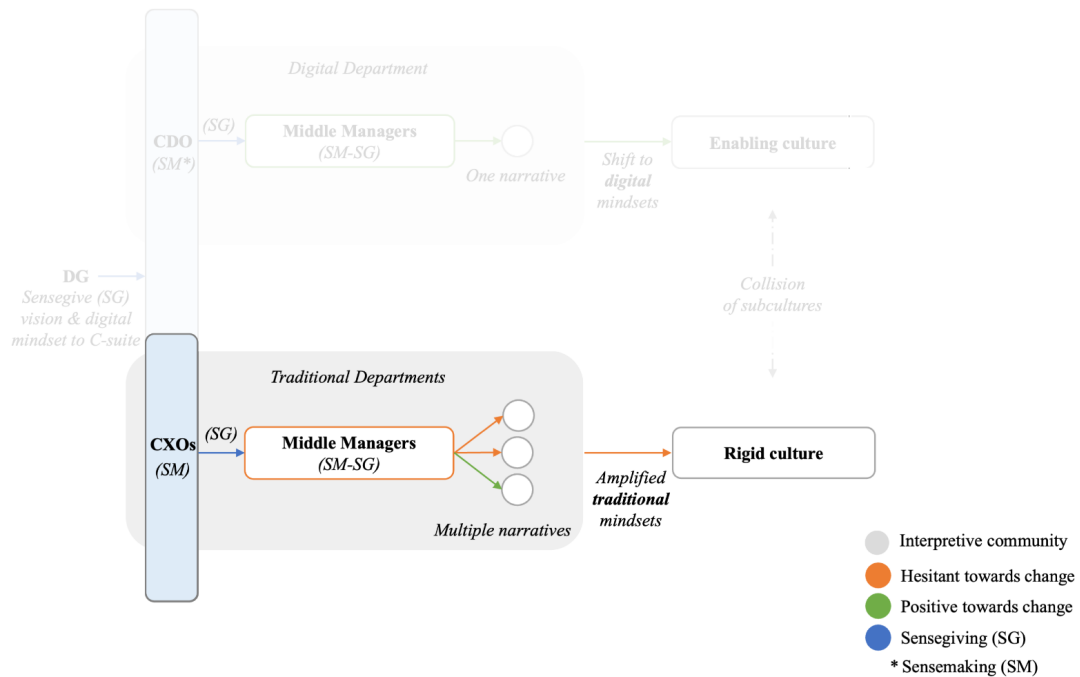


Figure 9. Part of the Theoretical Framework illustrating the sensegiving and sensemaking efforts in the Traditional Departments.

In contrast to digital innovation, other operational activities did not receive the same prioritization during SPES's DT. By extension, TDs, which heavily relied on analog working methods, were not given the same autonomy, resources, or internal status as DD. As elaborated below, the lack of freedom and prioritization affected how leaders within TDs' interpretive communities made sense of and sensegave the change.

5.3.1. Chief X Officers

Compared to the sensegiving efforts of the CDO, the influence of other CXOs was not given the same attention in the interviews. However, the findings revealed that certain CXOs faced challenges when implementing the digital vision and SL in their departments. Specifically, CXOs leading TDs found it challenging to make sense of and sensegive SL. The challenge can partly be attributed to the difficulty of translating the dimensions of SL to departments not involved in digitalization. Viewed from a sensemaking lens, the interpretive communities of TDs influenced how the CXOs made sense of SL and 'Digital first'. Specifically, the

departments' limited 'digital status quo', assessed by top executives when shaping their response to DT (Wrede et al., 2020), sheds light on why CXOs encountered challenges in envisioning and embracing the implications of DT within their departments. In other words, a lack of a 'digital status quo' entailed limited available information on digitalization for CXOs to encode in their existing schemas (Markus, 1977). In essence, the limited pre-existing level of digitalization within the interpretive communities shaped the cognitive schemas of CXOs towards a more traditional mindset, thereby hindering their ability to fully adopt a digital mindset. The presence of traditional mindsets among top executives was likely strengthened by long-term employment within these departments, elongating the time for such a schema to become fixed. Further, within the CXOs' interpretive communities, a collective act of filtering and sensemaking of shared experiences occurred (Ranson et al., 1980), which reinforced established paradigms regarding leadership and norms.

When comparing the sensemaking processes of the CXOs to that of the CDO, it becomes apparent that the latter possessed more crucial insights for navigating DT complexities. Contrastingly, other CXOs might have lacked such understanding or awareness. Furthermore, external points of reference from digital pioneers played a sensebreaking role in the DT (Gioia & Chittipeddi, 1991; Wrede et al., 2020). Findings reveal that the CDO and DD benefited from exchanges with Google, while other CXOs and departments did not, leading to challenges in recognizing all possibilities of digitalization and fully embracing a digital mindset.

Combined, interpretive communities with a limited 'digital status quo', previous work experience shaping schemas, and a lack of external sensebreaking points of reference likely contributed to a somewhat shy presence of a digital mindset amongst CXOs.

5.3.2. Middle Managers

Interviewees emphasized middle managers' critical role and challenges in the DT within TDs. The middle managers faced challenges in making sense of the DT, including SL and 'Digital first', and coherently sensegiving these concepts across the organization. Despite the 'water staircase' approach, designed to facilitate a coherent narrative of SL, managers' sensemaking processes occasionally did not align with the communicated messages. Consequently, varied meaning constructions and enactments of SL arose, creating divergent narratives and diverse

change outcomes in local contexts within TDs (Balogun et al., 2015). However, from a sensemaking perspective, some spread of meaning creations must be anticipated, as all managers hold individual schemas (Harris, 1994).

The findings show that certain middle managers constructed a relatively negative meaning of SL and were either unwilling or unable to embrace it. This negative meaning construction can be attributed to their prior work experience at SPES shaping their cognitive schemas (Harris, 1994). Specifically, the ingrained detail-oriented and hierarchical leadership collided with SL, causing difficulties for long-standing managers in adapting their schemas to the philosophy. Moreover, the lack of available information for middle managers to encode SL in their existing schemas (Markus, 1977) created uncertainty about how to enact the philosophy. Combined, the negative meaning construction of the philosophy and the insecurity surrounding it and the digital vision caused middle managers to continue enacting the organization's former leadership style. Thus, not all middle managers sensegave SL, and it was not disseminated to all parts of TDs.

TDs' interpretive communities are another factor inhibiting the spread of SL, as it shapes managers' schemas (Balogun et al., 2015). The findings reveal that TDs were committed to traditional ways of working and leading, contrasting SL and the organization's digitalization. This contrast likely contributed to the somewhat negative meaning creation of SL and the DT, causing change resistance and hesitance among middle managers. Moreover, the relational context influences the emergence of unintended change outcomes (Balogun et al., 2015). As sensemaking is inherently a social process (Weick, 1995), and middle managers are more influenced by lateral interactions than vertical (Balogun & Johnson, 2005), the traditional mindset of TDs underlying the social interactions within the interpretive contexts might have overridden the vertical directives from top management. This could explain why some managers did not make sense of SL in the same way as top management and were unable or unwilling to alter their leadership style accordingly.

Although some middle managers recognized the opportunities provided by digitalization and the entailing leadership philosophy, many managers upheld the traditional mindset of TDs, characterized by bureaucracy and an inclination towards the status quo. Thus, not all managers adopted a digital mindset, which hindered its spread within TDs' interpretive communities. Essentially, managers' dual role as sensemakers and sensegivers created a

power dynamic where they controlled which organizational mindset and, by extension, cultural values dominated their organizational unit.

5.3.3. A Traditional Mindset Hindering a Cultural Renewal

Empirical results indicate a modest cultural renewal towards a more collaborative and humanitarian culture in TDs. However, a complete cultural renewal did not materialize, as certain cultural values of hierarchy and bureaucracy remained. The persistence of such values can be attributed to the challenges faced by TDs' members in altering their established schemas and transforming their traditional mindset into a digital one. Thus, despite SL's intention to reshape the interpretive community's schemas, its effectiveness was limited, as evident by the emerging narratives of "I can do whatever I want" and "My employees are working for me". As middle managers disseminated these narratives in the interpretive communities, an unintended change outcome of cultural persistence arose (Balogun & Johnson, 2005). Adapting the reasoning of Harris (1994), TDs' salient schema rejected SL and maintained a traditional mindset, resulting in the persistence of existing cultural values.

The traditional mindset of TDs' interpretive community influenced their meaning creation of the DT. Findings reveal that TDs' employees made sense of the DT as a threat rather than an opportunity, which contradicts a digital mindset. Thus, technological changes were considered as intrusions on their competencies and work practices. This view was connected to managers' and employees' literal meaning constructions of 'Digital first'. Therefore, there was a fear that the DT of SPES would eliminate physical meetings, which were considered critical for employees to fulfill their societal mission. In other words, the DT collided with the cultural value of 'work commitment' at SPES. Assuming that SL represented the cornerstone of the DT, rejection of digitalization meant a rejection of SL and a digital mindset.

Essentially, the traditional mindset in TDs' interpretive communities, rooted in the old cultural values, was difficult to transform into a digital one. Thus, rather than being an effective tool to drive a mindset shift, SL collided with the mindset of the interpretive communities, resulting in the emergence of divergent narratives. Ultimately, the inability to shift mindset inhibited a cultural renewal in TDs.

5.4. Collision of Subcultures: Diverse Interpretive Communities

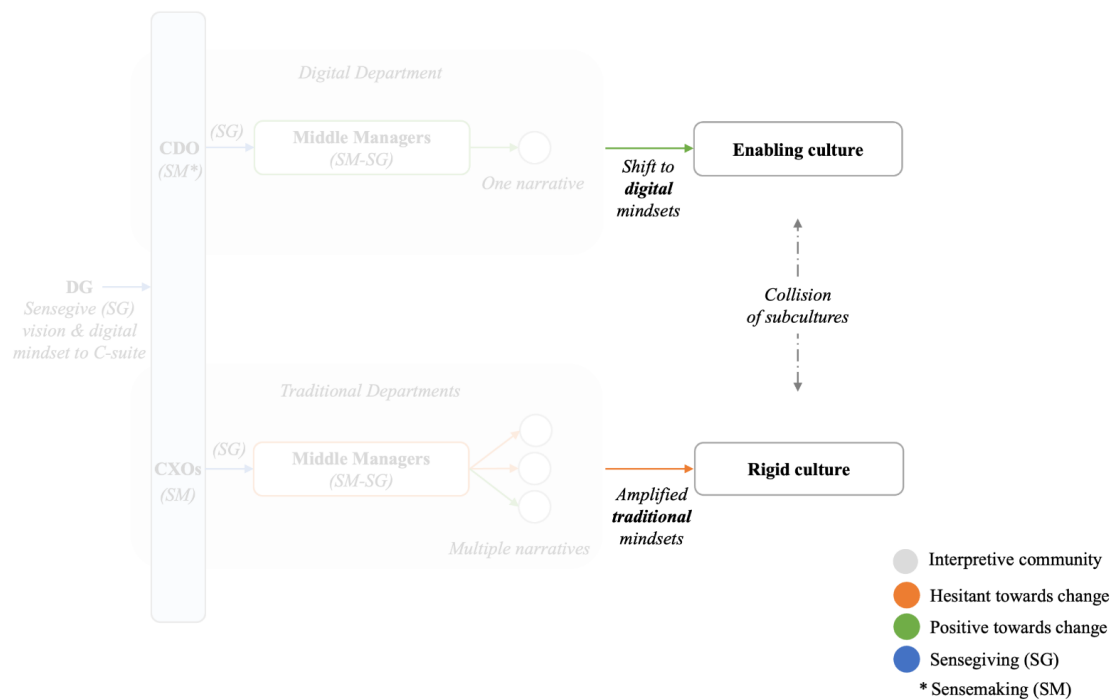


Figure 10. Part of the Theoretical Framework illustrating varied shifts in mindsets and the creation of subcultures.

On an aggregate level, the DT and SL created a force of engagement and decentralization, which renewed the culture towards becoming more accepting of failure, trusting, collaborative, and innovative. However, the findings show that the degree of culture renewal varied across DD and TDs, with the latter facing more hindrances in distancing themselves from the deeply rooted culture. Consequently, subcultures arose, along with a collision between them, shown by the sense of an “us and them” and difficulties in collaboration between DD and TDs. From a sensemaking perspective, this compartmental renewal of cultural values can be attributed to contrasting interpretive communities. Given that DD was provided more resources, status, and freedom to change and had managers who facilitated a digital mindset through sensegiving, the interpretive community of DD constructed a positive meaning of the DT. Conversely, TDs were given less freedom and resources and found it challenging to adopt and sensegive a digital mindset. Consequently, a less opportunistic meaning construction of the DT was evident in TDs’ interpretive community.

Thus, empirical evidence shows that the DT accentuated the differences in interpretive communities, where departments closer to digitalization had more favorable preconditions to alter mindsets and cultural values. Consequently, a larger division between the subcultures emerged. The meaning construction of digital innovation further drove a division between TDs and DD, as digitalization was considered the future way of operating. In contrast, the traditional working methods were believed to belong to the past. Altogether, the contrasting meanings attached to the digital and leadership change within the interpretive communities drove the creation of colliding subcultures, causing collaboration difficulties between DD and TDs.

5.5. Summary of Analysis

The developed theoretical framework was applied throughout the analysis chapter. Thus, the empirical findings were explored in light of sensemaking theory. This framework analyzes the sensemaking, sensegiving, and sensebreaking enactments of the DG, executive team, and middle managers to understand the mindset and cultural renewal in the DT of a large incumbent organization. The analysis identifies how the DD developed a digital mindset, informing a unified narrative of SL and 'Digital first'. Consequently, DD's culture was renewed. Conversely, TDs maintained a traditional mindset, and diverse narratives evolved around the DT initiatives. Ultimately, TDs did not fully renew their culture. The persistence or renewal of mindsets and cultural values can be attributed to managers' sensegiving and sensemaking process and the departments' interpretive communities.

6. Conclusion and Discussion

This concluding chapter answers the research question in section 1.3 and presents the developed theoretical framework. Subsequently, theoretical and empirical contributions and practical and managerial implications of the study are presented. This is followed by the study's limitations and, finally, identified future research.

6.1. Answering the Research Question

This study adopted a sensemaking perspective to analyze how leaders drive a cultural renewal by altering mindsets during an incumbent's DT. Thus, it closes the identified research gaps by answering the research question presented below:

How do leaders alter mindsets to drive a cultural renewal that enables the Digital Transformation of a large incumbent organization?

The findings show that leaders on all levels are essential in altering mindsets in interpretive communities to renew the culture of a large incumbent organization. Moreover, the findings highlight that interpretive groups' existing schemas and mindsets affect leaders' effectiveness in renewing organizational culture. Starting at the highest leadership level, the DG embodied the DT and sensegave a digital mindset to the organization. Thus, he was a catalyst for the DT. As the closest recipient of the DG's sensegiving, the executive team was critical for altering mindsets. However, as DD was provided more autonomy and resources, the CDO and CXOs began to pull in different directions.

The CDO was an essential actor in DD. He had developed a digital mindset from previous work experience, and sensegave such a mindset to his division by promoting initiatives, exploration, trust, and collaboration. Sensegiving and sensebreaking capabilities, drawing upon external points of reference, contributed to creating a strong interpretive community adopting a digital mindset. Thus, the CDO influenced the sensemaking of middle managers, who were receptive to a digital mindset, and further disseminated it in DD. Resultantly, leaders renewed the culture towards becoming more open, innovative, and collaborative. Thus, the study shows that leaders fostering digital mindsets in interpretive communities will create a culture that enables DT initiatives and subsequent change processes.

Conversely, leaders of TDs had traditional mindsets and were not as effective in renewing the culture. The findings show that the DT initiatives collided with the interpretive groups, which were deeply rooted in the old culture and working methods. Resultantly, difficulties in achieving a coherent sensegiving across managerial levels arose, leading to diverse change narratives along with a less prominent change in mindset. Consequently, the old cultural values persisted. Thus, leaders who do not adopt a digital mindset will contribute to amplifying traditional mindsets within their interpretive communities and will, therefore, not renew the culture to enable a DT. On an organizational level, varied leadership and interpretive communities created subcultures and collisions between them, causing collaboration difficulties and hindering the emergence of flexible values organization-wide necessary to transform digitally.

6.2. Developed Theoretical Framework

The inductively developed theoretical framework incorporates the study's main findings and highlights identified temporal relations between leadership, mindset alteration, and cultural renewal in the DT of a large and complex incumbent organization. Specifically, the model highlights the difference in mindset and cultural renewal between DD and TDs.

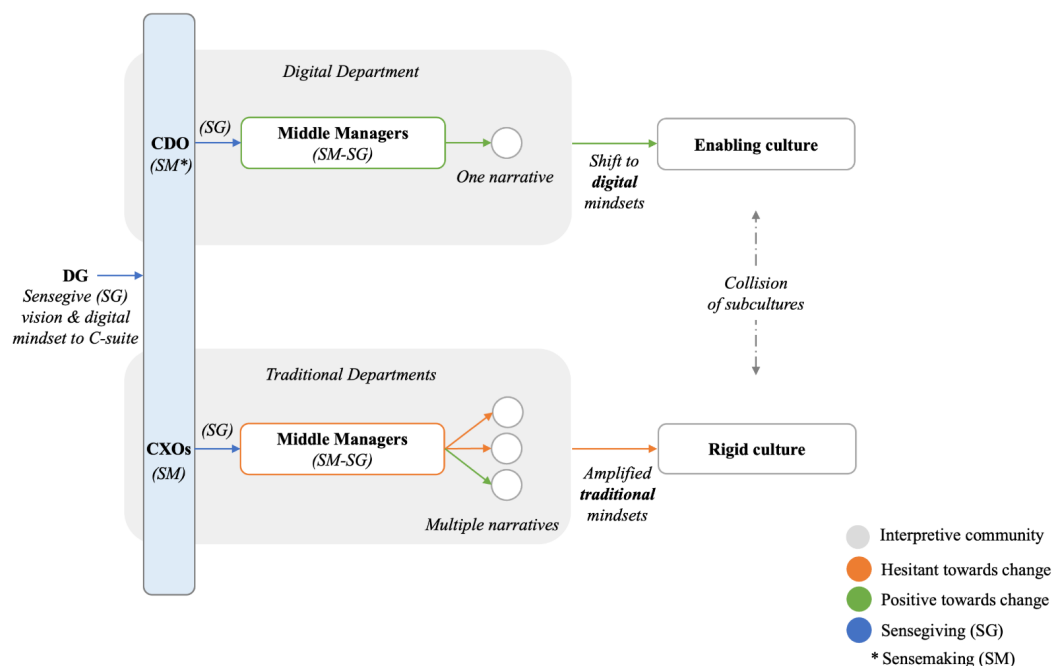


Figure 11. Developed Theoretical Framework.

6.3. Theoretical and Empirical Contributions

This study attends to the identified research gaps on how leaders renew the organizational culture through altering mindsets to enable a DT. The study answers the calls for more research on the process of strategic cultural renewal in DT literature (Nadkarni & Prügl, 2020; Konopik et al., 2022; Butt et al., 2024). The study's findings also complement existing research on cultural values driving DTs (Karimi & Walter, 2015; Hartl & Hess, 2017; Duerr et al., 2018) by providing insights into how these cultural values are reached and implemented through leaders facilitating digital mindsets. In line with this, the study also expands on Solberg et al.'s (2020) research on digital mindsets by showing that a digital mindset can renew a culture towards flexible values (Hartl & Hess, 2017).

The study enriches existing research on top leadership in DT by showing how their sensegiving efforts renew organizational mindsets and culture. The study complements the research of Wrede and her colleagues (2020) by expanding on how top executives *Understand digitalization* and *Lead change*. Specifically, the study highlights the importance of external reference points and improving the 'digital status quo', enabling executives to lead with a digital mindset. The significance of these factors is underscored by the observed imbalance between the CDO and CXOs, emphasizing the influence of personal experiences, prior knowledge, and access to external sensebreaking points in executives' sensemaking processes amidst DT (Wrede et al., 2020). The findings demonstrate how an imbalance of these factors resulted in uneven sensemaking, influencing to what extent a digital mindset was adopted and cultural values were renewed. Further, by demonstrating an imbalance within top executive teams, the study expands on Balogun et al.'s (2015) research by showing that these teams are heterogeneous. This finding contrasts with Wrede et al. (2020), referring to top executives as homogenous groups unanimously leading DT initiatives.

The study also contributes to a nuanced depiction of the CDO's role in creating engagement for the DT. The findings highlight the importance of CDOs in DT, creating organizational engagement and disseminating a digital mindset (Singh & Hess, 2017; Singh et al., 2020). However, in contrast to scholars arguing that CDOs, specifically *Digital evangelists*, create change engagement organization-wide (Singh & Hess, 2017), the findings show that the CDO's mobilizing effects and facilitation of a digital mindset (McCarthy et al., 2021)

primarily remained within DD. Thus, this study nuances leadership research on CDOs, showing their influence as compartmentalized.

By analyzing how middle managers alter mindsets, this study expands on leaders' role in DT. It provides a more comprehensive depiction of how leaders on all organizational levels facilitate mindsets. Thus, this study answers the call for more DT research on middle managers (Nadkarni & Prügl, 2020; Vad der Schaft et al., 2022; Christodoulou et al., 2022) and shows the importance of middle managers adopting a digital mindset and buying into DTs (Balogun & Johnson, 2005). Therefore, the findings emphasize the importance of considering other management levels than top executives when analyzing organizational renewal of mindset and culture in a DT.

Finally, this study contributes to culture research in DT. As TDs did not fully renew their culture, the study's findings align with previous research observing that incumbents, constrained by cultural values from the pre-digital era, face challenges in renewing their culture for DT (Lucas & Goh, 2009; Volberda et al., 2021). However, the study simultaneously contradicts such research as DD adopted a digital mindset and renewed its culture to become more flexible. The coexistence of different mindsets and cultures also contrasts previous studies analyzing cultural renewal in DT on a holistic organizational level (Hartl & Hess, 2017; Duerr et al., 2018; Butt et al., 2024). Thus, this study highlights the importance of considering compartmental cultural renewal and the co-existence of subcultures in large and complex incumbent organizations, as these can hinder cross-functional collaboration in DT. Moreover, it provides an additional perspective to research recommending separate business units to enable DT (Verhoef et al., 2021), as such structures might cause similar cultural collisions.

6.4. Practical and Managerial Implications

The study's findings hold several important practical and managerial implications. The findings demonstrate that sensemaking and sensegiving arise across various levels within large organizations, extending beyond senior leadership. Therefore, practitioners should consider the dual role of middle managers, as their resistance to DT can contribute to alternative narratives that deviate from the direction set by top management. To mitigate this, practitioners should consider involving these managers in strategy implementation, as it can foster a bottom-up force of DT engagement throughout the organization.

Moreover, it is crucial to consider how existing schemas within an organization's diverse interpretive communities shape the sensemaking and sensegiving processes of DT initiatives, especially for incumbents with deeply ingrained values. Hiring external leaders can facilitate a digital mindset and cultural renewal through sensegiving and sensebreaking. Additionally, leaders can leverage symbolic actions, i.e., creating new partnerships and office spaces, to separate from the existing culture. Moreover, leaders aiming to promote a mindset of exploration, innovation, risks, and trust must embody it themselves. Similarly, the study highlights the crucial role of a CDO in mobilizing engagement for DT. However, relying on one executive to create DT engagement might be insufficient for a large organization. Therefore, emphasis should be placed on understanding digitalization across the entire C-suite and securing their DT buy-in to engage all departments.

Finally, deciding to engage one department or the entire organization in the DT initiatives requires careful consideration as it creates a trade-off between speed and alignment. It becomes a question for decision-makers when curating the strategy and its objectives. Irrespective, there is a critical need to conduct continuous follow-ups on strategy implementation across the entire organization, as DT fundamentally affects the organization's deeply rooted structures (Van der Schaft et al., 2022). Thus, DT disrupts expectations and creates ambiguity, triggering sensemaking efforts from all organizational members (Maitlis & Christianson, 2014), regardless of whether it directly involves all organizational units or one department. Nonetheless, practitioners should anticipate and mitigate collisions of subcultures to ease cross-functional collaboration, as it can increase the spread of an innovative culture.

6.5. Limitations of the Study

The findings of this study should be interpreted within the context of its limitations. Firstly, while a single case study allows for investigating a topic in depth, it limits the study's generalizability to other contexts and organizations. Therefore, the study's findings might not explain managers' sensemaking and sensegiving mechanisms in other organizations undergoing similar renewals of mindsets and cultures within DTs. Secondly, as the DT of SPES occurred between 2014 and 2021, the authors performed a retrospective case study. Thus, interviewees could be subjected to social interaction effects or recollection biases derived from current leadership influencing their sensemaking of the Journey (Bhattacharjee, 2012). Moreover, conducting an ethnographic study with observations to further enrich the data triangulation was not possible. Similarly, the inability to conduct a longitudinal case study of the DT inhibited analyses of the effects of specific events.

Thirdly, the 21 internal interviewees selected to participate in this study might not represent the perceived reality of all employees of the entire organization. Nonetheless, measures were taken to mitigate this limitation through careful sampling from various managerial levels and departments. In hindsight, the authors acknowledge that more sampling within DD could have enriched the data further. Fourthly, the findings are subject to a certain level of simplification, as they solely reflect the most critical factors for cultural renewal. Thus, all factors influencing cultural renewal were not exhausted. Fifthly, although the sensemaking lens provides valuable insights into how mindsets are altered to renew cultures in DT, other theoretical perspectives could provide additional insights. For example, a power perspective incorporating internal politics could explain why certain mindsets and cultural values from specific departments dominated. Finally, the most relevant research streams for the identified research gaps were attempted to be covered in the literature. However, the topic of DT is emerging, and not all of the literature has been covered.

6.6. Future Research

This study hopes to inspire future research within the DT domain, specifically concerning digital mindsets and cultural renewal. Firstly, similar qualitative studies are encouraged in public and private organizations to test whether the study's findings hold in other large incumbent organizations. Moreover, longitudinal and ethnographic case studies are encouraged when analyzing such phenomena as they can provide more detailed information regarding specific events of the DT and capture tacit knowledge solely visible through observations. Secondly, this study focused on leaders driving cultural change. Future research can provide a more comprehensive depiction of how culture is renewed by directing attention to other culture-shaping aspects besides leadership, such as external influences and customer-centricity.

Thirdly, the study hopes to encourage more socio-psychological perspectives within DT research. This study and previous publications emphasize that organization-wide commitment is necessary to achieve the desired strategic change, rendering sensemaking a suitable lens for analyzing why DT initiatives succeed or fail. Moreover, a power perspective could be applied to analyze how internal politics contribute to altered mindsets and cultural renewal in DT. Fourthly, this study did not analyze the correlation between cultural values and strategic or financial outcomes. Thus, the coexistence of different cultures can not be assessed as favorable or unfavorable in terms of effectiveness in reaching strategic goals. More research is, therefore, needed to evaluate whether it is better to focus on organizational culture alignment or to let DDs pioneer DTs with a compartmental innovation-centric culture. In other words, additional research is needed to evaluate the trade-off between speed in DD and organizational alignment in large incumbents.

Finally, this study indicates a correlation between digital mindsets and closeness to prior and current digital innovation. However, further studies are needed to evaluate whether there is a causality between employment groups choosing to enter the technology domain and an inclination for a digital mindset and, conversely, whether there is a causality between day-to-day exposure to technological innovation and the formation of a digital mindset. Although endogeneity concerns may arise in such an analysis, further insights are needed to determine what factors drive an interpretive community to develop a digital mindset.

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8. Appendices

8.1. Appendix A: Interview Subjects (Preparatory Work)

Interview subject	Internal/external	Seniority	Office	Interview format	Duration	Date
S	Internal	Top	HQ	In-person	120 minutes	Jan 2024
P	Internal	Low	HQ	In-person	120 minutes	Jan 2024
F	External	Expert voice	Not HQ	Online	55 minutes	Feb 2024
O	External	Expert voice	Not HQ	Online	58 minutes	Mar 2024

8.2. Appendix B: Interview Guide (Preparatory Work)

Introductory questions

- How long have you been with the Swedish Public Employment Service, and in what roles and departments?
- What was your responsibility during the Journey of Transformation?

Background the Swedish Public Employment Service

- What is the Swedish Public Employment Service's history?
- What did the leadership, culture, and digital capabilities look like before initiating the Journey?
- Have other change programs been employed before?

Background Journey of Renewal

- How did the need for the Journey arise?
- How would you describe the Journey overall?
- What aspects make this period of particular interest?
- Are there any relevant documents that we can read?

Vision and goals

- What were the vision and goals for the Journey?
- What were the specific goals related to the Digital Transformation?
- What were the goals of introducing the new leadership philosophy, “Self-leadership”?
- What was the goal of the culture?

Leaders and employees

- How would you describe the leadership during this period?
- What were your perceptions and thoughts about the leadership?
- Were employees engaged in the Journey?
- How did you interpret the organizational members’ perceptions of these factors?

Interview subjects

- Do you know of any specific individuals present during the whole Journey that could be valuable to interview?
- Do you know employees at different levels of seniority that we could get in touch with?

8.3. Appendix C: Interview Subjects (Main Study)

Interview subject	Employment time	Department	Seniority	Office	Interview format	Duration	Date
A	16y	Alpha	Mid	HQ	In-person	57 minutes	Feb 2024
B	25y	Alpha	Low	HQ	In-person	58 minutes	Feb 2024
C	32y	Delta	Mid	HQ	Online	55 minutes	Feb 2024
D	21y	Delta	Mid	HQ	Online	60 minutes	Feb 2024
E	22y	Zeta	Low	Not HQ	Online	54 minutes	Feb 2024
G	30y	Zeta	Top	Not HQ	Online	56 minutes	Feb 2024
H	5,5y	Delta	Top	HQ	Online	57 minutes	Feb 2024
I	29y	Zeta	Top	HQ?	Online	53 minutes	Feb 2024
J	30y	Alpha	Mid	HQ	Online	53 minutes	Feb 2024
K	26y	Gamma	Mid	Not HQ	Online	53 minutes	Mar 2024
L	30y	Alpha	Mid	HQ	Online	58 minutes	Mar 2024
M	23y	Gamma	Mid	Not HQ	Online	58 minutes	Mar 2024
N	9y	Delta	Top	HQ	In-person	61 minutes	Mar 2024
P	23y	Beta	Low	HQ	In-person	56 minutes	Mar 2024
Q	10y	Beta	Top	HQ	In-person	56 minutes	Mar 2024
R	18y	Alpha	Mid	Not HQ	Online	58 minutes	Mar 2024
S	16y	Beta	Top	HQ	In-person	56 minutes	Mar 2024
T	6y	Beta	Top	HQ	In-person	56 minutes	Mar 2024
U	29y	Zeta	Mid	Not HQ	In-person	56 minutes	Mar 2024
V	20y	Zeta	Low	Not HQ	Online	58 minutes	Mar 2024
W	6y	Alpha	Top	HQ	In-person	56 minutes	Mar 2024

8.4. Appendix D: Interview Guide (Main Study)

Introductory questions

- How long have you been with the Swedish Public Employment Service, and in what role(s) and department(s)?

Questions relating to the Journey of Renewal

Leadership

- Did you experience a shift in leadership during the Journey?
 - If yes, what did the shift entail, and how was it expressed?
- What roles did individuals and leaders play in generating engagement around the Journey?
 - How did individuals drive or oppose the ongoing change?

Self-leadership interpretation

- How did you personally receive self-leadership?
- Did you need to adjust your leadership style to adhere to the new leadership philosophy?
- How did your colleagues receive self-leadership?
- How would you define self-leadership?
 - Do you believe the rest of the organization agrees with your definition?
- How did self-leadership influence the organization's ability to meet the new digitalization goals?
 - Do you think it influenced or opposed the digitalization?

Behaviors

- How did the new leadership influence your and the organization's behavior, reflecting on work methods, collaboration, or other aspects?
- What did collaboration look like during the Journey? How did it evolve? How did it differ from collaboration before the Journey?
- How did these behaviors influence the organization's ability to meet the new digitalization goals?

Culture

- How did you experience the culture during this time?
- Did you experience any cultural shifts?
 - What do you think drove them?
- How did the new leadership influence the organization's culture, norms, and values?
 - Did you feel that self-leadership embodied the established values? In what way?
 - How did values manifest in the organization's culture and daily work?
- How did the culture influence the digitalization of the agency during the Journey?
 - Did values and norms contribute to the digitalization of the agency?

Challenges

- Did any challenges arise during the Journey?
- How did these challenges manifest themselves, and how were they addressed?
- What role did leadership play in addressing these challenges?

Final Questions

- Is there anything else you would like to add that we have not asked about?
- Do you have any questions for us?

Post-interview questions (for the authors)

- Did the interview go well?
- Feelings about the interview?
- Did the interview open up new interests?
- Is there something we need to clarify with the interviewee afterward?

8.5. Appendix E: Overview of Empirics

	Exemplary Quotes	Deployed by
Top Leadership		
Director General: Communicating and embodying the change	<i>"I would say the Director-General at the time was really the general of the Journey of Renewal. He lived it and he expressed it in a very good way, many times in many contexts. He created a courage, I think, in many managers to dare. Because it's also about when you take the initiative and you go wrong and you step on the gas, as I'm sure you will at times, to feel that you have support behind you. That's right, to succeed, dare to fail. So, and that's perfectly okay. He put it as to having courage, daring to have courage. So I think the DG meant an incredible amount."</i> - J	21/21 Interviewees: E, A, B, G, C, I, D, J, L, M, N, R, P, Q, S, T, U, H, K, W
Executive team: 1) Importance in driving the change	<i>"I think that what he [DG] did was also, that he allowed everyone in the executive team to have a very large responsibility for driving the entire renewal journey. There was a commitment to this from everyone in the executive team"</i> - P	13/21 Interviewees: E, G, I, D, J, M, N, P, Q, S, T, H, W
Executive team: 2) Pulling in different directions	<i>"But again, there have been some diversity of views both to some extent in the executive team during this period but also out in the organization. There was a very strong push for digitization (...) And I think that in the later parts of the renewal journey, the perception came to be, I'm not saying that it was so that the executive in some way stated that they went against the decisions they had made, but there was not the same drive in a common direction over time."</i> - S	8/21 Interviewees: A, M, P, Q, S, T, H, W
Digital Department: Top leadership		
CDO: 1) Mentioned (without being asked)	<i>"The CDO was very driving in this, he had a lot of energy and spread a lot of inspiration around him. I really liked his leadership and it was, I think, I interpreted it as what the DG really wanted. That we should unleash the creativity of people."</i> - A	6/6 DD interviewees and 5/15 TD: A, B, J, L, M, N, R, P, S, H, W
CDO: 2) Private sector influence	<i>"Two managers [CDO and IT] were brought in from outside, from the private sector, who worked in a completely different way and who had a lot of drive and momentum."</i> - H	4/6 DD interviewees and 2 TD: A, J, L, N, H, W
CDO: 3) Inspired a digital mindset and brought the value "invite & explore"	<i>"For example, he [CDO] said that we shouldn't just be good at investigating things, as you are in government agencies, but here we should be good at exploring."</i> - W <i>"But it also helped us because then you could point to those words, that here we try and here we invite. Be brave now, take a step, try it out. So it was very powerful for me at the time."</i> - A	5/6 DD interviewees and 2/15 TD: A, B, J, R, P, S, W
Digital Department: Middle Managers		
Middle managers: Changes in leadership were similar to the intention	<i>"There were quite a few managers who actually changed [their leadership style]. (...) And I think we achieved a much bigger change in our organization than the entire SPES achieved, in terms of leadership change."</i> - W	4/6 DD interviewees and 4/15 TD : A, D, J, N, R, P, S, W
Digital Department: Self-leadership		
Self-leadership: Interpreted as built on	<i>"It's about taking responsibility for my own development as well as for the organization as a whole."</i> - L	6/6 DD interviewees: A, B, J, L, R, W

trust and humanity, and
created engagement

"I thought it was a very good approach where we somehow create trust in each other and the organization and we believe in our managers and employees that you want and can. I think it created a lot of enthusiasm." - J

Digital Department: Cultural values

Cultural values:
1) A brave and
innovative start-up
culture

"The cultural shift, it became more innovative. You dared to test out new ideas, people dared to try new things." - R

"It was almost like a start-up, although we were very many. A start-up with a thousand people." - B

"...the ones working with digitalization were in their own way, and there it was supposed to be like an entrepreneur, almost like a startup" - D

**6/6 DD interviewees
and 3 TD:** A, B, D, J,
L, N, R, T, W

Documents

Cultural values:
2) New office and
separate working spaces
for DD

"We started working in open spaces. You had no rooms and you had no fixed places. There were a lot of things that felt new and a bit exciting.(...) I really think we got an island of opportunities as well." - A

"The CDO realized that we can't go to the same office and talk about these big visions we're going to do. And sometimes we are still stuck in this culture because it's in the walls and now we have to do everything the same as everyone else does at the headquarters." - W

2/6 DD interviewees:
A, W

Traditional Departments: Top Leadership

CXOs: Difficulties in
interpreting and
implementing SL &
Digital first and the new
ways of working

"No, but I don't think it [the new ways of working] can be translated to certain department. That is what made it hard. Then it is more like, what does digitalization mean to us?" -H

"There were managers at the C-level who had the attitude of self-leadership that my employees are for me." - Q

"I can say that my impression was that a large part of the top executives were struggling a bit and trying to understand how they should change their leadership and what this self-leadership meant in practice." -N.

**11/15 TD interviewees
and 4/6 DD:** E, G, C, I,
D, J, M, N, R, P, Q, S,
T, H, W

Traditional Departments: Middle Managers

Middle Managers:
1) Important for driving
change

"Middle managers play a very important role and it is important that those managers believe in this development and that they themselves believe in what we are going to do. And not everyone did." - H

**12/15 TD interviewees
and 4/6 DD:** E, B, G,
C, I, D, J, N, R, P, S, T,
U, H, K, V, W

Middle Managers:
2) Challenges to
embrace or "live" SL
(collision with
traditional ways of
working)

"And this Journey of Renewal was supposed to go in a bit of a 180-degree direction and counteract the micromanagement. But many of the managers were used to it and had a way of dealing with the old way of managing and leading.(...) and then it creates uncertainty when the old ways of behaving no longer work. So there's a kind of lostness in it, and the whole idea of self-leadership is that you kind of push down responsibility in the organization and place greater demands on both employees and managers to lead themselves within the framework of their scope of action." - N

**8/15 TD interviewees
and 6/6 DD:** E, A, B,
G, D, J, L, M, N, R, S,
U, H, W

"It was not that they failed to teach it, but that they themselves failed to live it. And then it was that those further down in the

organization interpreted and developed their self-leadership in the wrong direction.” - W

Middle Managers:
3) Torn between attending upstream/downstream

“The flip side of this [self-leadership] can also be said to be that perhaps, for example, a section manager who then looks a little upwards, there is a risk that there will be a gap between the employee level and an ambiguity in who you should primarily focus on, so to speak. Is it the supervisor or is it the employee? So I could say that was a bit of what perhaps gradually crystallized. There was a slightly greater, a slightly greater focus on doing things from a slightly more strategic perspective.” -C

8/15 TD interviewees and 2/6 DD: E, A, B, G, C, D, M, S, U, K

Traditional Departments: Self-leadership (SL)

Self-leadership::
1) Initial force of engagement from the self-leadership philosophy

“Truly, there was an incredible power in the Journey of Renewal. There really was. And that force was based on wanting to get away from something.” -I

10/15 TD interviewees and 4/6 DD: E, A, C, I, D, J, L, R, P, Q, S, T, U, H,

“There was a lot of focus on the leadership [SL] and the importance of it in managing a lot of things. So we had a present discussion about it all the time, which was very developing and exciting on an individual level.” - D

Documents

Self-leadership::
2) Unintended interpretation “I can do whatever I want”

“Some people felt and thought that it means that I can do whatever I want. I don't have to adhere to plans and the frameworks set by management.” -S

11/15 TD interviewees and 6/6 DD: E, A, B, G, I, D, J, L, M, N, R, P, S, T, U, H, W

Self-leadership::
3) Unintended interpretation “Help your boss out”

“Speaking of misunderstandings, I think there was far too much of that going around. That it was the employees' responsibility to “help the boss succeed, not the other way around. And then I think you end up wrong actually.” - P

8/15 TD interviewees: C, I, M, P, S, T, U, K

“There were those discussions and those questions. (...) Am I doing this for my boss to succeed or am I doing this because we have a mission as an organization?” -U

Self-leadership::
4) Was discussed to be an ambiguous term that caused complexities and confusion

“And for self-leadership to work, it has to be understandable, what does it mean for me? And I don't think it was.” -H

10/15 TD interviewees and 5/6 DD: A, G, I, D, J, L, M, N, R, P, S, T, U, H, W

“The downside was that it [SL] was quite messy because there was so much room for interpretation. But what does this really mean?” - J

Documents

Traditional Departments: Cultural values

Cultural values: Positive
1) “Acceptance of failure”

“The difference now was that they were confident that we don't want to sweep things under the carpet, we have to tell it how it is.” - G

9/15 TD interviewees: E, G, I, D, P, Q, S, H

“That there should be a culture of acceptance to failure. Yes, you can simply make mistakes. Every penny we invest in an IT investment will not reach the finish line. But so be it.” -T

Cultural values: Positive
2) Kindness, trust and collaboration

“Yes, but it was still a shift very much based on what I said. (...) to have faith in each other, to like each other instead of working against each other, working with each other, linking arms very much.” - I

12/15 TD interviewees and 1/6 DD: E, G, I, D, J, N, P, Q, S, T, U, H, V

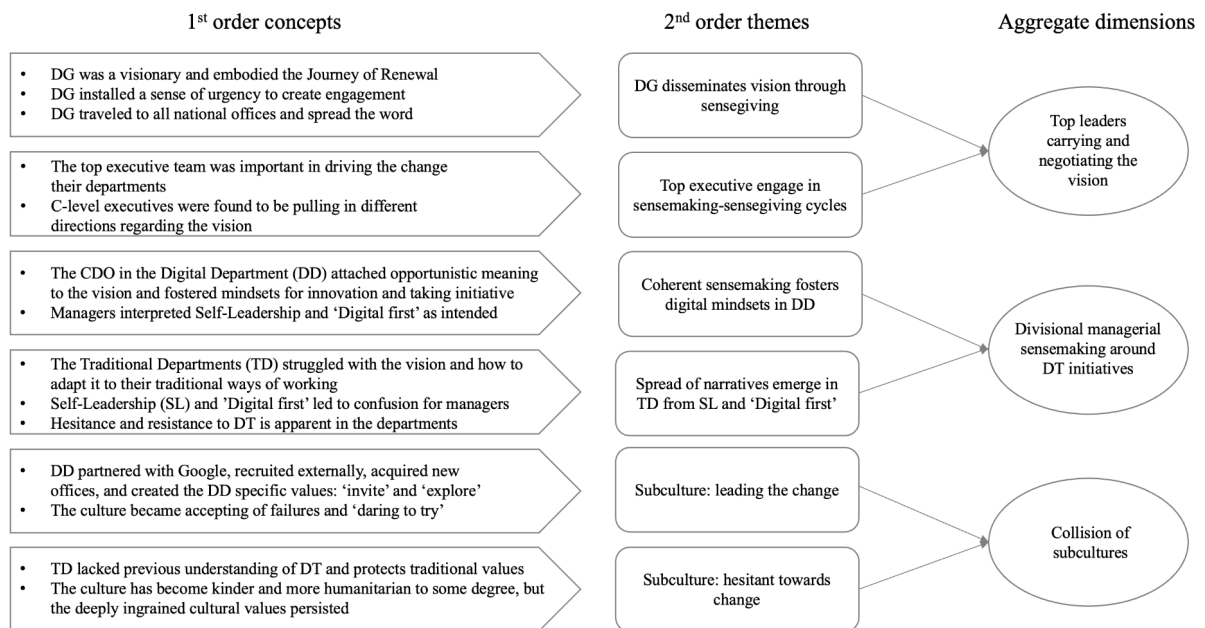
“...there was also a change in how people viewed relationships between people, leadership, taking initiative, daring to make mistakes without being punished or whatever. That definitely influenced the culture of the agency, I would say.” - S

Cultural values: Negative 3) Renewed cultural values were hindered by managers' and employees' attachment to old ways of working and tradition	<i>"What are you coming for? Why are you looking at this? And don't you think we are doing a good job? There was a lot of suspicion. There was the same thing between IT and operations."</i> - H <i>"Should we do it the new way where the tracks are not really laid out or should we take the old way where there are tracks? Do you understand what I mean? Then it's easy to take the old tracks because you know them."</i> - I <i>"But as I said, it messed up a lot of other things. We encountered a lot of problems with this, of course. And concerns about what this means. There are changes, of course. It changes the business for some, it changes working methods and processes."</i> - J	9/15 TD interviewees and 2/6 DD: E, G, I, J, N, Q, S, U, H, V, W
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Collision of Subcultures: Digital versus Traditional Departments

Subcultures: 1) "Us and them"	<i>"(...) those who worked with digitalization were in their own way, so to speak, and there it would be very much like an entrepreneur, almost like a start-up business. And then there was the old business, they have their culture and their way of working, so I think there are very big cultural differences between them."</i> - D <i>"But perhaps also that groups then got a little different status and that of course affects both the collaboration where we still suffer a little from it sometimes that we...it's not an 'us', but there may be slightly different parts of the business that see slightly different issues."</i> - C <i>"But it also meant that there and then an 'us and them' was created between DD and the local employment service. With some kind of evaluation, what was a little better and a little worse. So it did things for the culture."</i> - U	17/21 Interviewees: A, B, G, C, D, J, L, M, N, R, P, Q, T, U, H, K, W
Subcultures: 2) DD was seen as "nicer and better"	<i>"It may be, for example, that it was a bit nice for a while to move into DD. Because it's hot. So then you didn't have to talk as much with the others who didn't understand.(...) But a little bit like that, because we lost that connection."</i> - B	7/21 Interviewees: B, C, D, M, R, P, W
Subcultures colliding: 3) Difficulties in collaborating	<i>"We tried to collaborate initially, the traditional department and us [DD], to build these AI services. But it didn't go so well because the cultures were too different. So eventually, the DG moved the entire question to us at DD instead. And it was the world's chaos around that, 'how can we move it to that department'?"</i> - W	12/21 Interviewees: A, B, C, J, L, N, R, P, T, H, K, W

8.6. Appendix F: Data Analysis Structure



8.7. Appendix G: AI

GrammarlyGo

This thesis utilizes the plug-in program GrammarlyGo to reduce spelling errors and achieve grammatical correctness. As a result, the reading experience of this thesis is enhanced. Although the program includes some generative AI features, they are strictly limited to improving sentences with shifts in word order or suggestions for synonyms. The authors manually accept or reject the suggestions provided by the plug-in. Although there are risks related to using AI, such as it providing biased or incorrect information, Grammarly has a thorough policy for responsible use of AI: *“We are committed to building models using quality data sets that undergo bias and fairness evaluations. We design and develop products with our team of analytical linguists who apply research and expertise to minimize bias and apply user feedback.”* (Grammarly, 2024). This policy assured the authors of responsible use of generative AI, when assessing which grammar tool to employ.

Reference: Grammarly, 2024. Responsible AI.

https://www.grammarly.com/responsible-ai#sectionMultiColumn_6l2rsbbIfPAeGFZo8c0gWc

Transcribing tool: Klang AI

The professional transcribing tool, Klang AI, was utilized for transcribing the recorded interviews. The primary reason for using this tool is its time efficiency; it can transcribe an hour-long interview in just 20 minutes. This has significantly benefited the thesis since the data collection involves recordings totaling approximately 25 hours. However, owing to the tool's early stage of development, both authors verified the accuracy of the transcriptions. During this verification process, only minor errors were identified in the transcriptions generated by Klang AI, which were subsequently corrected by the authors before continuing to use the software. Additionally, Klang AI features an extensive privacy and GDPR policy, providing assurance to the authors regarding the tool's suitability for this thesis. Without such assurance, the tool would not have been utilized, as this thesis adheres to ethical guidelines for the use of personal data, as outlined in the GDPR form provided by the university.

Reference: Klang AI. (2024). Security. <https://klang.ai/en/security/>