MBA Digital Transformation & Change Management

ACADEMY FOR CONTINUING EDUCATION

A customer centric transformation design approach and its impact on the organizational identity change. The case of an IT service provider in public sector.

A Master's Thesis submitted for the degree of
"Master of Business Administration"

supervised by
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Vienna, 04.07.2023

Affidavit

I, **MSC ANA CRISTINA BAIAS**, hereby declare

1. that I am the sole author of the present Master's Thesis, "A CUSTOMER CENTRIC TRANSFORMATION DESIGN APPROACH AND ITS IMPACT ON THE ORGANIZATIONAL IDENTITY CHANGE. THE CASE OF AN IT SERVICE PROVIDER IN PUBLIC SECTOR.", 79 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and

2. that I have not prior to this date submitted this Master's Thesis as an examination paper in any form in Austria or abroad.

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Abstract

This thesis creates a framework for analysing the concepts of organizational identity change and customer centricity and examines what prevents and what enables the transition of an organization lead towards a more customer-oriented organization to successfully support the digital transformation journey reflected in the strategy of an Austrian IT service provider in the public sector. It identifies the blockers and enablers paving the way towards a possible customer centric transformation and describes concrete methods and tools for achieving an increased customer focus and shows how might this transformation impact the current organizational identity. The study explores how the inside organizational view can influence the customer outside view and how the elements belonging to both sides are inextricably connected to each other showing that a change on the inside is reflected on the outside. The essential interdependence between organizational identity and a possible transformation event is examined observing that a fundamental change in the way an organization conducts its business, requires a fundamental change in identity or "how the organization thinks of itself".

Qualitative research was used to identify key themes (e.g., strategy, leadership, processes & technology, organizational culture etc.) to be analysed in the context of a transformation event and the interdependencies between these was discussed. A transformation model was created by clustering the identified themes and findings show that "strategy" and "culture" are the main interdependent pillars on which a transformation can be triggered and influenced.

This thesis contributes to both theory and practice, contributing to the theoretical knowledge of organizational identity change in case of a transformational event like becoming a more customer centric organization. Furthermore, the research findings provide meaningful insights to organizations that seek to become more aware of "who they are" (Gioia,1998) as an organization and what topics they should have a closer look at to start a transformation event.

Content

Introduction

Understanding and shaping user behaviour in the next new normal becomes crucial for organizations survival. The COVID-19 crisis forced organizations to change the way they interact with customers. To stay competitive on the market, organizations must adapt to the new normal, otherwise they risk being left behind. According to a McKinsey Global Survey, companies have accelerated the digitization of their customer and supply-chain interactions and of their internal operations by three to four years[1]. A marketing & sales practice team of McKinsey describe a proven formula for upgrading the customer experience needed for meeting new consumer needs, behaviours, and expectations critical to post-COVID-19 business success. The formula as proposed by McKinsey team comprises specific measures spread across three core building blocks: defined aspiration & purpose, an agile transformation approach, and a thoughtful deployment of new capabilities, particularly advanced analytics (see Figure 1). By combining all three building blocks, organisations can create a competitive advantage in their industry:
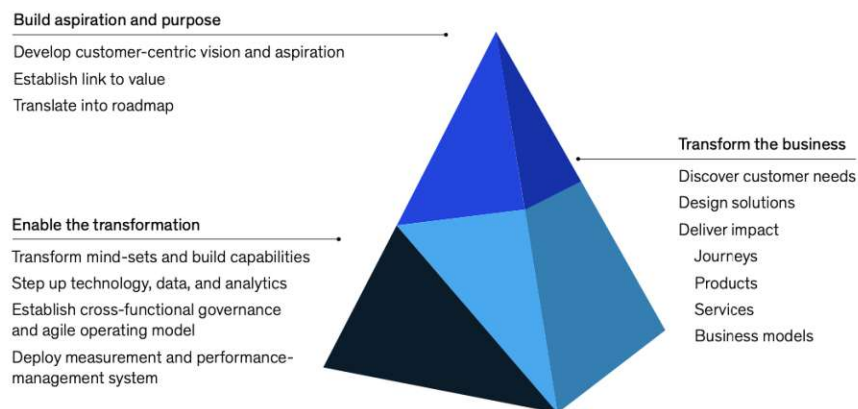
Figure 1: The three building blocks of successful customer-experience transformations[2]

[1] How COVID-19 has pushed companies over the technology tipping point and transformed business forever https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever - retrieved on November 2022

[2] Victoria Bough, Ralph Breuer, Nicolas Maechler, and Kelly Ungerman (October 2020). The three building blocks of successful customer-experience transformations. https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-three-building-blocks-of-successful-customer-experience-transformations - retrieved on November 2022

The academia industry is exposed to these transformations, too. "*Due to the crisis induced by the coronavirus epidemic, innovations in academia and higher education that would have normally taken several years due to the various contradictory administrative regulations are now introduced much faster*"[3]. Thus, customer experience became a competitive advantage in the new normal. The concept of customer centricity is not new. The customer determines what a business is, what it produces and whether it will prosper and grow. Organizations should not focus on selling products but rather on fulfilling customer needs. Customer-centricity is a way of doing business that fosters a positive customer experience at every stage of the customer journey, it builds customer loyalty and satisfaction which attracts more customers. Every time a customer centric company is about to decide, it deeply considers the effect the outcome will have on the users.[4] Making customer centricity a core value of the organization is mandatory to drive the customer centric behaviours across the organization. "Does this help our customers?" becomes the main question before taking decisions and if the answer is "no" that leads to a revaluation of the situation.

McKinsey sees the agile organization as the new dominant organizational paradigm that is achieving greater customer centricity, faster time to market, higher revenue growth, lower costs, and more engaged employees.

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[3] Strielkowski Wadim (2020); COVID-19 Pandemic and the Digital Revolution in Academia and Higher Education. 10.20944/preprints202004.0290.v1, p. 1

[4] Ben Johnson (July 2021), 8 Tips for Becoming a Customer-Centric Organization
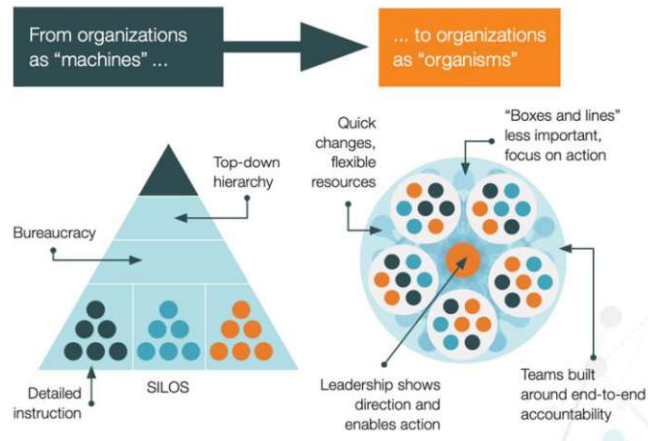https://blog.hubspot.com/service/customer-centric

Figure 2: From organization as machine, to the agile organization as a living organism[5]

This thesis focuses on analysing the shift from an inward technical oriented to a more external customer centric paradigm across a hierarchical IT organization and reveals blockers and enablers that pave the way towards this transformation. Furthermore, it implicitly investigates to what extent the organizational identity can change in the wake of the transformation event. Kevin G. Corley and Dennis A. Gioia observed in their study that a fundamental change in the way an organization conducts its business, such as implementing a customer centric initiative, requires a fundamental change in how the organization thinks of itself and solely by changing the organization's identity could a top management team successfully implement the radical transformation that the customer centric initiatives require[6]. The organizational identity contains tangible, for example core competencies and intangible attributes like why or how things are done and represents a major source of resistance to change. Organizational identity is an important psychological anchor for members in times of disruption and transformational phases and is intrinsically inertial and resistant to change. Insiders require a consistent organizational identity due to psychological need to make sense of their organizations. On the other side, outsiders need to know what something is before they can know how to interact with it[7].

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[5] Aghina, W., Ahlback, K., De Smet, A., Lackey, G.,Lurie, M., Murarka, M., & Handscomb, C.(2018, January). The five trademarks of agile organizations. https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-five-trademarks-of-agile-organizations - retrieved on November 2022

[6] Kevin G. Corley and Dennis A. Gioia (2004). Identity Ambiguity and Change in the Wake of a Corporate Spin-off

[7] Albert & Whetten, 1985, cited by Gustafson, Loren T; Reger, Rhonda K. 1995

Figure 3: The ideal structure of organizational identity in high velocity environments[8]

This leads to the following research questions:

a) What prevents and what enables the transition of an organization lead towards a more customer-oriented organization to successfully support the digital transformation journey?

b) How might this transformation impact the current organizational identity? To what extent can the organizational identity change to achieve a customer centric oriented culture across the organization?

To answer the first research question, this thesis develops and overall understanding of customer centricity concept together with fundamental barriers and challenges that hinder a firm from becoming customer centric. Using the example of an IT organization, the shift from a classical, hierarchical organization to a more agile user centric organization is presented.

To address the second question, employees and customers of the said organization were interviewed how they perceive the organisation from the inside and outside with respect to the level of customer involvement in different projects. Questions regarding perceived project work and strategic planning are addressed to find out if there is a perceived identity gap between inside and outside views and to what extent this gap can be influenced in order to achieve a customer centric mindset and culture. The empirical findings are then discussed in the analysis of the concept.

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[8] Gustafson, Loren T; Reger, Rhonda K. Academy of Management Journal; Briarcliff Manor (1995). Using organizational identity to achieve stability and change in high velocity environments

The thesis is structured as follows:

Chapter 1 (introduction): highlights the requirement on a new customer centric approach due to fast changing and demanding customer needs and an increasingly competitive landscape of innovative academic institutions. This section also includes the research questions and describes the structure of the thesis.

Chapter 2 (conceptual background): reviews the customer centric approach, blockers, and enablers on the transformation roadmap together with organizational identity, its triggers for change and interdependencies between identity and other components like culture, strategy, and images.

Chapter 3: Methods & case study of an IT service provider in public sector

Chapter 4: Results

Chapter 5 (Discussion & Conclusion): provides a summary of the findings regarding the customer centricity transformation and concrete recommendations for the organization's further steps in the transformation process.

1   Conceptual Background

1.1   Organizational identity

This section reviews concepts relating to organizational identity with the focus on identity change during transformative events as well as enablers and blockers that can hinder the change process. These fundamentals set the basis to apprehend the case of an IT service provider in public sector regarding the transformation towards a more customer centric paradigm.

1.1.1   Organizational identity formation

Most of the research on organizational identity builds on the idea that identity is a relational construct formed in interaction with others.[9] The process of identity formation can be described as following[10]:

"*In terms of a series of comparisons:*
(1) outsiders compare the target individual with themselves

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[9] Albert & Whetten, 1985; Ashforth & Mael, 1989; Dutton & Dukerich, 1991, cited by Mary Jo Hatch & Majken Schultz, 2002

[10] Mary Jo Hatch & Majken Schultz (2002). The dynamics of organizational identity pp. 117-118

(2) information regarding this evaluation is conveyed through conversations between the parties ("polite boy," "messy boy") and the individual takes this feedback into account by making personal comparisons with outsiders, which then
(3) affects how they define themselves. "

Identity viewed in the light of a relational assemble can have the following meaning as in the statement, that the identity (the self):

„... arises in the process of social experience and activity, that is, develops in the given individual because of his relations to that process as a whole and to other individuals within that process. "

Other definitions are based on a collective need for self-esteem:

„... organizations and their subgroups are social categories and, in psychological terms, exist in the participants' common awareness of their membership. In an important sense, therefore, organizations exist in the minds of their members, organizational identities are parts of their individual members' identities, and organizational needs and behaviors are the collective needs and behaviors of their members acting under the influence of their organizational self-images. "[11]

A change management practice team of McKinsey defines the three elements of a coherent and complete organizational identity: purpose, value, and culture, that can help organizations thrive long term, contribute to the world by creating value and meaning for people[12]. These elements need to be interconnected and thus articulating an identity that needs to be translated from the organizational to the individual level. The purpose represents an inspiring statement that express how the organization will use its superpowers to contribute to the world and should be both inspiring and actionable. The purpose is further connected to an organizational strategy with a value agenda. Culture is linked to articulated behaviors on the organizational and individual level which are further linked to specific organizational values. Values reflect people's underlying beliefs of what should or should not be. Assumptions are the deeply held beliefs that guide behavior and tell members how to perceive and think about things.[13]

Organizational identity is core, distinctive, and enduring[14]. Not only for persons or group of persons but only for organizations, each entity needs an answer to the

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[11] Mary Jo Hatch & Majken Schultz (2002). The dynamics of organizational identity pp. 118-131

[12] Alexander DiLeonardo, Nikola Jurisic, Bill Schaninger (February 2021). Build your organizational identity. https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-organization-blog/build-your-organizational-identity - retrieved on November 2011

[13] Harrison and Stokes, 1992, cited by Stuart Albert, Blake E. Ashfort, Jane E., 2000

[14] Albert & Whetten, 1985, cited by Stuart Albert, Blake E. Ashfort, Jane E., 2000

question "Who are we?" or "Who am I?" to interact in an effective way with other entities. On the other way around, other entities need at least an answer to the question "Who are they?" for effective interaction. Thus, identities situate the organization, group, and person.[15] A sense of identity serves as a rudder for navigating difficult waters and acts like an internalized cognitive structure of what the organizations stands for and where it wants to go.

Other definitions of organizational identity reveal identity as the members' collective, shared sense of who they are as an organization and comprises insider's central perceptions and beliefs about what is different in the organization compared to others and provides the basis for presenting the organization to the external world[16].

Organizational identity, studied in several fields like marketing management, organizational studies, and psychology, is further defined as what members perceive, feel, and think about their organization and represents a mirror construct of the corporate image. Therefore, the organizational identity concept is related to internal stakeholders whereas the image concept to the external stakeholders.

1.1.2 Organizational identity and image

Dennis Gioia, Majken Schulz, and Kevin Corley reveal in their study "Organizational Identity, Image, and Adaptive Instability" that the durability of identity is comprised in the stability of the labels used by organizational members to express who or what they believe the organization to be. The authors sustain the theory that different forms of organizational images can destabilize the sense of organizational identity and therefore trigger the identity change process:

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[15] Stuart Albert, Blake E. Ashfort, Jane E. Dutton Academy of Management. The Academy of Management Review; Jan 2000. Organizational identity and identification: Charting new waters and building new bridges

[16] Mary Jo Hatch & Majken Schultz (2002). The dynamics of organizational identity

Threat → 'Who we are' → Defend identification → POI continuity

Negative external image

Opportunity → 'Who we could be' → Learning (identity cost/ identity gap) → POI incremental change / POI transformational change
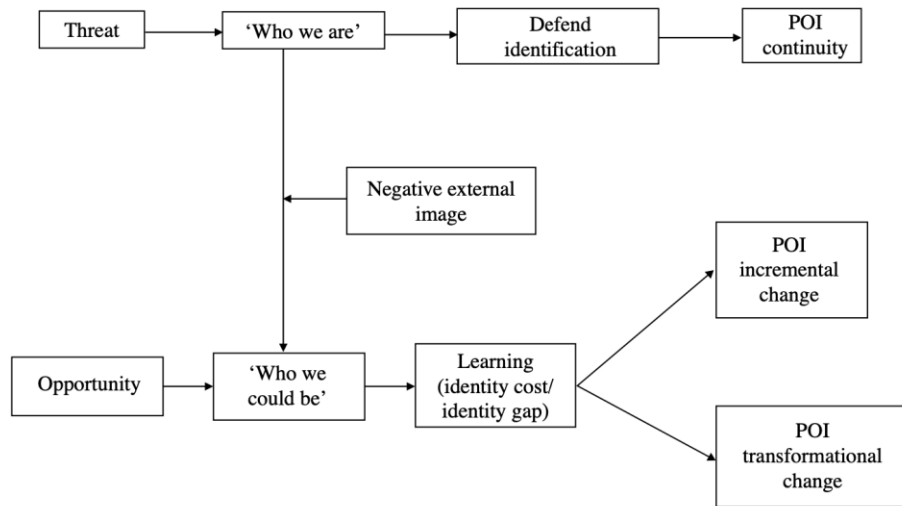
Figure 4: Perceived organizational identity during crisis and change[17]

Kevin G. Corley and Dennis A. Gioia state in their studies the fact that if outsider's perceptions of the organization are different compared to insider's perceptions, employees and other members of the organizations start to question their status and their beliefs[18]. Images requires members of an organization to revisit and reconstruct their organizational sense of self by asking themselves self-reflective questions triggered by the images it projects to the public. According to the threat & opportunity framework by Sarah Kovoor-Misra depicted in figure nr.4, if an organization perceives the organizational identity change as an opportunity and not as a threat, for example, having an opportunity to grow and be more successful as an organization, if the members are not willing to go in that direction, they will lose the opportunity to learn, and see themselves more positively through potential future career opportunities and be associated with a successful organization. *"When confronted by identity threat, to keep identity stable, organizations are willing to make changes in other aspects of their organization but not regarding their identity"*.[19]

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[17] Sarah Kovoor-Misra, Journal of Organizational Change Management Vol. 22 No. 5, 2009. Understanding perceived organizational identity during crisis and change. A threat/opportunity framework

[18] Kevin G. Corley and Dennis A. Gioia. Identity Ambiguity and Change in the Wake of a Corporate Spin-Off

[19] Dennis A. Gioia , Shubha D. Patvardhan , Aimee L. Hamilton & Kevin G. Corley. Organizational identity formation and change, p. 138

The perceived identity gap = perception of "who we are" – perception "who we want to be"

To keep motivation in place and make "who we could be" more attractive and attainable, the identity gap should not be too large. As external stakeholders project images of who they would like the organization to be, organizational members will acknowledge "who they could be," and perceive the identity gap.

Label	Definition in Literature
Construed external image	Organization member's perceptions of how outsiders perceive the organization
Projected image	Image created by an organization to be communicated to constituents; might or might not represent the reality; singular image of the organization
Desired future image	Visionary perception of the organization that external and internal members would like to have in the future
Corporate identity	Consistent and targeted representations of the corporation emphasized through the management of corporate symbols and logos; strategically planned and operationally applied internal and external self-representation
Reputation	Relatively stable, long-term, collective judgments by outsiders of an organization's actions and achievements

Figure 5: Forms of Image[20]

Organizations can be forced to act because of external pressure expressed through a negative organizational image. Research studies show that, however, it was only when organizational members felt that their company identity was exposed to risk caused by the negative image, that they took measures. Their own construed external image triggered action[21]. A very good example can be found in a study performed over a decade ago by Dutton and Dukerich (1991) referring to the New York/New Jersey Port Authority where the authors found out that the organization's actions towards the issue of increased homelessness were influenced by identity: the identity

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[20] Gioia, Dennis A;Schultz, Majken;Corley, Kevin G; The Academy of Management Review; Jan 2000. Organizational Identity, Image, and Adaptive Instability
[21] Hatch, Mary Jo; Schultz Majken; 1997. Relations between organizational culture, identity, and image

element "technical, not social service expertise" initially caused inaction with regards to the homeless problem as an organizational response.[22]

On the other side, the top management team can project a desired future image (show "who we could be", fact that can trigger the identity change and form the basis for strategic change. By bringing to light what the organization could be, top management can break the current perceptions and put the basics for the strategic change efforts.

1.1.3 Organizational identity and organizational culture

Dutton & Dukerich (1991) state that identity and culture are interrelated in the following way:

"... an organization's identity is closely tied to its culture because identity provides a set of skills and a way of using and evaluating those skills that produce characteristic ways of doing things ... "cognitive maps" like identity are closely aligned with organizational traditions."[23]

Organizational culture is a set of basic assumptions that a group has framed on learning how to deal with external adaptation problems. According to Schein (2001) organizational culture should not be restricted to the observation of visible artifacts (e.g., aspects from corporate identity marketing aspects like name, products, buildings, logo etc.), but it needs to comprise an analysis of the interaction between the people to understand the deeper meaning of the culture[24]. Identity and culture are co-created both by internal stakeholders and by the management and can influence their self as members of the organization, as depicted per figure nr. 6. Davide Ravasi and Majken Schulz reveal findings in their study "Responding to organizational identity threats and exploring the role of organizational culture" providing evidence of a dynamic relationship between organizational culture and identity. Organizational members form their identity claims based on unique values, beliefs, rituals, and artifacts that help them to also express their uniqueness.[25] The authors depict in their theoretical model (see figure 6) the role of culture as a source for the sensemaking

[22] Dutton, J. E., & Dukerich, J. M. (1991). Keeping an eye on the mirror: Image and identity in organizational adaptation

[23] Mary Jo Hatch & Majken Schultz (2002). The dynamics of organizational identity pp. 122

[24] Luca Cian, Sara Cervai; May 2013. Under the reputation umbrella. An integrative and multidisciplinary review for corporate image, projected image, construed image, organizational identity, and organizational culture

[25] Davide Ravasi & Majken Schulz. Responding to organizational identity threats and exploring the role of organizational culture

and sense giving processes enabled by the leaders as they reevaluate the organizational identity.
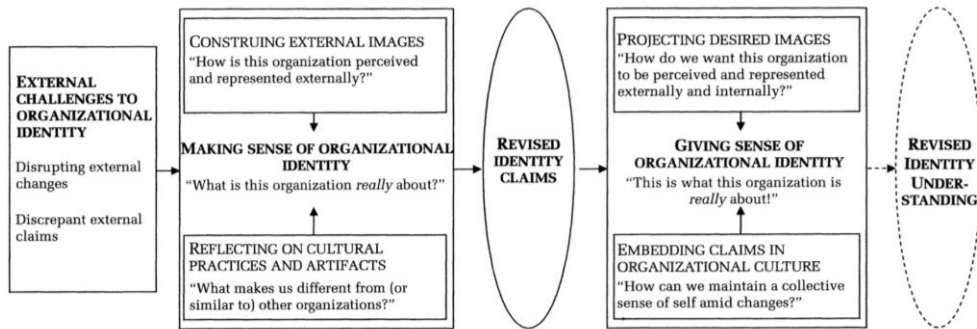
Figure 6: Organizational response to identity threats, a theoretical model
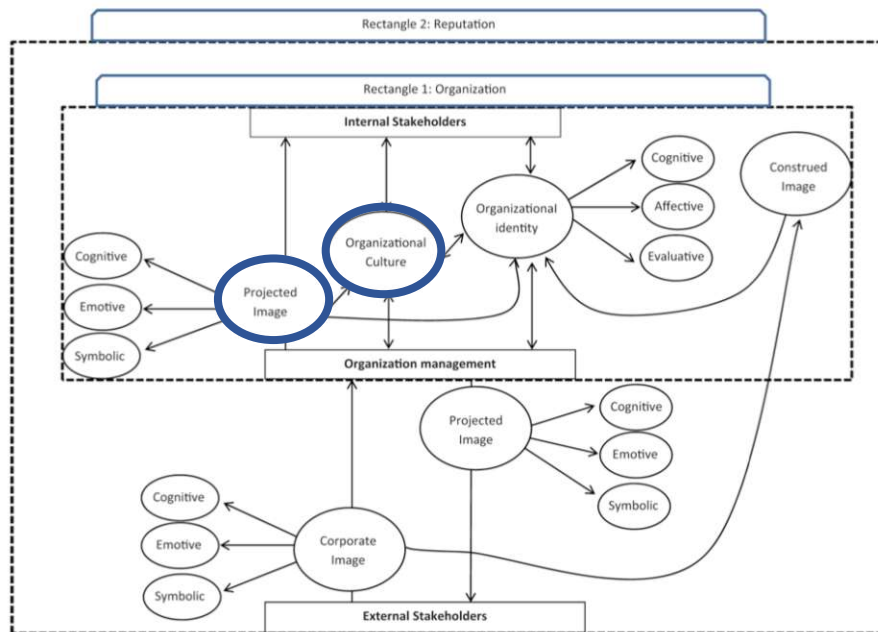
Figure 7: A comprehensive framework for reputation[26]

Identity also plays a crucial role in guiding many behaviors across the organization, ranging from strategy formulation to socialization. Identity, culture, and image are interrelated elements. The identity is mirrored in the images of others and reflected in cultural understandings. Cultural elements e.g., labels can be found in identity that is further expressed to the outside world and leaves impressions on others:

[26] Luca Cian, Sara Cervai; May 2013. Under the reputation umbrella. An integrative and multidisciplinary review for corporate image, projected image, construed image, organizational identity, and organizational culture
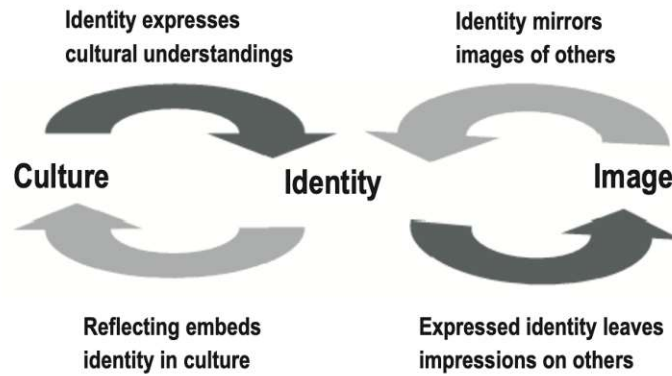
Figure 8: The organizational identity dynamics model[27]

To encourage the formation of a balanced identity able to develop and grow in changing environments and streams of people that associate themselves with the organization, a deep understanding of both culture and image is required. Identity is shaped by cultural understandings on the inside and external images on the outside provided by stakeholders and a healthy organization has the necessary self-awareness to understand that the processes of mirroring, reflecting, expressing, and impressing are part of a dynamic model.

1.1.4 Organizational identity and strategy (Kevin G. Coley)

Individuals situated in different locations of an organization can have different perceptions about what is unique and central about the organization. In his study "Defined by our strategy of by our culture? Hierarchical differences in perceptions of organizational identity and change" the author is highlighting in one of his findings the reciprocal relationship between identity, strategy, and various organizational perceptions:

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[27] Mary Jo Hatch & Majken Schultz (2002). The dynamics of organizational identity

Figure 9: Model of identity-strategy relationship as seen by a senior executive
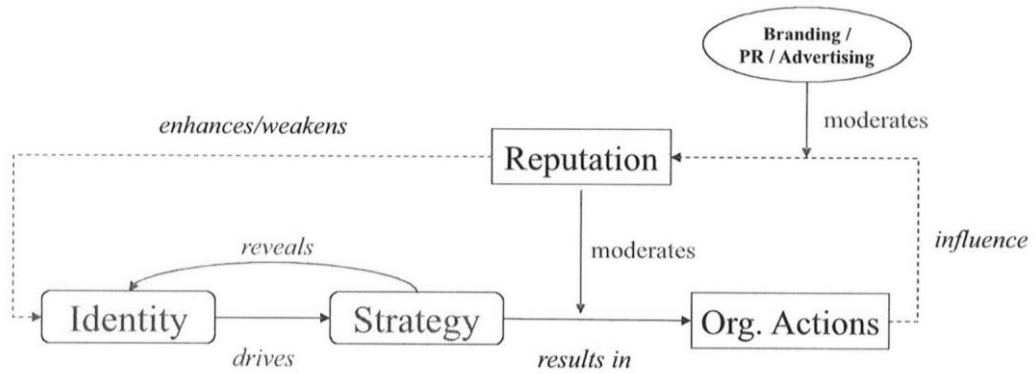
According to many top executives, the organizational identity is not and cannot be rigid and unchanging, but it had to change to keep up with changes the organization needs to undergo in fast paced markets and competitive environments. On the other side, employees lower in the hierarchy perceive the identity much more stable and unchanging compared to senior executives. Their view of the identity was related to the culture.

Furthermore, top executives see the organizational identity more in relation to the organization's strategy and purpose and tend to be more concerned with the external images and reputation. For them is important to pay closer attention to the labels describing the organizational identity, therefore in case of an identity change, top management will most probably approach a change in organizational labels. In this way, top managers would be able to react to outside forces and help the organization adapt and survive.

It may be that the rate of technological change can accelerate so much that people cannot adjust their behavior to the change[28]. Top management can perceive much faster when a change in identity might be needed with the rest of the organization without focus on strategic issuers further operating in a "status quo and stability" rhythm. This situation can cause resistance to change on the employee's side.

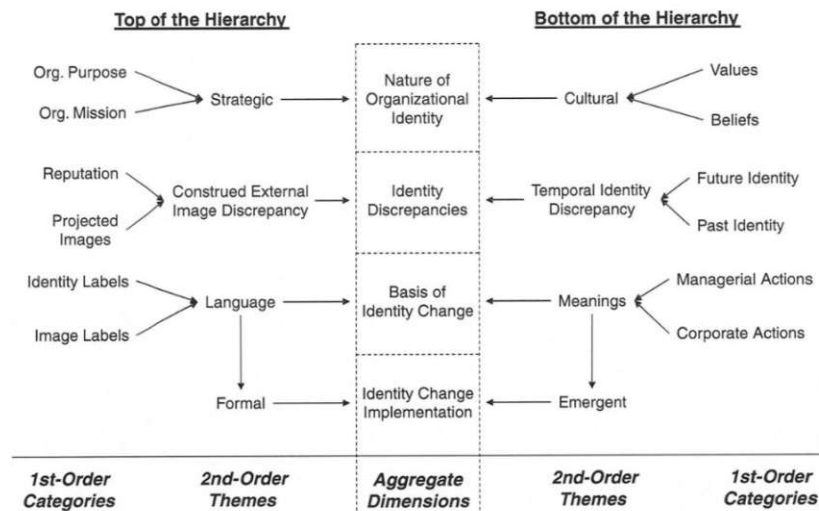[28] Toffler, 1970, cited by Kevin G. Corley ,2004

Figure 10: How different hierarchy levels perceive identity[29]

"There's no longer any real distinction between business strategy and the design of the user experience" according to Bridget van Kralingen, senior VP if IBM Global Business Services in a press statement. Every established company moving from products to services, from hardware to software, or from physical to digital products needs to focus newly on user experience.[30]

1.1.5 The organizational identity change process (Gioia)

The literature is keen to answer the research question: by what processes does organizational identity change during radical organizational change events? Identity change usually happens during major events like, for example, creation of a new strategic vision (second order changes) or organizational adaptation to a fast-changing external environment. This can be translated as transformation events (second or third-order changes e.g., bankruptcies or radical changes such as mergers and acquisitions).

Kevin G. Corley & Dennis A. Gioia in their study "Identity ambiguity and change in the wake of corporate spin-off" are bringing to surface the existing link between organizational identity and an organizational change initiative by observing that a fundamental change in the way an organization conducts its business, requires a

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[29] Kevin G. Corley. Defined by our strategy of by our culture? Hierarchical differences in perceptions of organizational identity and change
[30] Jon Kolko. Harward Business Review 2015. Design Thinking comes of age

fundamental change in identity or "how the organization thinks of itself"[31]. For example, the authors tested the idea in the context of a total quality management initiative which means introducing a new total quality management system.
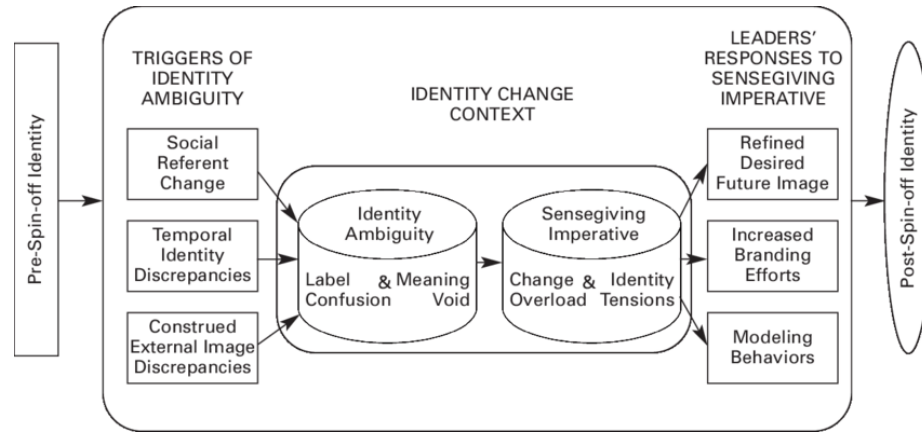
Figure 11: The organizational identity change process by Gioia

The authors uncover a key role for identity ambiguity as such creating a state of flux that needed to be resolved to achieve identity change. According to Gioia, understanding ambiguity is crucial to understand organizational identity change. Identity ambiguity is described as a collective state where members neither possess a good sense of who they are nor can get a sense of what the future has to offer them as an organization. The word ambiguity signifies "an ongoing stream that supports several different interpretations at the same time[32]. Identity ambiguity can become evident especially after transforming organizational events. The change process is composed of 3 stages: "unfreezing", "moving" and "refreezing"[33]. Switching from "unfreezing" to the next stage involves stepping in doubt, uncertainty and ambiguity which can provide impulses for organization members to create new ways of understanding and behaving. Gioia, Schultz and Coley bring to light the dual nature of identity change: it consists of both language (labels) and meanings. Identity labels are the result when members answer the question "Who are we as an organization" and take the form of symbolic expressions like "We are an innovative company"

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[31] Kevin G. Corley & Dennis A. Gioia (2004). Identity Ambiguity and Change in the Wake of a Corporate Spin-off

[32] Weick, 1995, cited by Kevin G. Corley & Dennis A. Gioia, 2004

[33] Lewin, 1951 as cited by Kevin G. Corley & Dennis A. Gioia, 2004

labelled as "innovative" which can mean, for example, a "industry-leading customer service" company. Identity change can occur on two levels: "*1) when the labels used to express identity undergo change, or 2) the meanings underlying those identity labels change*"[34].

Sense giving imperative: based on an installed identity ambiguity, a sense of urgency would typically appear to change the status quo. The sense giving imperative can provoke a so-called change overload (structural and cultural changes in addition to usual business-related changes can overwhelm organization members). Multiple identities might result in identity conflict, ambiguity, and role overload[35].

Top management can choose how they respond to the sense giving imperative by bringing to light the future desired image, increasing branding efforts and modelling behaviours associated with the desired future image, therefore share with the organizational members new labels or desired new meanings underlying those labels.

Shawn M. Clark, Dennis A. Gioia, David J. Ketchen, Jr. and James B. Thomas in their study "Transitional identity as facilitator of organizational identity change during a merger" highlight the following organizational identity change process during radical organizational events:
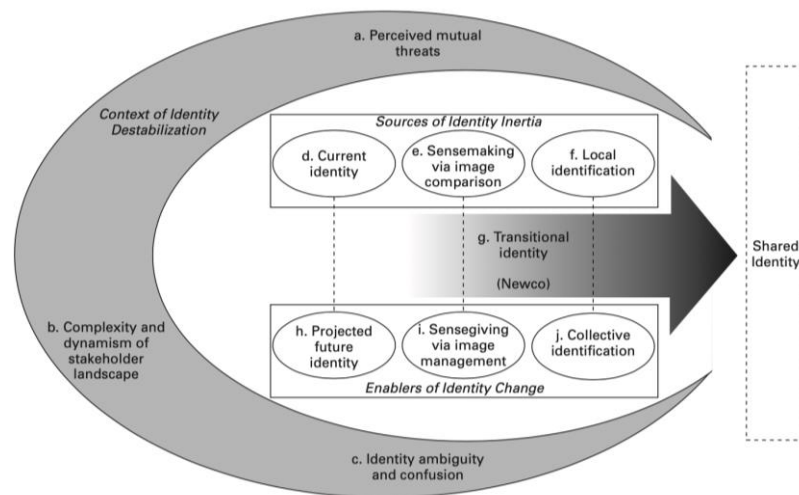
Figure 12: An emergent model of identity change during a merger[36]

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[34] Kevin G. Corley and Dennis A. Gioia (2004). Identity Ambiguity and Change in the Wake of a Corporate Spin-off, p. 202

[35] Pratt and Rafaeli, 1997 as cited by Kevin G. Corley & Dennis A. Gioia, 2004

[36] Shawn M. Clark, Dennis A. Gioia, David J. Ketchen, Jr. and James B. Thomas. Transitional identity as facilitator of organizational identity change during a merger

Achieving identity change involves both cognitive and behavioural approaches. Three important cognitive shifts were discovered by the authors as key issues with regards to the identity change: the current identity projected to future identity, sensemaking via image comparison to sense giving via management and local identification to collective identification.

Charlotte Cloutier and Davide Ravasi in their study "Identity trajectories: explaining long-term patters of continuity and change in organizational identities" highlight 2 identity change patterns: (1) identity refinement: when changes happen to be translated through reformulations of labels that don't alter in major ways the original identity and (2) identity enrichment: can happen when a gradual expansion of activities takes place and meanwhile a coherent sense of identity is kept that can alter over time.[37]

1.1.6 Sources of inertia and enablers of identity change

The authors Shawn M. Clark, Dennis A. Gioia, David J. Ketchen, Jr. and James B. Thomas also include in their findings in their study "Transitional identity as facilitator of organizational identity change during a merger" key sources of inertia and enablers of identity change, both terms incorporated in the proposed process model of organizational identity change during a transformational event (see the change process as depicted in the figure nr. 8). These forces acted upon to inhibit the change:

(1) Current identity. Studies show that the comfort with the current identity might be a challenge and be a change blocker; pride in current identity and culture together with the fear of letting go of old identity can play a significant role in dealing with inertia.

"…we'd like to move ahead looking like good marriage partners, but I'm not sure we're compatible. We're different. We take pride in the very differences that distinguish us."[38]

For organizational identity change to happen, the psychological costs of not changing need to pe highlighted and perceived as higher costs than the ones for changing

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[37] Charlotte Cloutier, Davide Ravasi. Identity trajectories: explaining long-term patters of continuity and change in organizational identities

[38] Shawn M. Clark, Dennis A. Gioia, David J. Ketchen, Jr. and James B. Thomas. Transitional identity as facilitator of organizational identity change during a merger pp. 416

identity[39]. The need to maintain organizational identification and self-continuity is strong because members need to change existing schemas and overcome cognitive inertia. Perceptions of "who we are", familiar and dominant routines continue to be perceived as desirable. Many members resist change because they might perceive change as negative and as a threat to how they currently see the organization. When organizational members perceive a transformative situation to be an opportunity rather than a threat, positive comparisons with peer organizations in terms of learning "who we could be" and "don't need to be" will enhance confidence in and identification with the organization. "*The centrality feature of identity makes it so core to the organization that organizational members resist any changes to it".[40]*

(2) Sensemaking via image comparison that favor the current organization and its identity and devalues the potential partner on the other side can also be a change blocker.

(3) Local identification means that members of an organization tend to focus on their own internal issues and a single entity instead of getting to know more the outside views, they identify themselves with themselves first and care firstly about their own problems. A poor communication can favor such a blocker to emerge.

In their study "Multiple organizational identities and change in ambivalence, the case of a Chinese acquisition in Europe" the authors highlight the fact that the absence of task and human integration interventions like introduction of culture adaptation program, multiple face-to-face exchanges, and virtual team collaboration between managers with different nationalities during a transformational event can hinder a change initiative[41].

The following forces acted upon to enable change:

(4) to project a future identity of the new transformed organization by starting to build a vision, for example, a new permanent name and character defined by new features.

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[39] Kovoor-Misra, Sarah (2009). Understanding perceived organizational identity during crisis and change- A threat/opportunity framework

[40] Dennis A. Gioia , Shubha D. Patvardhan , Aimee L. Hamilton & Kevin G. Corley. Organizational identity formation and change, p. 134

[41] Lupina-Wegener, Anna Aleksandra; Liang, Shuang; Rolf van Dick; Ullrich, Johannes. Journal of Organizational Change Management. Multiple organizational identities and change in ambivalence, the case of a Chinese acquisition in Europe

How we see ourselves in the future is influenced by perceptions of the past, as these represent an intrinsic part of individual and organizational self-awareness and understanding. Majken Schultz and Tor Hernes highlight in their framework that evoking memories of past identities by using memory forms (like artifacts, physical spaces, prototypes, stories, narratives, records) can help in articulating claims for future identities. The role of external image in identity construction is complemented by the comparison of identity over time. This process can help for the creation of a new organizational identity. A very good example of organizational transformation is Lego that was very keen to adapt and succeed in the new digital era. After nearly going bankrupt in 2004, a change in strategy and mentality was necessary. This was the turning point when Lego started to think more about the customer and less about product innovations based on own internal assumptions. They asked themselves the question "What are children's needs and what is the role of play in children's lives?" thus Lego used design thinking (see Chapter 2.2.4.) to shape his new identity und generate new opportunities, thing that gave Lego a new market perspective. In this way, the company managed to renew its essence and therefore refocused its product lines. Lego Group managed to reveal temporal differences, and this helped influencing claims for future identity. Thus, design thinking supported in shaping the new organizational identity.
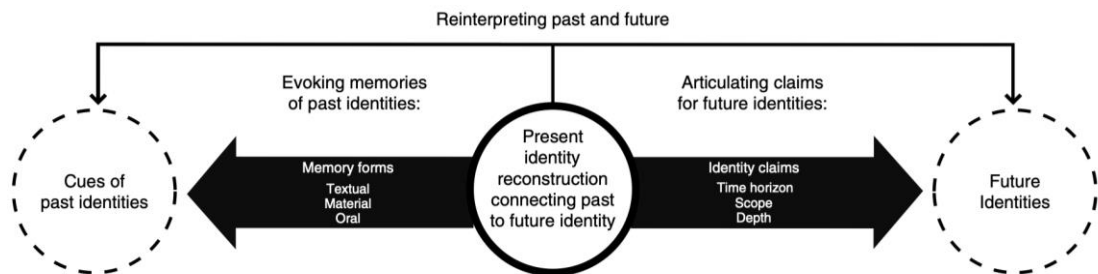
Figure 13: The relationship between the past, present, and future in identity reconstruction[42]

(5) Sense giving via image management: top management can support by projecting an image of the right synchronized cognitions and behaviors and thus modeling behaviors ("walk the talk" or "leading by example"). Leaders can get members of the organization to buy into the desired future image and thus provide a meaningful sense of unity ("we" instead if "I").

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[42] Majken Schultz and Tor Hernes (2013). A Temporal Perspective on Organizational Identity

(6) Collective identification happens when the partnership-based sensemaking validates behaviors and when shifting from "I" identity to "we" identity during sensemaking and sense giving occurs.

1.2 The customer centric paradigm

This section comes as an addition to the organizational identity section and reviews concepts relating to the successful customer centric organizations with the focus on necessary transformation building blocks as well as enablers and blockers that can hinder the transformation process. These fundamentals complement the basis to apprehend the case of an IT service provider in public sector regarding its transformation towards a more customer centric paradigm.

1.2.1 Customer centric organizations

In the digital age, customers strongly influence companies and in order to achieve superior customer satisfaction, which is a key driver of corporate success, companies should become customer- centric, i.e., they must align all corporate dimensions – including purpose & vision, strategy, culture, structure, business processes – with customer needs. "*Big consulting groups worldwide like Forrester, BCG and McKinsey are emphasizing the need for companies to assume a customer-centric approach in response to environmental turbulence and global competition*"[43]. Five trends enforcing the need for firms to transform themselves have been identified: 1) intensifying pressures to improve marketing productivity 2) increasing market diversity 3) growing competitors 4) demanding customers and 5) new technologies.[44]

Example of a customer-focused purpose: "…Microsoft would not waste time chasing Apple's iPhone or replacing Google's search. Instead, Microsoft's mission is to help empower people, wherever they are, whatever device they are using. Nadella's simple purpose of empowering everyone on the planet inspired staff."[45]

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[43] Lucio Lamberti (2013). Customer centricity: the construct and the operational antecedents pp.1

[44] Denish Shah, Roland T. Rust, A. Parasuraman, Richard Staelin and George S. Day. The path to customer centricity

[45] Denning Steve (2021): How Microsoft's Digital Transformation Created A Trillion Dollar Gain. https://www.forbes.com/sites/stevedenning/2021/06/20/how-microsofts-digital-transformation-created-a-trillion-dollar-gain/?sh=2ded289f625b Chapter 2 – retrieved on November 5, 2022
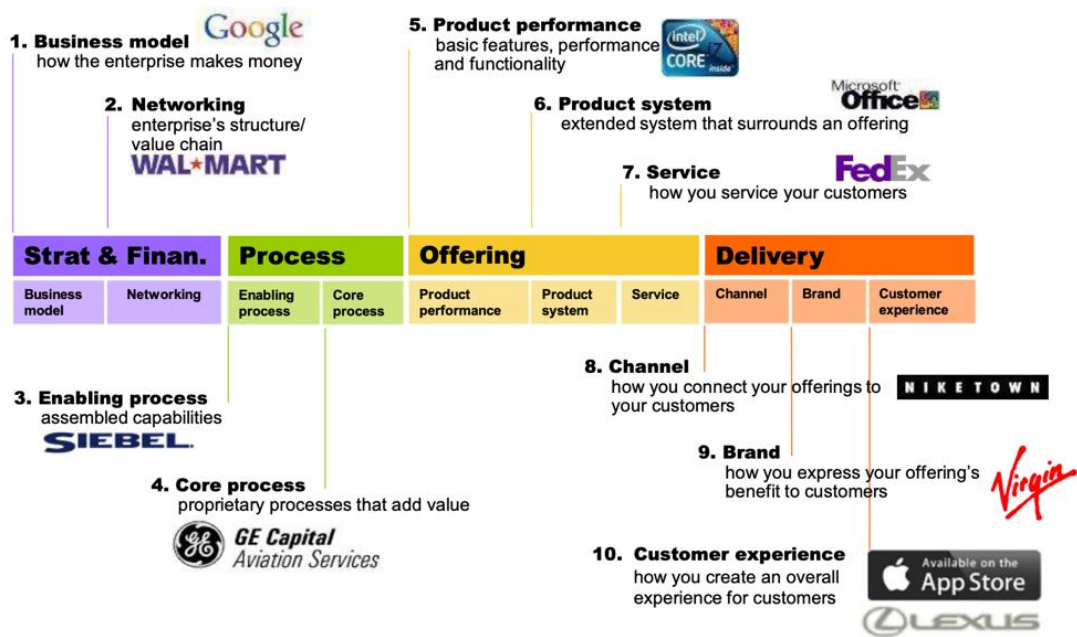
Figure 14: Ten types of innovation: the discipline of building breakthroughs[46]

The main trait a customer centric organization has is to understand, embrace and live with an operating and organization model that focuses on the customers. Customer centric organizations first build the right aspiration and purpose for it forming a well-defined organizational identity: an aspiration closely aligned to the company's purpose and clear about how this will create measurable value add for all the stakeholders, employees, and customers. The aspiration is further translated into customer behavior changes the company expects to see. Internal processes and technology capabilities are re-designed as support for the creation of the customer experience (CX) transformation road map. Furthermore, successful customer centric organizations think about how to transform their business model: they create agile, cross-functional teams that have real ownership of their projects, profound technology expertise and promote a culture of design thinking and continuous improvement.[47]

Customer centric organizations make empathy central and address a proper culture up front placing empathy at the center of culture initiatives: from "us" versus "them"

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[46] https://creatovate.wordpress.com/tag/10-types-of-innovation/ - retrieved on December 2022

[47] Victoria Bough, Ralph Breuer, Nicolas Maechler, and Kelly Ungerman (October 2020). The three building blocks of successful customer-experience transformations. Retrieved November 4, 2022 from https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-three-building-blocks-of-successful-customer-experience-transformations

paragigm to "us with them" focused more on collaboration needed to succeed in the digital economy.[48]

1.2.2 Product centricity versus customer centricity

The customer centricity concept in the literature generally highlights the idea of customer centricity as the opposite of product centricity[49]. "*The underlying assumption of a product-centric approach sees the company as a repository of resources and competences developing products or services. These products and services represent the core value proposition, and the company acts on them to please as many customers as possible, modifying the offer to meet customers' expectations*"[50]. Whereas customer centricity focuses its attention on the end users and on the establishment of mutually satisfactory customer relationships: individual customers express their individual needs and the company's resources are activated to develop solutions around these needs.[51] The author also highlights the idea of customer active involvement (co-creation) in the value generation process as a main trait of customer centricity. Historically, organizations were more product-centric with economies of scale and scope playing a central theme.

	Product-Centric	*Customer-Centric*
Basic philosophy	*Sell products; sell to whoever will buy*	*Serve customers; all decisions start with the customer and opportunities for advantage*
Business orientation	*Transaction-oriented*	*Relationship-oriented*
	Highlight product features and advantages	*Highlight product's benefits in terms of meeting individual customer needs*
Organizational structure	*Product profit centers, product managers, product sales team*	*Customer segment centers, customer relationship managers, customer segment sales team*

[48] Denning, S. (2022), "Leadership transformation reading list: insider guides to customer-centricity, Agile management and visionary innovation", Strategy & Leadership

[49] Galbraith, 2005; Shah et al., 2006, cited by Lucio Lamberti, 2013

[50] Lamberti, Lucio. (2013). Customer centricity: the construct and the operational antecedents, p. 7

[51] Lucio Lamberti (2013). Customer centricity: the construct and the operational antecedents

Organizational focus	*Internally focused, new product development, new account development, market share growth*	*Externally focused, customer relationship development, employees are customer advocates*
Performance metrics	*Nr. of new products, profitability per product, market share by product*	*Share of wallet customers, customer satisfaction, customer lifetime value, customer equity*
Selling approach	*How many customers can we sell this product to?*	*How many products can we sell this customer?*
Customer knowledge	*Customer data are a control mechanism*	*Customer knowledge is a valuable asset*

Figure 15: A comparison of the product-centric and customer-centric approaches[52]

1.2.3 The design-centric culture

In his article "Design Thinking comes of age"[53] published in the Harvard Business Review (September 2015) the author Jon Kolko highlights the fact that design thinking approach, once used primarily in product design, is now infusing the corporate culture of an entire organization and the reasons why this is beneficial to take place. The number of organizations adopting a user centric culture is increasing because many products, services and processes are now technologically very complex, and people are not programmed to deal with such high levels of complexity. As a response to increasing complexity of modern technology and business, a culture of experimentation based on empathy and design smarts supports to create intuitive and user-friendly interactions between people and technologies and these traits should extend from the product design function across the entire organization to help the way people work. Also, to cope with the volatile business environment, organizations must experiment multiple paths to survive and respond to change in time. This reveals the need for a responsive and flexible organizational culture in organizations. A flexible organizational culture is based on a design thinking approach including using empathy towards users, promoting a discipline of prototyping and tolerance for failure. According to the innovation expert Michael Schrage "prototyping is probably the single most pragmatic behavior an innovative firm can practice". By creating a culture of

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[52] Denish Shah, Roland T. Rust, A. Parasuraman, Richard Staelin and George S. Day. The path to customer centricity
[53] Jon Kolko. Harward Business Review 2015. Design Thinking comes of age

innovation leaders need to allow people to take chances and move forward without a complete, logical understanding of a problem. A design-centric culture helps creating a workplace that is attractive for people, quickly to changing business dynamics and empowers self-organization. The author, Jon Kolko, also encourages such a design-centric culture because design is empathetic in its essence, and it drives implicitly a more thoughtful and human approach in the business world.

"Innovation is like therapy. It has an important side effect: it encourages and makes the company attractive to our people" (Francesc Planas, CEO, Prefabricados Planas, October 2013)

1.2.4 Barriers and enablers towards customer centricity

Denish Shah, Roland T. Rust, A. Parasuraman, Richard Staelin and George S. Day in their study "The path to customer centricity" highlight the fact that the customer centric paradigm exists almost 50 years and despite the timeline companies still struggle to transform themselves in this direction. The authors highlight typical fundamental issues that hinder an organization to become more customer centric: organizational culture, organizational structure, internal processes, and financial metrics. Organizations don't have only defined processes and cultures that have been around for a very long time but also the technology that supports standard processes fact that can create little incentive for employees to deviate from the conventional procedures.
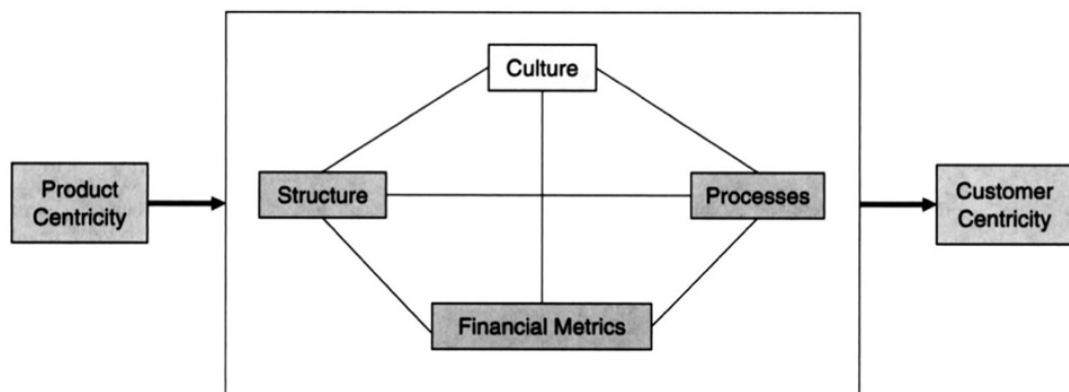

Figure 16: Path to customer centricity potential roadblocks

On the other side, overcoming blockers implies organizational realignment, systems and processes re-design and revised financial metrics, all driven by a strong

leadership commitment well emphasized along a transformational road map.[54] According to McKinsey study, there is one important finding to be considered with regards to the transformational road maps: top management usually designs comprehensive transformation road maps, however many of the executives fall into the trap of using business-as-usual programs in order to execute the needed change and the most common mistake seems to be the dividing the program in many separate parts and assigning it to different functions across the organization. This fact can lead to ownership issues, communication blockers and accountability problems that can destroy even the most straightforward transformation aspirations and purpose.[55]

1.2.4.1 Leadership

Leadership commitment is critical for both starting and maintaining all initiatives related to customer centricity. Most of the managers believe they already know what their customer wants. But the fact is that without humility of the leaders, there is no real innovation or change. To change the culture with own people, to make them more innovative, top management needs to change the way they manage and lead the people and this fact implies many factors like management style, management systems, responsibilities, relationships, and management processes[56]. Top management needs to know how to support, accelerate and celebrate customer-centricity across the organization, for example, by using design thinking in the beginning of the strategic planning process. Top management needs to support the investment in resources for a deeper understanding of customers. The time spent visiting customers and listening to their feedback should be increased.[57] Since agile organizational design needs an agile leadership with managers acting as enablers and not controllers, the role of managers must be built on practices and behaviors that support self-organization.

Organizations can adopt design thinking to change their culture and thus to become more responsive to customers. Top executives and employees could learn to some

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[54] Denish Shah, Roland T. Rust, A. Parasuraman, Richard Staelin and George S. Day. The path to customer centricity

[55] Victoria Bough, Ralph Breuer, Nicolas Maechler, and Kelly Ungerman (October 2020). The three building blocks of successful customer-experience transformations - retrieved on November 4, 2022 from https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-three-building-blocks-of-successful-customer-experience-transformations

[56] Esteban Masiferm (1992). IESE Business school insights

[57] Denish Shah, Roland T. Rust, A. Parasuraman, Richard Staelin and George S. Day. The path to customer centricity

extent to approach problems and define solutions along the following eight dimensions the way designers do:

Dimension	Managerial thinking	Design thinking
Purpose	Shareholder first	User first
Collaboration	Managing departments	Problem-solving through cross-functional teams
Work style	Formal, hierarchical	Flexible, informal, flat
Thought process	Deductive, inductive	Deductive, inductive, abductive
Knowledge generation	Numbers (quantitative)	Stories (qualitative)
Constraints	Limit options	Create opportunities, stimulate creativity
Failure	To be avoided	To be welcomed as a chance to learn
Workflow	Exploitation of existing value	Exploration of future value

Figure 17: Managerial thinking versus design thinking[58]

The authors Tian Wie and Jeremy Clegg highlight in their work two distinct roles of organizational dominance in organizational identity change after a transformational event: "*multilevel resistance and power struggles on top management level, which are the prerequisites for developing integration approaches, according to the social identity theory*". [59] Power struggles take form of resistance on executives' level and their followers and thus represent a blocker for an organizational change event.

1.2.4.2 Organizational structure

In a product centric company, the structure and resources are based on the product types being produced, thing that can be counterproductive for an organization that wants to become customer centric, since the product and sales managers promote different product offerings to the same customer without determining his deep needs. Given the case, organizational theorists encourage smaller and customer-responsive

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[58] David Dunne, Theresa Eriksson, Jan Kietzmann (2022). Can design thinking succeed in your organization? MIT Sloan Management Review
[59] Tian Wie, Jeremy Clegg (2018). The effect of organizational identity change on integration approaches in acquisitions: the role of organizational dominance, p. 352

units[60] and more specialized functions, like chief customer officer, the restructuring of the marketing functions and creating accountability for managing customer relationships. Usually, functional differences are strongly rooted in incentives plans, backgrounds and interests, priorities etc. and this fact can hinder a smooth transition to an organizational alignment towards a customer-centric paradigm. An example of such company that achieved an innovative organizational structure and culture worth to be given as an example is Haier designs in Japan:
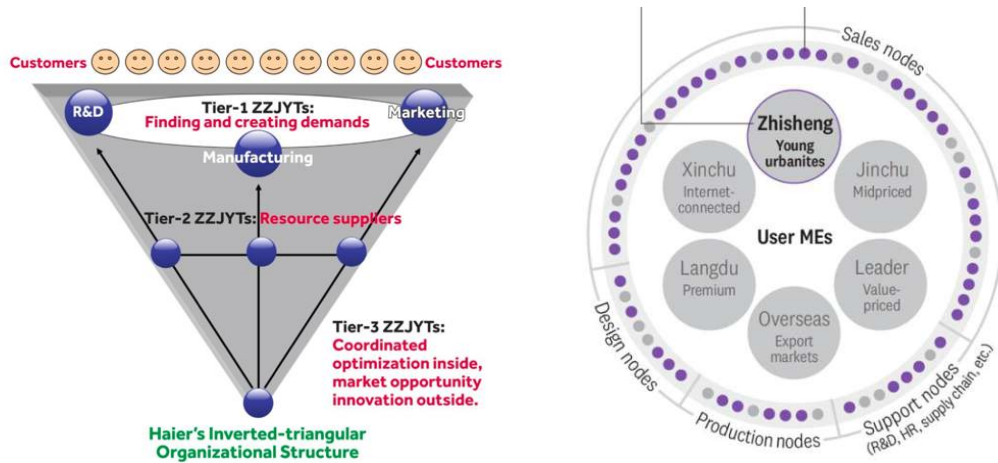
Figure 18: Haier's customer-centric organizational structure and micro-enterprise[61]

ZZJYT represents a self-operating, self-managing entity that is determining goals, recruiting members, and formulating rules and is a customer-centric model of operation. It is an inverted triangle corporate structure able to serve customers. According to the traditional management theory, an organization has the top management above, followed by middle managers in charge of different functional areas, and employees facing the markets and other external stakeholders at the bottom of the structure. In contrast, a customer centric organizational structure can have these levels arranged in a different way: first level representing manufacturing, marketing and R&D functions that directly face customers, assess demand, and formulate projects based on customer needs. The customer needs can be identified on site. There is zero distance between the employees, and its end users. The second level is represented by human resources and finance supporting the first

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[60] Denish Shah, Roland T. Rust, A. Parasuraman, Richard Staelin and George S. Day. The path to customer centricity
[61] Hailing a new era: Haier in Japan case study. IESE Business School insights

organizational level. The third level is the executive board responsible for identifying and formulating strategic opportunities.

Based on the example above, customer centricity may be achieved by setting up a horizontal organizational structure, less hierarchical compared to traditional vertical structures. This fact leads to more decentralization, more autonomy for the employees and self-organizing teams. In line with the agile manifesto and the principles related to it (see chapter 2.2.3. Agile operating model) to reach a high level of autonomy, dependencies must be minimized. The organization design needs to stimulate creativity among teams, show them "how" to deliver value and at the same time stay aware that the output contributes to the vision and strategy of the organization (the "what").

1.2.4.3 Systems & process support

According to Payne and Frow (2005) there are five general processes essential for an organization to be customer-centric: (1) there is not only a business strategy but also a customer strategy in place (2) the dual value creation process focused on the essence of the customer centricity paradigm: don't focus on how to sell products but rather create value for the customer and for the firm (3) omnichannel integration process enclosing all the customer touch points (4) data analytics (5) performance-assessment process. These 5 processes require cross-functional coordination, fact that is challenging for many organizations.[62]

IT investments do not contribute directly to the customer relationship performance but can enhance the organization's ability to perform the required customer-centric process. For example, taking the process nr. 5 from above, a performance-management system built on predictive analytics, machine learning and big data supports the customer feedback process, can teach employees which behaviors bring the best results and guide teams where to focus efforts best for the future. Most successful customer centric organizations also use data analytics to build an integrated customer insight engine and thus being able to improve experiences of every customer. Furthermore, to achieve an omnichannel integration process enclosing all the customer touch points, organizations might need an integrated technology stack, usually taking the form of a digital platform built around APIs to offer

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[62] Denish Shah, Roland T. Rust, A. Parasuraman, Richard Staelin and George S. Day. The path to customer centricity

diverse services to customers in a flexible way. Ways of interacting with the customers like call recognition, chat, video chat, and e-mail management can take the form of a single system that integrates many platforms. [63]

2 Methods & Case study of an IT service provider in public sector

In the previous section (section 2), the organizational change process and its triggers together with fundamental barriers and challenges that prevent the transition of an organization towards a customer centric organization were described and investigated. The subsequent empirical part investigates the questions of how and to what extent can the organizational identity change to spread a more customer centric oriented paradigm across the organization.

Based on this research question, key stakeholders were interviewed about their project work and how they perceive the collaboration together with the said organization to find out if there are differences in perception and to what extent the organizational identity can be influenced in order to achieve a customer centric mindset and culture.

2.1 Research method

2.1.1 Selection of respondents

The respondents were selected for this survey, because they represent different roles within a large technical higher-education institution environment, have different backgrounds as well as responsibilities and each one of them contribute to the digital transformation journey. The 8 respondents represent the roles of Products Lead, Application Services Lead, External IT Partner, Senior Scientists within the Research Unit of Data Science and Research Group for Mathematics in Simulation and Education, Head of Campus Software Development, Technical Leader in the Service Unit of High-Performance Computing, Customer Service Lead. Their areas of expertise range from Product Management, Data science, Mathematics, and Client

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[63] Victoria Bough, Ralph Breuer, Nicolas Maechler, and Kelly Ungerman (October 2020). The three building blocks of successful customer-experience transformations. https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-three-building-blocks-of-successful-customer-experience-transformations - retrieved November 4, 2022

Management to Senior Management. All participants are part of the digital transformation journey of the university, interact with the IT service provider and mostly have been employed at TU for more than two years, excepting the external IT partner. Thus, 8 number of interviews were conducted and audio-recorded, afterwards having the tapes transcribed verbatim.

2.1.2 Data collection

The data was collected using the following three methods: (1) semi structured, one-on-one interviews, (2) written and electronic documentation, and (3) non-participant observation. Semi-structured interviews were a prime source of information about the key players' impressions and cognitions.

The one-on-one interviews represent the main source of data on the possible organizational identity gap and customer centricity level, with the observation and documentation data serving as important basis and additional sources for understanding events. Multiple in-depth interviews were conducted with organization members, where they were asked to describe their experience when doing a project with the IT service provider. The participant observer used a formal research diary to record meeting notes, observations, and interpretations. Depending on the depth of the answers provided, each interview lasted between 30 and 60 minutes. The first part of the interview was standard across informants, asking for information regarding their past and current position and ways of interacting with the IT service provider. Some customizations for hierarchical level and was needed as well as for the organizational unit. The respondents were split into 3 target categories: top management, the IT service provider employees, and other stakeholders (clients, internal & external IT partners). The interviews were flexible in general, for the employees and other stakeholders' category they followed user journeys along the project timeline, from the project kick-off to date and outlook, investigate touchpoints with the IT service provider, image, and deep dive whenever highlights related to the customer centricity were revealed. Addressing the top management category more questions about the company experience, thoughts about the company's historical evolution and perceptions about the current state, business and strategic context and understandings of organizational identity and image were addressed. The goals were to identify patterns and consistencies and inconsistencies across the organization together with dependencies between discovered concepts.

The written and electronic documentation was collected as well in form of identity artifacts (including paper and electronic representations and description of the organization's identity to the outsiders, e.g., Web site texts or marketing brochures and wallpapers used in the Operations change management project of the organization).

As an employee of the IT organization myself, I engaged in direct, non-participant observation of organizational actions, members' routines (e.g. by managing various projects and internal & external stakeholders), and social interactions (e.g. internal meetings and employee information sessions) and had the chance to gather insights related to personal and interpersonal issues, as well as information related to cultural and structural aspects of the organization in order to understand the context.

The story of the findings was constructed based on findings from the combination of interviews, documents, and observational field insights.

The survey was conducted to understand the current level of customer centricity across the organization and the related blockers and find out to what extent can the organizational identity change to transform. The individual interviews were conducted in both, English and German, recorded and transcribed, followed by an analysis of the individual responses of the interviewees. Afterwards, findings that contributed to answering the research questions were extracted. The findings can be used to derive areas for improvement for a future change program. In this way, the research results add practical value to the theoretical framework of the model.

2.1.3 About the IT service provider

Before 2018, the IT service provider was operating under the name "Zentrale Informatik Dienst" within the higher-education institution environment. After the change in top management the IT service provider established new goals and slowly started to develop towards an IT organization under a new name. During the past 3 years, top management was able to restructure teams and initiate new strategic projects.

The IT service provider currently sees itself as the IT contact point for all members of the higher-education institution. The IT organization is providing customers with a highly efficient and stable IT infrastructure and uses IT expertise to promote teaching, research, and innovation at the higher-education institution. Customer segments

represent the students, various institutes, and employees of the university. The IT service provider is offering a wide range of IT services ranging from typical IT to infrastructure and business services, for example: workplace support (hardware, licenses and support for the respective operating system and system-related components from us at the Workplace Support Service, a standard desktop PC alternatively a scientific workplace "Science Desktop", virtual workplaces); advice & service desk (general information about the IT organization and its services, help with specific IT problems, student advice, platform support, error reports); applications for cooperation and communication; network infrastructure and server services; provision of software (MS Office 365, Adobe Creative Cloud).[64]

2.1.3.1 The IT service provider within university landscape

Within university's landscape, the rectorate creates the framework conditions, anticipates new developments, is involved in designing and setting goals at different levels, creates incentive structures and promotes openness to this process. The rectorate is supported by a digitization advisory board in cooperation with the "digital office" acting as a PMO unit facilitating the implementation of the digitization strategy. The digital office coordinates the implementation process of the digitalization strategy and is responsible for facilitating and designing implementation measures and specific digitalization projects. In doing so, the digital office supports the institutes and departments in the implementation of these projects and ensures the interconnecting of existing digital competences at TU Wien to avoid redundancies and to ensure cost efficiency. There are five focus groups to be taken care of: research, studying & teaching, administration, infrastructure, and students depicted as per the figure nr. 12. In the interest of the digital transformation process, all focus groups are entrusted with operative planning and development of digitalization projects in their respective areas, in close coordination with the digital office. Each focus group is coordinated by a focus group leader who organize periodic meetings and control and move the groups projects forward. The data LAB is an infrastructure for innovative big data, data analysis, deep learning, and related topics where the available products and

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[64] tuwien.ac.at. Organization. Retrieved November 30, 2022, from
https://www.it.tuwien.ac.at/en/organization/information-technology-solutions

applications are adapted and further developed together with the customers to the respective needs.[65]
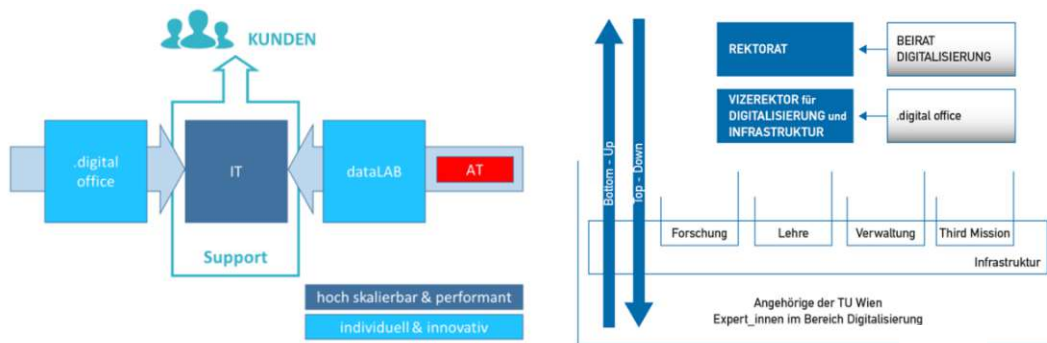
Figure 19: IT service provider landscape and organizational structure

2.1.4 Purpose and strategy of the IT service provider

2.1.4.1 Digital transformation at a large public academic institution

The digital revolution is transforming industries, economies, and societies. As a technical higher-education institution, it has the best prerequisites for further expanding its role as an innovative driver of digital transformation within society. The strengths of the higher-education institution, its excellence, its internationality, its interdisciplinarity, its diversity and its presence in the urban space should be used and expanded in the best possible way during this transformation process. Digitization is a driver for interdisciplinary networking to promote and increase the international visibility as well as the innovative ability of research along the value chain from basic research to applied research and innovation. The interlinking of research, teaching, and administration in the field of digitization is innovative and sustainable across all faculties and central areas and has an impact on society under the premise of "technology for people".[66]

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[65] tuwien.ac.at. Organization. Retrieved November 30, 2022, from
https://www.it.tuwien.ac.at/en/organization/information-technology-solutions
[66] Digitalisierungsstrategie der TU Wien. Retrieved December 1, 2022, from
https://www.tuwien.at/fileadmin/Assets/dienstleister/digital_office/20181206_TUW_Digitalisierung sstrategie.pdf

2.1.4.2 Preliminary goals of the digital transformation journey[67]

The digital transformation goals have an impact on the focus groups across the higher-education institution landscape, as following:

(1) Research area: expediting and supporting research projects and networking activities in Big Data, Artificial Intelligence, Cybersecurity and Data Science as a contribution to solving societal and economic challenges. Another goal in the research area is focusing on the Commitment to the FAIR data principles (Findable, Accessible, Interoperable and Reusable) and implementation of digital strategies along the open access and research data management policies.

(2) Studying and teaching area: the focus is on access to courses for students and professors anytime and anywhere, better use of existing teaching and studying resources, as well as teaching guided by research and oriented on interconnectedness. Furthermore, by building digital laboratories, TU Wien creates spaces in which digital methods, processes and applications can be explored and validated regarding their efficiency and feasibility. The skills and competencies demanded by digital transformation are projected and continuously advanced in all study programs for the students.

(3) Administration area: administrative processes and workflows should be optimized and organized more agile; all employees of TU Wien should be included in the digital transformation process by participating to training programs as well as digitalization events.

(4) Infrastructure area: the extension the unit High Performance Computing infrastructure, as part of the data Lab, in cooperation with other Austrian universities and research institutions provides the groundwork for solving societal challenges and contributes to the strengthening of Austria's position as a research site. Furthermore, for an efficient research data management the appropriate infrastructure is needed. In line with the requirements of a research-guided, flexible, and interconnected teaching, the lecture hall infrastructure at TU Wien should be adapted or extended and thus establish smart campus areas. In this way the national and international competitiveness of TU Wien is encouraged.

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[67] Objectives for the digital transformation at TU Wien. Retrieved 1, 2022, from
https://www.tuwien.at/en/tu-wien/organisation/central-divisions/digital-office/objectives

2.1.4.3 Global IT strategy

The IT service provider strategy complements the global IT strategy of the higher-education institution. The global IT goals are formulated around important pillars like customer centricity and IT service orientation:

1. Maximize the customer centricity: IT shall provide its services in close cooperation with its customers (the students, the faculties, institutes and departments in the scientific field and their service facilities) guarantees reliable, on-schedule provision of products and their support, and communicates regularly and comprehensively with customers to ensure a needs-based, useful product portfolio to be perceived as a competent partner.

2. Optimize the service orientation: IT shall render its services based on clearly defined, standardized, and monitored service processes and makes them available to customers in a consolidated service catalogue, so that they are easy to find and use. This uniform service management is intended to contribute to a secure, high- performance, and scalable IT operation organization.

3. Increasing excellence & innovation part: IT shall provide its services in such a way that customers are given the best possible support in providing excellent services in research and teaching and their ability to innovate in these core processes is promoted. The IT service provider also strives for operational excellence, a high level of innovation and the enabling and empowering of its customers. The skills and competencies of the IT organization in the areas of big data, analytics and artificial intelligence should be expanded to enable scalable support for projects in research and teaching area.

4. Increasing cooperations & synergies: with its services, IT is intended to leverage synergy potential not only within the TU Wien, but also in the academic community and the partner environment, and to promote cooperative provision and financing models. As IT of the leading technical higher-education institution in Austria, this means participating in cooperation initiatives, not only as a user, but also as a provider. Products must therefore be designed to be multi-client capable and suitable for shared service structures if economic benefits or other far-reaching synergies are to be expected.

5. Ensuring information security and data protection: the tasks of the IT should be fulfilled considering and maintaining information security and in particular the

protection of personal data. Awareness of this topic should be increased throughout the higher-education institution and the IT organization should act as a role model and multiplier[68].

The global IT goal „maximize the customer centricity" should be reflected in a proper communication of the new IT services, potential changes, and disturbances of IT Services to the customer. The communication must happen proactively using suitable communication channels or platforms not only on an ad hoc basis, but on a regular basis in appropriate formats matching the target groups, for example, via Impulse series of events or informational talks with newly appointed employees. Furthermore, the user experience should be optimized for all systems, especially for inhouse developments, along a well-defined customer experience road map. Finding and accessing IT services should be possible via a centralized platform with a centralized authentication. The billing of services towards other organizational units should be simplified and service packages should be made more transparent. For IT standard services, especially those that are important for information security, further billing should be reconsidered to promote widespread use.

2.1.4.4 Values

The employees of the organization see themselves as IT service providers for all groups of people at the higher-education institution (researchers, lecturers, students, and service staff). The employees are characterized by an agile, cooperative, and proactive way of thinking and acting. With their solution-oriented attitude with a focus on simple, elegant solutions, they ensure that IT is perceived as a driving force and partner for innovative research and teaching as well as modern, efficient administration. The IT service provider should provide IT services in compliance with the following values:

1. *"We are customer oriented*
2. *We focus on the implementation and benefits creation*
3. *We are acting respectful towards other colleagues*
4. *We are flexible and self-organizing*
5. *We act efficient and effective*
6. *We conduct our work with safety and reliability*
7. *We conduct our work with transparency and agility*

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[68] IT-Strategie der TU Wien -Teilstrategie TU IT Solutions [PDF]. (2022, Juni). TU Wien

8. *We provide results in short implementation cycles (short time to market)*"[69]

3 Results

3.1 Research results

The one-on-one interviews were conducted to challenge the status quo and perceive internal and external views of the organization. The findings described in this section therefore reveal if there is a perceived identity gap between internal and external image of the organization. Based on the structure of the interview, this section describes the research results relating to (1) perceived organizational image (2) blockers that hinder the potential transformation of the organization.

The following series of blockers towards customer centricity paradigm have been identified based on the conducted interviews:

Blocker 1: the communication style

The respondent is metaphorically associating the communication style across the organization with the Chinese whispers challenge: top management seems to be completely decoupled from the people who do the day-to-day work. Even if something is agreed with the IT partners on a lower lever in the organizational hierarchy, the message is not communicated clearly to the top management. The message that was initially sent it is not the same message top management receives. On the other side, top management seems to promise different things that are even impossible to implement.

Taking into consideration the fact that there is no proper project culture in place, many projects are running without a proper documentation or scheduled meetings. This leads to a lack of information transfer between the parties involved and other third parties. On the other side, there are many collaboration and documentation systems at the university but there is no guideline what information should be stored where and why. This fact has the risk that at some point in the future information will not be found anymore ("data cemetery" label was used here).

"The information circulating is generally skewed."

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[69] IT-Strategie der TU Wien -Teilstrategie TU IT Solutions [PDF]. (2022, Juni). TU Wien

Furthermore, there is not much communication happening between different IT units and it can happen that they develop the same product twice, which is not necessary but only leads to a resources waste.

> *Finding 1: All internal and external respondents perceive and experience challenges in a similar way when it comes to the communication across all organizational levels and this goes beyond, impacting also other IT units in the university environment. Respondents see no good communication or no communication at all. The information is generally skewed.*

Blocker 2: human capital with the necessary skill set and the knowledge degree about the real client needs might impact the quality in delivery of IT services

Respondent has the feeling there are various obstacles introduced by the organization just to win some extra time in the delivery since the organization is not well prepared or doesn't have the necessary resources to perform the specific job like, for example, offering the needed IT infrastructure. Reasons *like "we are waiting for other opinions on this topic"* or *"let's order some external expert to check on this topic"* or *"let's write some additional documentation"* are used to hide the lack of resources issue. Sometimes written questions in a project are not answered.

Users are expecting end to end IT services delivery including full necessary core functionalities, but their expectations are not met by the IT organization. The client requirements are not being fully taken into consideration by the IT organization, instead the IT organization is shifting the blame on the client side "you haven't asked for this specific functionality".

According to another respondent, there is a gap between what the IT organization can offer in terms of technology stack and what the client real needs are. As an example, one specific project started 2 years in advance, and it seems that there was no proper customer involvement taking place to understand the real needs of the customer. The IT organization was not ready and able to provide the IT infrastructure service in time, which leads to prolongation of the projects with months, in other cases, even years. These facts cause the time to market in the organization to be very slow. Respondents state the fact that the organization needs to get faster in own deployments. According to customer feedback, there are being promised services and must wait 2 years until get receive what they really have required at the beginning.

Requirements process: requirements are not coming directly from the customer. Currently the requirements are gathered into textual form via E-mail or verbal per

phone call or via ticket in the service center; some other requirements never reach the preliminary requirements list in the IT organization.

"There is no common portal where customers can put their needs in. There is no common tool where everybody can look into it and cluster requirements. We are lacking this."

Some requirements that reach out the IT organization per ticket have a waiting time for several months and no answer is provided to the requester. Some tickets are not correctly assigned to the right responsible person that can answer them. The respondent has a vague idea about the possible responsible person for the requirements list and associates it with the department "Service Portfolio Management" within the IT organization, however the link to the ticketing system is not clear to them from the outside. Respondents see as a possible solution to have own connections inside the IT organization that they can approach directly or via chat tools and ask for the specific information needed. TU chat is not a suitable tool for requirements answering. Some tickets are wrongly closed. It happened that wrong information was sometimes provided. Tasks in the ticketing system could be easily automatized. The user interface of the ticketing systems has major areas for improvement. Everything is currently done manually. A self-service catalogue is currently missing.

"I was waiting for several months for an answer from the IT organization via ticket and then I just cancelled it. If you don't have a direct connection inside the organization, you are lost."

> *Finding 2: External respondents are acting in general frustrated when their needs are not entirely considered in designing IT services. They state that a proper centralized requirement process is missing in the organization. Requirements sent via the ticketing systems seem to get lost in general. There is no gap between the internal and external view on this matter, all parties seem to have the same view.*

Blocker 3: degree of IT Service offering visibility to the customers

Respondent is stating that the research focus group is not entirely aware about what the IT organization is offering in terms of IT services. It seems like the IT organization is not reaching out to all the focus groups directly, but only using channels like "the IT organization Impulses" and "Tech Talk" events and other internal channels like a newsletter. Given the fact that various customer groups are not using some of the IT organization services, because of not being aware of it, top management can see itself in the position to shut down the not used IT services.

"Nobody is using the IT service because people didn't know it exists."

Respondent is not aware of an established IT service catalog. He prefers to google the service instead. Internal respondent is stating that according to the IT strategy of TU, IT services should be centralized as much as possible in the IT organization, therefore the customers need to comply with their services. This implies the fact that the customers needed to give up own responsibility on different IT services, like active directory services, and therefore they feared about losing ownership which implied a deeper fear of perhaps losing their own job or according to a different respondent, it could be that they are not doing their service in a good way. To hinder this biased perception related to the collaboration together with the IT organization and the value add the IT organization can bring as an IT service provider, a very good and transparent communication was used in form of formal documentation e.g., Service Level Agreements (SLS), internal project meetings and steering groups. The customer was in this case continuously involved in the project and needed to deliver parts of the project in form of specific tasks. In this case, the customers were involved from the beginning in the project.

The basic service offering should be made fully functional first and afterwards other services should follow.

> *Finding 3: A complete updated IT service catalogue is currently missing and should be made more visible to the outside world. Customers generally feared to accept a centralization of their IT services within the IT organization mainly due to their fear of losing their jobs. They are lacking an understanding for the IT organization as an IT service provider company. Furthermore, the IT service offering should be made more visible in the onboarding process: if one doesn't hear what is offered during the onboarding process, most of the new onboarded people part of the focus groups will not research by themselves what the IT organization has to offer.*

Blocker 4: degree of customer involvement & centralized customer feedback

There are no customer personas profiles in place and there is no centralized data about the customers within TU environment. External respondent has a very technical profile and during the interview he doesn't really focus on customer profiles in his project, he is very focused on the technical part instead. Once the user requirements were defined, the possibilities to consider further user input are limited.

With regards to post project closure: respondent didn't initiate and receive any customer feedback, neither positive nor negative, during and after finishing a project.

If the customer is happy with their service, the contact to the customer is somehow closed.

"There is no established continual improvement process in place or customer relationship management. The relationship with the customer seems lost after the project closure."

According to another respondent, in his project, the customer feedback is usually received only during team calls, constant collaboration and steering groups.

When it comes to strategic decisions and changes, another respondent representing one of the focus groups in the research area is highlighting the need to gather feedback from the institutes and organizational units first with regards to the implementation of the strategic change e.g. given the case that some people might need to restructure their working process when a software product is withdrawn from use, user feedback related to the needs and what would cost to replace a certain software product should be collected beforehand and made sense of. Taking into consideration the technological stack complexity of the various clients in TU environment, clients have a range of different specific requirements which increases the complexity in covering their needs in a standardized way.

> *Finding 4: There is no clear customer understanding especially with regards to their current technological state and needs in the beginning of the projects. Customer feedback is not really taken into consideration. Waterfall project management methodologies discourage continuous customer involvement. External feedback loops are insufficient and poorly coordinated with the managers. Workers who bring negative information from customers and external stakeholders are partially ignored.*

Blocker 5: existent gap between the reputation versus internal perceived organizational identity

The IT organization cannot be replaced easily with another IT service provider in the free market because it is part of the TU Wien landscape and free market competition cannot be easily used. It is an asset for TU Wien to have information stored on own servers and not in foreign countries. However, by not delivering in time, the IT organization influences not only his own reputation but also the reputation of other IT organizational units within TU landscape being in the same boat.

"If the IT organization is not delivering, we all have problems."

"We don't get much support from the IT organization".

Internal image: according to the internal respondent *"We are seen as the dark side. People don't want to get in touch with us, it's only when they need things from us and that's it."* According to the internal respondent, the customers or other parties don't want to get in touch with the organization because they do not trust it as an organization to deliver the services needed.

External image: according to the external respondent people in the IT organization really try to do things in the good way. However, the organization is not allowing them to reach goals on their own.

"The people with whom I worked in the project were firstly very friendly and second very target oriented. The collaboration and communication between us were always positive from the beginning. We worked fast and efficient in a quite friendly setup. There were no conflicts at all and no escalations".

Respondents are stating that during past 5 years the quality of services provided increased tremendously. This was an obvious thing. In this case, the client showed himself very satisfied with the provided IT service, by means of performance and transparency.

"The organization became much more professional and reliable in providing IT services."

"3-4 years this is more or less the time period where I started to see the IT organization in a different light. It is a bit more professional; you get more information and I know most of the people. One has a certain transparent information flow from the IT organization towards the users".

> *Finding 5: there is a gap between the how the organization perceives herself and how the outside world is perceiving the organization. According to the interviews, the outside world perceives the organization somehow in a better way compared to the way the organization perceives herself.*

Blocker 6: personal retainment & resources management together with an agile-friendly team environment and the necessary skills of the members

External image: people quit too fast; young employees get excited to work with new technologies, however, can get discouraged when projects are cut off by management and the reason behind is not transparent for them. They don't see the

results of their work. Keeping the right motivated people is a thing that needs to be improved in the IT organization.

"The people that leave cannot see the why or the purpose behind their work. The IT organization seems to not search for the right people. Resources in IT Operations (in the basic IT infrastructure) should be increased. The way the IT organization is making job announcements might not be suitable enough to attract the right people with the right skills for the job; employees might not have satisfaction from the work they perform and are getting discouraged."

Internal image: according to the internal perceptions, the organization is not able to retain the key personnel because monetary reasons: key employees get better paid outside the academia in the private business, even though the jobs are interesting in the IT organization. In case of hiring students, the respondent's opinion is that students will leave the job after finishing studies.

When new young people are onboarded, the knowledge must be transmitted. The organization has a lot of employees that work for a very long time with the IT organization and in case of retirement, there is a knowledge loss. Young people are not onboarded very quickly, and this fact leads to a lack of community continuity. Furthermore, employees are usually not available for working on tasks during projects when they are needed. This is one of the reasons why projects are always prolonged and never reach the planned deadlines in time. Projects that usually last about 6 months in a normal business, can last in the subject organization up to 2 years. From an economical point of view, this represents a real weakness for the organization itself.

> *Finding 6: co-locations, fully dedicated team members, close communication and cross-functional team composition can enable an agile-friendly team environment. Competent people may be difficult to find and retained due to monetary reasons. Knowledge sharing between the old and new generation is limited due to lack of community continuity.*

Blocker 7: organizational design, shape of the hierarchy, decision-making authority, and control

"There is not really a degree of freedom and influence on the projects, project members receive assigned tasks."

"People are afraid of making decisions and don't want to take responsibility on their own. Employees are constantly looking to their superiors for direction. When some

new or unusual issue arises, they prefer not to deal with it, or they pass it on to their superior, rather than assume responsibility and the risk of dealing with it. As responsibility and risk-taking decline so does organizational performance because its members do not take advantage of new opportunities for using its core competences. When nobody is willing to take responsibility, decision making becomes slow and the organization becomes inflexible which means that is unable to change and adapt to new developments."[70]

> *Finding 7: decision-making process is too long due to a highly centralized authority, and this is also a reason why the time to market for the IT services is very slow. A hierarchical organizational design influences project management processes and thus hinders possibilities for experimentation and more customer involvement. Not every information needs to reach the top of the hierarchy (top management).*

Blocker 8: functional structure of the organization as seen from the outside

External respondents, in general, don't have a clear picture about who is responsible for what in the IT organization. According to the construed external image, the resources within the IT organization are wrongly distributed: too less resources on the infrastructure side and way too many resources in "fancy new projects with other organizational units". Other external respondents are stating that an overview of how the organization works is missing. Respondent needs to ask around for each organizational thing people across the entire top down-bottom-up hierarchy.

Another respondent from the teaching focus group is stating:

"I am aware of some key contact persons in the IT organization responsible for the topic in my interest, however I am not aware of how the internal departments are named."

> *Finding 8: unclear organizational structure and responsibility matrix as perceived from the outside*

Blocker 9: degree of the waterfall methodology & agile delivery strategy use

According to the IT strategy, the usual way of working is waterfall methodology and not agile. The link between the Data Lab, responsible for the experimenting and

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[70] Jones, Gareth R. Organizational Theory, Design, and Change, p. 125

prototyping and IT operations is not well established (respondent opinion "our requirements are collected outside of the target. Then there is a prototype put into the data lab, and then there is the handover, which means that people who learned and understood the system why and what and how it operates must hand over the system to someone at the IT organization who was not been there from the very beginning. And even if you write a bit of handbook, you will not have the specialist experience that you got in the testing phase and you are not able to make this proper handover.")

In general, the IT respondents are focused a lot on the functionality and technical details during the conversation with some of them not bringing into discussion any customer view of the things. It happened that 2 products (video portals in this case) are developed in parallel by different units, initiatives that are not customer centric designed. The customers need only one tool that works well and not two different tools.

Respondent associates the organization with a typical "governmental office". Furthermore, "*there is no project management methodology and culture in place across all departments. There are some processes missing that would make daily work easier.*"

> *Finding 9: There is a lack of agile delivery strategy across the organization. Continuous delivery is a challenge. On top of the technological requirements, an agile approach would change the roles of development and operations teams. To adapt and benefit from the agile methodologies, functional silos between IT Operations and development departments need to be dissolved. In line with the agile methodology hierarchical organizational culture needs to be changed.*

Blocker 10: corporate identity & branding

Prior 2018 the IT organization used to be called Zentraler Informatik Dienst (ZID). Since then, things changed, and re-branding efforts took place to bring "fresh air" in and offer better services. ZID image was old, slow, and top management wanted to have a fresh start with new services under the new brand. Top management wanted to transform the company for a purely IT company, including not just data center providers, into a modern IT service provider company. On the other side, respondent stated the following:

"The employees and team structure remained the same and just the name changed. I have doubts if Data Lab is part of the organization or not."

ZID was the equivalent of an operating data center coming from the 80ies engaging system administrators. Nowadays, this kind of setup emerged in de direction of services and applications with data centers not so relevant anymore. The step was a logical one for ZID to transform into present IT organization. Other respondent perceives, after the rebranding event, an increased level of professionality and transparency in communication of the IT organization towards customers. Other respondents have no clear picture about the way the IT organization is structured as an organization having doubts if, for example, Data Lab is part of the IT organization or not.

> *Finding 10: After the rebranding event in 2018 (from ZID to the IT organization as an IT service provider), there is still no clear understanding about the IT organization brand. The corporate identity is unclearly defined and despite the change, the customer centricity is still not well established across the organization.*

Blocker 11: executive sponsorship for fresh thinking & a common aligned strategy at the institutional level

One of the main reasons why the introduction of customer centricity fails is the management style and the lack of top management support. In addition to this, the necessity to convince middle managers of the advantages of a design-centric culture is mandatory and might be also a blocker. Middle managers typically resist, and this fact can considerably slow down a possible transformation effort.

At the IT organization two different top management profiles exist, one in infrastructure, one in teaching and there is a lack of coordination in between. There are no decisions, no guidance and no strategy at the university level. The vision of the university is partially missing and was not shared with the organizational units. Consequently, all IT & other departments are not working in the same direction and, consequently, similar products are produced by different organizational units without any alignment in between.

"Every department creates its own strategy instead."

Same view from the inside and outside: the IT strategy document is not elaborated, keeps information high level, and is based on waterfall methodology instead of agile.

The IT strategy has never been published. There is no clear responsibility between the multiple IT organizations in the university landscape. On a deeper level, some employees might think like designers, especially when they are in front lines, like in the service center department, dealing with users directly and empathizing with their problems. These people might have innovative ideas. However, the implementation of those ideas depends on support from managers. With managers who aren't open to fresh thinking and an old mindset, attempts to push user centricity from the bottom up can be frustrating because managers will be hesitant to give employees freedom to explore new solutions.

> *Finding 11: there is a lack of a consolidated strategy across the university including their multiple IT organizational units. A customer centric transformation is not considered in the strategy, therefore champions of design thinking & agile way of working, for example, are needed in order to demonstrate the value of this approach. One way to do so is to pair employees who are predisposed to this approach with external consultants and thus form cross functional teams as role models across the organization.*

Blocker 12: a stifling culture

Members are technically focused inward on maintaining working systems and structures and meeting narrowly defined functional area goals rather than outward on scanning the environment and anticipating and attending to primary stakeholders' needs.

The IT organization needs to shift from command-and-control culture and a siloed structure towards one based on leadership-and-collaboration, people centric and secondly creating a culture that enables risk-taking and more experimentation, a so called a culture of customer obsession. When employees feel that they are given autonomy and feel trusted to take risks or cross-functional communication is rewarded, they will be more likely to interact in an effective and productive way, fact that is in line with the principles of agile methodologies and a user-centric culture.

3.2 Integrating empirical findings into customer centricity path

The following section integrates the empirical findings described in chapter 4.2. into the customer centricity path. Based on the findings of the case study, enablers towards a customer centric paradigm are complemented and the description of the possible transformation process is detailed. According to the results, the current

customer centricity level across the organization is rather low, therefore a need for a set of customer centric initiatives together with interventions for organizational change towards a user-centric culture should be proposed.

3.2.1   Core change enablers

Known before as Informatik Zentral Dienst, the organization did undergo a rebranding event during 2018 and as following a new name was given to the organization. However, according to the finding nr. 10, nowadays, almost 5 years later, there is still no clear understanding about the brand and the corporate identity of the organization from the outside, fact that could trigger the identity ambiguity phenomenon (see chapter 2.1.5). The customer centricity level remained rather low before and after the rebranding event. Triggers like temporal identity discrepancies or construed external image discrepancies could be derived from findings nr. 5 and 10 leading to a potential identity ambiguity.

According to chapter 2.1.2., if outsider's perceptions of the organization are different compared to insider's perceptions, employees and other members of the organizations might start to question their status and their beliefs. As mentioned earlier in the conceptual background section, images require members of an organization to revisit and reconstruct their organizational sense of self by asking themselves self-reflective questions triggered by the images it projects to the public. The IT organization as an organization should be more aware about the image it currently projects to the outside and start questioning her own status within the university landscape. To become more customer centric, a transformational program across all departments should be initiated. The transformation will have to go hand in hand with the identity change of the organization by being able to answer questions like: who is the IT organization? How is the IT organization doing things around here? What are the labels used by the stakeholders to express identity? What are the meanings underlying those identity labels? (Change from symbolic expression like associating the IT organization with a typical "governmental office" to "We are an innovative customer centric IT service provider").

Enabler 1: The corporate identity of the organization can be enforced in order to empower the IT organization brand and thus increase visibility to the outside

Leaders should respond to the sense giving imperative by projecting the future image of the organization (show "who the IT organization could be") and thus break current

perceptions by increasing branding efforts, refining the corporate identity of the IT organization and make it more clear to the outside. Achieving identity change involves both cognitive and behavioral approaches. Behaviors translate concepts into action. Ideas need to be transformed into observable actions. Leaders could model behaviors representative of the desired future image using a "showing by doing" approach. They should make employees aware of a potential change framed as an opportunity and not as a threat and thus enforce advantages like employees having the opportunity to grow and be more successful as an organization. If the members are not willing to go in that direction, they might lose the opportunity to learn, and see themselves more positively through potential future career opportunities and be associated with a successful organization (see finding nr. 6 related to the retainment of young or key employees).

Enabler 2: **The leadership commitment towards a customer centric paradigm is crucial for undergoing a transformational change**

A critical step necessary to become customer-centric is to get the leadership commitment reflected in actions like placing special focus on customer and market issues: needs, requirements, trends, and opportunities for advantage during strategy reviews. Top management needs to be ready to invest in resources required for a deeper understanding of the customers. Finding nr. 11 reveals the fact that a consolidated strategy is still missing and there is no real support from the management side to pursue such a transformation event.

Top management of the IT organization could elaborate on the strategy and use the design thinking readiness assessment presented in Appendix A to assess whether the organization is ready for such a transformation. They must decide what is best for the organization: keep the traditional approaches or begin a long process of changing the organization culture.

To foster design thinking, for example, and to balance running the organization with creating its future, top management needs to provide appropriate support. Senior leaders need to be assigned as champions. Successful change programs have an executive sponsor to support with the funding and protect the initiative when controversary appears.

Enabler 3: Organizational realignment by balancing centralization and decentralization of decision-making authority can enable the transformational change towards a more flexible organization, able to adapt to change

Findings nr. 7 and 8 reveal the need to realign the organization and make its functional structure more visible to the outside. It may start with the marketing function whose role is critical in transforming the organization towards the customer centric paradigm. The IT organization already made a step in this direction by recently hiring a customer expert specialist.

To enable a user centric culture in line with agile principles, setting up a horizontal organizational structure that is less hierarchical compared to traditional vertical structures is a good advice. This fact leads to more decentralization, more autonomy for the employees and self-organizing teams. Given a hierarchical organizational structure, employees usually look for their superiors to give them direction and instructions. Every time a completely new or unusual project or topic arises, employees prefer not to deal with it directly, they pass it on to their superiors instead of taking responsibility and risk of dealing with it. This happens in the IT organization. If responsibility and risk-taking decline, so does the performance of the organization itself, because its members do not take advantage of the new opportunities for using its core competencies. Given the case that not so many employees want to take responsibility, the decision-making process becomes very slow, fact that also has an impact on the finding nr. 1, the skewed top down-bottom-up communication. In this way, the organization becomes inflexible, time to market is slow and, project deadlines are always prolonged and the inability to change and adapt to new developments is rather weak.

If a decentralization of the organizational structure happens, flexibility and responsiveness are promoted in this way by allowing lower-level managers to make important decisions that allow them to prove their skills and competencies and therefore be more motivated to perform well. The aim is to have employees feel they have the authority or responsibility to initiate changes across the organization.

Top management of the IT organization should decide on a proper balance between centralization and decentralization. If they decide to pursue too much decentralization, team leaders will have too much freedom to pursue their own functional goals at the expense of the university strategy and goals. On the other side, if a high degree of

centralization is preferred, this would mean that top management is making all the important decisions whereas team leaders or middle level managers in lower hierarchies will become afraid to make new moves and will not have the freedom to respond to problems as they pop up in their own departments.

The balance between these two means a good balance between strategy making and short-term flexibility and innovation on the team leader side so that they can quickly respond to issues and changes in the environment when they may happen. Top management should rather not lose the contact with the changing customer needs and market trends and focus on the long-term strategic decision making. Managers' decisions about how the organization should operate influence directly the way other stakeholders behave in the organization.

Enabler 4: The design of customer-centric processes with IT systems enhancing the organization's ability to perform the required customer-centric processes can enable the transformational change of the organization

In order to encounter the finding nr. 9 (waterfall methodology partially in place instead of agile delivery strategy) and the desired horizontal organizational structure, the IT organization would need to adopt a more horizontal process view and mindset rather than a vertical function view and design all the processes and activities towards value creation for the customer (see chapters 2.2.6.2 and 2.2.6.3 of this study for detailed examples). Agile methodology itself corresponds to a horizontal process view placing the customer in the center. Furthermore, based on the findings nr. 2 and nr. 4 a proper centralized requirement process should be established across the organization, having the customer involved at any stage of the project and continuously keep the customer in the loop and gather customer feedback when delivering services or developing new products (see chapter 2.2.4). Other processes specific for an IT organization should be established according to the latest ITIL standards, using these standards as a reference, however having them adapted to the specifics of the organization.

If a high level of control is needed, a highly detailed process description will be needed as well, whereas superficial process definitions show that the owners do not pay detailed attention to how the process steps are being executed. Standard operating procedures (SOPs) are built on processes, strictly following rules and SOPs may stifle innovation and a change mindset. As a result, decision making becomes inflexible

and organizational performance is going down. In order to become more customer centric, the IT organization should achieve the right balance between standardization or conformity to specific models and mutual adjustment.

As described in chapter 2.2.6.3 IT investments can enhance the organization's ability to perform the required customer-centric processes. The organization should adopt a centralized database that provides a unified, comprehensive, and organization-wide view of all the customers based on an infrastructure for collecting, tracking and integrating customer data. Customer information should be shared across the entire organization to drive better customer experiences, deepen customer engagement, and create greater business efficiency with faster decision-making.

Enabler 5: An established IT Service offering can support the organization in becoming more visible to the outside and help the organization to position itself as a reliable professional IT service provider

The IT service offering should be promoted during the onboarding process of various focus groups, e.g., researchers and other university employees that make use of IT service within the university landscape.

Enabler 6: **A widely distributed customer-centric belief system is needed to unlock customer centric innovation**

The stifling culture (finding nr. 12) should be changed into a customer centric belief system, into a culture of customer obsession. This can be achieved by decentralizing access to technology, data, tools and other insights that promote ideation and prototyping. Any member of the organization should be able to articulate innovative ideas, share it with the others and refine it based on feedback and experimentation. Furthermore, customer feedback (finding nr. 4) should be collected, analyzed and utilized. The organization should build out their data infrastructures and strategies.

Enabler 7: Defining the right metrics like customer satisfaction and loyalty can help at infusing a customer-centric paradigm across the organization

For customer centricity to thrive, the organization needs to focus also on qualitative and not only quantitative metrics derived from observations of customers using a service or a product, or interviews directly with them. Customer satisfaction and loyalty are one of the main key metrics the organization should focus on and should be reported regularly to the top management together with the typical financial metrics.

Enabler 8: By making learning and continuous improvement part of operations, the organization can further enhance the journey towards customer centricity

Creating a work environment that allows for continuous improvement can sustain long-term performance.

Enabler 9: **Creating a new role of agile champions to support the initial 2-3 pilot initiatives and pairing them with external consultants in cross-functional teams can enable the learning process and show the value that the customer centricity initiative and methods in place can bring to the organization.**

3.2.2 Transitioning towards customer centricity

The empirical findings strongly support the assumption that a transformation process should be initiated to become a more-customer centric organization (Finding 1 – 13). Respondents see a need for change relating to the blockers towards a customer centric paradigm with particular focus on enabling elements such **corporate identity**. For the transformation towards a customer centric paradigm, a series of initiatives are proposed, in line with the organizational global IT goals:

Initiative 1: Customer Experience (CX) & Digital Transformation at the individual customer level e.g. One stop shop servicing with University Service Management. The initiative is about creating an overview of the services offered at the university including their providers/responsible persons, structuring these offers according to customer groups and context and providing them in the form of a digital TU service catalogue. Based on the processes that were collected and analyzed as "friendly users", a prototype should be created that meets the requirements for the quality of the content, is easy maintained by the service providers and has good searchability by customers. Sustainable usability is given by the fact that this prototype can be used as a basis for further projects and as a "blueprint" for other organizational units.

Initiative 2: Data Science & Analytics - creating a centralized repository of key customer attributes enabling data scientists to provide customer unique views using novel technologies like predictive analytics and tools (R & Python).

Initiative 3: Risk & Compliance – Having a customer-centric risk and compliance strategy in place in line with the global IT goal nr. 5 (chapter 3.1.4.3) which stands for ensuring information security and data protection. "*Regulations such as GDPR are forcing organizations to be able to combine all customer data and identify where and*

how data is stored so they can comply with the right to be forgotten and other components of the law"[71]. The IT organization should act as a role model and multiplier of this initiative.

During the transformation it is suggested to try out customer centricity in 2-3 initiatives and demonstrating first successes on the way to a broader change. Agile champions should assist the project teams in applying agile methods, these champions can act as change agents that support skill-building.

3.2.3 Categorical analysis

Among the findings of the conducted qualitative research, numerous first-order terms and concepts were identified and clustered into two main categories: blockers and enablers of a possible customer-centric transformation. These concepts were assembled into categories that define similar issues or relationships that had relevance for the persons interviewed (see Figure nr. 23). Overlapping categories were merged. The second-order themes were used to capture the given transformation blockers and enablers at a higher level of abstraction. Finally, the second-order themes were grouped into two views, organizational and customer view, thus providing a superordinate organizing framework for organizing the emerging findings.

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[71] Jennifer McGinn (2018): Top 6 Customer-Centric Initiatives. Top 6 Customer-Centric Initiatives | LinkedIn – retrieved on March 2023

First-Order (informant) Concepts

Executive sponsorship for fresh thinking & a common aligned strategy at the institutional level

A customer-centric risk and compliance strategy in place in line with the global IT goals

The design of customer-centric processes with IT systems

Degree of customer centric metrics definition (e.g., customer satisfaction and loyalty)

An agile-friendly team environment and the necessary skills of the members

Organizational design, shape of the hierarchy and the leadership style

Human Capital & Skill Set

Personal retainment & Resources management

Organizational structure design realignment: decision-making authority & control

Communication style

Presence of a waterfall methodology & Agile delivery strategy

A widely distributed customer-centric belief system

A stifling culture

Functional structure of the organization as seen from the outside

Degree of IT Service offering visibility to the outside

Corporate identity & Branding

The gap between the reputation versus internal perceived organizational identity

Knowledge about real client needs and their impact on the quality in delivery of IT services

Degree of customer involvement & centralized customer feedback

One stop shop servicing with the institution Service Management

Second-Order Themes

Strategy

Process & Technology

Organizational design

Communication & collaboration

Culture

Organizational identity/ Institutional image

Customer interaction with the IT Services

Omnichannel Management

Aggregate Analytical Dimensions

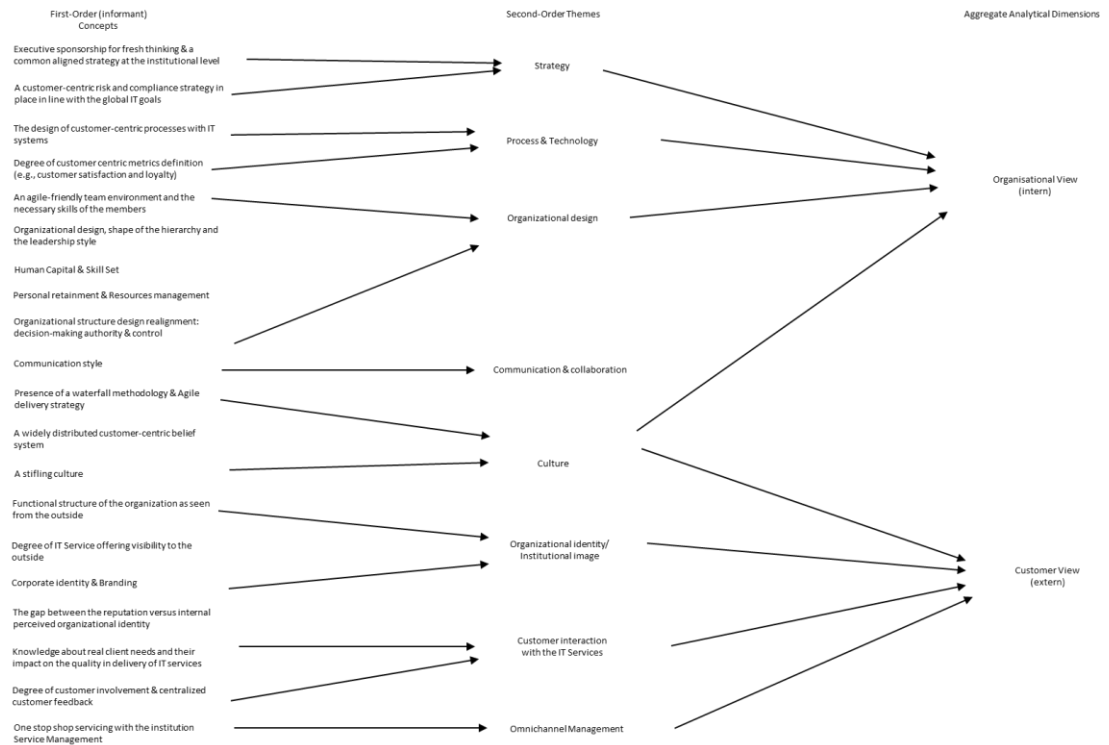Organisational View (intern)

Customer View (extern)

Figure 20: Progression of the categorical analysis

The organizational view involves strategic decisions as a result of the organizational strategy and environmental influences and implies how the organization is structured, the way of working, capabilities in place, the human capital and how members interact to each other forming the organizational culture, the service offering and the way of delivering the products and services in order to meet the defined organizational goals.

On the other side, the customer view is the perception of the individuals who buy and use the products and services of an organization, Individuals can be external stakeholders or customers. The customer interaction with the products and services is strongly interrelated to the user experience term which represents how a user interacts with and experiences a product, system, or service. Their journey to buy and reach out to the offered services can happen using one single channel or multiple channels determining the experience external stakeholders have, when interacting with an organization.
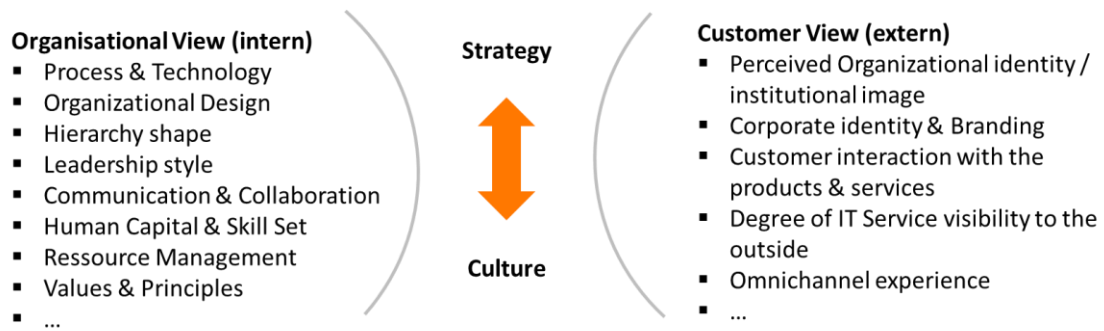
Figure 21: Transformation Model

Based on the literature provided in the chapter 2.1. Conceptual Background – Organizational identity, the themes have reciprocal relationships between one and another. Consequently, the aggregated analytical dimensions, the organizational view and the customer view can influence one another in a way that what happens on the inside, will be reflected on the outside and the other way around, the external environment can influence the organization internal view, for example when customer needs change in the market.

As mentioned in chapter nr. 2.1.4 the strategy reveals the identity, and the identity drives the strategy. Organizational actions result from strategy and furthermore they influence the reputation of the organization in the outside world. Reputation and projected images can have an impact in the top hierarchy and influence management to drive change, if needed. This would mean that the first order concepts like "Executive sponsorship for fresh thinking and a common aligned strategy at the institutional level" or "A customer-centric strategy in place" can highly influence other first concept themes like "Functional structure of the organization as seen from the outside" and "Corporate and identity branding".

Furthermore, the relationship between organizational identity and culture is highlighted in chapter 2.1.3 in the conceptual background of the thesis. In this way, the presence or lack of a widely distributed customer-centric belief system can influence the organization service offering visibility to the customer and the corporate identity. Furthermore, a customer-centric belief system can have a direct impact on the design of customer-centric process with IT systems and thus promote a friendly agile team environment, where the user is placed at the center of product development. A possible design-centric culture can help creating a workplace that is

attractive for people, quickly to changing business dynamics and empowers self-organization.

Chapter nr. 2.1.5 surfaces the tight interconnection between identity and change. Based on this, given the wanted transformation towards a customer centric paradigm in the case study, the change to conduct business in a more customer centric way could take place if the organizational identity changes as well, implicitly including all the first order concepts in the figure nr. 23.

An organizational realignment initiative balancing centralization and decentralization of decision-making authority goes hand in hand with the establishment of an agile delivery strategy and has a direct impact on the communication & collaboration aspects. If the IT service provider abandons the rigid hierarchical relationships and favors a flexible model of temporarily loose or tight connections, autonomous and self-responsible members, then the communication patterns top down and bottom up must change as well. This is tightly interconnected with an agile way of working which places special value on individuals and interactions over processes and tools, supporting the idea of building innovation teams with own autonomy in their decision-making. Also, a design thinking approach is encouraging work in cross-functional teams which implies a high level on trust in people from other departments or functions (Appendix A design thinking readiness assessment).

A lack of customer involvement and a centralized customer feedback can lead to missing the chance to get to know the real client needs. Starting projects with a design thinking approach and a deep understanding of the needs goes hand in hand with having an agile delivery strategy in place across the organization. It means transforming the customer needs as discovered during the design thinking practice into specific requirements or user stories reflected in a future backlog for developing a product or a service. An agile delivery strategy also means rapid feedback and working with rapid prototyping, performing usability tests with the customer, and getting feedback as much as possible. These concepts can only be enabled by an investment in creating an agile friendly environment and definition of agile values to create an agile culture that triggers the desired behaviors.

4 Discussion and conclusion

The final chapter of this thesis provides a summary of the previously shared content and brings the thesis' contributions to research and practice under discussion. As a closure, a set of concrete recommendations for the organization that was studied in the empirical part is shared.

4.1 Summary

Organizational identity change and customer centricity are the dominant themes of this thesis. To make these concepts tangible for organizations, this thesis presents the blockers and enablers paving the way towards a possible customer centric transformation and describes concrete methods and tools for achieving an increased customer focus. It provides an overall view on customer centricity and highlights the essential interdependence between organizational identity and a possible transformation event by observing that a fundamental change in the way an organization conducts its business, requires a fundamental change in identity or "how the organization thinks of itself" and only by changing the organization's identity could a top management team successfully implement the radical transformation that the customer centric initiatives require.

Chapter 2 introduces concepts and terms from newest up-to-date literature related to the customer centric paradigm and how to unlock the customer value, typical blockers and enablers on the transformation roadmap together with the organizational identity change concept, its triggers and interdependences between identity and culture, strategy, internal and images. Agile operating model and design thinking process are the concepts proposed that fit closest to the customer centric paradigm. Organizations frequently face barriers like hierarchical organizational structures, limited resources with the right skillset and lack of customer involvement in product development and other projects when they try to adopt agile methodologies. In this case, a structured transformation approach across all organizational units is needed to overcome these barriers.

Chapter 3 describes the methods and the case study of an IT service provider capturing the preliminary strategy and the goals of the digital transformation journey.

Chapter 4 represents the empirical part of this thesis where blockers and enablers of a potential customer centric transformation are validated. Qualitative research is

conducted in an Austrian IT service provider company. The results are used to assess what prevents and what enables the transformation based on the respondents' practical experiences. The qualitative research results in twelve blockers out of which 9 enablers are derived. Generally, the case study confirms that focusing solely on incremental changes alone is not sufficient to produce an effective customer centric transformation and the organizational identity plays a crucial role in transforming the organization. Agile methodologies are deeply interdependent with other elements like strategy, leadership, organizational structure, mindset and embedded in an organizational culture that influences the organization's ability to change and become more flexible.

4.2 Managerial recommendations for implementation

1. Shape the corporate identity as an important means of communicating who the IT organization is to both internal and external audiences
2. Create a transformation vision linked to the university digital transformation goals and make it part of the overall strategy of the organization

Despite the change efforts invested in the operations department, the overall image "who we could be" about customer centricity and implied methodologies is still fragmented within the organization and not all departments are aware of it. In this case, a clearly formulated change vision for the entire organization would support with the necessary guidance for a broader transformation towards customer centricity. The transformation vision does not only include methodological frameworks and initiatives as mentioned in chapter 4.3.2, but also change goals linked to concrete plans in order to improve performance in many areas.

3. Introduction of the design thinking methodology for requirements elicitation process

Methodologies like customer journey mapping and design thinking should be integrated in the requirements elicitation process. In this way, the benefits of the offered products and services from the user perspective will be highlighted, use cases should be brought more in the foreground not only the technical functionalities. A practice of creating different prototypes e.g., minimum viable products (MVPs) and testing them with customers should be established with special attention within the pilot projects. Greater focus must be put on the integration of customer feedback into

the design process of a new product or service offer, in this way decreasing the time to market.

Design thinking is an approach to unlock such opportunities. Tim Brown, CEO of IDEO, defines design thinking as a human-centered approach to solving problems that integrates the needs and desires of users with the possibilities to technology and requirements of the business side. Design thinking methodology is usually used when the information is confusing, where there are many factors, the context is characterized through high uncertainty and complexity, there are many clients and decision makers involved and the ramifications in the whole systems are thoroughly confusing. On the other side, for operational and technical challenges, where the is enough knowledge and historical data that can help build solutions based on past experiences, traditional analytical methods proved to be more effective that design thinking. The steps used in design thinking related to finding deep needs are the following: (1) performing ideation workshops in people's own environment: where interviews and observations of users related to the initial problem are conducted; (2) extracting basic needs: where frustrations, hopes, ambitions and desires of the target people are authentically captured by selecting emotional quotes, inferring its meanings and detect basic needs of the users; (3) grouping basic needs by themes, for example, affinity areas e.g. need areas related to service or price; (4) synthetizing latent needs and drawing insights out of them; (5) reframing the challenge using the "How might we…?" formulation e.g. "How might we ensure that users trust that the organization has given them the best deals?" "How might we accentuate the positives? How might we minimize the negatives?"

Design thinking is an enabler of an innovative culture. Nevertheless, success is not just about the process of doing design thinking; to achieve change, the process must be accompanied by a new way of management, involving a system and culture of innovation. The values and norms of traditional management inhibit organizational renewal. Culture eats strategy for breakfast according to Peter Drucker, unless top leaders drive a program of cultural change.

4. Establish an agile culture across the organization

Agile is the ability to create and respond to change especially in an uncertain and turbulent environment. This mindset based on the Agile Manifesto's values and principles that provide guidance on how to create and respond to change and how to

deal with uncertainty. 2021 the Agile Manifesto was created by 17 independent-minded software developers, the so-called Agile Alliance and represents rather a philosophical mindset for software development area. The Agile Manifesto is composed of 4 values:

(1) "*Individuals and interactions over processes and tools*
(2) *Working software over comprehensive documentation*
(3) *Customer collaboration over contract negotiation*
(4) *Responding to change over following a plan*"[72]

Agile Manifesto values encourage to put people first and stay flexible. Furthermore, 12 principles were derived from the Agile Manifesto that support teams executing with agility:

(1) *"Our highest priority is to satisfy the customer through early and continuous delivery of valuable software*
(2) *Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage*
(3) *Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale*
(4) *Business people and developers must work together daily throughout the project*
(5) *Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done*
(6) *The most efficient and effective method of conveying information to and within a development team is face-to-face conversation*
(7) *Working software is the primary measure of progress*
(8) *Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely*
(9) *Continuous attention to technical excellence and good design enhances agility*
(10) *Simplicity–the art of maximizing the amount of work not done–is essential*
(11) *The best architectures, requirements, and designs emerge from self-organizing teams*
(12) *At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly*"[73]

The principles encourage teams to be customer centric, work in many iterations, promotes psychological safety and self-reflection in teams, coming up with solutions evolved through collaboration between self-organizing cross-functional teams. Agile is about understanding what is going on in the environment, identifying what is clear and unclear and find a way to adapt to the situations in a flexible way as you move forward. The concept of business agility is questioning how managers can structure and operate the organization in a way that allows responding to change and deals

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[72] Agile Manifesto: Understanding Agile Values and Principles. Retrieved November 23, 2022 from https://www.agilealliance.org/agile101/the-agile-manifesto/
[73] Agile Manifesto: Understanding Agile Values and Principles. Retrieved November 23, 2022 from https://www.agilealliance.org/agile101/the-agile-manifesto/

with uncertainty. The agile operating model supports the idea of building innovation teams that have autonomy in their decision-making, thus establishing agile decision-making processes and assigning formal decision rights to the leaders of the team[74].

To become more customer centric, organizations need to embrace the mentioned agile principles not only in one department but across all units, across all geographical locations: rapidly iterating and generating ideas, prototyping, and adapting minimum viable products (MVPs) based on customer feedbacks.

Agile methods do strengthen employee competence and thus supports an excellent customer experience. Agile way of working should be understood as a mindset shift, which is because every employee has the necessary potential and wants to develop further, however the right prerequisites are required for this. Because to build up new knowledge, the employees not only need further training, but also the opportunity for self-development and the development and being part of a culture of mistakes, which allows trust to be built up in one another, where mistakes are seen as "learnings", and which gives the employees more responsibility and decision-making authority. This authority was shifted over the years to the management level. The added value of agile working methods in connection with the customer is often seen in the short testing cycles with the customer and the highly collaborative nature of the framework. However, agility has an even greater effect: it helps to empower employees to develop themselves further, to learn and to significantly increase the customer experience with their own improvement (also in the sense of employee excellence)[75].

5. Skill-building and coaching of organizational members

Product development and service delivery are currently very focused on specifying features and technical functionalities and too little time is invested in understanding real customer needs and translating these needs into product features at the beginning of a project. Given the case, during the initial project phase the project teams could use the methodologies proposed by organizing lead user workshops and translating the findings into customer profiles, value maps and customer journeys. These user workshops could be led by roles like agile champions or change agents

[74] Victoria Bough, Ralph Breuer, Nicolas Maechler, and Kelly Ungerman (October 2020). The three building blocks of successful customer-experience transformations. Retrieved November 4, 2022 from https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-three-building-blocks-of-successful-customer-experience-transformations
[75] Agile Methoden im Customer Experience Management (October 2020). Retrieved from https://digital.pwc.at/2020/10/06/agile-methoden-im-customer-experience-management/.

who can help project teams to apply agile methods and thus support on the skill-building.

To increase employee engagement and personal retainment, ambiguities in the role descriptions and centralized processes must be resolved. Empowering teams to work in a more self-organized way can be enabled by an open failure culture and learning opportunities. The agile mindset should be established within both the current members and those who are being recruited. Therefore, current practices of managing people and hiring new people must be professionalized and the onboarding process should be improved.

To increase delivery, eliminating inefficiency is key. Thus, more effort must be put into the optimization of internal processes and new control mechanisms. Furthermore, giving up the top-down management approach, decentralization of decision-making and empowering the right people within their roles needs to be addressed. At the same time, management needs to shape stronger the corporate identity as an important means of communicating who the IT organization is to both internal and external audiences.

During the transformation journey towards a customer centric paradigm, general design and measures needs to be adapted to local situations but without affecting the basic principles.

4.3 Conclusion

This thesis has meaningful implications and conclusions, contributing to the theoretical knowledge of organizational identity change in case of a transformational event, in this case, becoming customer centric. The research findings of this thesis provide meaningful insights for organizations that seek to become more self-aware of "who they are" (Gioia,1998) as an organization, how they are perceived from the outside and what are the blockers and enables for transitioning towards a different paradigm, in this study, a customer centric paradigm. Based on past research, significant change events often implicate the organizational identity. Identity appears to be connected to so many other key organizational concepts like strategy, culture, leadership, etc. therefore is a must to get a theoretical overview on these linkages. I believe that the transformation model created based on the research findings in this thesis (p.54 Figure 21) can serve as a basis for further research concerning the main topics organizations should tackle when undergoing a transformational event.

As explicitly stated by Kevin G. Corley and Dennis A. Gioia:

A fundamental change in the way an organization conducts its business, such as implementing a customer centric initiative, requires a fundamental change in how the organization thinks of itself and solely by changing the organization's identity could a top management team successfully implement the radical transformation that the customer centric initiative requires (p.3).

The findings of this study also indicate that the roles played by the culture and strategy are important pillars for the study of organizational change processes. The findings and the transformation model serve as an empirical step toward understanding the essential factors influencing organizational change in general, and organizational change towards a customer centric paradigm, in particular.

It is a big and courageous step for any company to undergo a change taking into consideration all the blockers on the way, in particular the culture and mindset of all stakeholders that needs more time to be changed. The need to understand the blockers and enablers behind a transformational change event became vital for researchers. Organizations should learn to stay flexible to cope with the complexities of the digital era but on the other side stay aligned to the overall strategy and care about the people and the culture they form.

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List of abbreviations

CX   Customer Experience

UX   User Experience

MVP   Minimum Viable Product

R&D   Research & Development

ZID   Zentrale Informatik Dienst

KPI   Key Performance Indicator

POI   Perceived Organizational Identity

SOP   Standard Operating Procedure

Appendix A: Design Thinking readiness assessment[76]

A team of bright minds define in their study "Can design thinking succeed in your organization?" published in the MIT Sloan Management review (2022) a possible design thinking readiness assessment based in which leaders are able to assess whether their organization is ready for design thinking. They highlight the fact that design thinking can support many aspects of change, even business strategy. However, also their advice is to not push design thinking where traditional problem-solving methods usually do.

Dimension	Design Thinking principle	Assessment questions
Purpose	The organization puts users (such as customers or employees) first.	Does your organization prioritize user experiences over traditional performance goals? Does your organization empathize with users' problems and actively seek out users' point of view?
Collaboration	The organization encourages work in cross-functional teams	Do members of your organization have a high level of trust in people from other departments or functions? Do members of your organization work together to achieve common goals rather than representing their department's (or their own) interests only?
Work style	The organization is informal and flexible	Does your organization allow for a flexible and informal style of working and form networks or teams to create solutions to business problems? Do members of your organization practice what-if-scenarios or allow discussions to go "off the rails"?
Thought process	Decisions can be based on hypotheses when information is limited or uncertain	Does your organization tolerate ambiguity when making decisions? Do individuals in your organization feel comfortable with (or even excited by) uncertainty?

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[76] David Dunne, Theresa Eriksson, Jan Kietzmann (2022). Can design thinking succeed in your organization? MIT Sloan Management Review

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Knowledge generation	*Stories are valued as a way to understand customers*	*Is your organization open to using both qualitative (numbers) and quantitative (stories) kind of data?* *Does your organization employ user stories to inform its decisions?*
Constraints	*Constraints provide structure for creative problem-solving*	*Do individuals in your organization treat constraints as opportunities rather than reasons to stop trying?* *Are individuals in your organization inherently optimistic and energized by difficult problems?*
Failure	*The organization encourages people to experiment and learn from mistakes*	*Does your organization encourage experiments, even when they might fail?* *Does your organization have a formal process to analyze and learn from failure?*
Workflow	*The organization enables individuals and teams to explore alternatives to business as usual*	*Does your organization give individuals time away from day-to-day demands to work on exploratory projects?* *Do individuals in your organization have time, energy, and motivation to work on projects outside of their normal routine?*

Appendix B: Design Thinking process
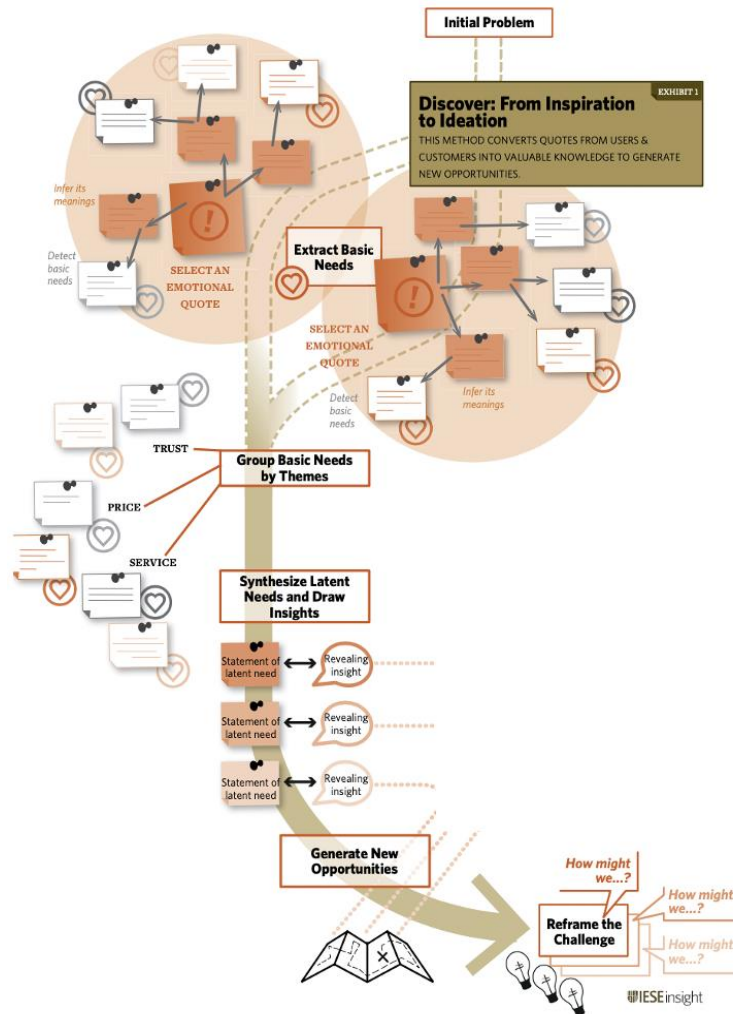
Figure 22: From identifying needs to generating opportunities[77]

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[77] Joaquim Vilà and Xavier Camps. IESE Business School insight. From identifying needs to generating opportunities