"The Robots Are Coming": Caught Between Two Worlds in a Cultural Change Process

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Abstract

This study aims to provide insight into cultural change processes within mature organizations given an increasingly digitalized business environment. Therefore, we take the reader inside ScandiBank, a large Scandinavian financial organization with around two-hundred years of organizational history. The study is rooted in an interpretive research paradigm, and the data was gathered through semi-structured interviews. Firstly, the study sheds light on ScandiBank's efforts to craft a narrative around Artificial Intelligence by presenting it as a grand solution, humanizing the technology, and sending an underlying "comply or else" message. Secondly, our findings acknowledge that these efforts at initiating cultural change appear to be working to some degree. However, several tensions emerged during our investigation in the form of doubt and fear, siloed thinking, a power struggle, an uncertain future, and organizational misalignments. A discussion on these findings draws on the idea that ScandiBank finds itself caught between two worlds, leading to the conceptualization of a culture which cannot let go of its past and move forward into a new digital reality. Therefore, our study contributes insight into cultural change in mature organizations given an increasingly digitalized business environment by furthering our understanding of the underlying mechanisms which may complicate and hinder cultural change processes.

Keywords: organizational culture, cultural change, mature organization, digitalization, Artificial Intelligence

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- Jen and Sandrine

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1. Introduction

This section will present the theoretical background for this study and place it into a more generalized context. Additionally, we will argue for the study's relevance and contribution to theory and practice.

1.1 Background

Digitalization is fundamentally changing the way people live and work. As new technologies like Artificial Intelligence are introduced, supporters of its implementation claim that it has the potential to fundamentally reshape industries, the way organizations operate, and how they interact with customers. These new technologies are often hyped up in the media, and many large corporations publish content highlighting the focus they put on technology. This grand talk often associated with this new digital business environment piqued our interest to take a closer look at the changes organizations go through in light of new technologies. It was especially interesting to us in the context of mature organizations because they are often assumed to have rigid structures and inert organizational cultures which may cause issues in organizational change efforts. Therefore, the theoretical background of this study is grounded in change management and organizational culture theories.

According to literature, organizational culture is defined as a complex, ambiguous phenomenon created through social interaction between organizational members (Alvesson & Sveningsson, 2016). The effects of digitalization touch every industry and business in such a way that a culture's inherent comfort with change has become an essential capability in order to survive in a digital world (Gimpel and Röglinger, 2015). Research often suggests that large, mature organizations can be characterized by hierarchy, rigid structures, along with inert organizational cultures, therefore making them less inclined to change (Mintzberg, 1978; Burns & Stalker, 1961). Much research has been conducted on mature organizations and the implications a stable, rigid culture and structure may have on the ability of such an organization to respond to changes in the environment (Beatty & Ulrich, 1991; Mintzberg, 1978; TenBrink & Gelb, 2017). Following this, scholars' suggest that such organizations could benefit from a culture characterized by openness to change,

collaboration, flexibility, and experimentation in order to support new technology (Learnovators, 2016; Harper & Utley, 2001; Beatty & Ulrich, 1991). This leads us to the problematization of the situation mature organizations may find themselves in light of digitalization.

1.2 Problematization

In the context of a "post-bureaucratic era" (Annosi and Brunetta, 2018), organizations seem to strive to implement changes which will instill certain characteristics, both culturally and structurally, bestowing upon them an inherent ability to accept change, be flexible, collaborate, and yet still maintain steady success (Annosi and Brunetta, 2018; Harper and Utley, 2001). Organizations (mature or otherwise) need to organize both in order to maintain order and efficiency as well as facilitate for innovation and developments, i.e. effectiveness and balance (Palmer, Dunford, and Buchanan, 2017). Such attempts at implementing what seems like an idyllic organizational culture may be especially problematic in the context of a mature organization with historically grounded, conservative and ingrained organizational cultures. The perceptions of organizational members during these change processes become important because people tend to hold on to decidedly outdated values, narratives, identities, or mindsets which they may have utilized for a long time to create meaning of organizational activities. (Sveningsson and Sörgärde, 2014; Alvesson and Sveningsson, 2016). In line with this, according to Lawson and Price (2010), a shift in mindset is crucial to the success of organizational change, and due to the challenges mature organizations face in change processes, an organization which theory generally describes as rigid and stable attempting to create new meaning for their employees by departing almost entirely from this characterization is theoretically interesting to study. As explained above, theoretical assumptions about mature organizations' rigidity and inertness permeate the conventional literature, and it is important to examine this empirically to understand how such organizations cope with these challenges in practice. Looking at mature organizations in a digitalization context sparked our interest in the change processes they may go through, therefore leading us to the purpose of pursuing this topic.

1.3 Research Purpose

The relevance of our study is derived from the literature's typically unfavorable diagnosis of change management in mature organizations and the challenges associated with this. It is especially interesting to consider the changes these organizations attempt to go through in order to stay relevant in today's business environment in terms of organizational culture because of long-standing cultural norms and the transformative nature of the changes. It is therefore the aim of this study to contribute academic insight into cultural change within mature organizations given an increasingly digitalized business environment. Additionally, we pay special attention to the perceptions and interpretations of employees in an attempt to paint a more complete picture of organizational cultural change within mature organizations. This research purpose therefore leads us to the following research questions:

1. How do mature organizations attempt to manage cultural change in light of an increasingly digitalized business environment and what are the results of these attempts?

1.4 Disposition

Following the introduction, the second chapter aims to outline the theoretical basis for our study by describing the main concepts used to discuss our findings and discussing differing views or critiques on the literature. This will provide the reader with the guiding knowledge needed to understand and follow our logic throughout the rest of the paper.

Chapter three will explain our methodological approach to this study. We will first present our philosophical groundings, the research approach, data collection and interpretation processes, as well as possible limitations to our research and how we establish a credible study. Our reasoning behind choosing our research approach will also be explained.

The fourth chapter will present the first part of our findings, providing stories and explanations from our interview participants in order to gain insight into how mature organizations shift into a digital mindset. Chapter five then presents the second part of our findings detailing the perceived results of these attempts.

Chapter six presents our interpretation of the findings provided by our interview participants. We analyze the material by relating it back to the relevant literature in order to reveal contradictions and unintended results of the change agents' actions.

The seventh and final chapter will conclude the thesis and explain the theoretical and practical contributions this project provides. Suggestions for further research will also be presented.

2.   Theoretical Background

The aim of this section is to outline the theoretical basis for our study. We will primarily discuss organizational culture and change. Specifically, we will discuss theories behind managing cultural change, the role organizational culture has on technology implementation, and the impact of digitalization on organizational culture.

2.1 A Planned Approach to Change Management

 In the change management literature, there are many different lenses through which a change process can be viewed. According to Bamford and Forrester (2003), there are two broad schools of thought in the organizational change literature which these varying lenses fall into. One side views change as something which can be planned where organizations can move from one state of being to the next through a series of planned steps. These models and theories build off of the work of Kurt Lewin's (1951) "three-step model, which says organizations are stable, "frozen" entities until a destabilization, or "unfreezing" happens. The other side argues for emergent change, which is characterized by a continuous change timeline happening in real time and a consideration for the messiness of change processes (Wilson, 1992; Dawson, 1994). Although there are many theories and ideas about change, the literature on change management has previously been dominated by the concept of planned change (Bamford & Forrester, 2003). Scholars and practitioners alike have formulated so called "recipes" which define linear stages of a change process with an "n" number of steps (Palmer, Dunford, & Buchanan, 2017). The purpose of these planned change "n-step models", such as Lewin's three-step model or Kotter's 8-step model, is to simplify the change and break it down into clear, manageable stages where change agents can attempt to plan and anticipate future challenges (Palmer, Dunford, & Buchanan, 2017). However, because of the arguably oversimplified nature of these models, several points of criticism have emerged in regards to making change processes seem more clear-cut than they are in reality.

No change process is perfect or easily simplified, so scholars criticize planned change models for viewing organizations as something inherently stable and failing to include consideration for past events and future maintenance of the implemented changes (Alvesson & Sveningsson, 2016;

Palmer, Dunford, & Buchanan, 2017). According to Hart (1999), change processes following a programmatic format are grounded in an ideal which may be difficult to reach and potentially cause change failure. Therefore, critics of the conventional view of planned change say it may be more productive to think of planned change as a processual and local phenomenon which acknowledges individual, group, organizational, social, and political influence over the nature and outcomes of a change process (Pettigrew, 1985; Dawson, 2003). Although planned change does to an extent take organizational context into consideration, rather than understanding change as something which is influenced by a complex web of past and future contextual factors, it is seen as occurring in isolation from these and only considers factors which are perceived to be immediately relevant to the implementation (Palmer, Dunford, & Buchanan, 2017). For this reason, planned change models may be limiting because they underestimate the messiness of change and oversimplify the process by viewing the organization as a stable entity which then becomes unstable. Therefore, taking a processual perspective to change brings employee interpretation, historical organizational context, and political processes into the forefront which may aid in understanding the complex nature of change.

2.2 Culture

The concept of culture has broad application and an extensive body of literature. Although there are many definitions of culture, Alvesson and Sveningsson (2016) define it as an abstract, oftentimes ambiguous phenomenon which happens between individuals who share common meanings and values. In addition, Hofstede, Neuijen, Ohayv, and Sanders (1990) describe culture as socially constructed, soft, and difficult to grasp. Culture has been studied in a plethora of different contexts, but generally the main purpose of organizational culture is to cultivate shared meanings and understandings between individuals of how work is done which guides organizational activities and behavior (Alvesson and Sveningsson, 2016). According to literature, large, mature organizations may struggle during times of change. Conservative organizational cultures and complex organizational structures make implementing change challenging. According to Burns and Stalker (1961) there are two types of organizational structures, identified as mechanistic and organic organizational structures. The first is more bureaucratic and hierarchical, while the other is more ad hoc and flexible. They go as far to say that the

characteristics associated with an organic structure are necessary for change to occur, whereas in a mechanistic structure, change is less likely to succeed (Burns and Stalker, 1961). This view is supported by Mintzberg (1978) who says that as a result of formal roles, organizational silos, and bureaucracy, mature organizations experience difficulty in dealing with fluctuations in the environment. However, this may assume that as long as an organization possesses certain characteristics, change processes will certainly result in success. Other factors such as time constraints, economic pressures, lack of resources, or a competitive business environment could affect the outcome of a change process independent of organizational attributes (Palmer, Dunford, & Buchanan, 2016). Because culture is the guiding force for how organizations behave, culture may have an influence on the organization's response and willingness (or lack thereof) to respond to these external pressures (Hult, Ketchen, & Nichols, 2002; Senge, 2006).

Organizations are subject to pressure from the external environment which may affect the operating climate in which they exist. Depending on what is happening around them, whether it be a new competitor, international market fluctuation, new technologies, or new government regulations, organizational cultures need to be conducive to change within their environments in order to survive. According to Alvesson and Sveningsson (2016), organizations are subject to fluctuations in the environment which require changes to be made. However, they also note that organizations sometimes tend to simply follow along with trends based on what they see as popular and important for success (Alvesson and Sveningsson, 2016). Nevertheless, organizations that are more prepared for changes in the environment may be more likely to survive in the long term than an organization which remains rigid (Worley & Lawler, 2006).

Organizational culture acts as an indicator for how an organization will react to changes (Hult, Ketchen, & Nichols, 2002) and culture can also inform people's behavior during the change process (Alvesson & Sveningsson, 2016). Although an organizational culture which is prepared for and conducive to change is vital to the success of a transformation, it can be a barrier to a successful change process (Palmer, Dunford, & Buchanan, 2017). Organizational cultures which can be characterized by elements such as mistrust, lack of communication, and rigidness, may contribute to the failure of change initiatives. In a competitive business environment where seemingly constant advancements in technology have impact the external and internal business

environments, organizational culture can also hinder organizations from being able to keep up with and adapt to new technology.

According to Tuggle and Shaw (2000), organizational culture is the main barrier to successful technology implementation. The organizational culture may contain aspects which would hinder the acceptance of any new technology implementations, in which case the organization needs to prepare the culture in order to facilitate the changes. However, new technologies and ways of getting work done emerge every day, and sometimes it may be hard for organizations to keep up. Cultural changes do not happen overnight, and cultural change agents risk facing challenges in getting a new culture implemented if they try to move too quickly (Alvesson & Sveningsson, 2016). Furthermore, according to Palmer, Dunford, and Buchanan (2017), organizations may be racing against competitors to implement the latest and greatest technologies with little time to stop and consider the cultural implications before the next technology advancement emerges. Therefore, in a competitive business environment where new ways of serving customers, becoming more efficient, or saving money emerge daily, organizational culture may suffer because it lags behind as a result of organizations attempting to win the technology race.

Although winning the race and being able to keep up with technology advancements the fastest can be seen as a competitive advantage, if the organizational culture is neglected in the process, it does not matter how quickly organizations can keep up because it could cause the implementation to fail (Palmer, Dunford, & Buchanan, 2017; Alvesson & Sveningsson, 2016). According to Leidner and Kayworth (2006), in order to facilitate successful technology implementation, there needs to be alignment between the organizational culture and the technology. Organizations which show evidence of supporting autonomy in employees, a trusting environment, flexibility, and openness are better prepared to implement new technologies than organizations who value rule-orientation and the status quo (Harper & Utley, 2001). Therefore, organizational culture prepares organizations to accept and implement technology.

2.3 Managing Cultural Change

According to Alvesson and Sveningsson (2016), organizational changes and cultural changes are not always mutually exclusive. When you have one, you typically need to engage in the other as well. Therefore, if change initiatives within an organization seem to be dysfunctional, then culture can serve as a useful lens to analyze and understand which behaviors and activities may cause issues in organizational change initiatives (Palmer, Dunford, & Buchanan, 2017).

As discussed previously, organizational culture is seen as a social construction where mindsets and norms guiding behavior emerge overtime through people interacting with each other. Because culture emerges through these interactions in what seems to be a rather uncontrolled way and is influenced by people's varying interpretations, perceptions, meanings, identities, and beliefs, scholars question whether cultural change can be intentionally managed and controlled. According to Alvesson and Sveningsson (2016), there are three general views on whether or not intentional cultural change management is possible. The first states that under ideal circumstances with an ideal set of skills and resources at a change agent's disposal (in this case, top-management), having strong influence over an intentional cultural change initiative is possible. The second view notes that achieving this is difficult due to the variation in interpretation of cultural change messages, giving top-management only moderate influence over cultural change. The third view sees culture as unmanageable where change agents have limited influence over cultural change because one cannot control how a message recipient interprets a change message, and each interpretation is going to vary from person to person.

Whether one sees culture as manageable or not depends on the perception of what culture is. If a change agent defines culture as a deeply-ingrained and complex phenomenon, then it will be perceived as more difficult to change than a culture which is seen in simpler and narrower terms (Alvesson & Sveningsson, 2016). While it may be superficial to say culture can be simplified into a narrow set of characteristics, saying a culture is too complex for anyone to have any influence over it may also be unproductive. Therefore, the possibility of cultural change effectively happening is highly context-dependent and does not exist in an objective reality. Managing cultural change may then be possible, but only to a certain extent. A change initiative can be managed

intentionally, however, the varying interpretations among organizational members of the cultural change will affect how the culture manifests over time and should be taken into consideration during the implementation process. So, change agents may need to remain reflexive and consider culture's complexity without succumbing to the notion that influence over it is needed in order to effectively instill cultural change.

Oftentimes in change processes, organizational culture is treated as a homogenous, cohesive mindset where interpretations of the culture among organizational members are relatively similar. However, this assumption should not be taken for granted. Because of the variation in interpretations among organizational members, subcultures may emerge as a result (Alvesson & Sveningsson, 2016). Subcultures are important to take into consideration because they may complicate a cultural change process. Because the existence of subcultures points to differences in interpretations of organizational activities, subcultures may also interpret messages regarding cultural change in unintended ways by the change agent. However, subcultures may not necessarily be a negative thing because this then indicates diversity of thought within the organization which may prevent groupthink.

The implementation of cultural change may be further complicated by people's tendency to hold on to values and meanings which are important to them but may not be relevant in a new cultural context (Alvesson & Sveningsson, 2016). Shifting mindsets and navigating away from ingrained cultural values may complicate cultural change initiatives because it could cause resistance among organizational members, potentially hindering the process from moving forward. However, it is important to note that resistance, although referenced as a problem in change initiatives by some scholars, can also be used to the change agent's advantage (Palmer, Dunford, & Buchanan, 2017). Depending on the change agent's perception of employee resistance, disagreements with how the change is being carried out may open up opportunities for dialogue and involving the organizational members.

In recent years, scholars have highlighted the significance of language and narratives in change projects (Grant & Marshak, 2011). The use of narratives and stories during change processes is seen as helpful because change agents can use them to have influence over employee meaning

making of the changes (Smircich & Morgan, 1982). Furthermore, Brown and Humphreys (2003) argue that these narratives and stories are both an expression of and a tool which forms employee meaning making and understanding. Because change processes often create ambiguity and uncertainty, employees tend to fill any gaps in meaning through creating their own stories about the change or drawing on cues provided by management or change agents (Alvesson & Sveningsson, 2016). Ford and Ford (1995) go as far to say that conversations and narratives are the very context in which change occurs, anchoring the importance of communication and speech in bringing about intentional change. Therefore, Thomas, Sergent, and Hardy (2011) argue that change processes should not be viewed as an objective reality but rather as an outcome of different stories and individual and collective experiences. This supports the argument presented by the processual view of change which takes into account the emergent aspects of change such as peoples' everyday decisions, communication, and talk, regardless of if it is planned or emergent (Sveningsson & Sörgärde, 2015).

There are two views when it comes to the question of how to accomplish organizational culture change. Labelled as the 'grand technocratic project' (Alvesson, 2013), the first view is based on the assumption that large-scale cultural change can be achieved by carefully following predefined steps. In this context, Alvesson and Sveningsson (2016) further mention potential measures which may be helpful in achieving a cultural transformation, for instance, new recruitment procedures, training programs, or performance appraisal programs that are in accordance with the new culture.

However, the grand technocratic view may be problematic because culture is treated as a homogenous phenomenon that can be changed by executing carefully planned steps. It is rather unlikely that all messages are interpreted in the same way. The second view of cultural change which is described by Alvesson and Sveningsson (2016) as the 'reframing of everyday life' takes this limitation into consideration. Within this approach cultural change is seen as informal and ongoing and the new culture is said to be shaped through renegotiation and reinterpretation of meaning. Although the grand technocratic approach and the reframing of everyday life approach are opposing, they are not necessarily mutually exclusive. Alvesson and Sveningsson (2016) point out that managers may want to introduce an official change program, but support local change work that is open to adaptations. Or, a change program may be initiated locally and is then picked

up by management because it is seen as relevant for a larger part of the company. Thus, a combination of both views is not unlikely in approaching and managing organizational culture change.

2.4 Digitalization

The literature about the effects of digitalization on job markets, ethics, organizational identity, and how work is carried out spans every industry and profession from politics to healthcare (McLoughlin, Garretty & Wilson, 2017; Nylen, 2015; Vogelsang, 2010). The current digitalization literature is characterized by a general assumption that people are skeptical or distrusting of technology (Allwood, 2017). Humans have the ability to empathize and connect with other humans whereas technology does not. The assumption is that *dehumanizing* work by automating work tasks is a negative thing because of the implications of this lack of human connection. Although the implementation of AI technology can be categorized as a type of digitalization, the *humanization* of this technology distinguishes it from past innovations. The hype, promises, and hope surrounding AI and its ability to disrupt archaic processes across industries also separates it from any technological development we have seen previously. However, people also feel skeptical and may not fully trust the hype of AI technology (Commins, 2017).

In order for mature organizations to compete in this new environment, it may be necessary to undergo a process of unlearning everything they knew to bring success. Smith and Berg (1987) note that when what may have been a useful mindset is rendered ineffective, the persistence of that mindset makes people stuck. Therefore, according to Lawson and Price (2010), a successful change process involves convincing people to change their mindset, or in other words, the way they think about their work. Mindset shifts involve changing behavior on a practical level and aligning organizational activities with the new mindset (Lawson and Price, 2010). As organizations become increasingly digitalized, companies are encouraging employees to adopt what is called a "digital mindset." This term is generally used to describe a way of thinking characterized by comfort with uncertainty, collaboration, openness to change, and experimentation (Learnnovators, 2016). It also describes a fundamental shift in the way people look at technology. Instead of thinking about technologies as fitting into the current organizational structures, someone

with a digital mindset "understands the power of technology to democratize, scale and speed up every form of interaction and action" (Learnnovators, 2016). However, this term has no single definition or list of characteristics associated with it, leading to a rather ambiguous and unclear image of what a digital mindset actually means. This term is used by organizational leaders rather loosely to describe a decidedly disruptive shift in mindset but what this means or looks like is unclear and not entirely grounded in practice. Therefore, an important part of attempting to establish a digital mindset is aligning organizational activities, processes, and procedures to the values associated with this digital mindset.

In order to discuss Artificial Intelligence as it relates to establishing a digital mindset, it may be helpful to introduce the reader to the different types of AI technology. As explained by Añover (n.d), it is common to distinguish between four types of Artificial Intelligence. The first type is purely reactive, meaning that it acts solely on what it sees in a particular situation. While this type cannot draw on past experiences, the second type of AI takes into account some past information and connects it with preprogramed representations of the world. Examples of this are self-driving vehicles and chatbots. The third type is capable of understanding and expressing emotions and is able to interact socially. This type has not been created yet but it is typically the image people have when they think of AI. A well-known example is Sonny from the movie I, Robot. The fourth type of AI is self-aware and able to reflect upon their internal state. This type can make inferences on an abstract level and it outperforms human cognitive and emotional intelligence. ScandiBank implements many different AI systems of advanced technology, such as chatbots, fraud detection algorithms, and recommendations regarding the financial market which all fall into the first and second type of artificial intelligence technology.

3.   Methodology

This chapter will begin by introducing the reader to the philosophical grounding of this study. Next, we will offer a discussion of our data collection and analysis methods. This section concludes with comments on the limitations and credibility of this study.

3.1 Research Approach and Philosophical Grounding

Our objective to understand how mature organizations attempt to manage cultural change in a digitalized world and the results of these attempts is grounded in the necessity to gain knowledge about the perceptions of actors involved in the change process or individuals affected by the changes. This aim is grounded in a social constructivist epistemology which is based on the assumption that truth does not exist in an objective world, rather meaning is constructed through individuals' interactions with their environment (Crotty, 1998). In other words, meaning is not discovered but created through interpretation implying that numerous diverse views on one and the same phenomenon may exist (Grey, 2014). In line with this, we further ground our research in the interpretivist research tradition which takes the individual's experiences and perception of reality very seriously (Holstein and Gubrium, 1993). Accepting that organizational culture is a socially constructed phenomenon rather than an objective reality, how an individual subjectively experiences reality is important to consider when attempting to understand efforts and outcomes of managing cultural change.

Based on this research paradigm, we aimed to study the attempts at managing cultural change by following a qualitative research approach because we were able to gain an in-depth understanding on individual employees' feelings, concerns, and perceptions of the change process and its outcomes. Because the interpretive tradition emphasizes the viewpoint of the individual and is based on the subjective meaning of social action (Bryman & Bell, 2015), interviewing people and discussing the things which were most important to them assisted us as researchers in understanding how attempts at managing cultural change are carried out. Additionally, we took an abductive research approach to our study which provided us with the opportunity to remain receptive to emergent aspects (Styhre, 2013). Consequently, the empirical and theoretical framework were continuously modified during the research process as we discovered new and salient themes in the data.

3.2 Data collection

The primary empirical data of this study consists of eight semi-structured interviews. Our decision to conduct the interviews in a semi-structured manner is grounded in our interest to produce comparable data while at the same time allowing for flexibility to discuss themes important to the interviewee. Thus, each interviewee was asked a set of eight predetermined but open-ended questions of which six were identical to everyone and two were role-specific. The interviews were conducted by both researchers and lasted between 60 to 80 minutes. Furthermore, all interviews were recorded with permission of the participants and transcribed within two days.

Because our research objective is to understand how mature organizations attempt to manage cultural change in a digitalized world and the results of these attempts, it was important to gain insights from multiple groups of organizational members engaged in the AI implementation process. The purpose of this is to create a more robust data set by providing insights from multiple parties (Alvesson & Schaefer, 2017). Consequently, we established two requirements for the selection of our interviewees: Firstly, the interviewees had to have been involved at the time of the interview with the implementation of AI, or they were involved in this process no longer than one year prior to the interview. Secondly, the selection of teams and individuals had to contribute to an overall diverse group of interviewees meaning that the final group of interviewees consisted of organizational members involved in various stages of the technology implementation, from the implementation experts to the people who will used it every day in their work.

Because the organization we studied had several teams working on projects related to Artificial Intelligence, we decided to interview several people from different teams in the attempt to get a well-rounded understanding of the phenomenon under study. Specifically, we interviewed two people from a team consisting of AI strategists who were mainly concerned with identifying problems that could possibly be solved by implementing AI technology. Furthermore, we interviewed one skilled machine learning expert who worked on the programming of the new technology, one former robotic process automation team leader, one team leader responsible for AI project management, and one former communications specialist who set up an official communications strategy. These six interviewees had in common that they were all directly

involved in the AI implementation process and the communication about the technology. Thus, they all assumed the role of an informal change agent. In addition to that, we strove to gain an insight from someone affected by the changes. For that purpose, we interviewed an employee who had taken the opportunity to reskill himself to prevent being laid off as a result of job elimination related to AI implementation. Furthermore, we interviewed one executive leader with the aim to get a better understanding of the bigger picture and the context of the change. For confidentiality reasons, we replaced the company name with the pseudonym ScandiBank and further provided anonymity by using fictive names throughout our analysis.

Because the majority of interview participants work remotely, our interviews were mainly conducted in public spaces close to the interviewees' homes. This gave us the chance to learn about the organization and the research topic in a more laid-back informal atmosphere, thereby interviewees may have felt more comfortable and willing to share as a result. The negative consequences of this will be discussed in the limitations section.

In addition to conducting interviews, we collected secondary data which mainly consists of material used to communicate about AI implementation, such as company blogs or internal documents. While the company blogs are accessible to the general public via the company's website, information from the Intranet was provided to us by our contact person. The obtained secondary data complements our primary data in the way that it allowed us to compare and contrast information we gained during the interview with more official material used in the change process.

3.3 Data Analysis and Interpretation

3.3.1 Site Description - Why ScandiBank?

Our logic for selecting the partner organization for this study was twofold. In order to study organizational cultural change in a mature organization in light of digitalization, it was important for the organization to show investment in digitalization and Artificial Intelligence technology by assigning entire departments to the development of AI technology. The company also needed to have widespread implementation so people working outside of IT and other departments were

aware of its presence and interacted with it in their daily work. ScandiBank was a logical choice because AI had been present for several years within the organization, but was new enough to where people were at the time of this study still learning about the technology and its role in the way work got done. We came into the organization as the implementation process was still happening in real time.

In order to understand the technological and cultural change processes at ScandiBank, one must consider the context in which the company is operating. ScandiBank is the result of the merging of several banks from the Nordic region. Their acquisition portfolio consists of around 300 different financial services organizations. In addition, ScandiBank recently went through a formal organizational cultural change in 2016 where new company values were introduced and a new way of working was piloted in an attempt to create "One ScandiBank". The new values were Courage, Collaboration, Ownership, and Passion. Although the change process formally ended in 2017, the cultural implementation work was still ongoing at the time of this study. Furthermore, the introduction of Artificial Intelligence technology and digitalization were also still ongoing. Because AI implementation and the new organizational culture came around the same time, it gives us the perfect opportunity to analyze how organizational culture is managed in light of digitalization.

3.3.2 Data Analysis

According to Boisot (1998), the process of analyzing empirical information is oftentimes messy and unpredictable. In line with this, the analysis journey on which our collected empirical data brought us occurred in a nonlinear fashion. Moreover, Creswell (2003) argues that the analysis and collection processes are not so easily separated. This is illustrated through the interview process where we found ourselves making preliminary evaluations about the information before the transcription process began. As we collected the data, we were already identifying themes and statements which we saw as relevant to answering our research question. This provided us with an opportunity to discuss interesting points directly after the interview was finished and do a preliminary analysis about the statements before formally writing our thoughts down on paper. The information remained fresh in our memories during the discussion, which allowed us to

identify relevant pieces of information already during the transcription process. Therefore, the fluid nature of our analysis process allowed for real-time interpretation of the empirical material.

3.3.3 Transcription

The interview process was spread out over the course of several weeks, so we typically did not have more than one interview in one day. After the interview and post-interview discussion was complete, we would take turns transcribing each interview. The transcriptions were first recorded verbatim in order to ensure all empirical material was written in its raw form. Then, because conversations often contain incomplete thoughts and sentences, we edited the transcriptions for clarity and sentence structure while not compromising the integrity of the content itself.

3.3.4 Coding

After gathering and transcribing the information, we each read the material once over individually to become familiar with the text and identify initial points of possible interest within the transcript. By engaging with the text separately, we were able to begin identifying themes and forming ideas for categories on our own which allowed for the emergence of different interpretations of the information. Through this separation, we were able to evaluate the information independent of influence from the other researcher. Then, after reading the transcript, we would come together and discuss what we found. We identified similarities and differences within our initial interpretation of the material and engaged in what Strauss and Corbin (1998) call *open coding* by determining the key concepts and terms occurring throughout the interview transcripts and applying meaning to them within the context of our study. After intimately discussing the material and classifying the information into categories, we were able to engage in the *axial coding* phase where more salient, detailed themes emerged, creating subcategories (Strauss &Corbin, 1998).

After examining the themes, keywords, and contradictions within the text, we then sorted the information into the relevant categories. This was done by creating a chart on a whiteboard with the labels listed. Then, based on the characteristics of each statement, sorted the interesting and important quotes from the interviews into the appropriate category. Creating a visual representation of the information helped us identify key differences and similarities within the

quotes which allowed for a more nuanced analysis because connections and patterns could be more easily made sense of. It also allowed us to "tinker" (Styhre, 2013) with the material by moving things around and repurposing the quotes which provided the opportunity to establish possible connections we may not have otherwise noticed. This process challenged any previously held assumptions we may have had about the material and how it was to be used. Because of the fluid nature of the analysis process, we were constantly moving back and forth between the empirical material, our interpretations, and existing literature which also allowed us to remain receptive to emergent connections and interpretations.

3.3.5 Establishing Connections, Theorizing, and Constructing Arguments

Throughout the analysis process, it was important for us as researchers to remain open when engaging with the empirical material in order to be receptive to emergent themes, connections, and patterns. We established these connections by drawing mind maps and modeling our interpretations of the data. This helped us to construct our arguments and form the basis of our key findings. Finding these connections within the material required a fusion of discipline and creative thinking, and theorizing on these integrations was a challenging and highly personal process (Swedberg, 2012; Weick, 2005). Therefore, the purpose of our empirical findings and theoretical contributions was not to declare objective facts, but rather present our point of view and argumentation for the relevance of our perspective (Styhre, 2013). We aim to present our findings in a way which clearly depicts our understanding of the material, yet invites the reader to reflect on their own interpretations of the presented data. This aim also reflects our attempt to craft a trustworthy study. In line with this, we have laid out some potential limitations of this study.

3.4 Limitations and Credibility

There were several limitations to this study which were inherent to our research design. Firstly, the time constraint of nine weeks may not have allowed us to draw as comprehensive a picture of how ScandiBank attempts to manage cultural change as a longer-term study. Therefore, we may have missed some important cues that could have emerged in a long-term, ethnographic study. For

instance, as stated by Alvesson and Schäfer (2017), employees' talk and observed behavior quite often diverge in significant ways, however, due to the time constraint we were not able to conduct extensive and in-depth observations to study this. Moreover, our decision to use interviews as our main source of data involves the limitation that participants might have answered a question in the way they think their organization or the researchers expects them to answer it. In the attempt to minimize the above-mentioned risks, we made an effort to ask follow-up questions when appropriate and challenged the participants' statements to address any contradictions.

Another limitation to our study is related to the selection of interviewees. Even though we were given the opportunity to select the teams whose input we thought could be valuable, the individual participants were chosen by our contact person. This could be a limitation in the way that the selected interviewees might have had a more positive attitude towards Artificial Intelligence implementation than other employees working in the same team.

A third limitation to our study is that the majority of interviews were conducted in public spaces away from the corporate office. While this setting may create an informal atmosphere in which interviewees are more open about possible issues, we are aware that their responses could be distorted because we were not able to interview them in a space they normally work in, such as a corporate or home office. However, due to the fact that some of the interviewees work remotely, they usually do not spend a lot of time at the corporate office which is why this limitation may not have had a significant impact on the data.

The final limitation to be addressed is that the interviews were carried out in English which was not the interviewees' first language. This may have had an effect on their responses or the vocabulary used. For instance, they may have said something without realizing how it sounded, and it is possible that the interviewees were not as confident in communicating complex issues when speaking English. However, English was used as the corporate language at the organization, therefore, it can be said that language barriers may not have distorted the data to a great extent.

Apart from reflecting upon our limitations and attempting to find ways how to minimize them, we further engaged in different types of source critique with the intention to make our study more

credible. In line with Alvesson and Schäfer's (2017) advice on how to engage in intra-source critique we strove to evaluate our interviews in their entirety, meaning that we paid attention to the contextual influences which may have impacted statements made in the interviews. As a result, we treated certain statements made by interview participants with caution. For example, we occasionally felt that the participant's statements fell into the category of vague buzzwords or management lingo, such as *enabling dreams and everyday aspirations for the greater good*. Consequently, we instantly asked the interviewees to specify how they understand these terms in relation to their statements.

Moreover, as suggested by Alvesson and Schäfer (2017) we also engaged in extra-source critique by consulting people who could verify statements of interviewees as well as by comparing and contrasting accounts with relevant organizational documents. In the attempt to verify statements and obtain largely unbiased information, we chose to interview two people who served as relatively distanced sources. Both employees had worked with AI implementation in the past; however, one has switched roles within the organization and the other one has left the company. Although we are aware that this sample size is very small, these interview accounts complemented our data in the way that the interviewees may have been able to explain the change process from a distance. They also may have had fewer motives to gloss over any issues or challenges regarding the changes. All of the above-mentioned techniques served as measures to take a critical perspective in order to generate trustworthy interview material and construct a credible research study.

3.5 A cultural change story: Who is ScandiBank?

When picturing the banking industry, what type of image comes to mind? Suits and ties, hierarchies, and slow-moving, boring processes are just a few things commonly associated with these institutions. However, the banking industry is rapidly changing. The large, archaic organizations of the past are seeing smaller, nimbler competitors enter the marketplace, and new technologies hyped up to be revolutionary to the way companies do business are talked about every day. So what does a large bank with a long history and conservative corporate culture do when it finds itself in an increasingly competitive, digital business environment where flexibility and

openness to change are necessary for survival in the market? For ScandiBank, in order to remain competitive and relevant in this new environment, a large-scale cultural transformation was necessary.

ScandiBank sits among the ranks as one of the largest, oldest, and most profitable banks in Scandinavia. The company's history goes back nearly two-hundred years, and with an acquisition portfolio of around three-hundred different financial services organizations, its history as well as its size have made competing in this new banking industry challenging. In response to the changes in the market and advancements in technology, the company anticipated a necessity to prepare the organization to be able to accept and deal with these changes effectively. ScandiBank underwent a formal cultural switch in 2016 which was intended to unify the organization and encourage people to shift into a digital mindset. New corporate values were introduced as well as new ways of working meant to reflect these new values.

Almost simultaneously as the new culture, ScandiBank formed a new team of Artificial Intelligence strategists whose job was to identify problems where Artificial Intelligence technology could serve as a solution, whether it be automating a mundane task or increasing efficiency for a particular task. They also worked to increase awareness of AI's presence within the bank and educated employees about its uses and implications. The implementation of the new culture and Artificial Intelligence technology around the same time was not a coincidence. The organization seemed to anticipate that in order to facilitate this new technology, their organizational culture needed to change. However, as we will see throughout this paper, ScandiBank found themselves caught between two contrasting realities where on one side, a new world unfolds, and on the other, the old world persists.

The following two chapters present the data gathered throughout our interviews. The first part describes how ScandiBank attempted to achieve a mindset shift by demystifying Artificial Intelligence. The second presents the results of these efforts by firstly demonstrating the change work and secondly by describing a series of tensions and misalignments which obstruct a smooth transition into the new digital world.

4. Findings Part 1: Attempts at changing mindsets

Communicating about the changes which the implementation of advanced technology is bringing about is a challenge that many companies encounter. While some employees may be excited about the possibilities AI presents, others may feel threatened by the new technology because they do not fully understand it. Our findings indicate that in the attempt to manage cultural change, the change agents at ScandiBank used three particular strategies to demystify and craft a narrative around Artificial Intelligence: Firstly, through framing AI as a grand solution, secondly through humanizing the technology, and thirdly through sending out an underlying 'comply or else' message. The term *demystification* was used by ScandiBank's change agents to describe their efforts at making the technology more relatable and understandable to employees. The following section presents our findings for each of the three above mentioned categories.

4.1 AI as a grand solution

During our interviews we noticed that many employees talked about Artificial Intelligence as a technology that has the potential to solve not only problems within the bank but also problems that affect society and humanity as a whole. They seemed to see the potential for it to have a tremendous impact on the way we do our work and the way we live our lives. Thus, we found that in the attempt to take away any doubt and achieve a shift to a digital mindset, the change agents at ScandiBank attempted to frame AI as a grand solution.

One way in which Artificial Intelligence was framed as a grand solution is that change agents claimed it would replace boring jobs, typically of administrative nature, enabling employees to devote their time to more fun and interesting work. Richard Ross explained:

> "From that perspective when people are released from those tasks their satisfaction will increase. And that's what we're trying to communicate. I haven't seen the results of the employee satisfaction index since we implemented these in operations, but I would guess that this could have a positive impact on satisfaction. (...) The people will be happier about

this because they get to use their brain. Not to say you don't use your brain by pressing a button, but it is not so exciting."

It appeared that Richard was convinced that AI has the potential to free employees from boring work. He attempted to get the employees on board through communicating that they will be able to devote more time to more exciting work. Furthermore, he used phrases such as 'releasing people from those tasks', which made the old tasks sound very mundane. He seemed to hope that through this talk, employees at ScandiBank would develop the desire to be part of the new world as they realize their old jobs were boring.

Aside from framing Artificial Intelligence as a solution to boring work, change agents at ScandiBank emphasized that the technology is so impactful that it will fundamentally change our perception of reality. The new reality that AI creates is shaped by continuous innovation and transformation which came through in conversation with our interviewees. Richard Ross stated:

> "I wouldn't call it trend, it's not something temporary. It's here to stay and it's here to be more and more revolutionary each day."

Richard emphasized that advanced technology is not just a fashion and that its importance is not short-lived. Furthermore, he said that the technology is revolutionary meaning that the changes it is bringing are disruptive and groundbreaking. In addition to that, the statement was uttered with a dramatic voice making this 'grand talk' even more powerful. Paul Brown further explained:

> "We have a lot of plans and hopes that it can do miracles for all the parts of the bank."

In addition to calling the technology a revolution, Paul Brown's statement seemed to demonstrate their faith in AI's potential to make the impossible, possible. Using the word 'miracle' showed that the new technology was not seen as something ordinary but something very promising. In addition to Richard Ross and Paul Brown, Karen Kinder also seemed to see that the presence of

AI would create a new reality in which the technology can be seen as a solution to major problems. She explained:

> "But it's something that can augment us as people. I mean we have new problems every day…the whole climate change… I mean now they have some lab grown meat. It's crazy but maybe it's a solution for us to survive. Again, all these technology advancements, right now I don't see it as something that will be the end of the world as it is implemented on our level. Right now I don't see it as dangerous. I see it as a necessity to continue our species' survival."

Here Karen did not talk about Artificial Intelligence specifically but new technology in general which AI is part of. She stressed that she does not consider it as a threat and that it is nothing the employees should be afraid of. Instead she said that it is a "necessity" to continue human existence. Just like Richard, she seemed to consider advanced technology as crucial for the survival of the company and also for society as a whole.

Our findings have shown that framing Artificial Intelligence as a solution to boring work and promising new reality can be seen as an attempt to demystify the technology in order to influence employee meaning making and understanding of the new digital world, thereby influencing a shift into a digital mindset. In the following section we will see that another salient strategy to achieve this was through the humanization of Artificial Intelligence.

4.2 Humanization

In addition to framing AI as a grand solution, ScandiBank further attempted to demystify Artificial Intelligence technology by humanizing it. According to Merriam-Webster Dictionary, to humanize means to "attribute human qualities to", or "to make (someone or something) seem gentler, kinder, or more appealing to people" (2018). Therefore, the organization attempted to frame the technology as something human-like in order to make the technology seem more relatable and non-threatening.

One of the observed methods the organization used in an attempt to achieve humanization is by giving their chatbot technology a name: Sharon. This chatbot was first launched for customer support, but was then implemented as an internal support system if employees needed answers to a specific question. By giving the technology a name, Sharon was portrayed as an individual. Throughout our investigation, we saw company material speaking about Sharon as if it (or she) was an employee with a job to do and human capabilities:

> "The reason we give the robots names is that we want to make them feel like colleagues; although virtual colleagues. This has actually worked quite well."

According to Matthew, naming the technology helped to frame Sharon as someone you work closely with and can trust. Therefore, giving Sharon her name may have been an attempt at helping employees establish somewhat of a relationship with the technology which is beyond a simple tool which you use to get your job done.

Sharon is a pseudonym, however the official name was coined by the organization. Other internal systems are given unofficial names by employees. One such system is called George. A robotics professional, Richard Ross, spoke about George which his team uses in their work:

> "They have their own employee identification number and username. The name we gave [George] was unofficial. It was something we published on the intranet and it's nice to have. '[George messed] up again this morning.'" (laughter)

Jokingly, Richard demonstrated how the unofficial name was used to place blame on the technology, similar to how one might joke around with a colleague. Richard and his team used this unofficial name to accomplish a similar goal of establishing George as part of the team.

In addition to naming the technology, another way the organization attempted to humanize Artificial Intelligence is by framing it as a "colleague". An internal blog post explaining how people inform Sharon to be able to answer support questions reflects this when the writer stated:

"Their knowledge from daily interaction with internal customers is now being transferred to their chatbot colleague and can be seen as a form of extension of the support they currently provide."

Here, we see Sharon being constructed as a trusting part of the way work gets done. It seems that ScandiBank wanted their people to understand that technology is not going to replace or eliminate jobs, rather she is there to empower and help the employees do their jobs more effectively.

These examples may indicate that Karen and Richard understood the technology as something that enhances the services ScandiBank already provides. By naming the technology and framing Sharon and George as a colleagues, ScandiBank's change agents may have aimed to encourage employees to relate more to the new technology and mitigate their potential fear of it. Therefore, the humanization of Artificial Intelligence could be seen as an attempt to get the employees on board with digitalization and achieve a shift in mindset. However, as we will see in the next section, not only the positive aspects about AI implementation were highlighted in order to facilitate a successful transition into a digital mindset.

4.3 'Comply or else'

Even though the change agents and employees involved in the AI implementation process made an effort to eliminate the employees' doubts by framing it as a grand solution and humanizing the technology, we noticed that at the same time there was an underlying sense of urgency that came through their messaging. Richard Ross, for instance, highlighted that AI is not something temporary but a technology that will stay and as a result of that the employees need to adapt:

"'The robots are coming.' That was largely used in every conversation. The change is coming. What we also said was that these technological changes are coming and they are here to stay. So, the best thing that you can do is… do you want to be a part of the change or do you want to stay and not do anything and become the part that gets changed?"

Here, Richard revealed that adapting to the new technology was seen as a necessity in order to keep pace with the changes. "Change or be changed" therefore seemed to be an underlying message that was inevitably part of the demystification of Artificial Intelligence. In this context, Richard further added:

> "Things are happening. This is where technology is bringing us. You can like it or dislike it, but I think you should be ready to adapt."

This shows that even though the messages sent out to the employees at ScandiBank are mostly framed in the way that employees are given the opportunity to leave behind their boring jobs, it seems that everyone is expected to adapt to the changing environment, whether they like it or not. The phrase "be ready to adapt" can therefore be seen as an underlying "comply or else" message which was used in change communication to transmit a certain sense of urgency.

Another expression frequently used by several interviewees in our conversations is that of being "relevant" in the new reality created by Artificial Intelligence. Jacob English explained:

> "Everyone should be questioning 'why am I relevant in this position tomorrow and today?'. And if you don't have this mindset you will end up in a bind in the road. Not by fear, but by desire and by passion."

On the one hand, this highlights the passion and excitement that may have come with the opportunity for employees to develop themselves and, on the other hand, the perceived necessity to do so. Employees seemed to be encouraged, or maybe forced, to take a mindset of constant self-questioning in order to remain relevant in the new reality. However, this was something that should not have been driven by fear and anxiety but rather seen as a source of motivation for personal development.

The first part of the findings section aimed to outline how ScandiBank change agents attempted to demystify Artificial Intelligence technology in order to foster a shift to a digital mindset. The following section will reveal the results of these attempts. We will see that the organization's efforts to communicate and reduce doubt and fear about Artificial Intelligence in a more relatable way seemed to work to an extent. However, several tensions and misalignments were also exposed during our interviews. Therefore, we divided the following chapter into two parts. In the first part we will present our findings concerning the positive impact of the change work, and in the second part we will show that despite the signs that a mindset shift is on its way, there are many tensions which obstruct a smooth transition into the new digital world.

5. Findings Part 2: The Results

5.1 A digital culture unfolds

ScandiBank's messages attempting to demystify Artificial Intelligence and foster a shift to a digital mindset seemed to have reached some members of the organization. We see evidence that the organizational culture changes and mindset shift seem to have been partially achieved in the effort to foster alignment between technology and culture.

5.1.1 Evidence of an Emerging Digital Culture

Our findings show that there was evidence of an emerging digital culture as a result of the formal cultural switch and the attempts at changing mindsets through demystifying Artificial Intelligence. Throughout the interviews, ScandiBank employees were able to describe noticeable changes to the organizational culture. Jacob English explained how he fosters a culture of experimentation and learning within his teams:

> "Before, failing was a very bad thing. In a digital context it's an experiment and you learn from your experience. I encourage my people to make...I don't call it mistakes anymore but experiments. And you fail and you do it fast and you share your learnings…You try

out things and you learn from that. And these skills are quite different to what people have been brought up with in this organization. So that is a significant change."

Here, we Jacob described what it was like to work at ScandiBank in the past. He characterized the organization as previously risk-averse and afraid of failure. He noted that the organization now operates in what he calls a "digital context". He said that in order to be able to work in this type of environment, people need to have a different type of skill set which deviates from the traditional way the organization has worked before. People who have been with the organization for a long time were therefore encouraged to reskill themselves in order to remain relevant in the new culture. Richard Ross confirmed these shifts in culture when he reflected on a time where he was encouraged to step out of his comfort zone and begin working in an unfamiliar area:

> "I mean if you would have asked me in October that I was going to work with IT and this new technology called RPA, that I would a team leader of RPA developers, it's like 'me? Robots? This is not occurring,' but it did and I'm glad that it did because I learned a lot. And that reflects the change as such."

ScandiBank seems to encourage their employees to step outside of their comfort zones. This description of a culture of experimentation, trying new things, and not being afraid to fail reflects an apparent shift from a hierarchical, risk-averse environment to one which welcomes collaboration and risk-taking. The physical manifestation of this type of culture is described by Paul Brown who discussed the new working environment at the office in Copenhagen:

> "It's without hierarchies. Physically we work in this building where you don't have a permanent seat. You meet up and you sit wherever you can and wherever you feel is best for you. So if I want to I could go to work and sit among the investment advisors to get their input. Generally it's a very open environment where people talk about their feelings and frustrations and the good things they have achieved. Sharing our successes is important, because we are under pressure all the time. We need to run faster every day."

Paul's description of the offices depicted an open environment which is optimal for collaboration and teamwork. He claimed that the organization is without hierarchies because he goes on to say that the executive management team is very visible and sits among the rest of the employees. This reflects a physical manifestation of a digital culture.

5.1.2 Culture Facilitates Technology Implementation

Another salient theme which appeared throughout our interviews was that the cultural changes were made to support a digital mindset and the implementation of Artificial Intelligence. This statement from Richard Ross indicates the values associated with the official cultural change provide a foundation for implementing Artificial Intelligence technology:

> "As such, it has been a formal cultural switch. Then it has brought along these changed ways of working on a practical level."

Here Richard stated that although it was a cultural switch in and of itself, other changes came along which the cultural change supported, including Artificial Intelligence technology. Jacob English confirmed this when he commented on how the cultural changes drive the technological changes:

> "Oh yeah. [The technological change] is all driven by the cultural change. That we run digitalization in parallel is only perfect. There is a perfect match."

Jacob strongly confirmed that the new values and culture are part of driving digitalization within ScandiBank. He stated that the cultural changes and the implementation of Artificial Intelligence coming at the same time was perfect. Richard Ross discussed this as well by saying the cultural changes prepared the organization for Artificial Intelligence implementation:

> "It has been one of the things that has come at the same time as the new culture. I would say that it is part of the decision of switching culture. Not only to put the values on the website and tell the customers "This is us" now but we have noticed these on a practical

level too in our daily business which hasn't been the case in other cultural switches that I have experienced in other companies."

ScandiBank saw the technological changes coming, and they seemed to understand that the culture needed to change in order to support them. Richard emphasized the need for ScandiBank to not only say what they are going to do, but to show it as well through changes on a practical level which reflect this new culture. That the culture is what is driving these technological advancements was also reflected in Paul Brown's explanation on how he dealt with the new digital reality:

"I was filmed for an article about the new value 'courage'. And I said that AI is coming and that I could just lie back and enjoy the job while I have it, knowing that it will disappear in a few years. Or I can say: I want to be the one dealing with this, I want to be the one training this Artificial Intelligence. First of all because it is exciting and also because it is a way of securing my future."

Paul, who has reskilled himself to become a chatbot trainer, was proactive and seemed to be excited about the new possibilities that come with the implementation of AI. Instead of passively waiting for his job to be replaced, Paul actively sought-after new opportunities and took the chance provided by management to reskill and develop himself. What we may see here is a shift in the direction of a digital mindset because he not only seems to have accepted that the technological changes are happening, but he also seemed to appreciate the new possibilities that come with AI implementation. The new value 'courage' seems to play an important role in this because it may lay the foundation for a successful transition into the new digital reality. However, although Paul's excitement about AI implementation seemed to be genuine, we noticed that he used the exact same wording utilized in change communications about AI. Thus, we got the impression that he largely echoes the ideals he is instructed to live up to which does not necessarily reflect a digital mindset has been achieved.

This section aimed to show that efforts at demystifying Artificial Intelligence for employees affected by the changes have been successful to an extent, because there is evidence that a digital mindset is emerging. However, making an effort of course does not guarantee a successful

outcome. Often messages are not interpreted in the way which was intended or other hindrances appear that prevent an organization from successfully implementing change. Therefore, in the second part of this section we will demonstrate that the change process is not as straightforward and glossy as it may seem at a first glance.

5.2 The old world persists

Despite the organization's efforts to implement an exciting new culture and new Artificial Intelligence capabilities, several tensions became clear to us throughout our interviews in regards to common understanding about these changes and the future vision of the organization.

5.2.1 Doubt and Fear

Although the change agents at ScandiBank attempted to change the mindsets of the employees through the use of the demystification strategies presented in Part 1 of our findings chapter, there was evidence that many employees remain doubtful.

Framing Artificial Intelligence as a grand solution and answer to boring work may seem like a good way to get people on board and shift mindsets, however, not everyone in the organization was so convinced that the technology has such a great potential. Manager Jacob English for instance was less idealistic; he acknowledged that there will always be less exciting work that needs to be done in their organization:

> "And it can't just be 'Oh I work with AI, or blockchain' or other nice buzzwords. We also need to have the respect for the traditional part of [ScandiBank] that make sure that we can actually continue working on digitalization. It's also having respect for the old world. The old world will continue to live for many years still because it's relevant still. They will be changed also, but there is also less fancy stuff that will be done in the bank in the future."

In contrast to the change agents who created the narrative of AI as a grand solution in the attempt to get people on board manager, Jacob English was not of the opinion that the new technology will

be able to fully replace all types of "boring" work. According to him, "less fancy" work is significant right now and it will be significant in the future as well. Therefore, he did not view the technology as an answer to boring work or a grand solution, but rather as an add-on that will change jobs to a certain extent but not as transformatively as talked about by others. An interesting detail here is the fact that Jacob English is part of the management team. This shows that even the people who change agents rely on for support do not fully buy into the narrative created by the change agents.

In addition to doubt expressed concerning the potential of the new technology, there may still be fear around the negative consequences AI could bring about. Sarah Palmer explained:

> "Once we start using the 'robot' word. You get this visual image. You see this robot performing tasks. So it has become a symbol of the change that we are going through. Not always positive of course, and I feel that people are more making jokes about all those robots coming in taking our jobs. We have long queues. So people see it as help. But it's a hype too. You see it in media and everywhere. So it becomes sort of a joke sometimes as well."

Although Sarah said that the Artificial Intelligence technology is a representation of the changes ScandiBank was going through, she also noted that the way people view the technology was not always so positive. It appears that ScandiBank employees saw the value in AI because it could help solve their customer service issues, but also made jokes about it taking their jobs. Joking about AI taking their jobs could be a way for them to cope with the fear of losing their job. This could be a result of what Sarah describes as a strong risk culture:

> "We have a strong risk culture and a lot of people fearing that we increase the risk of the company. So when you have someone on the one hand bragging on how we embrace new technology and all that we've done, you have someone else sitting in their office starting to note all the potential risks with this new technology."

Here we see that while ScandiBank claims to be embracing Artificial Intelligence, Sarah pointed out that in reality people are still skeptical and worry about the risks that come with the implementation of the new technology. This shows that attempts at shifting towards a more digital mentality have not been completely effective yet.

5.2.2 Silos still exist

Throughout our discussions with ScandiBank employees, we noticed a pattern of conflicting statements which revealed a general lack of shared understanding when it comes to organizational culture and the role of Artificial Intelligence within ScandiBank. All of the interviewees which we spoke to generally agreed that ScandiBank was very large, complex, and made up of fragmented pieces as a result of the company's history. This fragmentation becomes evident through discussions with our interviewees. Matthew Frank explained:

> "I think the negative aspects of the culture is the siloed organization. That if you understand the history of ScandiBank, they've just accumulated a bunch of different banks, and they haven't really consolidated all of these things yet. That might be a bit negative on the organizational culture."

Matthew noted that silos make it difficult to consolidate the organization under one common culture. For Matthew, ScandiBank's history of acquiring many different banks played a role in creating the silos within the organization. Timothy Jones, a machine learning expert, confirmed this by stating:

> "Business is one unit, IT, operations is another unit. Maybe at a very senior leadership level there's a shared management group, but if you go down to the lower levels, they're very isolated from each other."

Here, Timothy expressed frustration about the fragmented nature of ScandiBank's organization. He discussed the different units as separate, isolated entities. Saying these units are isolated points to an uncoordinated organization where everyone operates separately from the rest of the business.

This fragmented structure may be a relic from the organization's previous way of working, and its persistence within the organization may make shifting to a digital mindset more difficult. The next section expands on another tension at ScandiBank which further hinders AI implementation and the shift to a digital mindset.

5.2.3 Power struggle

Contrary to our expectations, our findings point to a lack of commitment from the top management concerning the allocation of resources needed for the implementation of AI. Interviewing both strategists and management, it quickly became clear that while the strategists were in need for a higher budget, upper management was not willing to fully commit to AI.
Katie Potter, former ScandiBank employee explained that AI implementation was supported to a certain extent but it was not one of the management's priorities:

> "I believe it wasn't the only focus they had. There's a lot of different programs across the bank. And these programs were equally important. AI was completely new and it was exciting so it was supported but only to a certain extent where it was necessary. It wasn't sort of overly pushed in the bank, they're still discovering what they can do with it and you know it costs a lot of money to implement things you have to be careful not to go all in and only focus on that but also look at other programs that are going on at the same time. It's a bit of an add-on, it's going to be useful in the future but it's not core business as such."

Katie Potter seemed to acknowledge that there were other important programs running and the same time and that management wanted to avoid investing blindly in the technology. However, at a later point in the interview, she also admitted that this could be very frustrating at times. AI strategist Karen Kinder, who is dependent on the funds to work on different use cases, went even further by stating that the lack of commitment from top management is one of her biggest daily struggles:

> "The complications with [AI implementation] I would say is, right now, lack of understanding and commitment from top level management. People read about AI and they

see the hype but they're still a little bit unsure about the value so they don't provide money. We need money. We need people, we need a budget to be able to do these use cases. But if we don't have money, we cannot do it. And that is really our daily struggle. Yes, you say that 'this is something that we should do', but you don't give us money. So, I mean you're actually not supporting us. And that's something that I see as the biggest problem."

Negotiating for budget is one of Karen Kinder's biggest daily struggles because management is not yet sure about the value of implementing AI technology. However, in order to show value, they need the necessary funds. Furthermore, she clearly stated that management does not actually support them even though they may claim to do so. Matthew Frank, who works in the same team as Karen Kinder confirms this power struggle:

"Then on the other hand it's tough with the funding. It's tough to work with the bigger units in the bank...the more enabling units in the bank, because either they haven't bought into AI, they view it as another tool in the toolbox only, so the maturity is still very low, and I'm competing with the things that are more basic and also very corporate. So that's not going so well and also the funding is not going so well. So like convincing people at the top to invest more money in this so we can hire more people so we can do more stuff. That's not going so well."

This shows that on the part of the AI strategists there was frustration because they may perceive a lack of funding as management not supporting AI sufficiently. Matthew says that AI is often perceived as another tool in the toolbox which is why the necessary funds may not be provided. In this context, it was very interesting to get the management's perspective on this issue. In the interview with Jacob English, a lack of commitment towards AI implementation became evident:

"To be honest, AI I couldn't care less about because it's just one thing. It's one technology right now. And we will always do a lot of changes, yeah fine. But what is key to the change management itself… the key thing is the man in the mirror or the lady in the mirror. So, it starts with yourself. Understanding that you need to change to change things."

Without asking directly about his attitude towards AI, Jacob English admitted that Artificial Intelligence implementation is not one of his priorities. Thus, there was a lack of shared understanding about the importance of AI at ScandiBank. Whereas the AI strategists perceived a very high potential in the technology, management was rather hesitant and considered Artificial Intelligence as one technology out of many that only makes a minor impact when looking at the bigger picture. Therefore, the power struggle around the importance of AI and budget allocation presents a remarkable tension at ScandiBank.

5.2.4 Uncertain Future

Throughout the interviews we noticed that because the implementation of AI at ScandiBank is still in the beginning phase and the full potential of AI has not yet been discovered, the change process can be described as very ad hoc and rather unorganized. Katie Potter pointed out that it was difficult to communicate about AI implementation because there was no clear strategy for what they wanted to achieve with the new technology:

> "My biggest concern was where we're headed. It was often a challenge for me to really focus long-term, this is where we want to be in one year or in two years. This is the way we want to communicate it in order to get to that end goal. A lot of it was ad hoc, which from a communications perspective can sometimes be very frustrating (…) I know that short term they are looking at taking away the mundane jobs. But longer term, from an outside customer perspective, I know they're working towards using AI to be able to automate processes for customers as well. It's a goal but they are not a 100% sure if they are headed in that direction either. I'm not able to answer that a hundred percent and things are changing daily so don't quote me on that one."

This shows that the AI implementation process was lacking direction and that the future of AI at ScandiBank was unclear. Having no clear goal in mind, it was therefore difficult for her to get the message out and to focus on the present. In addition to that, she revealed that plans were changing

daily which confirms that the change process was rather unorganized and lacks a clear direction. In this context, Katie explained that communication from management concerning AI implementation was vague:

> "They knew certain things, some things they knew they were heading towards, but the final end state, where they wanted to be as a bank and so on…they were sort of working on that as they were going. And that was missing a lot from the communication from the top. And that could sometimes cause some confusion… Also with project around AI. How far in are we going? Are we going full in? Are we going half in? Are we only using a small portion? This this was also something that was quite unclear sometimes."

This demonstrates that there was no clear strategy around the goals of AI and what the company wants to achieve in the long run. Katie assumed that management itself is not sure to what extent they should support the implementation of AI technology because they could not yet determine the benefits which AI could bring. In her point of view, management was uncertain whether AI is something they should fully commit to or if it is just a minor technological change which will not increase value to an extent that a large-scale implementation should be supported. Furthermore, Katie stated that they work as they go, meaning that they constantly learned and developed because not all possibilities for how the technology could be used had been discovered yet.

The impression that goals are unclear and that the future around AI was uncertain was not just a perception of the employees working on implementing AI technology, but it also became evident when talking to upper management. Jacob English admitted:

> "It's a significant change to the way we worked and that has not even materialized yet. We're trying things out. It's really difficult for people to find out 'where should I put my foot next, where should I navigate?'. And that scares people. And if people don't feel safe in the digital context they do not really perform."

Here Jacob explained that the changes are still in the process of unfolding and that they were experimenting a lot to find out in which direction they want to go. He was aware that this may have negative effects on the employees because of a lack of clear guidance. However, Jacob also seems to understand that clear goals are needed in order for people to perform well. Nevertheless, in the course of the interview it became evident that the focus of the change was rather on the "why" than on the "how". Jacob went on to say:

> "Where we want to be? We have a pretty clear picture of the why. That we state that together we lead the way. Enabling dreams and everyday aspirations for the greater good. That's the 'why' of ScandiBank. We move first and take the most dangerous steps. And the purpose of doing it is to enable dreams and everyday aspirations. And we do it for the greater good. That's why we go to work every day."

Instead of answering our question about ScandiBank's specific goals for Artificial Intelligence implementation, Jacob talked about the purpose of technological changes in general. Furthermore, he remained vague in his statements and it is debatable whether they actually carry meaning or if they can be labelled as empty talk or management jargon. He certainly seemed to avoid talking about specific goals, and as we have seen in section 5.3.3, he did not seem to be very concerned with AI implementation specifically. In his opinion, it is a technology that will have an impact for a while but when looking at the bigger picture of digitalization and technological advancements AI is just a hype that will fade. Therefore, his focus may be more on building a strong foundation for change in general through having a clear vision of the "why" instead of the "how". This confirms that ScandiBank employees perceived a lack of direction and unclear goals regarding Artificial Intelligence implementation, and thereby potentially slowing the shift to a digital mindset.

5.2.5 Misalignment

The current organizational structure at ScandiBank and newly implemented organizational culture show evidence of being in misalignment. The new corporate values express collaboration, courageousness, passion for your work, and ownership as the core of the organization. However,

because the new culture was a new concept to the organization, the way the company operated in terms of internal processes and procedures had not caught up yet to the company's ambition to become more flexible and digital. Matthew explained:

> "The problem is that in a large, old-school company like ours we have internal processes, and procedures and policies and incentives that are rigged for the old. And that also goes for the culture: It's stability, it's compliance, it's low risk. It is rigidness. That is the opposite of what is needed to run a company in the new [reality]."

Here Matthew explained ScandiBank continues to operate in an old-school way which is the opposite of what they need in order to be able to effectively fit into a new reality. Jacob English's statement verifies this when he explained the challenges of being caught in the middle of two different worlds:

> "That we are between [worlds] at the moment. We have a lot of competences and structures, decision forums stuck in the old industrial world and many of the parts of the organization are more into the digitalized world or digital mindset. And being between [worlds] is not really efficient and it is quite frustrating sometimes. We are in a transition between two worlds. And it's not a problem, it should be so when you're changing from one setup to another...it's always challenging to be between those. But that's a natural thing."

Jacob expressed how it can sometimes be frustrating to be caught in between two different realities. The old way of working still exists within parts of the organization while other parts of the organization are moving ahead and shifting into a digital mindset, contrary to what he said earlier in section 5.1.1. about the organization having moved into a digital context. He went on to explain how this can be expected in a large change initiative like this. Sarah Palmer affirmed Jacob's statement by explaining how the culture and internal processes and procedures are in misalignment:

"So that is both from a process perspective and also from a culture perspective. It's very, very different from what we are doing. So that is the biggest challenge. Technology is there, you know, we can learn how to apply it. But our internal policies, procedures and people are not able to make it happen."

Here, Sarah expressed her perception of what needs to change in order for the culture to catch up to the technological changes being made. Although the technology exists and it is being implemented gradually throughout different areas of the organization, the organization's structure and internal processes and procedures cannot effectively support this new technology in order for it to be fully utilized and implemented. Aside from the organizational structure itself, Matthew perceived his work as inhibited by peoples' mindsets, which he observed as still operating in the context of the previous organizational culture:

"We also compete with the mindset of people. We write a lot of knowledge sharing pieces internally to try to build awareness, and we I think, but it's going quite slowly. I guess it's only human. It's a shift in business and a shift in mind."

This demonstrates an apparent misalignment in the mindsets of ScandiBank employees. Matthew mentioned that shifting mindsets and shifting the way an organization operates takes time. Changing the way people think about the organization and technology's role within it does not happen overnight.

Although the organization went through a formal cultural change process, and interview respondents have indicated that this has helped with getting this new technology implemented, when Matthew was asked if he feels the new change in culture has helped in getting this new technology implemented, he responded:

"I think it's the right thinking, something that helps but I don't think we can do this without changing the management, changing the incentives more for people. You know you cannot just expect people to think different if you don't change the incentives and if you don't

change the managers…if you really want to make an impact it takes more, you really need to be bold. But the cultural transformation takes a long time."

According to Matthew, in order to reach this place of alignment, it is not enough to go through the cultural change process. He perceived the physical structure of the organization as being out of alignment and not reflecting this new culture the organization has tried to implement. He went on to say how people who do shift into this new reality and see the benefits of it end up getting phased out of the organization because they get tired of not seeing any change:

"And the sad part about it that the people that are buying into it and that are enthusiastic about it, they will only last for so long until they get shut out from things and then they will leave, and then you're stuck with the ones who didn't convert. So that's also a problem that I see. You lose these people that you really need because they get tired of the system."

Here Matthew indicated that some people are able to shift into the new culture quicker than others can. Because they have changed their mindset to be aligned with the new culture, they become frustrated when they realize the rest of the organization has not caught up with its own messaging yet. They realize they are misaligned with the company culture because they have shifted into this new way of thinking at a faster pace.

Despite best efforts to demystify AI and encourage a shift to a digital mindset, our findings revealed that the old world associated with ScandiBank's past way of working still clings to the organization. Our interviewees expressed frustration over an organization which cannot seem to catch up to the advancements in technology happening within it. The persisting doubts and fears, organizational silos, lack of a clear vision for the future of AI, power struggle between change agents and upper management, as well as cultural and structural misalignments represent evidence that the old world still has influence over decisions at ScandiBank.

6. Discussion

The old, archaic ScandiBank seems to be experiencing growing pains with moving into a competitive environment where flexibility, openness, and comfort with ambiguity rule the new world. Despite attempting to manage intentional cultural change through the use of a narrative, the organizational culture at ScandiBank seems to be caught between two realities, one where a digital way of thinking and operating is unfolding, and the other which perpetuates a now outdated way working. The change agents at ScandiBank are working in a challenging context where a mindset shift seems to have only been partially achieved, possibly resulting in the emergence of a culture which includes an ever-changing, constantly renegotiated, and ambiguous combination of the old and new worlds. Therefore, we begin this chapter by analyzing the attempts at cultural change through relevant theories, then the tensions which arise as a result, leading to a conceptualization of a culture which is caught between two realities.

6.1 The utopia: Narratives in an intentional cultural change

It is commonly agreed among scholars that in order for technological changes to be successful, the organizational culture needs to be in aligned to these changes (Leidner & Kayworth, 2006; Harper & Utley, 2001). With new technological changes on the way, ScandiBank perceived a need to change the organizational culture in order to facilitate a smooth transition into the new digital reality. Two years after introducing a new culture and Artificial Intelligence technology, both the cultural and technological changes are still ongoing. Our findings indicate that the change agents continue to make efforts to help employees internalize the new values to facilitate a shift into a more digital mindset. We found that ScandiBank's change agents use three particular strategies to form a narrative with the intention of achieving a shift in mindset: Firstly, through portraying AI as a grand solution, secondly through humanizing the technology, and thirdly through creating a sense of urgency.

Our findings indicate that the employees working on the implementation of Artificial Intelligence, who also assume the roles of informal change agents, believe that they may be able to achieve a mindset shift through demystifying Artificial Intelligence. This view is based on the assumption that under ideal circumstances with an ideal set of skills and resources at a change agent's disposal,

having strong influence over an intentional cultural change initiative is possible (Alvesson & Sveningsson, 2016). Furthermore, it is important to take employee meaning-making into consideration during change initiatives (Alvesson & Sörgärde, 2015), and narratives can be used as a tool to influence meaning-making and encourage a cohesive understanding of the changes (Smircich & Morgan, 1982). Therefore, we argue that the three strategies of framing AI as a grand solution, humanizing the technology, and creating a sense of urgency can be seen as an attempt to approach the change in a planned and organized way through an intentionally crafted narrative which attempts to achieve a mindset shift.

The first strategy used by change agents to manage cultural change and facilitate a mindset shift is through framing AI as a grand solution. In this narrative of AI as a grand solution, the technology is portrayed as an answer to boring work and a technology that has the potential to perform miracles. In the context of framing AI as an answer to boring work, we noticed that phrases such as 'releasing employees from boring tasks' target the employees' perception of their old work. We interpreted this as an intentional generation of dissatisfaction which is also mentioned by Kotter (1996) as a step to successfully implement a planned change. Furthermore, the story that these phrases portray of a new world where boring work may disappear could be seen as an expression of an ideal vision portraying how the change agents would like for the implementation to be understood (Brown & Humphreys, 2003). Therefore, the narrative of AI as a grand solution is not only an attempt at generating enthusiasm around the new opportunities, but it is also an attempt at creating dissatisfaction with the 'old world'. However, it is important to note that varying interpretations of narratives may risk the story being interpreted in an unintentional way (Alvesson & Sveningsson, 2016). Through this narrative and grand talk of AI as a grand solution, the change agents try to convince the employees that going through the changes is worthwhile. Ideally, they adapt this attitude which helps to normalize the technology and lays the foundation for digital thinking, however this may be a difficult ideal to reach due to possibly varying interpretations of change messages.

The second strategy, labelled by us as humanization, may assist in framing Artificial Intelligence as more accessible to people who may not understand why the technology is necessary to implement and why the changes to ScandiBank's way of working are occurring. By framing the technology as something which is non-threatening and human-like, we interpret this as a narrative which ScandiBank utilizes to attempt to establish AI technology as an organizational norm. Therefore, by giving Sharon its name and telling stories about the chatbot, the organization attempts to normalize AI technology by using language with the aim of initiating and managing cultural change (Ford & Ford, 1995). Ideally, employees internalize the changes brought on by AI implementation and accept digitalization as part of the new organizational landscape, thereby encouraging a digital mindset. Through this talk of a reality where humans and technology coexist in the pursuit of organizational goals, the change agents may have a salient impact on the way those affected by the changes think about AI and digitalization as a whole (Grant & Marshak, 2011). Therefore, our findings indicate that humanizing AI is a narrative used as an attempt to foster a common understanding of what (or who) Sharon is. ScandiBank hopes that these narratives will help employees relate to the technology which may then facilitate a shift to a digital mindset.

The third element of demystifying AI involves an underlying "comply or else" message. This indicates that the change agents also want the employees to understand that everybody has to adapt, otherwise they will be left behind. Therefore, we interpret this message as an appeal to the desire to be part of the collective (Ravasi & Schultz, 2008), and thereby using language to create meaning around not just the use of the technology, but the image of a future reality where remaining stuck in old ways of working may leave employees stranded (Dunford & Jones, 2000). This narrative is a stark contrast to the previously described stories portraying AI and digitalization as friendly and something which employees can trust. Although it seems the intention of the "change or be changed" narrative is to inspire people to act, as we will further discuss in a later section, this may be doing more harm than good by unintentionally instilling fear in employees rather than inspiration.

The three strategies involved in demystifying Artificial Intelligence can be seen as an attempt to help ScandiBank employees understand the technological and cultural changes that the organization is going through which, as we argue, ideally leads to normalization of the technology and a shift in mindset. Using these three strategies shows that ScandiBank's change agents use concrete steps in the attempt to manage cultural change.

6.2 The reality: Change is painful

Despite ScandiBank's best efforts to facilitate a smooth transition into a digital mindset, our findings reveal several tensions in getting Artificial Intelligence implemented, pointing to a culture and a mindset which is still in the process of being established. Our interpretation for the reasons behind these tensions are that the organization appears to hold onto parts of the so called "old world" in an effort to create a gradual shift into the new reality. Therefore, being caught between a conservative past and a digitalized future makes change at ScandiBank messy and painful.

6.2.1 A strained coexistence

Throughout our interviews, it became clear that ScandiBank change agents seemed to understand that in order to successfully implement AI technology and any future developments to come, it was necessary for the organization to undergo a cultural shift and attempt to fundamentally change the way employees perceive the organization. However, the organization may face a dilemma where in order to remain relevant they have to move quickly in order to keep up with these changes, but if they move too fast, the organization risks causing even further adverse complications (Alvesson & Sveningsson, 2016). Our findings show that while the technological changes may demand a certain type of culture in order to be implemented successfully, the organization cannot seem to let go of its past and commit fully to a digital mindset and new organizational culture.

This fear of moving too quickly and exposing the organization to potentially costly or damaging events may come from the risk-averse culture still existent within ScandiBank despite efforts to foster values which encourage people to be courageous and allow themselves to make mistakes. This is in line with Alvesson and Sveningsson (2016) when they discuss how people may find it

difficult to separate from old ways of working and values if these factors are deeply ingrained in the organizational culture. Furthermore, according to Reger, Mullane, Loren, Gustafson, and DeMarie (1994), cultural changes which could be perceived as disrupting deeply held assumptions about the organization and how work gets done can trigger strong employee resistance to change. This may especially be the case for ScandiBank because of the risk-averse culture and preference for stability. Therefore, while the change agents at ScandiBank attempt to implement a digital mindset, the culture struggles to catch up to its own ideals and the technology continues to exist in the bank with no cultural foundation to support it. With shifting directions and lack of a clear vision, the culture cannot take the steps forward which seems to be required by the new digital reality. Therefore, the organization faces the challenge of striking a delicate balance between respecting their past organizational culture and moving into the digital reality.

Consequently, we interpret the new culture and the attempt to establish a digital mindset within employees as a way to facilitate openness to change and the implementation of AI along with other future technological advancements. It is unclear to leadership and change agents what this new reality might look like, so in order to foster common understanding about the direction of the organization, we see talk of a digital mindset as a way to foster common understanding and alignment even though they lack a concrete future vision. Despite the uncertainty surrounding the nature of this new reality, ScandiBank uses the concept of a digital mindset to help employees make sense of the changes to the culture as well as current and future technological advancements.

In the rush to keep up with technological advancements, the organization may risk people viewing the new technology simply as another tool without fully integrating the digital culture and allowing the digital mindset to manifest itself. The digital mindset seems to require more than just seeing technology as something that you use, but fundamentally changes the way you perceive the organization and your role within it. Because ScandiBank's culture cannot keep up with these changes, the technology might be getting implemented because people see that it works and it can help them get their work done, but mindsets may not necessarily have shifted yet. Therefore, ScandiBank finds itself caught between two realities. The tensions we found to be associated with this will be discussed in the following section.

6.2.2 Caught between two worlds

Despite the efforts at facilitating a smooth transition into the new digital reality through constructing a narrative around AI, our findings indicate that the employees' mindsets and many of ScandiBank's internal procedures do not seem to match the demands of the "new world". In fact, we argue that ScandiBank is stuck between two realities; the new digital reality and the old conservative reality. While there is evidence that ScandiBank has set one foot into the new digitalized world, we found that old procedures and mentalities seem to continue to dominate the organization.

While ScandiBank claims to embrace the new technology, we see a contradiction between how ScandiBank talks about Artificial Intelligence implementation and how the process manifests itself in reality. As we have seen in our findings chapter, interviewees described to us how the organization brags about adopting new technology and everything that they have done to implement it, yet there is still risk-aversion which deviates from the newly established cultural value of being courageous. This may be in part due to ScandiBank's persisting hierarchical and bureaucratic organizational structure which conventional literature describes as being inherently inert to change (Burns and Stalker, 1961). Furthermore, although ScandiBank employees appear on the surface to speak about AI in a way which expresses pride and excitement, their behavior tells a different story. They may see the technology as useful, however their mindset may still be trapped in the old world (Smith and Berg, 1987), resulting in the perpetuation of risk-aversion. Despite efforts from management to encourage experimenting and taking more calculated risks, Artificial Intelligence technology is still seen as too risky by many ScandiBank employees and the attempts at changing mindsets so far seem to have been only partially effective.

In addition to the persisting risk averse culture, our findings also indicate that the new technology is still met with skepticism and even fear. Instead of the narrative reducing fear, it may cause uncertainty and anxiety because it is based on what seems like wishful thinking rather than a clear vision. Considering that ScandiBank apparently has no clear goals related to the implementation of AI, it is rather logical that the grand talk is perceived as vague. Consequently, employees may start constructing their own stories which according to Palmer, Dunford, and Buchanan (2017), is

a natural reaction when change processes are ambiguous. Sarah Potter, for example, described how her colleagues continuously joke about how AI will take away their jobs. Therefore, this joking about the implementation of AI could be seen as a subtle form of employee resistance and as a way for them to cope with the uncertainties they are presented with (Palmer, Dunford, & Buchanan, 2016). The talk of AI as a grand solution may add to this disorientation because it is not specific enough to actually help people transition confidently into the new digital setting. Persisting fear therefore seems to makes it difficult for ScandiBank to smoothly transition into the new digital world.

Further evidence that ScandiBank is caught between two worlds is that the current organizational structure and existing silos perpetuate the old conservative world. We have seen in the findings chapter that the different business units are described as operating in isolation from each other. There is miscommunication concerning responsibilities, and the cooperation between certain departments can be characterized by confusion about who is doing what. While differing opinions and perceptions in general are not necessarily a negative phenomenon (Alvesson & Sveningsson, 2016), the new organizational culture calls for collaboration and therefore a more unified understanding of overall organizational activities. However, based on the organization's history and previous ways of working described by our interviewees, it seems like ScandiBank has been a siloed operation for quite some time, thus making it difficult for the organization to encourage a cohesive digital mindset. Therefore, this is another salient example of employees struggling to uproot old ways of working and transition into the new reality. Thus, we argue that as a consequence of the fragmented nature of the organization, ScandiBank is struggling to achieve a digital mindset, thereby hindering the organization from transitioning into the new digital reality.

Finally, another considerable tension regarding changing mindsets and implementing AI technology on a large scale is the lack of shared understanding between employees working on the implementation of AI and upper management. Whereas the latter group may come across as hasty in wanting to implement AI technology, management seems rather hesitant. This has created frustration among the strategists working on AI implementation because they do not receive the necessary budget or support in order to implement the technology and hire more people. A unified understanding of changes does not guarantee the success of a change initiative (Hardy, Lawrence,

& Grant, 2005). Therefore, because change is given meaning through a social process where meaning is re-negotiated between organizational actors (Buchanan and Dawson, 2007), rather than viewing the tension between AI strategists and upper management as a hindrance to change, the differing perspectives on AI implementation could be seen as a dialogue where varying mindsets influencing the perception of the change are the hindrance (Lawson and Price, 2010), not the perceived change resistance on part of upper management itself. Therefore, the tension between upper management and AI strategists flows through a dialogue characterized by a lack of shared understanding due to differing mindsets, and therefore perceptions on AI and its role within the organization.

ScandiBank is caught between two worlds because the status quo is incentivized by the conservative risk-averse mentality and efforts at changing mindsets through demystifying the new technology have been only partially successful. The organization finds itself shifting and flowing between an old traditional reality and a new digital reality. While a complete shift into the new reality may be on the horizon, organizational misalignments and traditional thinking, especially on part of the management, are holding back an implementation of Artificial Intelligence which could assist the organization in achieving this shift. However, not rushing the transformation while at the same time making steady progress may be natural or even necessary in order to get to the end goal of operating in a digital environment.

6.3 A Transition Culture

As ScandiBank attempts to keep up with digitalization, our empirical findings seem to indicate that the organization finds itself in a transition between its old conservative culture and its new digital culture. We conceptualize this by offering the following illustration which attempts to capture ScandiBank's culture as it is stuck between these two realities:
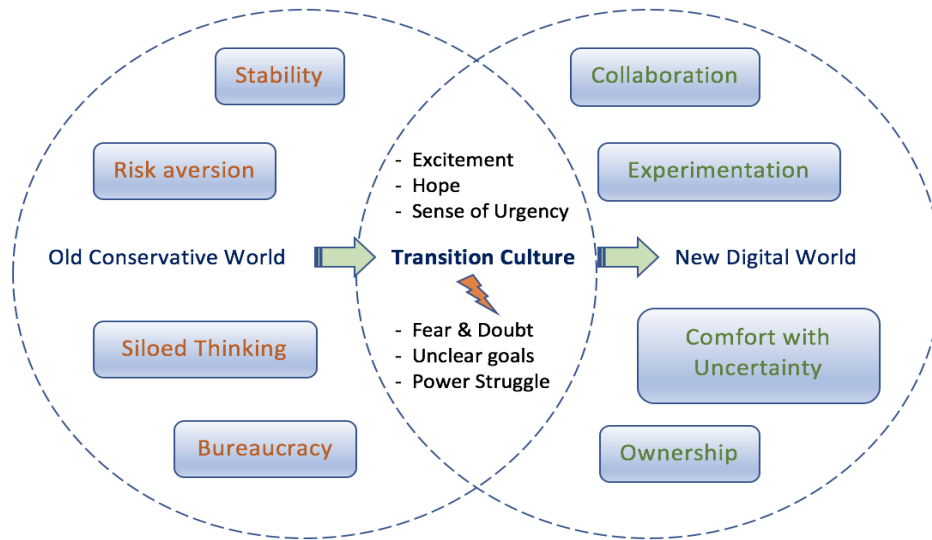
Figure 1: Transition Culture

The two outer circles illustrate the old conservative world and the new digital world respectively. The cultures associated with each world are characterized as very different, and some of the values even oppose each other. In the context of digitalization and Artificial Intelligence implementation, we argue that while the company is in the change process, these two worlds and cultures seem to overlap. During the transformation period, two cultures exist simultaneously, therefore transitioning into a hybrid culture which we label *transition culture.* It is important to note at this point that none of the three cultures are viewed as stable. The dotted lines illustrate that each culture is open to influences from the external environment and that the transition process is not linear and straightforward but messy and partly non-sequential. Furthermore, the transition culture is not assumed to be made up of equal parts of the two overlapping cultures, rather the old and new worlds constantly fluctuate and renegotiate against each other through a social construction between employees. In addition, the emergence of a transition culture is in line with the assumption that cultural changes do not happen overnight and change agents risk facing challenges in getting a new culture implemented if they try to move too quickly (Alvesson & Sveningsson, 2016). Therefore, the transition culture supports the notion that change in general is messy and that tensions need to be embraced.

Our empirical findings indicate that the new transition culture that has emerged can be characterized by excitement around AI, a spirit of optimism, and a sense of urgency but also by tensions such as persisting fear and doubt. Furthermore, unclear goals make it difficult for the organization to fully transition to the new world. The transition culture shows that employees cannot quite let go of old ways of working and thinking, which may be especially the case in mature organizations with strongly ingrained values (Alvesson & Sveningsson, 2016, Mintzberg, 1978). At ScandiBank, siloed thinking, risk aversion, and appreciation for stability still seem to be common ways of thinking and salient ways of getting work done. On the other hand, some employees operating within the transition culture may have already internalized values that characterize the new digital world such as comfort with uncertainty, collaboration, and experimentation. Thus, because culture can be seen as a social construction (Alvesson & Sveningsson, 2016) we suggest that the transition culture is heterogeneous and hybrid. In other words, there are no clear boundaries, but the culture itself is a fusion of different underlying assumptions and beliefs.

Furthermore, we argue that the simultaneous existence of opposing values and beliefs can take place between groups or on an individual level. The former suggests that there are some employees who entirely hold on to the old values while others have already adopted the new values. On an individual level, an employee may have some values that are typical for the conservative culture such as risk aversion, but at the same time certain values associated with the new digital culture such as collaboration.

Although we believe that the transition culture furthers our understanding of cultural change processes, we are aware that it does not come without limitations. One of the greatest limitations is inherent to the ambiguous nature of culture. Because culture is often difficult to explicitly define (Alvesson & Sveningsson, 2016), it may be problematic to put a certain label on it that could limit the phenomenon in terms of what it could possibly be. However, our aim of defining the *transition culture* is not to confine and reduce culture to a state of being, rather to acknowledge the theoretical idea that cultural change is constantly emerging and renegotiated in a social construction (Alvesson & Sveningsson, 2016). Therefore, for the purpose of gaining an understanding of what ScandiBank is going through in terms of digitalization and cultural change, we believe that our illustration

provides a valuable insight into how the process of managing cultural change in large conservative organizations may look like both in theory and in practice.

7. Conclusion

The purpose of this study was to shed light on cultural change within mature organizations given the turbulent business environment which they attempt to navigate. Therefore, we placed the spotlight on ScandiBank and set out to uncover how an organization with nearly two-hundred years of history behind it ventures into a new digital reality. Along the way, we uncovered the significance of ScandiBank's use of an Artificial Intelligence narrative which intended to demystify the technology and facilitate a shift into a digital mindset. However, we also discovered that tensions in the process made it appear not as glossy and clear as it seemed on the outside. Therefore, we conceptualized a *transition culture*, which we characterize as being caught between two realities. This *transition culture*, with all of its complexities and ambiguities, may be the culprit behind the tensions, misalignments, and struggles we found to hinder the cultural change process at ScandiBank.

7.1 Theoretical Contributions

Through this paper, we have provided further insight into cultural change processes within mature organizations through the introduction of a *transition culture*. We contribute to cultural change theory by theorizing on the dual organizational culture which may emerge in cultural change processes as result of the simultaneous existence of opposing beliefs and values. We describe the *transition culture* as a phenomenon which shows features of the old conservative world as well as the new digital world. While some employees may have already internalized certain values associated with the new digital culture, we have also found that some still cannot quite let go of old ways of thinking. Therefore, this study furthers our understanding of the underlying tensions often found in cultural change processes through our explanation of *transition culture*.

Our findings have indicated that a possible reason for why employees may still hold on to old values could be rooted in the organizational structure, culture, and mindset which perpetuate the old way of getting work done. Furthermore, we demonstrated that as a result of the simultaneous existence of partially opposing cultures, new tensions arise and fear and doubt persist. Therefore, this study provides insight into the underlying mechanisms which may emerge during cultural

change processes within a mature organization. Furthermore, this study addresses theoretical assumptions which permeate conventional literature about mature organizations' rigidity and inertness, and examining this empirically furthers our understanding of how mature organizations cope with change in practice. The following discussion will explain these practical implications.

7.2 Practical Implications

In terms of practical contributions, we gave an insight into how large conservative organizations attempt to manage cultural change and we revealed a series of tensions which may occur along the way. Therefore, our study may serve as a valuable source of information for change agents and management as they try to implement change in their own organizations.

Firstly, our findings have shown that change is a painful and often messy process. Therefore, change agents need to embrace this messiness of change and they need to be aware that change does not happen overnight. We have seen that employees often interpret messages differently which adds to the chaos change agents and management are confronted with. Consequently, the employees' perceptions need to be constantly assessed in order to reevaluate and adjust potential change strategies. Companies that find themselves operating within a transition culture may be especially prone to encounter tensions because the simultaneous existence of opposing values may create confusion. Therefore, organizations need to find a balance between not moving too fast but making progress in order to get everyone on board and leave nobody behind.

Secondly, practitioners may benefit from taking into consideration the tensions that arise when large conservative organizations attempt to manage cultural change. We have seen that existing silos, power struggles, unclear goals, and several misalignments are just a few of many tensions which may prevent organizations from moving forward. If change agents and managers are aware of potential tensions, they might be able to counteract some of these. However, because arising tensions are almost impossible to avoid, it may also be wise to get a better understanding of the complexities surrounding these tensions in order to be able to better manage them when they have already emerged.

A third practical implication derived from our findings is that organizations may need to rethink their strategies used to manage cultural change. Change agents and managers need to be careful with change stories and narratives because they are not always interpreted as intended. While they sometimes serve as a valuable source for meaning construction, they may also generate confusion or even fear. Therefore, change agents need to be alert and sensitive to reactions from their environment in order to potentially adjust or redesign their methods used to manage cultural change.

7.3 Future Research

Based on the aforementioned theoretical contributions, we suggest further studies on how a *transition culture* may affect individual and collective employee identity. The notion that employees seemed to be operating without a clear vision to work towards was a salient theme throughout our interviews, therefore we call for future research on how a transition culture may affect individual and collective identity construction in organizations. Due to the existence of a transition culture and the lack of concrete direction or vision to identify with, employees may seek out varying sources or messages to attach their employee identity to, possibly leading to silos and lack of common understanding. Therefore, a study on these concepts would further shed light on why mature organizations may struggle to move forward in cultural change processes.

Although this study focused on the transition culture in the context of a large, mature organization, it might be interesting to study how the existence of such a culture may differ in the context of a smaller, younger organization. The conventional literature assumes that mature organizations have more difficulty changing than smaller organizations, but this should not be taken for granted and it may be interesting to investigate empirically the possibility of a transition culture in a variety of contexts to expand our understanding of these assumptions. Therefore, the study of a change process within a smaller, younger organization might be interesting to consider.

Lastly, building further off of this study's consideration of the importance of narratives and stories, a study analyzing the discourse in mature organizational change narratives may be interesting. The discourse used within this cultural change process may have had an effect on how the transition

culture was manifested, therefore, a detailed discussion on discourse as an attempt at intentional organizational change may be interesting as well. This could also lead to a discussion on identity and sensemaking, where employees in the context of a transition culture may interpret the discourse differently. Furthermore, employees may be selective in which values, ideas, and messages they choose to identify with and how that may affect their meaning-making of attempts at cultural change.

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