Framing service as ideology and practice

Cognitive underpinnings of service transformation in Finland's residential sector

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Abstract

Service transformation describes organization-level change from goods- to service-centric value creation. While considering the aspects of strategy and organization structure, existing research pays little attention to the cognitive basis of service transformation. Integrating perspectives from three theoretical backgrounds – service-dominant logic, institutional theory and organizational cognition – this dissertation develops new knowledge of how framing influences service transformation. Frame is defined here as an organization level schema of interpretation that embodies a particular interpretation of the organization in its environment, guiding how the members of the organization engage in value cocreation.

Adopting a qualitative research approach, this dissertation studies service transformation in Finland's residential sector, in which organizations are increasingly adopting resident-focused and service-centric forms of activity to complement the asset-centric logic of operations. This dissertation consists of two empirical studies. The first study examines how organizations perceive and respond to the transformation toward increasingly resident-centric service provision in the residential sector, and identifies four logics of value creation.

The second study adopts a multiple-case study design to understand how framing influences service transformation in seven organizations. The findings present four archetypical ways of framing services – as profit generation, organizational reorientation, basis of business, and expression of values – which rest on two underlying dimensions: Argument diversity describes whether an organization relies on business-centric rationales or multiple interrelated rationales in legitimizing resident services; identification with resident-centric service provision distinguishes between instrumental views of resident services and resident services as the constitutive logic of the organization. The findings link the archetypical frames to different tactics by which managers build their legitimacy within the organization, and identify different managerial orientations to facilitate change at the level of activities, organization design, and culture. Finally, the findings link these to different directions of service transformation.

The findings contribute to service literature on by theorizing the cognitive underpinnings of service transformation, emphasizing service not only as operative-level activity but also as organization-wide ideology to value creation. The findings also complement organizational literature by examining service transformation as organizational hybridization, as well as by elaborating the role of framing in organizations responding to institutional processes.

Tekijä
Jaakko Siltaloppi

Väitöskirjan nimi
Palvelu ideologiana ja toimintana: Kognitiivinen näkökulma palvelumuutokseen suomalaisella asumissektorilla

Tiivistelmä

Palvelumuutos kuvaa organisaatioiden muutosta tuotekeskeisestä palvelukeskeiseen tapaan luoda arvoa. Aikaisempi tutkimus korostaa palvelumuutoksen strategisia ja organisaation rakenteeseen liittyviä kysymyksiä, mutta ei syvennä ymmärrystä sen kognitiivisesta perustasta. Eri teoriataustoja hyödyntäen tämä tutkimus luo uutta tietoa kehystämisen vaikutuksista palvelumuutokseen. Kehys (engl. frame) on organisaatiossa jaettu tulkintaskeema joka sisältää tietyn käsityksen tai tulkinnan organisaation toiminnasta ympäristössään ja joka ohjaa tapoja, joilla organisaation jäsenet suuntautuvat arvonluontiin.

Väitöskirja perustuu laadulliseen tutkimusotteeseen ja tarkastelee palvelumuutosta suomalaisella asumissektorilla, jossa organisaatiot omaksuvat aikaisempaa asukaslähtöisempiä ja palveluun perustuvia toimintatapoja kiinteistöihin keskittyvän toiminnan rinnalla. Empiirinen tutkimus jakautuu kahteen osatutkimukseen. Ensimmäisessä osassa tarkastellaan organisaatioiden näkemyksiä ja tapoja asukaskeskeisten palvelutoimintojen omaksumiseen laajasti erilaisissa organisaatioissa, ja tunnistetaan arvonluontia ohjaavia toimintalogiikoita.

Toisessa osatutkimuksessa tarkastellaan yksityiskohtaisemmin palvelujen kehystämisen vaikutuksia palvelumuutokseen seitsemässä organisaatiossa. Tuloksissa tunnistetaan neljä arkkityyppistä tapaa kehystää palveluja osana organisaation toimintaa, joissa palvelu nähdään joko voitontavoitteluna, organisaation uudelleensuuntautumisena, liiketoiminnan perustana tai arvojen toteuttamisena. Tämä luokittelu perustuu kahden ulottuvuuden tunnistamiseen: argumenttien monimuotoisuus erottaa yksipuolisesti liiketoiminnan argumentteja korostavat kehykset useita argumentteja yhdistävistä; identifioituminen paveluntuottajaksi erottaa instrumentaalisen näkökulman palvelujen ymmärtämisestä toiminnan perustana. Eri kehysten omaksuminen perustuu erilaisiin keinoihin oikeuttaa palvelumuutos organisaation sisällä, sekä johtaa muutosta toimintojen, organisaation rakenteen ja kulttuurin tasoilla. Lisäksi tulokset linkittävät edellä mainitut tekijät palvelumuutoksen erilaisiin aineistosta tunnistettuihin suuntiin.

Väitöskirja lisää ymmärrystä palvelumuutoksen kognitiivisesta perustasta, korostaen erityisesti palvelun ideologista ulottuvuutta organisaation toiminnan perustana. Lisäksi tutkimustulokset täydentävät havaintoja organisaatioista useita arvonluonnin logiikoita yhdistävinä hybridirakenteina, ja syventävät tutkimustietoa kehystämisen roolista organisaatioiden ja institutionaalisten prosessien rajapinnassa.

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It feels such a long way since embarking on the journey as a doctoral student in the shiny new Aalto University, as so much has transpired since the fall of 2010 when I began this process. On the one hand, life within the university seems to have become increasingly turbulent and uncertain, with little help from the current government. On the other hand, I have come a long way professionally and personally. The dozens of interviews, hundreds of discussions and thousands of pages read have turned my shaky initial ideas into the book you are currently reading. In the process, an engineer has also transformed into a social scientist. While my way of getting here is not exactly from the pages of a PhD student's guidebook, I take pride in having pushed through the ambiguity, uncertainty and fear of failure to find my own path in the academic world.

  This journey would not have been possible without the help of so many selfless people who supported me along the way. A major reason for me to begin as a doctoral student was the opportunity to join the vibrant community of researchers at FSRG (later known as BES). For this opportunity, for funding, guidance, trust and so much more, I wish to thank research manager Jukka Puhto. Thank you for allowing me to go and find my own way. Furthermore, I am grateful to research managers Suvi Nenonen and Juha-Matti Junnonen for their help and encouragement. I also want to thank my colleagues without whom the challenges of academic work would have been much more difficult to bear. Arto, Kaisa, Tytti, Tuomo and the rest of you, thanks for the years at BES. It was fun as hell!

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  I could have not finished this dissertation without the additional support I have received over the last year from professor Risto Rajala. It was during this

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Tables and figures

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Key concepts

Frame	A schema of interpretation (Goffman, 1974), which selects some aspects of the perceived reality and makes it more salient for an actor in such way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation (Entman, 1993). In this dissertation, frames are considered primarily at the organizational level, focusing on the collectively constructed sets of assumptions and knowledge of firms' capabilities and orientation to competition within its industry (Cornelissen & Werner, 2014).
Institutional logic	The socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences (Thornton, Ocasio, & Lounsbury, 2012: 2). This dissertation focuses primarily on the archetypical asset- and service-centric logics guiding value creation in organizations.
Residential sector	A sub-section of the construction and real estate industry focused on the production and maintenance of residential properties, as well as supporting the residents in their daily life.
Service transformation	Change toward organization-wide embracement of relatively enduring organizational policies, practices and procedures, as well as shared behavioral orientations and cognitive representations, which guide, support and reward service-oriented behaviors that offer customers more comprehensive support than products or other tangible offerings alone (e.g., Kowalkowski, Kindström, Alejandro, Brege, & Biggemann, 2012; Kowalkowski, Witell, & Gustafsson, 2013).

1 Introduction

This dissertation examines the phenomenon of service transformation. Although increasingly central to changes across the sectors of the economy, this phenomenon remains underexplored particularly with respect to its cognitive underpinnings. To this end, the current work draws from multiple theoretical perspectives to extend work on service transformation by examining how framing influences service transformation. This study is conducted in the context of Finland's residential sector, in which increasing emphasis is placed on resident-centric and service-based forms of value creation parallel to asset-centric focus on properties.

1.1 Research context and practical motivation

Companies across industries are undergoing changes from production-centered strategies and business models to increasingly networked, customer-centered and service-based forms of value creation (Anderson & Narus, 1995; Prahalad & Ramaswamy, 2004; Vandermerwe & Rada, 1988; Wise & Baumgartner, 1999). This *service transformation* describes a shift from goods- to service-based business logic, which involves redirecting attention from the production process of the firm to supporting customers' value creation (Grönroos & Ravald, 2011). It also calls for more attention to customers' idiosyncratic needs and the reorganization and reformation of operations so as to focus efforts on improving value for customers on the basis of their unique situation and problems (e.g., Gebauer & Kowalkowski, 2012; Matthyssens & Vandenbempt, 2008; Oliva & Kallenberg, 2003).

While researched predominantly in the context of manufacturing companies, the phenomenon of service transformation is current across the sectors of the economy (Vandermerwe & Rada, 1988). Surprisingly, however, existing literature offers few insights to service transformation outside the context of capital goods manufacturing. For example, organizations in the residential sector[1] are facing pressures to transform their predominantly asset-centric

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[1] In the REIT/RESI industry classification, this field is subdivided into two categories: 1) manufactured homes, which takes in investment in, and provision of, manufactured home communities for individual households, and 2) managing apartments in multi-family dwellings. This dissertation focuses on the latter, with explicit interest in organizations involved in property development and investment, management and maintenance, as well as the provision of services directly for the residents.

strategies toward supporting residents' value creation. At the level of the society, an important driver for service transformation is the aging of population, which – coupled with reforms in the social and health care system – sets new demands on housing to support the elderly population particularly in the western and northern Europe (e.g., Sonkin, Petäjäkoski-Hult, Rönkä, & Södergård, 1999). In addition, trends such as urbanization, changing lifestyles and new forms of work increase the demand for new forms of service-based support both in the residential and workspace contexts, as work and personal life become increasingly integrated (e.g., Correll, Kelly, O'Connor, & Williams, 2014; Kalleberg, 2009; Robertson, 2000). The deregulation of housing markets (e.g., Cuerpo, Kalantaryan, & Pontuch, 2014) is also a likely contributor to the increasing competition among firms in the residential sector, pushing organizations to seek competitive advantage from services and increasing attention to the residents' service experience.

Central to service transformation is the observation that the success and survival of organizations increasingly depends on their ability to provide and integrate services with tangible offerings to provide comprehensive solutions for the customers (Vandermerwe & Rada, 1988). In the context of the residential sector, which this dissertation focuses on, this calls for increasing emphasis on the integration of *resident services*[2] to the tangible assets – properties – comprising housing solutions offered to the residents. This change is particularly pronounced in characteristically self-service societies, such as Finland, in which the individual citizens or residents have taken extensive responsibility for organizing and sourcing services related to their homes and daily living. With service transformation, property investors and other actors traditionally focused on the productivity of assets are seeking ways to improve their business by focusing on the service experience of their customers. As a result, increasing attention is paid to facilitating the residents' daily life by organizing or providing new service offerings, which currently range from moving and domestic services to renovations and technology-based services, such as online grocery shopping.

In addition to opportunities, service transformation also poses new challenges for organizations in the residential sector. While they must continue to perform well in the 'technical' domain (i.e., in developing, managing and maintaining properties), the success of the organizations increasingly depends on their ability to find viable, feasible and sustainable ways of integrating (resident) services to their tangible offering. The difficulty of this task originates in the different competences central to asset-centric provision and maintenance of buildings and service-based interaction with the residents. While challenging for strategic decision-making (Denis, Langley, & Rouleau, 2007), the fundamental issue stems from different 'dominant logics' the asset- and service-centric operations rest on (Prahalad & Bettis, 1986). Such pluralism of logics requires extensive organization-wide efforts to fit

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[2] In this work, resident services refer to the service offerings, elements or features provided directly for the benefit of the residents, distinct from property management and maintenance services focused on the condition of the buildings.

partially incompatible logics together and reign tensions between them (Kraatz & Block, 2008).

While existing literature provides detailed understanding of the strategic frameworks and organization-level processes central to service transformation, particularly in manufacturing organizations (e.g., Gebauer, 2008; Gebauer & Kowalkowski, 2012; Matthyssens & Vandenbempt, 2008; Oliva & Kallenberg, 2003), little research exists on the transformation of the dominant logic of the organization extending beyond explicit strategies to the implicit notion of what value is (Vargo & Lusch, 2004), how the managers conceptualize their business to make decisions (Prahalad & Bettis, 1986), and how the members of the organization understand the central, distinctive and enduring aspects of their organization and its purpose with respect to the key stakeholders (Albert & Whetten, 1985). These unanswered questions constitute the primary motivation for this dissertation.

1.2   Theoretical motivation and background

Several areas of literature can help expand understanding of service transformation. In this dissertation, three compatible and nested theoretical perspectives are utilized, including the service-dominant (S-D) logic, institutional theory, and organizational cognition. As the broadest of the three, S-D logic promotes a service-based conceptualization of value creation that counters the traditional, goods-dominant logic common in economics and marketing (Vargo & Lusch, 2004). Instead of perceiving firms as value creators and consumers as destroyers of value, with products embodying value to be exchanged in markets, S-D logic views value as cocreated through mutual and reciprocal service exchange among multiple actors, service understood as the application of competences for the benefit of other actors (Lusch & Vargo, 2014; Vargo & Lusch, 2008, 2011). This perspective, focused explicitly on the paradigmatic assumptions underscoring both managers' and researchers' views of value creation, expands the horizon of service transformation literature beyond the questions of strategy, business model and organization design to the fundamental logics that guide the organization (cf. Prahalad & Bettis, 1986).

S-D logic suggests that value creation is inherently guided and constrained by *institutions*, or the rules, norms, values and beliefs shared by actors in a particular context (Lusch & Vargo, 2014; Spohrer & Maglio, 2010; Vargo, Wieland, & Akaka, 2015). Hence, service transformation is not only a question of selecting and implementing the most profitable strategy, but requires change in the institutionalized rules, norms and assumptions, or 'recipes', that govern and coordinate interaction and value cocreation in organizations and industries (Matthyssens, Vandenbempt, & Berghman, 2006; Scott, 2014). Institutional theory proposes that service transformation is difficult, first, because actors may not be able to conceive of alternative strategies based on the service-centric logic of action (cf. Berger & Luckman, 1966), and second, because actors depend on others for resources and thus conform to their

expectations of appropriate forms of behavior aligned with the goods-dominant mode (cf. DiMaggio & Powell, 1983; Pfeffer & Salancik, 1978 / 2003; Scott & Meyer, 1983).

As a result, it is possible to conceptualize actors – both individuals and organizations – as being 'confined within' institutional orders or arrangements (Friedland & Alford, 1991) prescribing and endorsing different *institutional logics*, or sets of "*socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences*" (Thornton et al., 2012: 2). In the context of the residential sector, this means that the growing importance of resident services may be capsulated in the emergence of a new service-centric institutional logic contradicting some of the assumptions, values and beliefs central to the preexisting asset-centric logic focused on the production and maintenance of apartments.

Interpreting service transformation as the adoption and internalization of a new logic, it draws attention to the emergence of institutional complexity as individuals within the organization confront incompatible prescriptions from multiple institutional logics (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). The increasingly salient institutional complexity forces organizations to seek ways of reconciling the complexity in order to remain a viable and attractive player in the changing field (Kraatz & Block, 2008; Pache & Santos, 2010). This not only calls for attention to the operative-level development and organization of new service operations, but also – and importantly – requires efforts to integrate the partially incompatible cultural assumptions, organizational identities and goals prescribed by different logics into a consistent basis for sustained collective action (Battilana & Lee, 2014; Kraatz & Block, 2008; Thornton et al., 2012).

While providing an understanding of the context and organizational pressures of service transformation, institutional theory remains relatively general in its perspective to actors and agency within organizations. This makes relevant the third theoretical perspective, *organizational cognition*. Focusing on the shared knowledge structures that guide interpretation and action in organizations, this literature nests within institutional literature because the cognitive knowledge structures (e.g., schemas, mental models, scripts) constitute one constitutive aspect of institutions (Scott, 2014). Rather than emphasizing actors' conformity to institutional pressures, however, the cognitive literature makes salient the collective processes of meaning construction inside organizations (e.g., Bartunek, 1984; Isabella, 1990; Kaplan, 2008b; Walsh, 1995), which translate institutional pressures into organization-level realities (Vican & Pernell-Gallagher, 2013). Hence, this perspective is useful for extending the 'logic' of institutional theory to intra-organizational change, such as service transformation.

The concept of *frame* provides one avenue for exploring how the members of the organization construct novel strategies in the nexus of complex institutional pressures. Goffman (1974) defines frame as schema of

interpretation, which makes salient a particular problem definition, causal interpretation, moral evaluation, and / or treatment recommendation (Entman, 1993). In other words, frame shapes how an actor or group interprets a situation and orients action relative to it. The concept of frame is particularly useful as it simultaneously refers to a particular kind knowledge structure and the social process of its construction, and allows the analyst to focus specifically on the level of the organization (Cornelissen & Werner, 2014). Hence, it helps understand how the assumptions, values and beliefs constitutive of institutional logics instantiate in organizational action as a result of framing (George, Chattopadhyay, Sitkin, & Barden, 2006; Vican & Pernell-Gallagher, 2013). Furthermore, this perspective elaborates how actors within organizations may promote new views and solutions by framing the context and goals of the organization in ways that contest the dominant frames (Kaplan, 2008b; Lounsbury, Ventresca, & Hirsch, 2003), and how novel framing of issues and solutions may promote change in surrounding institutional contexts (Gray, Purdy, & Ansari, 2015).

This theoretical basis suggests that the unfolding of service transformation in organizations depends on how organizations, or rather the individuals comprising organizations, frame the emerging emphasis on customer-centric service provision as a part of the strategy and practice of the organization (e.g., George et al., 2006; Greenwood & Hinings, 1988; Isabella, 1990). However, existing literature provides little applicable knowledge to understanding how framing influences service transformation. On the one hand, this is due to the lack of attention to the 'goods-versus-service' theme in the organizational literature traditionally oriented to complexities between the logic of market capitalism and social welfare or environmentalism (Battilana & Lee, 2014; Hahn, Preuss, Pinkse, & Figge, 2014; Smith, Gonin, & Besharov, 2013). While this literature has taken interest in diverse organizational response strategies to complex institutional pressures, as well as means to balance multiple logics inside the organization (Battilana & Lee, 2014; Oliver, 1991), it has paid less attention to the role of framing in reconciling multiple institutional logics and establishing a sustainable basis for collective organizational action. On the other hand, the literature on service transformation has not made extensive use of institutional and cognitive theories which have the potential of greatly enriching understanding of the transformation from production to service-based business (cf. Gebauer & Friedli, 2005; Matthyssens et al., 2006). Thus, the cognitive underpinnings of service transformation remain underexplored.

1.3   Purpose and research questions

Building on and contributing to this theoretical background, *the purpose of this dissertation is to develop new knowledge on the ways in which framing influences service transformation.* The frame concept is central because it comprises a dual meaning oriented, first, to the ways in which organization members make sense of and interpret the context and the purpose of the organization, and second, to their efforts at shaping and disseminating this

understanding across the organization to create basis for collective action (Cornelissen & Werner, 2014). This dissertation examines the cognitive underpinnings of service transformation focusing on Finland's residential sector. In particular, the current work examines four interrelated areas of inquiry: (1) the residential sector as context for service transformation, (2) framing of resident services in organizations, (3) associated managerial efforts to facilitate and promote service transformation, and (4) the manifestations of different frames in the patterns and directions of service transformation.

First, this dissertation focuses on Finland's residential sector, which constitutes a novel context for research on service transformation. Institutional theory posits that industrial sectors, often referred to as organizational fields (DiMaggio & Powell, 1983; Scott & Meyer, 1983), consist of and provide the taken-for-granted rules, norms, values and meanings which individuals and organizations use to provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences (Thornton et al., 2012). Institutions resist change and constrain actors operating in a particular field, but also enable them by providing templates for efficient interaction and effective value cocreation (Giddens, 1984; Sewell, 1992). In addition, institutions provide actors the resources or 'toolkits' for reconstructing the forms, practices and symbols constitutive of organizations within the field (Swidler, 1986; Thornton et al., 2012). Hence, more detailed understanding of frames central to service transformation requires knowledge of the preexisting perceptions of appropriate, viable and feasible models of value creation in the context of the empirical analysis. Furthermore, it is important to understand the diverse ways in which different organizations may respond to increasing pressures (Greenwood et al., 2011) caused by the emergence of the service-centric logic of value creation. On this basis, the first research question asks:

> *RQ 1: How do organizations perceive and respond to the growing emphasis on resident-centric service provision in the residential sector?*

Second, literature suggests that the way in which key individuals in organizations frame the organization in its context is central to the construction of organizational realities and formation of responses to complex institutional pressures (George et al., 2006; Vican & Pernell-Gallagher, 2013). Despite extensive work on the frame concept (Cornelissen & Werner, 2014) and organizational cognition more generally (Walsh, 1995), research is yet to systematically explore how frames influence the ways in which organizations transform their orientation to value creation. While existing research offers a number of insights into the micro-level processes of constructing novel frames and understandings (e.g., Gioia & Chittipeddi, 1991; Kaplan, 2008b; Maitlis & Lawrence, 2007; Sonenshein, 2010), and provides clues as to how specific issues can be framed as simple or complex (Hahn et al., 2014), or as threat or opportunity (George et al., 2006; Gilbert, 2006), a more nuanced view is

missing with regards to framing new logics of value creation – here, resident-centric service provision – as a part of the collective understanding of the organization. Hence, the second research question asks:

RQ 2: How are services framed as a part of organization's value creation?

Hence, this dissertation takes interest in the diversity of possible ways to frame service provision as a part of the organization, as opposed to seeking a micro-level understanding of the interactive framing and sensemaking processes through which new meaning is constructed as the basis of collective action. In align with this purpose, the third area of inquiry focuses on the role of managers in service transformation as they are the key actors within organizations influencing the formation and adoption of collective frames (e.g., Gioia & Chittipeddi, 1991). A particularly interesting question relates to the legitimation of new frames among the members of the organization, as well as to the more general facilitation of the adoption of new activities and cultural assumptions constitutive of service transformation.

The importance of these questions derives from the understanding that change in the collective frames that guide organizations is not unilaterally driven and resolved by top manages, but involves two-directional interaction among individuals and groups in the organization. For example, the literature demonstrates the likelihood for confusion and contestation over meanings and interpretations during strategic change, and illustrates how different orientations to interaction shape collective sensemaking and basis for organizational change (Bartunek, Rousseau, Rudolph, & DePalma, 2006; Kaplan, 2008b; Maitlis, 2005; Sonenshein, 2010). Furthermore, change in collective frames is intertwined with the reformation of organizational practices and members' roles within the organization (Isabella, 1990), further underscoring the importance of understanding different managerial means of, and orientations to, shaping service transformation in organizations. The managerial perspective becomes particularly relevant when considering service transformation as a form of organizational hybridization among multiple institutional logics (Battilana & Lee, 2014), as managerial effort is needed to integrate and balance the incompatible aspects of logics for viable and sustainable operations. In this context, the third research question asks:

RQ 3: How do managers legitimize and facilitate the integration of service-centric value creation in their organization?

The previous questions explore in increasing depth how the unfolding of service transformation is shaped by the way in which resident services are framed, legitimated and promoted inside the organization. However, these questions do not yet account for the manifestations and outcomes of service transformation that would link different frame archetypes and managerial orientations to distinct directions of organizational change. In order to

formulate framing-based theory of service transformation, it is therefore necessary to examine the perceptions of organization members on service transformation over time to understand in more detail the possible effects of different ways of framing services as a part of the organization. To this end, the fourth research question takes a summarizing perspective with respect to the purpose of this research, and asks:

RQ 4: How do frames manifest in the unfolding of service transformation in organizations in the residential sector?

1.4   Methodology and philosophical assumptions

Deriving from the character of the research questions, this dissertation adopts a theory elaboration approach (Vaughan, 1992) which aims to elaborate and extend existing theory at the intersection of service transformation, institutional theory and organizational cognition by applying existing concepts to, and exploring their applicability in, a new empirical context. Hence, this study seeks to understand how differences in framing and managing service transformation affect the stability and directions of change. To this end, theory elaboration is particularly relevant as it allows for expanding and integrating existing theories developed in specific contexts and associated with particular types of organizations. More specifically, this approach is useful for discovering new contingencies and boundary conditions associated with existing theories, in this case institutional and cognitive theories of the organization in the context of service transformation. This approach differs from grounded theory building as it applies existing concepts on new data to expand their theoretical scope, as opposed to seeking the development of new concepts describing a previously un-researched phenomenon.

The empirical study of this dissertation was conducted in two main parts. The first part focuses on the first research question with interest in the adoption of, and attitudes toward, resident services in different types of organizations. The purpose of this study is to provide a general understanding of the institutionalized assumptions, beliefs and dispositions toward resident service provision in the residential field. Building on interviews with 46 informants from different organizations, this part rests on qualitative data analysis to arrive at an overview of the perceptions of resident services and service transformation among different actors in the residential sector.

The second part of this dissertation adopts a multiple case study design suited for the theory elaboration approach by enabling systematic comparisons among case studies in multiple dimensions (Eisenhardt, 1989; Vaughan, 1992). Seven case organizations were chosen based on their different ways of framing resident services to integrate them in the organization. Hence, the case studies illustrate organizations in which resident service were introduced, in one form or another, parallel to the asset-centric focus on buildings in accordance with the dominant logic of the field. In each case, the central unit of analysis was the collective frame which guided organization

members' interpretation and sensemaking of resident services. In this study, data consists of altogether 53 interviews, analyzed following an abductive process which systematically combined insights from theory with emerging findings from empirical data (Dubois & Gadde, 2002).

This research design roots in a postpositivistic research paradigm which is characterized by an objectivist ontology and subjectivist epistemology (Guba & Lincoln, 1994; Morgan & Smircich, 1980). The objectivist ontology means in this context not the naïve realism of classical positivism, but critical realism which considers reality as existing independent of the observer but only imperfectly and probabilistically apprehensible (Guba & Lincoln, 1994). Epistemologically this paradigm accommodates the pluralistic view of social constructivism without reducing the whole reality into discourses and texts with only epistemological status (Reed, 2005a, b). Thus, this dissertation builds on the idea that knowledge claims are 'probably true' given that they are replicated across time and place, but also acknowledges that human actors construct and institutionalize knowledge in ways that result in different interpretations and meanings given to events depending on the 'logic' particular actors or groups attend to (Berger & Luckman, 1966; Friedland & Alford, 1991). On this basis, the qualitative methodological approach chosen for this dissertation is appropriate, given its purpose of developing detailed understanding of social phenomena studied in their context (Van Maanen, 1979).

1.5   Key findings and contributions

The findings of this dissertation are structured in two main parts. The first part, reported in section 4, focuses on answering the first research question by identifying the central actors of the residential sector, their roles and positions in the field, as well as examining their perceptions of – and responses to – the increasing emphasis on resident-centric and service-based forms of value creation. The findings display a range of responses from denying engagement in resident service provision to organizations establishing themselves fundamentally as resident service providers. By reflecting on informants' views of their organization and resident services, the findings also identify four archetypical dominant logics of value creation in the residential sector. These depend on the basis of business (asset- versus service-centric) as well as the orientation of operations (orientation to productivity versus the residents), outlining four archetypical roles. The findings also reveal that while the more traditional roles – property developers, building owners, property managers and maintenance service providers – are tightly interlinked and constitute the backbone of the sector, resident services remain more ambiguous and their providers more isolated from the core of the field. Hence, the residential field remains limited with respect to its engagement in service transformation, making resident-centric service provision relatively challenging. At the same time, the field provides relatively large margin for framing services in different

ways, facilitating experimentation with new business ideas without specified templates for service-based value creation.

The first study constitutes one of the first systematic research efforts to investigate service transformation in the residential sector, providing generic understanding of the responses different organizations have adopted toward increasing emphasis on resident-centric service provision. These findings also constitute the basis for the second study of this dissertation by enabling the identification of organizations in which the perception of and attitude toward resident services is distinctive from the institutionalized norm of the field.

The second part of the empirical findings, reported in section 5, focuses on service transformation in seven case organizations, using the frame concept as the primary theoretical lens. The purpose of this study was to explore more deeply the cognitive underpinnings of service transformation by seeking answers to the remaining three research questions. Based on qualitative interview data, the findings answer to the second research question by identifying two main dimensions which constitute the basis for framing resident services. The first dimension, *argument diversity*, distinguishes between organizations justifying resident-centric service provision either based on business-centric rationales, or based on multiple interrelated rationales integrating non-financial rationales and values in the evaluation of resident services. The second dimension, *identification with resident services*, separates organizations with instrumental views of resident services from organizations in which resident services are considered as the constitutive logic of the organization. Together, these dimensions demarcate four archetypical frames around resident services: profit generation, organizational reorientation, basis of business, and expression of values.

In addition, the findings describe how the different frames couple with managers' efforts to legitimize organization's engagement with resident-centric service provision, and the means to promote the development and stabilization of new activities, organization forms and cultural change toward service-centric value creation. Different managerial orientations are identified. In the dimension of identification, the instrumental view manifests in managers' pragmatic focus on the impact of resident services on property-focused core business, while the constitutive view orients attention more fundamentally to cultural change and the improvement of customer experience through the offering of the organization. In the dimension of argument diversity, business-centric rationales emphasize close performance monitoring and accountability of service activities, while multiple interrelated rationales rely more on the underlying values of the organization establishing the basis for achieving multiple goals simultaneously.

The third and final part of the findings elaborates the linkages between the frame archetypes and service transformation in the case organizations. Resting on organization members' perceptions of service transformation, both 'during' change and 'two years after', the empirical data reveals the challenges and directions of change associated with different archetypical frames and managerial orientations. As a result, the findings point to different patterns of

service transformation from the preservation of current frames to frame expansion, creation and erosion. These patterns associate with different ways of framing resident services, creating distinct dynamics for organizational change. The instrumental view, for example, fostered the preservation of current frames with a risk of marginalization of resident services in the organization, while the view of service as constitutive logic promoted the creation of new frames in the residential sector, and their preservation over time when coupled with managerial support for cultural change. According to the findings, frame erosion is particularly likely in cases of poor financial performance and in the absence of committed managers endorsing resident services and creating organization-wide commitment to resident-centric service provision.

Combined, these findings contribute to service transformation literature by portraying service not only as operative-level practice but as organization-wide ideology to value creation. More specifically, the findings provide one of the first typologies for understanding the diversity of cognitive underpinnings of service transformation. While existing research recognizes the importance of behavioral and institutional dimensions of service transformation (e.g., Gebauer & Friedli, 2005; Matthyssens et al., 2006), the findings of this dissertation expand the scope of this literature to consider the diversity of ways in which an organization, particularly its key decision-makers, may frame service transformation and the role of services for the organization in distinct ways. Combined with insights regarding the manifestation of frames in managerial efforts and organizational outcomes, the findings link the frames to distinct directions of service transformation, adding a new layer to research examining the factors influencing service transformation. Moreover, an important contribution to existing literature derives from the institutionally embedded and cognitively oriented understanding of service transformation, which expands and complements the agent-centric and strategic views of service transformation common to both operations management and industrial marketing literatures.

The findings also contribute to organizational literature in at least three ways. First, the two-dimensional framework describing four archetypical frames expands current understanding of how frames influence decision-making and courses of organizational action. Whereas existing literature has identified the centrality of argument diversity as a central feature of frames (Hahn et al., 2014), the current study introduces the dimension of identification to this analysis, providing more detailed view of how organizations relate to new logics and internalize them in the organizational practice. Second, the integration of argument diversity and identification contributes to the literature on hybrid organizations thus far focused primarily on social enterprises (Battilana & Lee, 2014). While existing research points to the importance of organizational identity as the constitutive force preventing hybrid organizations that combine multiple logics from disintegrating (Battilana & Dorado, 2010), the current findings offer a more nuanced view of identity and identification as a constitutive force behind the stability of hybrid

organizations. Moreover, the current findings expand the notion of hybrid organizations toward more temporary forms, enabling an analysis of organizational change as a process of internalizing, processing and integrating new logics in the organization. From this perspective, service transformation is not conceptualized as immediate shift from one logic to another, but as at least temporary formation of hybrids that combine both asset- and service-centric logics with many possible outcomes.

Third, the findings contribute to institutional theory elaborating how the framing of emergent logics at the field level influences the unfolding of change at the organizational level. In the situation of an industry with a dominant logic increasingly challenged by a new logic, the current study proposes four forms of transformative work – constrained, expanding, aligned and integrative – through which new logics are framed as a part of the day-to-day value creation of the organization. While focused on the intra-organizational domain, these forms expand understanding of the institutional work underlying organizational and institutional change (Lawrence & Suddaby, 2006), and complement existing conceptual work exploring how different stances to framing generate distinct patterns to the process of institutional change (Gray et al., 2015).

1.6 Structure of the dissertation

This dissertation is structured as follows. The next section presents the theoretical background of this study, introducing literature on service transformation, institutional theory, and frames. At the end of this section, these distinct perspectives are interwoven into a framework guiding the empirical study. Section 3 describes the methodology and research process, and evaluates the validity and reliability of the research design. Section 4 presents the empirical findings of the first empirical study aimed at the generation of field-level understanding of the residential sector, and the frames that characterize organizations' orientation to resident service provision. These findings lay the foundation for the second empirical study presented in section 5. First, this section develops understanding of managers' frames underlying the transformation toward increasing orientation to resident-centric service provision. Second, it explores the manifestation of these frames in the organizations, and they ways in which managers facilitate the emergence of new resident-centric service practices. Finally, section 6 summarizes the empirical findings and provides answers to the research questions posed above. Furthermore, it outlines the contributions of this dissertation, proposes avenues for future research, and discusses the limitations of this study.

2 Theoretical background

This study draws from four compatible areas of literature – service transformation, service-dominant logic, institutional theory, and organizational cognition. At the intersection of these theoretical perspectives, this dissertation takes the concept of frames, or schemas of interpretation, as the central construct. Between field-level institutional logics day-to-day organizational action, collective frames shared among the members of the organization are constitutive to service transformation as they encapsulate how the emerging service-centric logic of value creation is integrated into the mission of the organization.

2.1 Service transformation

2.1.1 Service transformation defined

Service transformation concerns the adoption of service-based strategies and practices for value creation, driven by a number of factors from political deregulation to technological development, globalization, and increasing competition (Vandermerwe & Rada, 1988). For for-profit companies, this means that services offer potential for higher revenues. For example, services often entail higher profit margins; services provide means for responding to new customer demands driven by the need to specialize; and services are more difficult to imitate thus providing more sustainable basis of competitive advantage (Oliva & Kallenberg, 2003). As a result of the diverse factors, Vandermerwe and Rada (1988) proposed an ongoing 'servitization' of business in which companies create value (in the financial sense) by adding services to their core offering, often a tangible product of some kind. Since then, a number of authors have explored this transformation entailing a shift from competing on products to competing on services in diverse manufacturing contexts (e.g., Anderson & Narus, 1995; Chase & Erikson, 1988; Matthyssens & Vandenbempt, 1998; Wilkinson, Dainty, & Neely, 2009; Wise & Baumgartner, 1999).

A notable feature of this literature is the use of various concepts to describe different facets of essentially the same phenomenon. These concepts include servitization (Vandermerwe & Rada, 1988), service infusion (Kowalkowski et al., 2012), product-service systems or PSS (Baines et al., 2007; Cook, Bhamra, & Lemon, 2006), service-driven manufacturing (Gebauer, Ren, Valtakoski, &

Reynoso, 2012), downstreaming (Wise & Baumgartner, 1999), and industrial services (Matthyssens & Vandenbempt, 1998), to mention just a few of the more common concepts. Common to all is their interest in the transformation of manufacturing organizations toward increasingly service-based strategy and / or mode of operations, with diversity in whether they examine the constellations of integrated products and services (such as PSS), or whether they focus on examining the process of transition from product- to service-based business (such as servitization).

To transcend this diversity of concepts, this dissertation adopts the general concept of *service transformation*, which unlike many of the aforementioned alternatives does not carry excessive baggage in at least two senses. First, the more common concept of servitization sometimes presents the transformation toward service-based business as the most viable and feasible direction (Jacob & Ulaga, 2008) although empirical evidence for this implicit claim is far from unambiguous (Neely, 2009). In the current dissertation, the focus is intentionally positive / descriptive, acknowledging the phenomenon of service transformation without an ex-ante expectation of superior performance. Second, many of the aforementioned concepts, such as servitization, associate directly with particular types of organizations, usually manufacturing organizations, which adopt particular kinds of practices, for example after-sales or consultation-based services, to support clients' core business more comprehensively (Oliva & Kallenberg, 2003). Given the context of the current dissertation outside traditional manufacturing industries, the concept of service transformation accommodates a broader definition of how service is 'infused' in the organization.

Resting particularly on Kowalkowski's use of the service infusion concept, the following working definition is presented for service transformation particularly concerned with transformation at the organizational level (cf. Kowalkowski et al., 2012; Kowalkowski et al., 2013; Lytle, Hom, & Mokwa, 1998):

> ***Service transformation*** *describes the change toward organization-wide embracement of relatively enduring organizational policies, practices and procedures, as well as shared behavioral orientations and cognitive representations, which guide, support and reward service-oriented behaviors that offer customers more comprehensive support than products or other tangible offerings alone.*

This definition conceals both the formal, concrete and material changes in the organization necessary for the adoption of service practices, as well as the less tangible 'dominant logic' of the organization the members use to conceptualize and understand the business they are in, make decisions, and guide actions (Prahalad & Bettis, 1986). This aligns with literature emphasizing both the 'operations' and 'behavioral' sides in the transformation from production-based to service business (Gebauer & Friedli, 2005), extending to the 'self-

understanding' of the organization and its core offering (Gebauer, 2008; Kowalkowski et al., 2013). Thus, service transformation is not solely characterized by the externally visible adoption of particular (service) practices or processes, but accommodates the diverse dynamics through which an organization adopts an increasingly service-based logic for its operations manifested in the concrete practices and operations the organization engages in. While using the word transformation, the definition does not exclude organizations in the process of transforming. Instead, the concept of service transformation is explicitly defined as change *toward*, with awareness that no fixed end point exists which would constitute the ultimate goal for organizational change.

This definition is important because it brings into discussion the intangible or 'soft' aspects of service transformation less frequently discussed in the current literature. Instead, much of the existing literature focuses on the tangible aspects which emphasize change in formal strategy and the business model of the organization, the re-organization of operations during the transformation, as well as changes necessary in operative practices to leverage service transformation for the benefit of both the provider and customer. These, as well as the few studies extending beyond the 'formal' structures of change, will be reviewed in the following. This is followed by insights from related literatures, most notably from the service-dominant logic of marketing, which further expands the horizon of the service transformation concept and enriches the theoretical basis toward institutional processes and cognitive mechanisms.

2.1.2 The strategies and process of service transformation

Oliva and Kallenberg (2003) provide one of the central studies on the process of service transformation in manufacturing organizations, and the factors that influence this process. Their study identifies three phases in the servitization process: (1) The consolidation of existing product-related services, (2) entering the installed base service market, and (3) expanding to relationship-based or process-centered services. The consolidation of existing product-related services rests on organizing service activities (e.g., the obligatory maintenance services) more formally in a dedicated sub-unit, which enables the organization to gain better control over its dispersed maintenance service functions to provide more efficient and high-quality service for the customers.

In the second phase, the manufacturer enters the installed base service market with the aim to transform the 'obligatory' maintenance and support services into profitable business operation. Organizationally, this phase involves the formation of separate organizational sub-units to market and deliver the services, requiring the formation of organizational procedures which support the sales process and enable the organization to adapt to local service demands (Oliva & Kallenberg, 2003). This organizational transformation is challenged by the difficulty of cultural change in the organization embodied in the shift from product- to service-orientation,

including a shift from thinking services as add-ons to thinking them as the basis of business.

The third stage entails further expansion of service operations with increasingly reinforced service-based business logic at the center of the organization (Oliva & Kallenberg, 2003). Here, organizations have at least two, mostly orthogonal, alternative strategies. First, the organization may develop toward assuming the operating risk of the customer by, for example, binding its own revenue to the up-time of the machinery made available to the customer (e.g., "power-by-the-hour"). Second, the organization may seek to improve the efficacy of the product as a part of the customer's process by involving itself more deeply into the development of customer's processes. In this case, the product or machinery sold becomes more clearly only one component in the service provided by the organization extending into the core business of the customer.

The four possible stages in the service transformation process point to generic service strategy archetypes available to manufacturing organizations. As refined by Gebauer (2008), the least radical transformation involves a shift to a strategy which leverages after-sales service provision to stand out from price-focused competition (cf. the first phase by Oliva and Kallenberg). Second, customer support provision couples high product differentiation with high service differentiation, relying on quality products supplemented by process-oriented services to meet the needs of demanding customers. Third, the service strategy orients the manufacturer to assuming the operating risk of the customer, which transforms the revenue logic from transactions to value (such as the power-by-the-hour model). Finally, the organization may become a development partner who provides R&D support for the customer to achieve superior performance in the processes of the customer, aligning with the fourth phase identified by Oliva and Kallenberg (2003).

From an alternative perspective, recent research suggests that only certain trajectories or patterns of service transformation produce strategies conducive to firm growth. Kowalkowski, Windahl, Kindström, and Gebauer (2015) identify three strategies – availability provider, performance provider, and industrializer – which entail different orientations to addressing customers' problems. The availability provider describes the gradual transition central to Oliva and Kallenberg's model from offering products to providing 'power-by-the-hour', transforming the whole offering into a service contract. Performance provider takes this further by means of integration in the customer's systems and processes, enabling the provider to provide highly customer-specific service with strategic significance to the customer. Finally, the industrializer departs from highly customer-specific service solutions, which are developed over time toward increasing standardization to promote scalability and higher efficiency of service provision.

Across service transformation studies, among the key drivers for service transformation are separation from competition and the ability to meet increasingly demanding customer requests. Particularly in the early stages, service transformation appears to be driven by complaints and competitive

pressures. Deeper engagement with service provision, to the contrary, draws increasing attention to the ability of organizations to address idiosyncratic customer needs through the service-based approach (Oliva & Kallenberg, 2003). While the early stages of service transformation may be addressed with technical fine-tuning of the product to customer needs, or through the formation of more sophisticated maintenance services, the more elaborate service transformation entails a shift from offering the product + services to providing turnkey solutions tailored to the customer's needs (Matthyssens & Vandenbempt, 2008).

While the previously described phases and strategy archetypes promote a sequential view of service transformation, the process may in reality be more unorganized and ambiguous. Kowalkowski et al. (2012) portray service transformation as *agile incrementalism*, which captures the idea that, first, service transformation unfolds through small incremental steps, and second, it does so without clear plans for the direction of the transformation. While successful service transformation depends on somewhat stepwise development of competences and reorientation of strategies, each providing the prerequisites for the subsequent step (Gebauer & Kowalkowski, 2012; Oliva & Kallenberg, 2003), agile incrementalism draws attention to continuous adaptations and minor modifications, seizing emerging opportunities and actively participating in the shaping of the surrounding industry or ecosystem, as well as the ongoing reconciliation of emerging contradictions in a consistent manner so as to achieve solid service performance (Kowalkowski et al., 2012). Agile incrementalism thus resembles entrepreneurial literature which emphasizes the incremental and constructed path of an entrepreneur in an uncertain environment (Alvarez & Barney, 2007; Sarasvathy, 2001).

This view implies that there are multiple directions in which an organization may transform. For example, Mathieu (2001) provides the insightful distinction between organizational intensity and service specificity. With respect to the latter, a firm may offer basic *customer service*, *product service* aimed at the maintenance of the product, or *service as product* independent of the products the company manufactures, each describing the unique roles services play in the business of the organization. The second dimension focuses on the organization more generally, particularly on the intensity or significance of the service maneuver for the organization. Low intensity means tactical orientation to service provision, seeing services as auxiliary add-ons to the product. Service may also have strategic significance to the manufacturing organization, but in a manner which preserves manufacturing at the core of the organization. Finally, cultural significance of service means the organization is fundamentally oriented to service provision at the level of its mission and underlying norms, values and beliefs.

This distinction echoes the frame concept as it decouples the underlying cognitive orientation of the organization toward services from the revenue model and service activities. While it is likely that more extensive transformation to service-based offerings requires changes in both dimensions (Oliva & Kallenberg, 2003), it is also possible that these remain distinct. For

example, Mathieu (2001) describes Toyota Lexus as an example of a car manufacturer oriented to the production of cars, but with a service-focused cultural orientation manifested in the way the cars are produced and offered to the customers.

Another useful typology for understanding service transformation focuses on the intra-organizational domain, with particular attention to organization structure and interaction with customers (e.g., Gebauer, 2008; Gebauer & Kowalkowski, 2012; Kowalkowski, Brehmer, & Kindstrom, 2009). Gebauer and Kowalkowski (2012) distinguish the dimensions of service provision and customer centricity, identifying four approaches to organizing service operations within manufacturing organizations. At the early stages of the service transformation process, service activities may be more systematically managed by introducing a distinct service management function within the organizational sub-units responsible for maintaining the products. More extensively to the direction of systematized service provision, all service processes may be combined into one strategic business unit of the organization to take collective and strategic responsibility for the service operations in the organization. Oliva, Gebauer, and Brann (2012) indicate that while the formation of independent service organizations as strategic business units may mediate increase in the financial performance generated through services, it has negative implications on the non-financial indicators such as customer satisfaction.

In the second dimension, the organization may also evolve toward increasing customer-centricity by establishing dedicated teams within strategic business units to manage key customer accounts or important customer segments with the attempt to increase the provision of tailored, customer specific solutions (Gebauer & Kowalkowski, 2012). Furthermore, the organization may form customer-focused business units that integrate different products and services leveraging a matrix form of organization to bundle unique offerings to the needs of each customer individually.

While literature on service transformation predominantly highlights transition from product- to service-based business, the reverse transformation is also possible. Finne, Brax, and Holmström (2013) describe how external conditions and market changes may initiate trajectories that push organizations toward increasingly product-centric business. This may happen, for example, due to evolutions in the product technology which deteriorate the ability of the organization to service its installed base, or as a result of legislation changes opening up competition for the after-sales services. Poor financial performance may also initiate reverse service transformation (Neely, 2009).

In addition to a reverse path, Smith, Maull, and Ng (2014) suggest that service transformation may result in the organization to offer multiple value propositions associated with the needs of different clients all formed around the same product. In other words, organizations may take on multiple directions for service transformation simultaneously, making the organization more complex as multiple value propositions and service activities are coupled

with high-quality products to solve customers' problems (see also Kowalkowski et al., 2015).

This relates to the contradiction inherent to service transformation between efficient processes and customer-centric service provision. One manifestation of this contradiction is that while some studies suggest that the establishment of a separate service organization within a manufacturing company is beneficial (Oliva & Kallenberg, 2003), others call for the integration of customer interfaces to all strategic business units (Gebauer & Kowalkowski, 2012). Turunen and Toivonen (2011) suggest that while organizational separation of service operations has positive implications in terms of systematization, it also risks limiting the flow of information within the organization and from the customers. These authors suggests that successful service transformation depends on securing continuous flow of customer information, in which not only the sales personnel but also the technical operative-level people constitute an important channel for the customer information to enter the organization and provide information for further development of the service offering (see also Grönroos, 2012; Siltaloppi & Toivonen, 2015). In align with this viewpoint, Neu and Brown (2008) propose that service transformation requires ongoing consideration of both the internal alignment among the sub-units and processes of the organization, and the external fit with the business environment. Such integration is challenging for organizations, which may explain the inconclusive findings with respect to the financial success of service transformation (Neely, 2009).

Combining the previous insights, the management of service transformation involves the facilitation and promotion of transition both within the organization as well as toward the customers. In the organization, it requires the re-design of offerings and business processes, new organizational forms, as well as reorientation of the 'dominant logic' according to which the organization operates (Matthyssens & Vandenbempt, 2008; Matthyssens et al., 2006; Oliva & Kallenberg, 2003). In recent work, concerns for organization culture and human resource management have emerged as central to managing service transformation (Gebauer, Fischer, & Fleisch, 2010). Despite the acknowledgement that the culture or dominant logic of the organization must transform during service transformation in order to produce desired financial outcomes (Mathieu, 2001), relatively little research exists on the 'cultural' transition from production- to service-based logic.

One line of research exploring into the 'intangible' or cultural dimension of service transformation focuses on the behavioral dynamics of organizations during service transformation. Gebauer and Friedli (2005) identify a number of behavioral dynamics in play during a transition from production to service-based strategy, particularly from a managerial perspective (see also Gebauer & Fleisch, 2007). At the beginning, managers may be biased against investing in services due to risk aversion or lack of belief in the economic potential of services. If support for services is mobilized, the next challenge is to manage the operative transition in a balanced manner that provides adequate support structures for employees struggling with the transition. A behavioral challenge

in developing new structures is that while the participation of employees in the change process is necessary, their participation reduces time allocated to direct service provision and thus undermines immediate service quality. In this sense, the early phase of the transition may be fraught with issues and dissonance among employees, but which subsides as new structures begin to take hold and new employees hired learn their work.

In the next step of the transformation, more attention is focused on achieving second-order change focused not on the immediate work practices, but the routines through which employees can be engaged in making the work practices smarter. Finally, the long-term success of service transformation depends on employees' adoption of and commitment to the service-based approach. While supported by the previous stages, this also requires managers to adopt new perspectives to goal-setting (Gebauer & Friedli, 2005). Furthermore, managers' motivation is central to overcoming the behavioral obstacles during service transformation; as managers commit themselves to the transition, they more easily mobilize resources for overcoming challenges which eventually influences financial success (Gebauer & Fleisch, 2007).

In the context of cultural transformation toward services, it is also important to acknowledge that the cultural assumptions develop at industry level as organizations interact and compete with each other (DiMaggio & Powell, 1983). In this sense, service transformation requires the breaking of industry recipes (Matthyssens et al., 2006), which oppose change by blinding actors of alternative solutions, creating inertia in the form of routines, restricting change in the constraints of existing relationships, and forming industry-wide 'dogmas' which cannot be questioned. In this context, the view of service transformation as agile incrementalism (Kowalkowski et al., 2012) – that is, unfolding through incremental steps and without clear plans – makes sense as organizations may have to overcome at times very severe, yet relatively 'invisible', barriers to the adoption of new practices (Töytäri, Rajala, & Alejandro, 2015). As the service-dominant logic provides new insights to cultural transitions from production- to service-based logic, it is explored in more detail in the following section.

2.1.3   Service-dominant logic and service transformation

Service-dominant (S-D) logic provides a related and somewhat parallel theoretical development to research on service transformation. As opposed to focusing on firms, S-D logic describes a more general transformation from a goods- to service-dominant logic of value creation. Hence, S-D logic does not provide a theory of service transformation as such, but rather describes a shift from a goods- to service-dominant paradigm in thinking about value creation in general, particularly within the academia. This means that S-D logic provides a lexicon, lens, and paradigmatic viewpoint rather than an explicit theory of market-level or organizational change (Lusch & Vargo, 2014).

While the previous section used the concept of services rather casually to refer to particular forms or orientations to creating value with customers, S-D logic introduces an important distinction between ***service*** (singular) and

services (plural) central to the remainder of this work. Service is understood in S-D logic as the application of operant resources – knowledge, skills and competences – for the benefit of other actors or the actor itself. Services, on the other hand, are defined as intangible outputs of firm's production processes, or 'intangible goods' (Vargo & Lusch, 2004, 2008). This marks the more fundamental insight in S-D logic that service, and not goods, is the locus and fundamental basis of value creation, refuting the proposition constitutive of economics that products produced by the manufacturers are intrinsically valuable. Building on diverse literatures from early economics to network theory and services marketing, Vargo and Lusch describe a shift in attention from the goods-centered to a service-centered worldview:

> *"The focus is shifting away from tangibles and toward intangibles, such as skills, information, and knowledge, and toward interactivity and connectivity and ongoing relationships. The orientation has shifted from the producer to the consumer. The academic focus is shifting from the thing exchanged to one on the process of exchange. Science has moved from a focus on mechanics to one on dynamics, evolutionary development, and the emergence of complex adaptive systems. The appropriate unit of exchange is no longer the static and discrete tangible good." (Vargo & Lusch, 2004: 15)*

The central idea of S-D logic is formulated in five axioms concerned with explicating the foundational premises of value creation (Lusch & Vargo, 2014; Vargo & Lusch, forthcoming). The first axiom states that *service is the fundamental basis of exchange*. As mentioned, service is understood as the application of operant resources for the benefit of other actors or the actor itself, producing a view of the markets based on service-for-service exchange. In complex economic systems, however, this service-for-service nature of exchange is not always apparent because indirect exchange masks its fundamental unit. This means that goods are considered as distribution mechanisms for service provision, because their value is inherently derived through use. Thus, operant resources are the fundamental source of competitive advantage, and furthermore, all economies are service economies. This clarifies the point made previously that S-D logic provides an umbrella framework for understanding service transformation, rather than a specific theory to understand service transformation in manufacturing industries (Vargo & Lusch, 2008).

  The second axiom of S-D logic states that *the customer is always a cocreator of value*. This means that in S-D logic, value creation is inherently interactive instead of transactional. It results that the service provider cannot unilaterally create or deliver value (e.g., in the form of goods), but can only offer *value propositions*. In other words, firms can offer their resources for value cocreation unilaterally, but the customers, as well as other stakeholders, have the power to either accept or reject these opportunities for value creation. This

axiom reinforces the view that S-D logic is inherently customer-oriented and relational (Vargo & Lusch, 2004).

Third, S-D logic perceives *all social and economic actors as resource integrators*. Resource integration is the core activity in value cocreation, in which actors make their resources available for others and transform them collaboratively into new resources for service provision. This has two implications (Vargo & Lusch, 2011). First, it implies a fundamental symmetry between actors: all integrate resources to cocreate value. This contrasts the goods-dominant logical notion of firms as the value creators and consumers as destroyers of value. Second, the third axiom implies that value cocreation is inherently embedded in networks of actors integrating resources through direct and indirect exchange. In this context, resources are not inherently 'valuable, but become more or less valuable depending on the context of their integration, that is, the additional resources the actor holds or can access through other actors (Chandler & Vargo, 2011). The resulting view is that value cocreation unfolds not in dyadic relationships but in *service ecosystems*, which are the self-adjusting systems of many resource-integrating actors engaged in collaborative value creation based on service exchange (Lusch & Vargo, 2014).

The fourth axiom defines value as *always uniquely and phenomenologically defined by the beneficiary* (Vargo & Lusch, 2008). It addresses the idiosyncratic, experiential, contextual and meaning-laden nature of value, always unique to the perception and experience of a single actor attached to a particular temporal and 'spatial' context. It follows that there are no fundamentally objective criteria to determine or evaluate the value of economic activities, as both providers and customers experience value subjectively. Importantly, this perspective makes a distinction to economic value defined in monetary terms, highlighting a wider and contextual basis of defining what is, and is not, valuable (see also Helkkula, Kelleher, & Pihlström, 2012).

Finally, recent work on S-D logic draws attention to a fifth constitutive principle of S-D logic which centers on the concept of institutions (e.g., Edvardsson, Kleinaltenkamp, Tronvoll, McHugh, & Windahl, 2014; Vargo & Lusch, 2011; Vargo et al., 2015). Building on the third axiom, one of the central concepts in S-D logic is the service ecosystem, defined by Lusch and Vargo (2014: 24) as "the relatively self-contained, self-adjusting systems of resource-integrating actors that are connected by *shared institutional logics* and mutual value creation through service exchange". In service ecosystems, institutions – the rules, norms, values and meanings including material technologies and language – and interrelated sets of these institutions – institutional arrangements – play a central role in and coordinating value cocreation among actors (Edvardsson et al., 2014; Vargo & Lusch, forthcoming). In other words, institutions constitute the "rules of the game" for value cocreation in a particular context.

One way of interpreting the relation between S-D logic and service transformation is to perceive the former as an ideological basis for researching

the latter. For example, one could use S-D logic to examine the worldview and constitutive logic of action among the members of a specific organization or field (Smith et al., 2014; Vargo & Lusch, 2008). In this sense, S-D logic is particularly useful for integrating new concepts at the core of service transformation research, including those of value propositions, operant resources, ecosystems, and institutions, all of which offer previously underutilized perspectives to the phenomenon. One example is provided by Smith et al. (2014), who examine how the value propositions developed during service transformation influenced the design of operations with the organization. This study underscores the utility of the value proposition concept, as well as the insights it offers into the operant resources which constitute the basis for offering the value propositions and engaging in value creation with specific beneficiaries (i.e., customers). Considering the service solution from the ecosystems perspective may further contribute to understanding why something which from a goods-dominant viewpoint appears as a simple addition of services to the good is actually far from straightforward and involves the rewiring of both 'provider' and 'customer' competences in a collaborative manner so as to reconfigure the value cocreation practices of the ecosystem.

S-D logic also introduces a distinct conceptual basis for understanding innovation as a combination of the cocreation of new value propositions (e.g., the formulation and proposing of new service offerings) and the institutionalization of new solutions across service ecosystems (Vargo et al., 2015). In other words, understanding innovation associated with service transformation requires an understanding of both the development of a novel value proposition in an organization previously focused on products, and the institutionalization of the proposed value cocreation practices across the ecosystem as new actors adopt them. This brings to view what Matthyssens et al. (2006) refer to as industry recipes, that is, the shared views on how an industry or market works and what constitutes the basis for value cocreation in that context. Service transformation is therefore not only about the management of organizational-level change but participation in the collaborative processes within an industry to change the recipes, or assumptions, values and beliefs (Thornton et al., 2012), or the rules of the game (North, 1990), that guide value cocreation among actors.

However, these studies capture only partially the rich explanatory power of institutional thinking for understanding service transformation. An important constraint in the previously reviewed studies is their lack of explicit attention to the institutional processes underlying the more readily evident 'material' processes and strategic changes central to service transformation. While S-D logic introduces new and useful concepts to the analysis, including institutions, it remains at an ontological or meta-theoretical level and thus offers relatively few detailed insights into the institutional mechanisms and processes which underlie service transformation. For this reason, the next section digs deeper into institutional theory to develop stronger conceptual basis for the empirical analysis of the cognitive underpinnings of service

transformation. The usefulness of institutional theory for this dissertation lies in the close linkage between the institutional and cognitive levels of analysis, the latter constituting the micro-foundation for the former (e.g., Cornelissen & Werner, 2014; Gray et al., 2015). More detailed exploration of generic organization and management theory also provides more solid theoretical explanations for service-related phenomena (Gebauer et al., 2012; Maglio & Spohrer, 2008).

2.2 The institutional context of service transformation

Institutions, or more precisely, an institutionally informed understanding of human action, is essential to developing a deeper understanding of change in organizations and industries from goods- to service-based logics of action. In general, institutional theories explain the regularity and isomorphism of human action by referring to different institutional mechanisms that make organizations, and individuals, act alike (Scott, 2014). Given the extensive body of literature on institutional theory, it is worthwhile to explore its origins in greater detail in this section. Thereafter, the basic concepts of institutional theory are presented, followed by a review of literature oriented to institutional change. The final section focuses on organization-centric perspectives to institutional processes, integrating the institutional understanding more clearly to the context of service transformation.

2.2.1 The origins of institutional theory

The history of institutional thinking spans at least three academic disciplines from economics to political science and sociology, each with distinct interests and perspectives to human action (see DiMaggio & Powell, 1991; Scott, 2014, for more through reviews). In economics, institutions arose from interest to understand 'the rules of the economic game' (North, 1990) and the ways in which they constrain, and provide a framework for, economic activity. In political science, institutions were adopted to understand the influence legal systems, and later, the normative and symbolic systems, on political action (e.g., March & Olsen, 1984, 1989). In sociology, institutional thinking has permeated multiple schools of thought, from perceiving institutions as governing structures to the symbolic views of social constructivism (Scott, 2014). Common to all these streams of institutional research is their rejection of rational choice theories which posit that actors act based on calculated decisions on optimal courses of behavior. Instead, institutional explanations point to different forms of external control and influence on action, focusing on the guiding and constraining structures rather than individuals (Sewell, 1992).

Institutional theory has also become very central to contemporary organizational theory (Greenwood, Oliver, Sahlin, & Suddaby, 2008). The lineage of organizationally focused institutional thinking can be traced back to a number of influential thinkers. Philip Selznick focused on the social characteristics of organizations and leadership, and the institutionalization of

organizations over time. In his view, 'to institutionalize' meant "*to infuse with value beyond the technical requirements of the task at hand*" (Selznick, 1957: 17). From this viewpoint, the formation of organizations is driven by the formation of shared values and beliefs among actors, which gradually gain an ontological status as the values and beliefs begin to guide actors' thinking and action.

Another influential basis for institutional research traces back to Talcot Parsons, who proposed organizations to consist of three interrelated layers: technical, managerial and institutional. In this context, the institutional layer was concerned with how the organization related to the norms and habits of the surrounding society, adopting a more top-down view of institutions in comparison to Selznick (Scott, 2014). Institutional thinking also ties back to the Nobel laureate Herbert Simon, whose early work drew attention to how organization structures and procedures provide guideline for decision-making (Simon, 1945 / 1997), creating the basis for 'programs' of routine performance (March & Simon, 1958). Culminating in his notion of bounded rationality, Simon showed how routines, rules, frames and heuristics – essentially, the building blocks of institutions – were central to producing 'rational' behavior in boundedly rational human actors (Simon, 1996).

Extending but also re-directing these streams of institutional thinking, the last thirty years has witnessed a rapid growth in research on institutions and the development of institutional theory within the organizational research tradition. This development has been driven by a number factors (DiMaggio & Powell, 1991). First, institutional theory offered a counter-argument to rational choice theories for explaining the behavior of organizations, particularly by explaining why organizations act alike even when the adoption of shared practices is evidently inefficient from the viewpoint of the organization's core processes (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Furthermore, in distinction to new institutionalism in political science and economics, organizational neoinstitutionalism rejected the idea of institutions as products of purposeful human design (DiMaggio & Powell, 1991) and efficient solutions to economic problems (Granovetter, 1985). Instead, it emphasized the influence of the symbolic, that is, cultural and cognitive dimensions of institutions as 'unconsciously' and socially constructed structures or patterns which gradually institutionalize into shared and taken-for-granted habits, conventions and beliefs (Berger & Luckman, 1966). Relatedly, neoinstitutional theory in organizational analysis underscored the interdependence of individuals and institutions in the production of social life, taking a conscious step away from the idea that actors can always consciously negotiate the rules and norms they follow (DiMaggio & Powell, 1991).

As a result, neoinstitutional theory came to expand and even transform the basic argument of resource dependency theory which states that organizations adopt particular, commonly shared practices because those they depend on for resources prefer these practices (Pfeffer & Salancik, 1978 / 2003). While such 'calculation' arguably plays a role, the neoinstitutionalists emphasized coercive, normative and mimetic mechanisms which drew attention to the role

of formal authorities with sanctioning power, the formation of shared norms in a field, as well as the unconscious cognitive imitation of those perceived as the high-performing organizations as the basis of institutionalization (DiMaggio & Powell, 1983). In other words, isomorphism rests to a good extent on the fact that actors, embedded in systems defined by the institutionalized symbols and practices, simply cannot imagine alternatives to the current interpretations and forms of conduct (Scott, 2014).

2.2.2 Key concepts: Institutions, institutionalization and legitimacy

From the perspective of organizational research, institutional theory rests on five principles (Greenwood et al., 2008: 6). First, organizations are influenced by their contexts; institutional contexts consist of rationalized myths of appropriate conduct. Second, institutional pressures affect all organizations, but particularly those facing uncertain contexts. Third, organizations become isomorphic with their institutional context to secure legitimacy, which provides survival benefits. Fourth, conformity to institutional pressures may be ceremonial (i.e., symbolic structures are decoupled from technical core) because institutional pressures can contradict principles of efficiency. Finally, institutionalized practices are typically taken-for-granted, widely accepted, and resistant to change.

These constitute a background for arriving at a formal definition of institutions. This dissertation adopts the definition of institutions provided and elaborated by W. Richard Scott over a series of editions to his book "Institutions and Organizations", which was first published in 1995 (and revised in 2001, 2008, and 2014). Referring to the most recent edition of this book throughout this dissertation, I define institutions as follows (Scott, 2014: 56):

> *"**Institutions** comprise regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life".*

The essence of this definition is that it portrays institutions as durable social structures which comprise symbolic elements (regulative, normative and cultural-cognitive), social activities, and material resources (Scott, 2014). In this sense, the definition aligns with an 'inhabited' view of institutions (Hallett & Ventresca, 2006) stressing the centrality of the practices that produce, reproduce and change social structures. Furthermore, this aligns with structuration theory (Giddens, 1984), which portrays social structures – institutions – as both the medium and outcome of social action. Structuration theory also emphasizes the importance of considering resources as a part of institutional accounts, particularly to take into account power. Just as rules and norms must be coupled with sanctioning power in order to be effective, cultural beliefs or schemas must related to (and are often embodied in) resources in order to be viable (Sewell, 1992).

These views combined, the definition above treats institutions as both constraining and enabling. Furthermore, it points to a dynamic view of institutions as persistent but not objective or immutable 'structures' consisting of and providing normative guidelines and taken-for-granted assumptions and meanings to social life.

Table 1 Characteristics of the three institutional pillars

	Regulative	**Normative**	**Cultural-cognitive**
Basis of compliance and order	Expedience to rules	Social obligation and binding expectations	Taken-for-grantedness, shared understanding, constitutive schema
Mechanisms	Coercive	Normative	Mimetic
Basis of legitimacy	Legally sanctioned	Morally governed	Comprehensible, recognizable, culturally supported
Symbolic systems	Rules, laws	Values, expectations, standards	Categories, typifications, schemas, frames
Relational systems	Governance and power systems	Regimes, authority systems	Structural isomorphism, identities
Activities	Monitoring, sanctioning	Roles, jobs, routines, habits	Predispositions, scripts
Artifacts	Objects complying with mandated specifications	Objects meeting conventions and standards	Objects possessing symbolic value

The second facet of the definition is its explicit acknowledgement of, and focus on, three institutional carriers or pillars – regulative, normative and cultural-cognitive – which capture the 'range' of institutions from the domain of formal rules and shared social norms to emphasis on cultural symbolism and shared cognitive models (see Table 1, modified from Scott, 2014: 60, 96). Each pillar draws attention to a unique set of underlying assumptions and mechanisms related to institutions and their isomorphic effect on social behavior (Scott, 2014). The regulative pillar is based on the expedience of formal rules and laws; the normative pillar rests on social obligation expressed in the expectations of other actors of appropriate behavior; and the cultural-cognitive pillar is embodies the taken-for-granted and shared understandings of the world, rooted in shared logics of action. Similarly, the pillars imply different activities as their carriers: the regulative pillar is based on monitoring and sanctioning that implies a focus on power and compliance; normative pillar emphasizes routines, habits and roles that provide the 'repertoires of

collective action'; and cultural-cognitive pillar roots in cognitive predispositions and scripts held in the minds of individual actors.

While the definition of institutions is important for establishing a common basis for discussing their effect on action, institutional theory is fundamentally concerned with the process of **institutionalization**, and the regulative, normative, and cultural-cognitive mechanisms driving that process (Scott, 2014). Institutionalization can be defined as the social process by which actors produce shared rules and norms (Parsons, 1951) and develop shared belief systems and knowledge central to the (re-) production of actions that come to evoke stable and shared meanings (Berger & Luckman, 1966). More specifically, Berger and Luckman (1966) considered institutionalization as the "*reciprocal typification of habitualized action"*, in which habitualization refers to the development of behaviors adopted by many actors to address specific, recurring problems. For Zucker (1977), institutionalization represented both a process and a property variable, being the process of transmitting "*what is socially defined as real*", while at the same time conveying that "*the meaning of an act can be defined as more or less taken-for-granted part of the social reality*" (p. 728).

Building on the works of Berger and Luckman (1966) and Zucker (1977), Tolbert and Zucker (1996) conceptualize the process of institutionalization into three phases. As a new solution (i.e., a new value cocreation practice) emerges, it first becomes habitualized among a small group of actors, that is, a part of their daily routine or repertoire of action. As new actors adopt the new solution, consensus begins to develop around it, making it increasingly objectified part of collaborative value creation among actors. As the solution persists over time, it gains historical continuity and becomes a taken-for-granted part of social action in that context. It also becomes "infused with value" (cf. Selznick, 1957), or laden with symbolic meanings which tie the solution deeper into the history and culture of its context.

The third key concept in institutional theory is **legitimacy**, often considered as the mechanism that causes actors to adopt similar forms, practices and meanings to those around them. Following Suchman (1995: 574), legitimacy can be defined as "*the generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*". The centrality of the legitimacy concept derives from the observation that actors constantly evaluate the legitimacy of others' conduct. If actors deviate from legitimate practices, forms or ideas, sanctions imposed by others impair their ability to collaborate and cocreate value (DiMaggio & Powell, 1983). Thus, actors are likely to adopt viewpoints and practices endorsed by others, as deviance may lead to formal or informal sanction.

In this context, three distinct forms of legitimacy can be identified (Suchman, 1995): pragmatic, moral and cognitive. *Pragmatic legitimacy* builds on the self-interested calculations of stakeholders, and whether they perceive the new solution, idea or form envisioned by a particular actor directly valuable to them, or more generally in align with their (business)

interests. In order to develop pragmatic legitimacy, actors must convince others of the superior performance of their solution. *Moral legitimacy* rests on a positive normative evaluation of the actor and its activities, and whether these are 'the right thing to do'. Evaluations focus on the outcomes of actions, procedures to attain them, the structures of the organizations used to implement the solutions, and the key individuals associated with the solutions. Thus, actors can acquire moral legitimacy by demonstrating that their solution aligns with existing values and norms, and thus represents an appropriate solution to problems at hand. Finally, *cognitive legitimacy* associates with the taken-for-grantedness of actor's behaviors, emphasizing the comprehensibility of actions and the extent to which they are taken-for-granted (i.e., based on their subconscious cognitive coherence, alternatives being simply unthinkable). To build cognitive legitimacy, actors must rationalize new solutions and practices to make their uses and utilities comprehensible to other actors, creating a basis for their adoption.

Reconnecting the key concepts of institutional theory with the phenomenon of service transformation, a number of fresh insights become available. The first is to perceive manufacturing industries as those having institutionalized the production-centered 'recipes' (Matthyssens et al., 2006) – that is, rules, norms, values, and meanings – which the individuals convinced of the superiority of the service-based modes of value creation attempt to break and replace. Achieving change is difficult, particularly early on, due to the lack of legitimacy for service-based strategies and organizational forms. In practice, the lack of legitimacy means that some of the key constituencies of the organization may sanction against attempts at service transformation by, for example, selecting other suppliers (by customers) or openly questioning such practices (by competitors or field associations).

However, the review so far does not offer many useful tools for understanding how actors – individuals or organizations – may change the very institutions that govern them, and build legitimacy for new forms of activity. Hence, the next section will review more recent institutional literature interested in the process of institutional change and role of agency in the change process (Dacin, Goodstein, & Scott, 2002; Greenwood et al., 2008; Lawrence & Suddaby, 2006).

2.2.3   From isomorphism to institutional entrepreneurship

The constitutive issue with early formulations of neoinstitutional theory was the paradox of embedded agency, asking how actors are able to change the very institutions that govern them (DiMaggio, 1988; Holm, 1995). As DiMaggio and Powell (1991: 29) asked: *"If institutions exert such powerful influence over the ways in which people can formulate their desires and work to attain them, then how does institutional change occur?"* Seeking answers to this question generated momentum around institutional entrepreneurship focusing on purposeful actors initiating divergent change in institutional contexts and participating in their promotion and implementation (Battilana, Leca, & Boxenbaum, 2009; see also Hardy & Maguire, 2008). This literature

has taken at least three distinct perspectives to actor-driven change briefly presented in the following (for more nuanced reviews, see Battilana et al., 2009; Hardy & Maguire, 2008).

The first, initiated by DiMaggio (1988), approached institutional change from the perspective of the institutional entrepreneur, proposing that the deinstitutionalization of existing solutions, and institutional change, depends on actors with sufficient resources seeking to realize an opportunity they value. More recent literature has elaborated different qualities of individuals that allow them to become institutional entrepreneurs, highlighting reflexivity as a particularly useful feature (Leca & Naccache, 2006).

The second perspective draws attention away from individual actors' traits to their position in the field. In a seminal study, Leblebic, Salancik, Copay, and King (1991) proposed that peripheral and not incumbent actors were the primary drivers of institutional change, motivated and empowered by internal contradictions emerging endogenously as fields evolve over time. More recent research shows, however, that at least under some conditions (Meyer, Scott, & Strang, 1987a) the central actors may more naturally act as institutional entrepreneurs (Greenwood & Suddaby, 2006), making the question of actors' field position more complex.

Third, the literature on institutional entrepreneurship also draws attention to more dynamic explanations of institutional change. In an early study, Holm (1995) showed that institutional change did not depend solely on external societal changes, field-level power structures or entrepreneurial actions by certain (powerful) stakeholders, but on the dynamic interplay among them involving practices, interests and ideas of many actors. This standpoint is visible in the many field-level studies seeking more comprehensive understanding of change processes, ranging from studies of the fishing industry by Holm (see also Callon, 1986) to forestry (Zietsma & Lawrence, 2010), recycling (Lounsbury et al., 2003) and others. This perspective also emerges in the recent work of Walter Powell examining the systemic patterns and pathways to change, with interest in the 'poisedness' of the system to change (Johnson & Powell, 2015; Padgett & Powell, 2012).

In addition, a distinct stream of literature has emerged around understanding the interpretive struggles constituting the basis of institutional change (Hardy & Maguire, 2008). These studies have focused in detail on the process of reconstructing the norms, values and meanings central to the prevailing institutions in the field. Zilber (2002), for example, shows how new meanings are not only outcomes of institutional entrepreneurship but also resources available to actors to support their positions and mobilize other resources for action. This stream aligns with social movements literature, in which research focuses on how the movement leaders frame their causes, that is, construct interpretations and meanings around them so as to garner support and mobilize action (Benford & Snow, 2000).

For service transformation, this body of literature provides useful knowledge of the factors that enable particular organizations to pioneer and advocate service-based logics of value creation in their field. It helps understand how

visionary and powerful organizations, or challenges emerging at the peripheries of organizational fields, coupled with the existing institutions, activities and resources central to their ecosystem, are able to generate momentum for field-wide change in the practices of value cocreation. However, this literature remains at the field level and provides less specific understanding of change at the organizational level. Work on institutional entrepreneurship has also been criticized for its overemphasis on the heroic change agent, ignoring the foundational notion of institutions (Holm, 1995; Levy & Scully, 2007; Mutch, 2007). This issue is addressed in the institutional logics perspective discussed next.

2.2.4   The institutional logics perspective

At the heart of the critique toward institutional entrepreneurship lies the insight that the existence of (for some reason) powerful, resourceful and motivated actors capable of change did not fundamentally transcend the structuralist viewpoint of early neoinstitutional theory. Instead, many studies adopted the position that while most actors remain 'cultural dopes' mindlessly reproducing the scripts of the field and conforming to its rules and norms, some are able to become powerful institutional entrepreneurs (Holm, 1995). An important reason for this shortcoming was that early neoinstitutional theory lacked an explanation for interests and power, and thus human agency within institutional contexts. In remedy, Friedland and Alford (1991) proposed that societies comprise multiple institutional orders, each with a central logic. These *institutional logics* comprise of a set of material practices and symbolic constructions which provide organizing principles for social actors, but which are simultaneously available for them to elaborate. In this sense, Friedland and Alford aligned with Giddens' (1984) notion of duality of structure, portraying social structures simultaneously as the medium and outcome of social action. For actors, the institutional logics view proposed that logics offer actors the basis for "*producing and reproducing their material subsistence and organize time and space*", as well as "*ways of ordering reality and thereby rendering experience of time and space meaningful*" (Friedland & Alford, 1991: 243).

   The resulting view of the society was one characterized by the pluralism of institutional orders (ibid.). In practice, this means that we are simultaneously embedded in multiple contexts and operate in diverse situations 'governed' by different sets of institutions (Ostrom, 2005; Padgett & Powell, 2012; Vargo & Lusch, forthcoming). Instead of portraying institutions as uniform structures guiding and constraining action, the institutional logics perspective formulated by Friedland and Alford (1991) emphasized the overlapping and interconnected character of institutions, according to which institutions make sense only in the context of other institutions, not as uniform structures. Hence, societies (and industries or fields) were portrayed as arrays of multiple institutional orders, each constituting the basis for different forms or spheres of human life by guiding and rationalizing actions. For example, the logic of market capitalism is distinct from the logic of religion, providing actors with

different sources of legitimacy and identity, as well as differing basis for norms and strategies of action (Thornton et al., 2012).

Besides Friedland and Alford, the pluralistic view of institutions emerges in the work of other influential thinkers. Boltanski and Thevenot (2006), for example, identify six logics of justification common to human actors across contexts, distinguishing between inspiration, tradition, fame, civic, market and industrial 'worlds' as unique, non-overlapping bases for legitimizing viewpoints and courses of action. The idea of logics also emerges in the work of Pierre Bourdieu, who refers frequently to *the logics of particular fields* (Bourdieu, 1990). For example, his research on academic research fields reveals a particular logic in the political contestation between the dominant players and newcomers, which unfolds both despite, and through, actors engagement in scientific practice (Bourdieu, 1975). This view also surfaces in Jackall's (1988) use of institutional logics as he sought to understand how bureaucratic organizations work and function, focusing particularly on the informal social 'code' of managerial conduct constituting the institutional logic of the corporation. Common to all three perspectives, like that proposed by Friedland and Alford, is that actors are more or less aware of the logics they follow in different contexts, and at least sometimes able to access and integrate elements from multiple logics in new ways.

Tied more specifically to the context of organizational research, Thornton and colleagues have developed further the ideas of the previous thinkers, building particularly on Friedland and Alford (e.g., Thornton, 2002; Thornton & Ocasio, 1999, 2008). Integrating existing literature and the diverse perspectives to logics, Thornton et al. (2012) define ***institutional logics*** as (p. 2):

> *"The socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences".*

Contra Scott's (2014) definition of institutions, the definition of institutional logics underscores an active relation between the institution and the actor. This means that as opposed to conforming to the regulative, normative and cultural-cognitive forces and pressures, actors are portrayed as 'users' of institutions to provide meaning to events, guide and organize activities, and construct continuity in the lives and experiences of the actors. In this sense, the institutional logics perspective takes a different angle to the mutual constitution of structure and agency (Giddens, 1984), one based on a multi-level understanding of the society in which each actor lives in and constantly reproduces a unique arrangement of institutional logics leading to a 'transrational' view of reality (Friedland & Alford, 1991; Thornton et al., 2012). The contradictory relationships among multiple institutional logics are also what allow autonomy for individuals and organizations. This is not to be

understood only within a specific field but within the society comprising of multiple fields within which actors may simultaneously operate (ibid.).

The understanding of societies as pluralistic institutionalized realities opens new avenues for understanding the relationship between individual actors and change in the institutional structures and arrangements of the society. In particular, this perspective suggests that actors are at least partially conscious and able to contest the meaning and relevance of symbols and practices associated with specific institutions, mobilize resources to manipulate or protect the symbols and practices of a particular institution, and thus enact novel social solutions (Friedland & Alford, 1991). Simultaneously, specific actions may carry multiple meanings and evoke contradictory interpretations depending on the arrangement of institutional logics within which these actions are evaluated. Thus, institutional logics do not imply isomorphism or homogeneity, but inherent dynamism and variability shaped both by 'internalized' culture and habitual action, and 'externalized' symbols and practices as the basis for strategic decisions (Thornton et al., 2012).

The institutional logics perspective points to at least three insights that enable more comprehensive understanding of institutional change. First, it posits that institutional logics shape action not by providing specific scripts for action (DiMaggio & Powell, 1991), but by establishing core principles for organizing activities and channeling interests (Thornton et al., 2012). Thus, institutional logic does not define behaviors but rather guides them and establishes their basis, which allows for endogenous processes of institutional change (ibid.). Literature on organizational routines, for example, provides a model of endogenous routine change driven by minor modifications and adaptations during the routine performances, which gradually accumulate into new ostensive representations of the routine marking institutional change (Dionysiou & Tsoukas, 2013; Feldman & Pentland, 2003).

Second, the institutional logics perspective emphasizes the opportunities for agency and institutional change deriving from the contradictions among multiple institutional logics (Friedland & Alford, 1991). In the absence of institutional contradictions, social action is likely unproblematic and follows the taken-for-granted modes of conduct (Seo & Creed, 2002). As Friedland and Alford (1991) suggest, *"the fundamental assumption is that when interests are stable, there is no need to explain their institutional origins"* (p. 244). However, when contradictions or inconsistencies arise among multiple institutional logics (Greenwood et al., 2011), their incompatible prescriptions are central to elevating actors' conscious and creative problem solving that enables actors to reflexively consider multiple logics and integrate the symbols and practices embedded in the logics in new ways (Seo & Creed, 2002).

The third and final insight is that institutional logics shape actors' preferences and interests, as well as the categories and repertoires of action to attain the preferences and interests (Thornton et al., 2012). Given the presence of multiple and partially incompatible institutional logics, actors have available multiple repertoires of action, also portrayed in the literature as cultural 'toolkits' (Swidler, 1986) or strategies of action (Greenwood &

Suddaby, 2006), with which to re-construct current solutions and social orders (see also Rao, Monin, & Durand, 2005). Hence, logics are seen to constitute toolkits or repositories of ideas, values, beliefs and material practices available to actors for recombination. Hence, the view of institutional change deriving from the institutional logics perspective is not one in which heroic individuals – institutional entrepreneurs – *"disembed from the social world to create change"*, but one in which institutionally embedded actors *"hop and bridge from one social world to another"* in constructing and reconstructing social practice (Thornton & Ocasio, 2008, p. 117).

For the current dissertation, this theoretical standpoint is interesting because it enables a conceptualization of service transformation as the integration of a novel institutional logic – one emphasizing customer-centric service provision as the basic of organization's orientation to value creation – into a field and organization traditionally oriented to the asset-centric production and sales of goods. In other words, service transformation involves the integration of new assumptions, values and beliefs at the core of the organization, which influence the formation of, and are reproduced in, the increasingly service-oriented strategy, business model and organization of operations. This integration is driven by the incompatibility, or institutional complexity, between the 'goods' and 'service-centric' logics.

The difference between these logics can be clarified by reflecting the differing basic assumptions embodied in them (see Table 2). While the goods-centric logic perceives assets and goods embodying value, the service-centric logic perceives value creation as inherently collaborative based on service exchange, or the mutual application of competences for the benefit of others (cf. Vargo & Lusch, 2008). For business, the goods-centric logic highlights efficient production and distribution, while the service-centric logic orients actors to effective facilitation of customers' value creation (cf. Grönroos & Ravald, 2011). The service-centric logic can thus be seen to encompass elements beyond the transactional market logic toward the ideal type community logic based on collaboration, transparency and commitment to shared values (cf. Thornton et al., 2012).

Table 2 Goods- and service-centric logics of value creation

	Goods-centric logic	**Service-centric logic**
Locus of value	Asset or good embodies value developed by the provider	Value cocreated in service (singular) interactions among multiple actors
Business orientation	Efficient production and distribution of goods	Effective facilitation of customers' value creation
Interaction	Transaction	Collaboration

While the institutional logics perspective offers a more nuanced and theoretically solid conceptualization of institutional change, the crux of this view for the current dissertation is the way in which it portrays organizations

(and individual actors) as positioned in the nexus of multiple logics. Besides participating in field-level changes, organizations are also facing pressures stemming from the co-existence of multiple logics that provide incompatible prescriptions for action. In the context of service transformation, this means that organizations are facing an increasing pressure between the traditional goods-centric logic and the emerging service-centric logic oriented to service provision. How organizations cope with such complex pressures is the topic of the next section.

2.2.5 Organizational responses to institutional complexity

Over the last decade, attention among institutional theorists has increasingly moved from the field to the organizational level of analysis. Stemming from the institutional logics perspective, research agendas have been formed around at least two distinct but interrelated 'initiatives' exploring the organizational consequences of multiple institutional logics. The first, explored in this section, roots in the idea of organizations facing in certain contexts multiple institutional logics with incompatible prescriptions for action, the resulting institutional complexity requiring a response from the organization to allow it to survive (Greenwood et al., 2011). The second area, presented in the section that follows, is concerned with hybrid organizations, or organizations combining multiple logics in new ways (Battilana & Dorado, 2010). As opposed to focusing on how organizations respond to complex external pressures, this literature is focused on the internal balancing of conflicting values, goals and demands in the process of attempting to address the needs of diverse constituents (Battilana & Lee, 2014).

The latitude for discretion and action granted by institutional pluralism is characteristic of the society as an inter-institutional system (Thornton et al., 2012), and indicates that organizations maneuver in the nexus of multiple institutions with (partially) incompatible prescriptions for thought and action. Greenwood et al. (2011) refer to such situations with the notion of *institutional complexity*, to which organizations must respond in order to preserve the continuity of conduct in the face of contradictory expectations or pressures from multiple constituencies. For example, social enterprises that address societal issues while generating profit are exposed to institutional complexity as they simultaneously seek endorsement from constituencies oriented to market-based profit generation and supporting social welfare (e.g., Battilana & Lee, 2014; Pache & Santos, 2013).

While institutional complexity can be considered as a special case that applies to only some special types of organizations, as in the previous example of social enterprises, it is also possible to consider institutional complexity as a more or less omnipresent phenomenon characteristic of contemporary organizational fields and social life at large (Clemens & Cook, 1999). From this viewpoint, all actors frequently face institutional complexity as they act within the multiple spheres of life (Ostrom, 2005). This perspective suggests that even the maintenance of current social orders an ongoing accomplishment (Lawrence & Suddaby, 2006; Lawrence, Suddaby, & Leca, 2009; Lok & De

Rond, 2013). Hence, it may be fruitful to consider organizations and other actors as constantly responding to multiple and changing logics so as to reconstruct basis for collaboration and collective action (Greenwood et al., 2011).

Following the extensive review of institutional literature by Greenwood et al. (2011), the factors influencing the formation of organizational responses to institutional complexity can be divided into field-level and organizational attributes. The former, emphasizing field structure, influences the way in which the inherent institutional pluralism is turned into institutionally complex context for an organization, affected particularly by the fragmentation, formal structuring and centralization of the field. Organizational attributes, on the other hand, influence how the organization may respond to the complex pressures shaped by the field position, structure, ownership and identity of the organization. These are discussed in more detail in the following.

Field structure describes the characteristics of intersecting institutional logics in a particular organizational field. Research often posits, for example, that fields with highly specific and institutionalized logics leave less room for institutional entrepreneurship than emerging or contested fields with low logic specificity (e.g., Beckert, 1999; Fligstein, 1997; Goodrick & Salancik, 1996; Hardy & Maguire, 2008; Maguire, Hardy, & Lawrence, 2004; Wooten & Hoffman, 2008). Crises caused by external shocks may also offer advantageous conditions for strategic action, as the shocks loosen the institutional order and increase awareness of alternatives (e.g., Garud, Jain, & Kumaraswamy, 2002; Greenwood, Suddaby, & Hinings, 2002; Hoffman, 1999; Sine & David, 2003).

From another perspective, the number of uncoordinated constituencies in a field, or field fragmentation; the degree of formal organization of the institutional demands, or formal structuring; and the relative hierarchy of constituents, or centralization, are likely to shape the conditions for organization-level maneuver (Meyer, Scott, & Strang, 1987b). According to Pache and Santos (2010), institutional complexity is most critical for organizations in fields with high fragmentation and moderate centralization, emphasizing particularly the unresolved status order between the key constituents of the organization.

Various *organization-level factors* can be considered as 'filters' which shape the way organizations experience institutional complexity and construct responses to it (Greenwood et al., 2011). Many studies of institutional entrepreneurship draw attention to the *position* of the organization in the field. While some emphasize the institution-changing role of the peripheral or incumbent actors (e.g., Leblebic et al., 1991), more recent research seems to suggest that central and powerful actors in the fields are most likely institutional entrepreneurs (e.g., Maguire et al., 2004; Sherer & Lee, 2002; Townley, 2002), particularly those spanning multiple fields offering diverse resources for institutional reconstruction (e.g., Greenwood & Suddaby, 2006; Hargadon & Sutton, 1997; Rao, Monin, & Durand, 2003).

Organizations are not homogenous but heterogeneous entities, within which different groups represent, make sense of, interpret, and enact different logics (Binder, 2007; Greenwood et al., 2011; Hallett & Ventresca, 2006). For this reason, the *structure* of the organization plays a role in shaping organizational action in the face of institutional complexity. For example, the differential receptivity of organizational sub-units to institutional pressures influences the hierarchy of logics represented inside the organization (Delmas & Toffel, 2008), as does the motivation and capacity of referents to enforce their demands on the organization (Zald & Lounsbury, 2010). The protection of the 'technical core' of the organization, contra the 'boundary-spanning' units such as marketing, also means that organizations are able to shield institutional demands in different ways thus resorting to decoupling strategies (cf. Jones, 1999; Meyer & Rowan, 1977). Finally, recent findings suggest that the higher the status of the organization, the more it is able to insulate its employees from complex pressures (Smets, Morris, & Greenwood, 2012), and frame competing logics in a non-contradictory and non-threatening manner (Kodeih & Greenwood, 2013). Institutional logics endorsed by the *owners*, as well as board composition, also play a role in the formation of responses to institutional complexity (Goodrick & Salancik, 1996; Greenwood et al., 2011). The for-profit versus non-profit *form* also clearly impacts the intra-organizational importance placed on diverse logics (Hwang & Powell, 2009).

Institutional logics can influence organizations mainly after a specific identity deriving from that logic is internalized in the organization (Kraatz & Block, 2008), suggesting that organizational identity influences the formation of organizational responses (Greenwood et al., 2011). In the literature, identities provide the basis for interpreting external cues and mobilizing responses accordingly, as well as define which expectations and pressures are prioritized in organizational action (Glynn, 2008). Research also suggests that positive identities are protected against the negative impact of institutional complexity (e.g., Dutton & Dukerich, 1991; Dutton, Roberts, & Bednar, 2009). Relatedly, the strength of an identity may reinforce the confidence of the organization in its ability to ignore or comply with institutional pressures (Gioia & Thomas, 1996).

The combined effect of field and organizational-level factors contributes to the strategic *responses* organizations mobilize to institutional complexity (Pache & Santos, 2010). From the perspective of service transformation, this means that as actors adopt increasingly service-centric structures, practices and general assumptions, institutional complexity in the field grows and forces organizations to respond. Here, organizations have available at least five archetypical strategic responses, as proposed by Oliver (1991). *Acquiescence* refers to conformation to the institutional pressures, either through conscious compliance or unconscious adoption of institutionalized models. *Compromise* describes balancing, pacifying and bargaining between institutional demands so as to partially conform to all. *Avoidance* signifies concealing or buffering external expectations to shield the organization from complex external pressures, or escaping external pressures altogether. *Defiance* describes tactics

to resist institutional processes by dismissing, challenging, or openly attacking the institutionalized values or norms of certain constituents. Finally, *manipulation* illustrates a strategy aimed at changing the institutional expectations or constituents enforcing them by purposefully co-opting, influencing or controlling institutional pressures.

2.2.6 Balancing multiple logics inside hybrid organizations

On the flipside of organizational responses to institutional complexity lie the notion of *hybrid organizations*, which Battilana and Dorado (2010) define as organizations combining multiple institutional logics in new ways. A characteristic of the hybrid organization literature is the conflict-laden existence of these organizations as they combine multiple incompatible logics in the organization (Battilana & Lee, 2014). Constitutive of this perspective is that organizations are not homogenous actors responding uniformly to external pressures, but have multiple internal representations of institutional logics (Pache & Santos, 2010) which may manifest in the existence of multiple assumptions, values and beliefs which guide the actions of organization members toward different goals and the formation of distinct identities (e.g., Battilana & Dorado, 2010; Binder, 2007; Delmas & Toffel, 2008; Glynn, 2000). Furthermore, these internal representations vary over time as dynamics within and between organizations shape the responses (Tilcsik, 2010). Besides viewing hybrid organizations as fragile entities subject to ongoing tension, they can also be viewed as organizations providing solutions to complex problems which require the organizations to be complex themselves (Weick, 1979).

The central question in this literature is therefore how an organization manages to sustainably combine multiple institutional logics which promote different views of organizational identity, goals, and forms of action. At stake are not only the means by which specific goals are addressed – the goals as well as the constitutive symbolic representations of the organization become ambiguous and contested in hybrid organizations as well (Glynn, 2000; Heimer, 1999; Pache & Santos, 2010; Zilber, 2002). This portrays hybrid organizations as inherently complex entities constantly negotiating and renegotiating the internal order and balance with external demands (cf. Battilana & Lee, 2014).

Battilana and Lee (2014) develop a framework for understanding the management of hybrid organizations. By focusing on the notion of *hybrid organizing* defined as "*the activities, structures, processes and meanings by which organizations make sense of and combine aspects of multiple organizational forms*" (ibid: 398), these authors propose five core dimensions: (1) core organizational activities, (2) workforce composition, (3) organization design, (4) inter-organizational relationships, and (5) organization culture. In each dimension, multiple logics can be integrated or separated, underscoring the multi-dimensional character of hybrid organizations. This implies that while some aspects of a hybrid organization remain contested over time (Hallett, 2010), other features may blend into

relatively uncontested 'settlements' (Rao & Kenney, 2008). The boundary between logics may thus take different forms from the full collapse and blending of logics to fading, preservation or reinforcement of the boundary (Murray, 2010), with the possibility of organizations fluctuating between these states (e.g., Tilcsik, 2010).

Taking a more detailed look at each of the five dimensions, *organizational activities* draw attention to the practices through which the organization creates value with various constituents. In this dimension, managing the hybrid organization focuses on the formation of activities which either associate with one logic or both logics simultaneously. While the dedication of activities to the needs and goals of one constituency may more likely secure external endorsement for the hybrid organization (Pache & Santos, 2013), they increase the risk of "service paradox" (Jay, 2013) as emphasis on one set of activities leads to trade-offs with respect to activities associated with other goals. Integrated activities may therefore be essential to reduce mission drift (Battilana & Lee, 2014). Hybrid organizations may also rest extensively on the ability of individuals to simultaneously work within multiple domains and with diverse institutional 'materials' (e.g., Binder, 2007; McPherson & Sauder, 2013). As 'pure' activities may also be more effective with respect to external goals (Pache & Santos, 2013), a strong overarching organizational identity may be essential to supporting the hybrid form (Battilana & Dorado, 2010).

The second dimension, *workforce composition*, focuses on individual employees as 'carriers' of multiple logics, and producers of both conflicts and resolutions inside organizations (Battilana & Lee, 2014). In their study of two Bolivian micro-finance organizations, Battilana and Dorado (2010) illustrate how careful recruitment and training practices were central to establishing a strong hybrid identity among the members of the organization which constituted the basis for the long-term stability of the hybrid form. In reflection to the selective coupling of 'pure' practices associated individually with different logics (Pache & Santos, 2013), these findings suggest that while activities associated with different logics may be kept separate, the durability of hybrid organizations may require strong and positive hybrid identities which keep the organization 'on course' (cf. Dutton et al., 2009).

Third, *organizational design* relates to at least three aspects of the formal organization: structure, incentives and control systems, and governance (Battilana & Lee, 2014). A central question regarding the organization structure is whether same employees are responsible for activities associated with multiple logics or whether sub-units are dedicated for specific activities (cf. Kraatz & Block, 2008; Pratt & Foreman, 2000). In other words, organizations may compartmentalize identities and activities associated with different logics, or combine them within organizational sub-units so as to leverage synergies and find possibly transcending solutions (Kraatz & Block, 2008). This distinction aligns with the ambidexterity literature (e.g., Gibson & Birkinshaw, 2004; Simsek, 2009; Tushman & O'Reilly, 1996), according to which organizations can balance exploitation and exploration either structurally (separation) or contextually (blending). In the institutional logics

context, ambidexterity concerns the ability to operate across multiple, partially contradictory logics (Greenwood et al., 2011; Jarzabkowski, Smets, Bednarek, Burke, & Spee, 2013). Besides separation or blending, there is also the option of constructing new hybrid forms which transcend institutional complexity and, following Selznick's original phrase, emerge as institutions in their own right (Battilana & Lee, 2014; Kraatz & Block, 2008; Selznick, 1957).

Incentives and control systems also influence the dynamics of the hybrid organization. One problematic scenario is if the incentives and control systems derive from one logic while the mission of the organization is explicitly hybrid. Similarly, biases in governance (e.g., the constitution of boards) towards one logic can cause 'mission drift' and deteriorate the hybrid organization (Battilana & Lee, 2014; Greenwood et al., 2011). Both incentives and control systems, and governance, also constitute means for signaling to external audiences the hybrid character of the organization, and lack thereof may deteriorate the legitimacy of the organization as hybrid (Nicholls, 2009).

Inter-organizational relationships constitute the fourth dimension in which attention is focused on external relations, particularly with funding organizations and suppliers (Battilana & Lee, 2014). Inter-organizational relationships also offer organizations the opportunity to realize hybrid missions without fully hybridizing their activities, forms or identities by collaborating with organizations and stakeholders that bring in the elements of other logics relevant to meeting the hybrid goals (e.g., Haigh & Hoffman, 2012; Smith et al., 2013). The challenges of network governance extend the previous discussion on incentives and control systems, particularly questioning the ability of organizations adhering to 'pure' logics to maintain effective collaboration with organizations that do not share their values.

The fifth and final dimension focuses on *organizational culture*, that is, the shared pattern of norms, values and beliefs that define the organization and guide members' sensemaking of themselves and of the organization (Battilana & Lee, 2014). Closely aligning with the notion of organizational identity, culture highlights the question of whether multiple logics can be integrated in one culture, or whether multiple cultures are inherent to hybrid organizations. This aligns with the discussion on holographic versus ideographic identities (Albert & Whetten, 1985), that is, whether organizations always share an overarching identity or comprise of multiple identities. Leadership is also central to the formation of organizational culture (Selznick, 1957), and thus likely to contribute to the formation of hybrid organizations by creating the distinct positive identities crucial for creating sustained balance between conflicting logics (cf. Battilana & Dorado, 2010).

These five dimensions constitute the basis for understanding at least some of the key dimensions in which the leaders in organizations must manage the contradictory pressures and tensions inherent to hybrid organizations. From the perspective of service transformation, the concept of hybrid organization is interesting because it suggests that organizations may comprise multiple logics of value creation which may be contradictory and competing. In addition, this view suggests that managing service transformation involves not only the

formulation of new strategy and design of new forms, but also the facilitation and reconciliation of conflicting identities, goals and schemas so as to preserve the stability and functioning of the organization.

Looking at this from the managers' rather than organization's perspective, a seminal study by Pratt and Foreman (2000) offers insights into how multiple and contradictory identities can be managed inside organizations. These authors distinguished between *identity plurality* and *identity synergy* as dimensions along which managers' attempts to manage identity pluralism can be plotted. With respect to the former dimension, managers can work to increase, decrease or maintain the number of identities inside the organization so as to reach an optimal level of pluralism with respect to the organization's environment (cf. the concept of requisite variety). In the latter dimension, managers may attempt to 'optimize' identity pluralism by seeking to increase or decrease identity synergy, that is, to decrease potential conflicts between multiple identities for internal balance, or increase distinctions between identities to better meet the demands of diverse external constituents. On the one hand, limiting conflicts among multiple identities may create stability and efficiency, but on the other, identity pluralism can also be beneficial for innovation and meeting broader range of expectations of external constituencies.

Based on this consideration, Pratt and Foreman (2000) identify four archetypical managerial responses to multiple organizational identities: deletion, compartmentalization, integration, and aggregation. First, managers may aim to *delete* incompatible identities to create balance and save resources from managing pluralism, but on the flipside, risk alienating important constituencies. Second, *compartmentalization* preserves or increases the pluralism of identities without seeking to increase synergy, leveraging either physical or spatial separation (e.g., positioning sub-units with different identities in different physical locations), or symbolic separation (e.g., different dress codes to signal adherence to a specific identity) between identities. Third, *integration* describes managerial efforts to reduce identity pluralism by fusing multiple identities together into a synergistic hybrid identity, which may reduce internal frictions and align efforts toward external constituencies (but who may evaluate identity change slightly negatively). Finally, *aggregation* preserves high identity pluralism but increases synergy by constructing links between identities, requiring skillful creation of stability for the plural identities to avoid paralysis or disintegration. Achieving such balance may involve the development of transcending narratives or myths which mediate conflicts inside the organization to enable collective action (Selznick, 1957).

2.2.7   Integration of perspectives

From the perspective of service transformation, institutional theory offers a deep-rooted theoretical basis for understanding why industries develop dominant institutional logics, and why, once institutionalized, they are difficult to change (Scott, 2014). Furthermore, the institutional logics

perspective with an inherently pluralistic view of societies (Friedland & Alford, 1991) means that industries are not confined within one uniform arrangement of institutions, but consist of and exist in the nexus of multiple institutional logics shaping their characteristics. The resulting view of organizations is that they are not cultural 'dopes' confined within exogenous institutional structures, but knowledgeable actors positioned in the nexus of multiple rationalities and logics with ability to modify and recombine the symbolic and material resources associated with different logics into novel solutions. While an opportunity for innovation, the current view also explains the challenges created by institutional pluralism and complexity for organizations as they must respond to incompatible prescriptions and expectations (Greenwood et al., 2011), as well as fit together multiple institutionally-derived identities, goals and schemas as the basis of collective action inside the organization (Battilana & Lee, 2014).

Extending beyond the simple response strategies of organizations and managers (Oliver, 1991; Pratt & Foreman, 2000), the current theoretical perspective provides the basis for recognizing four archetypical patterns of institutional change as advocated by individual actors or organizations (Gray et al., 2015; Murray, 2010; Purdy & Gray, 2009): (1) Break or invasion, in which an actor advocates the replacement of an old logic with new; (2) blending, in which an actor acts to merge the new logic with the old; (3) co-existence, in which an actor preserves old and new logics in parallel co-existence; and (4) avoidance or protection, in which an actor either (a) protects an existing logic from new logics, or (b) seeks to connect the new logic to another field to avoid confrontation.

First, break at an industry level would mean that certain actors advocate radical change in the business logic of the industry, for example the construction and real estate industry, from production- to service-based logic. This may involve advocating the service-based logic as one competing with the production-based logic, undermining the production logic as viable basis of business, and / or the construction of the service logic as a transcending logic (cf. Gray et al., 2015).

Second, service transformation by blending is a result of actors integrating the elements of the production and service logic together into a uniform and distinct business logic infused by service. As such, this is an evolutionary process in which two distinct logics incompatible at the beginning become integrated and blended over time as the boundaries erode and borrowing of elements from the new logic increases (Rao et al., 2003, 2005).

Third, the model of co-existence predicts that the production and service logic would remain distinct even after the initial phases of service transformation. Inside organizations, this would mean the establishment of separate service organizations within manufacturing companies (cf. Gebauer & Kowalkowski, 2012; Oliva & Kallenberg, 2003), and at field level, it would portray the production-based business logics in the field distinct from service provision.

Finally, avoidance or protection offers two distinctive views to service transformation. The first view is that manufacturing organizations can resist the transition to service-based business logics and engage in institutional work to counteract the 'fad' of service transformation (Lawrence & Suddaby, 2006). The second view is that the advocates of the new logic, particularly if they are new players in the field, may seek to frame their operations and approach as distinct from manufacturing, thus withdrawing from advocating institutional contestation and transformation in the manufacturing industry (Purdy & Gray, 2009).

With emphasis on coping with multiple institutional logics, it is important to underscore the flipside of this perspective resting on actors' flexibility and tolerance for institutional complexity. Reay and Hinings (2009), for example, identify multiple ways in which actors can preserve their distinctiveness while constructing co-existence, or even partial blending, between logics. Murray's (2010) study of patenting practices in the academic community similarly suggests that both blending and the preservation of distinction between logics may occur simultaneously, in a manner which produces creative tensions individuals or organizations may utilize for innovation (cf. Seo & Creed, 2002). At the field level, this suggests that while the rise of a new logic may generate a counter-reaction or resistance among the incumbent organizations, thus reinforcing the distinction between logics (Marquis & Lounsbury, 2007), there exists many areas or 'trading zones' for productive interaction despite the conflicting views of the world (Kellogg, Orlikowski, & Yates, 2006; Morrill, 2011; Zietsma & Lawrence, 2010). At organizational level, this fundamentally boils down to the knowledgeable and skillful individuals able to simultaneously apply and weave together multiple logics so as to achieve multiple ends while preserving the comprehensibility and meaningfulness of actions (Binder, 2007; Creed, DeJordy, & Lok, 2010; Lok, 2010; McPherson & Sauder, 2013).

For service transformation, this theoretical perspective points to the importance of analyzing how actors break, blend and / or protect multiple institutional logics prescribing different orientations to value creation. As organizations are heterogeneous entities seeking to accommodate and 'pattern' themselves against the complex institutional contexts, particular attention is needed on the individuals guiding the service transformation process in organizations. Hence, the integration of elements from the service-centric logic in the organization emphasizes the management of internal tensions and conflicts as described in the hybrid organization literature (cf. Battilana & Lee, 2014; Kraatz & Block, 2008; Pratt & Foreman, 2000), as well as the ability to set new courses for the organization by influencing how the members perceive the surrounding context and the role of the organization. While the organizationally focused institutional literature mostly concerns the details of balancing and reigning tensions among multiple externally imposed logics, it is equally important to dig deeper into the cognitive processes underlying organizational and institutional change (Gray et al., 2015), as institutions fundamentally operate at the level of shared assumptions, beliefs

and schemas (Scott, 2014). To this end, the next section explores in detail the cognitive level of organizational analysis, seeking to understand how frames constitutive of institutions and collective action are shaped and reshaped for service transformation.

2.3 Framing service transformation

Extending deeper into the basis of collective action in organizations, understanding service transformation calls for a cognitive perspective which helps understand the formation and enactment of shared knowledge structures that guide organizational action. While recent literature has begun to bridge the gap between institutions and organizational cognition (e.g., Cornelissen, Durand, Fiss, Lammers, & Vaara, 2015; Gray et al., 2015; Smets et al., 2012), a notable difference exists between these streams of literature. Institutional theory, despite its recent shift toward 'agentic' perspectives, portrays organizations as actors forced to dealing with external forces mostly greater than the power of an individual or organization. Hence, the view of hybrid organizations is essentially that of balancing and coping with multiple logics (Battilana & Lee, 2014; Greenwood et al., 2011). The cognitive perspective, to the contrary, departs from a more actor-centric position in which the organization possesses considerable latitude for constructing change within its boundaries, this change resting on the ability of the individuals within the organization to reconstruct the constitutive mental models or schemas which guide the thinking, interpretation, and action of organization members (e.g., Bartunek, 1984; Gioia & Thomas, 1996; Isabella, 1990).

In the context of institutional theory, the cognitive literature can be understood as providing micro-level understanding of action that reconstructs the cognitive structures constitutive of institutional change (Gray et al., 2015). From the organization-centric perspective, the key members of the organization (usually managers) are considered as those who 'filter' the assumptions, values and beliefs of institutional logics into organization-specific interpretations and schemas of action (Raaijmakers, Vermeulen, Meeus, & Zietsma, 2015; Vican & Pernell-Gallagher, 2013). Furthermore, research suggests that the ways in which managers interpret the institutional context affects how the institutional logics are instantiated in organizational action (George et al., 2006). Combined, these insights suggest that while institutional pressures influence the formation of shared cognitive patterns in the organization and fields, managers' interpretation and action explain the diversity of organizational practices within a field (Vican & Pernell-Gallagher, 2013), as well as the differing patterns of organizational change (Bartunek, 1984; Gray et al., 2015).

In this section, literature on organizational cognition is examined in more detail to provide micro-level understanding as the basis of understanding service transformation. In the next section, an overview of the literature is provided focusing on the characteristics of cognitive knowledge structures that

guide individuals. Thereafter, frames are presented as the key concept of this dissertation, followed by a review of literature concerning institutional change.

2.3.1 Organizational cognition and knowledge structures

The crux of the cognitive level of analysis is that individuals face a perplexing amount and diversity of information to make decisions and solve problems. In order to meet this challenge, they develop *knowledge structures* which are *"mental templates that individuals impose on an information environment to give it form and meaning"* (Walsh, 1995: 281). In other words, knowledge structures, schemas or mental templates are necessary for facilitating information processing and thus decision making at the individual level. This idea is also central to Scott's cultural-cognitive pillar of institutions, which emphasizes the categories, typifications, schemas, frames and scripts as elements which shape the perceptions and interpretations of actors in align with an institutional system (Scott, 2014). These cognitive knowledge structures constitutes the basis of routinized behavior, and over time, may become taken-for-granted parts of the social reality (Tolbert & Zucker, 1996).

Research on managerial and organizational cognition reveals a diversity of concepts. Walsh (1995) identifies well over fifty unique concepts in his review of the literature, underscoring the diversity of possible angles and insights attainable through the cognitive perspective. In his review, Walsh uses the concept of knowledge structure to refer to a top-down or theory-driven cognitive structure that guides perception and information processing based on models learnt and developed based on past experiences. Hence, the process through which knowledge structures are constructed is essentially social and practical, formed as the person interacts with the actors and objects of the surrounding world, and reflects upon these interactions together with others (ibid.).

The ideas concerning the inter-subjective or social formation of human cognition extend back to Mead's seminal work on the social processes contributing to the formation of the mind and the self (Mead, 1967 / 1934). In sociology, Berger and Luckman (1966) outlined a sociology of knowledge which began the wave of *social constructivism* positing that actors develop cognitive representations of each others' action as they interact, which over time become habituated in the reciprocal roles which institutionalize into the fabric of the society. Integrated into organizational research, this means that groups and organizations form shared knowledge structures that constitute idiosyncratic bases for interpreting and understanding the world, and more specifically, the context, purpose and means of the organization (e.g., Brown & Duguid, 1991; Kaplan, 2008b; Langfield-Smith, 1992; Walsh, 1995). As previously described, institutional theory further extends this idea of isomorphism to organizations-in-fields (DiMaggio & Powell, 1983).

Knowledge structures not only have content, they also have structure (Walsh, 1995). This means that they include a particular kind of interpretation of an information environment, as well as an internal structure among multiple attributes which influences interpretation. The notion of structure in

this context can be understood with the law of requisite variety which states that the internal diversity of a self-regulating system much match the external diversity of its environment in order the system to survive (Ashby, 1956; Bartunek, Gordon, & Weathersby, 1983; Weick, 1979). This points to the consideration of the differentiation and integration as the key structural attributes of knowledge structures, the former referring to the number of dimensions within a knowledge structure, and the latter to the degree of interconnectedness among the elements (Walsh, 1995). In line with the previously cited authors, it appears that higher differentiation and integration in the 'structure' of knowledge structures positively influences the consequences for an actor or organization. In a recent study, Hahn et al. (2014) propose that lower number of attributes in the knowledge structure of managers may result in narrower decision scope on social responsibility questions, but enable the decision maker to arrive at more specific conceptualizations used more easily as the basis of decision making and action compared to the interpretive schemas comprising higher number of densely interconnected attributes.

This view of cognitive knowledge structures is not the only perspective to organizational cognition in the literature. For example, literature also portrays organizations as systems of knowledge generation and storage, often considered under the title of organizational learning. From this viewpoint, organizations not only develop shared knowledge structures which comprise much of the *tacit* knowledge of the organization (Polanyi, 1966), but also more explicitly store information and problem-solution patterns in organizational 'memory' (e.g., Levitt & March, 1988; Nonaka, 1994; Walsh & Ungson, 1991). Another cognitive view considers organizations as interpretation systems, which puts high premium on interpretation as the central process of organizing (Daft & Weick, 1984). Resting on the enactment-selection-retention model (Weick, 1979), this view considers organizations to constantly test and revise the shared knowledge structures by first enacting them, then 'seeing' the effects of actions, selecting among possible meanings attributable to the situation which explain the outcomes retrospectively, and finally, retaining those schemas or meanings which remain viable over time.

From the viewpoint of service transformation, this level of analysis introduces the idea that in order for organizations to adopt and implement increasingly service-based strategies and modes of operation, corresponding changes are required in the collective knowledge structures shared by the members of the organization (Bartunek, 1984; Greenwood & Hinings, 1988; Isabella, 1990). While the literature draws attention to the importance of managerial action in shaping the shared knowledge structures (Gioia & Chittipeddi, 1991), it also highlights the ongoing, recursive, interactive and practical processes among organization members to make sense of their organization's new orientations (Isabella, 1990; Weick, 1995).

2.3.2 Frames

Given the diversity of concepts used to refer to and probe into the cognitive dimension of organizations, the use of an umbrella concept such as knowledge structure or schema is needed to gain an overview of existing research (Walsh, 1995). While providing an integrative overview, the concept of knowledge structure leans toward unnecessary ambiguity from the perspective of the current purpose to understand the cognitive underpinnings of service transformation. For this reason, the current dissertation adopts *frame* as the central concept used in the following analysis.

Perhaps the earliest definition for frame derives from Goffman's work, in which he defines it as *a schema of interpretation*, which act as the primary framework allowing an individual *"to locate, perceive, identify, and label seemingly infinite number of concrete occurrences defined in its terms"* (Goffman, 1974: 21). In other words, frames allow actors to render events meaningful, organize their experiences, and guide action, in close resemblance to the previous notion of knowledge structures. Beyond the mere notion of a top-down knowledge structure, however, the frame concept confers more active role to the actor able to frame phenomena in particular ways. Hence, to frame something means *"to select some aspects of the perceived reality and make them more salient in a communicating text, in such way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation"* (Entman, 1993: 52). This definition points to a social process of reconstructing the schemata of interpretation which guide interpretation and action in specific contexts (e.g., that of a manufacturing organization undergoing service transformation). This view of frames as both knowledge structures and processes of shaping new interpretive schemas makes it particularly useful for the current study seeking to understand the integration of new logics in the collective cognition of an organization.

Goffman (1974) suggests that frames exist in various degrees of organization. In other words, frames may be quite explicit and clear to actors 'using' them, or tacit and beyond the ability of actors to articulate them despite resting on their prescription. In this continuum, frames may manifest in more concrete forms by defining the explicitly stated goals of the organization (e.g., Entman, 1993), which constitute one of the more powerful legitimating rationales for particular courses of action in organizations (Jackall, 1988). As Vican and Pernell-Gallagher (2013) suggest, goals may appear as the 'crystallization' of managers' interpretive work, and as tools for securing the commitment of organization members. However, the latent frames also influence collective action,

With sensitivity to the social formation of frames, the current dissertation adopts a meso level view of frames. In a review of framing literature, Cornelissen and Werner (2014) show the diversity of uses for the frame concept, ranging from the micro-level view of frames as knowledge structures directing and guiding information processing (e.g., Walsh, 1995; Weick, 1995) to the macro-level view of frames as collective and taken-for-granted cultural

templates that structure expectations and behavior in organizational fields (e.g., Lounsbury et al., 2003; Weber & Glynn, 2006). In between, the meso level emphasizes the collectively constructed and negotiated meanings within groups such as organizations (Cornelissen & Werner, 2014).

More specifically, this dissertation anchors to a strategic view of frames (Cornelissen & Werner, 2014), which emphasizes the collaboratively constructed interpretations and representations of the firm in its industry, highlighting in particular the assumptions of organization's capabilities and basis of competition embodied in the organization-level frames (e.g., Gilbert, 2006; Kaplan, 2008b; Nadkarni & Narayanan, 2007). This view is particularly suitable for research on service transformation because the goods- and service-centric logics entail different views of how the organization creates value in the field. Furthermore, this conception of frames implies an emphasis on managers' and other key individuals' efforts at changing the collective assumptions regarding the purpose, goals and means of the organization. The meso level view of frames is also useful because it positions between the institutional and individual levels of analysis, striking a mid-point between top-down institutional forces and bottom-up reformation of practices (George et al., 2006; Vican & Pernell-Gallagher, 2013). Specifically, frames can be seen constitutive of the institutionalization process as actors envision, share and spread new interpretations and prescriptions for action, but at the same time, deriving from the institutionalized assumptions, values and beliefs prevalent in a field (Cornelissen & Werner, 2014; Gray et al., 2015).

It is important to underscore the distinction between individuals' cognitive frames and the collective frame(s) of the organization. Whereas the former concerns frames drawn from the individuals' diverse repertoires of frames (Goffman, 1974), as actors are embedded in multiple contexts with different conventions and routines, the latter brings forth the ongoing attempt of individuals to construct collective meaning out of unfolding events in the context of the organization (Kaplan, 2008b). This means that while key individuals, such as top executives, play central roles in the formation of organization level frames, the framing of the organization also involves a collective process in which many members of the organization take part, with potential for contestation among differing views (e.g., Goffman, 1974; Maitlis, 2005; Sonenshein, 2010). Hence, the meso level is less interested in how particular knowledge structures or schemas guide the perceptions and actions of individuals, instead focusing on the attempts by key actors in the organization to frame future courses of action in a manner which encourages others to follow (Cornelissen & Werner, 2014).

2.3.3 Managing frame change

From the viewpoint of service transformation, change in the frames that guide collective action in the organization are central to the transformation toward increasingly customer-centric and service-based forms of value creation. Managers play a central role in shaping the shared interpretations and courses of action for the organization in the nexus of (pluralistic) institutional

pressures and the idiosyncratic context of the organization (Vican & Pernell-Gallagher, 2013). Particularly top managers can be considered as the key actors contributing to the cognitive reorientation of the organization (Bartunek, 1984). In a classic study of manager-driven organizational change, Gioia and Chittipeddi (1991) provide a detailed account of strategic change in a university driven by the sensemaking and sensegiving of the new CEO. By oscillating between the CEO's sensemaking of the situation, and employee sensemaking supported by the CEO through sensegiving, new understanding emerged of the purpose and means of the organization through recurrent interactions and negotiations among key stakeholders.

Literature also offers a number of insights into the means for promoting particular frames during organizational (and institutional) change. The literature on framing in the context of social movements emphasizes the importance of rhetoric and other symbolic means to advocate new frames and mobilize action behind them (Benford & Snow, 2000). This literature sometimes refers to the Lewinian model of change based on the sequence of 'unfreezing', 'changing' and 'refreezing' frames (Lewin, 1947), rhetoric and framing strategies playing an important role in each phase. This model is applied in the context of both strategic (Hendry, 1996; Sonenshein, 2010) and institutional (Battilana et al., 2009) change, providing a good starting point for discussing the possible means for advocating frame change in more detail.

Suddaby and Greenwood (2005) illustrate a variety of rhetorical strategies used by the proponents and opponents of new accounting practices in the field of management consultancy, drawing attention to five distinct rhetorical strategies. First, ontological rhetoric was based on defining what can and cannot co-exist, used most frequently by the opponents to argue against new forms of consultancy practice. Historical rhetoric was used to counter radical change and promote evolutionary definitions for change. Teleological rhetoric portrayed more radical change as necessary to avoid the pitfalls of the current trajectory, used particularly by the proponents. Cosmological rhetoric emphasized the inevitability of change driven by forces beyond the immediate actors, for example, globalization. Finally, value-based rhetoric drew from wider belief systems outside the field to develop arguments for the 'goodness' or 'badness' of new solutions building on ethical considerations and appealing to emotion. Reflected against the concept of legitimacy (Suchman, 1995), the different rhetorical strategies illustrate a range of possible means to convince others of the importance or inevitability of particular kind of change, for example service transformation, while delegitimizing existing interpretations and meanings as the basis of action (Fiol, 2002).

From the perspective of the 'followers', the ability to instill and mobilize action behind a new frame may rest particularly on how actors are able to relate old and new frames in a meaningful manner (e.g., Creed et al., 2010; Reay, Golden-Biddle, & Germann, 2006). This perspective is particularly central to the current study, which perceives service transformation as (at least temporary) hybridization between property- and service-centric logics of value creation. Benford and Snow (2000) describe four ways of linking old and new

frames during change. First, *frame bridging* describes how previously unconnected but congruent frames may be connected together around a new problem. *Frame amplification* captures the idealization and clarification of frames in the context of existing meanings to relate them to new issues and interpretations. *Frame extension* concerns the purposeful extension of frames beyond primary interests of the group to accommodate new interpretations. Finally, *frame transformation* illustrates more fundamental revision to the existing understandings that constitute the basis for collective action.

Hence, the process of frame change unfolds in the interplay between the formation of new interpretations of the situation, justifying these interpretations at the expense of others, and gaining support for new frames gradually replacing, or merging with, the old (e.g., Callon, 1986; Lounsbury & Crumley, 2007; Tolbert & Zucker, 1996). Rather than proceeding from one dominant frame to another, as the Lewinian model of change implies, this literature points to frames being subject to constant threat of delegitimization, including both the legitimacy of a frame as the basis of action, and the legitimacy of actors associated with or promoting a particular frame (Callon, 1986; Kaplan, 2008b).

Besides the symbolic reconstruction and manipulation of meanings, frame change also requires additional attention to the interrelations between symbolic and material change (Isabella, 1990). While frames are by definition schemas of interpretation held in the minds of individuals and formed in social interaction with members of different groups, they are also enacted in practice and embodied in or intertwined with material artifacts (Orlikowski, 1992). This means that difficulties or failures to 'act out' the proposed schemas of interpretation, or resulting changes in roles and power among actors deemed unjust, constitutes the basis of critique and the mobilization of opposition, and facilitates the dismissal of new frames (Callon, 1986). Hence, overemphasizing the symbolic aspects of framing may produce too simplistic views of frame change detached from the material constraints, including the time and span of attention of individual managers, which so obviously play into our everyday life (Cloutier & Langley, 2013; Jones, Boxenbaum, & Anthony, 2013).

Different kinds of material concerns play into frame change. First, managerial efforts at organizational change may be driven to a large extent by the search for resources and efficient production driven by market competition (Oliver, 1997). Material resources, most notably money, are important in allowing actors to avoid sanctions (Greenwood et al., 2002), and otherwise bargain to secure endorsement for new ideas and practices (e.g., Holm, 1995). Power is another important resource (Levy & Scully, 2007), enabling those with formal power or legitimacy to will new frames on situations and other actors more easily. In organizations, managers can be considered to hold formal power, although as Jackall (1988) vibrantly points out, managers themselves are embedded in webs of mutual relations which often prevents them from adopting the 'heroic' role of a change agent within the organization.

Nevertheless, formal power is often necessary to legitimize controversial ideas (Maguire et al., 2004).

More generally, the social position and relations are important in mobilizing support for change (Battilana et al., 2009; Misangyi, Weaver, & Elms, 2008). The ability to induce and promote change may depend on managers' access to multiple networks, which offer them unique information of opportunities (Burt, 1992; Emirbayer & Mische, 1998; Sewell, 1992). Power may also stem from the formal roles or knowledge held by actors enabling them to impose their 'theories' on situations (Callon, 1986).

Besides the powerful individuals, the literature provides plentiful insights into interaction among organization members during frame change, frames taking form as a result of collective rather than 'oligarchic' framing processes (Balogun & Johnson, 2004; Buchanan & Dawson, 2007; Gioia & Chittipeddi, 1991). On the one hand, the collective processes may emerge in response to events, issues or actions that are somehow confusing or surprising and require reconciliation (Gioia & Thomas, 1996; Maitlis, 2005). On the other hand, framing the future courses of action for an organization may involve political contestation as individuals with different interpretations of the situation and prescriptions for action contest each other for shaping the direction of the organization (Kaplan, 2008b). As with the notion of hybrid organizations, this view leaves open the possibility that managers and employees have differing, even contradictory interpretations of organizational change (Ford, Ford, & D'Amelio, 2008; Sonenshein, 2010). Furthermore, the differences among managers and employees in interpreting events and engaging in framing processes affect the resulting orientation to sensemaking and collective action, differing on the basis of managerial control and the animation of conflicts fostering different orientations to collective action and organizational change (ibid., see also Balogun & Johnson, 2004; Maitlis, 2005).

In the context of service transformation, focus on frames points to the underlying cognitive structures, the schemas of interpretation, with which members of the organization guide their interpretation and action. Thus, service transformation depends on change in the collective frames of the organization toward increasing customer-centricity and service-centric orientation to value creation. In this process, managers play central roles by guiding the collective understanding of the purposes and roles of the organization. As frame change is an interactive process that rests on the internalization of new schemas of interpretation among the employees, managers cannot unilaterally impose new frames on the organization. Instead, literature suggests that successful service transformation rests on managers' ability to legitimize and commit employees to new ways of thinking which constitute the basis for transformation toward service-based value creation. As existing literature provides few detailed insights into the cognitive underpinnings of service transformation, the empirical part of this dissertation tackles this question in more detail. Before moving on to the empirical part, however, a brief summary is provided of the theoretical background of this dissertation.

2.4 Synthesis of theoretical background

The three previous sections outline the conceptual sphere for this dissertation. The first section focused on service transformation, reviewing literature primarily in industrial marketing and operations management contexts to understand how organizations change toward service-based strategies and modes of operation (e.g., Baines et al., 2007; Gebauer et al., 2012; Jacob & Ulaga, 2008; Mathieu, 2001; Oliva & Kallenberg, 2003). This provides the basis for deeper reflection on service transformation in the context of the residential sector, in which organizations are adopting increasingly resident-centric and service-based approaches to value creation extending beyond the traditionally asset-centric logic of the industry.

Leveraging the insights of service-dominant logic (Lusch & Vargo, 2014; Vargo & Lusch, 2004), this transition is not only a question of implementing new activities, organization structures and revenue models, but involves change in the fundamental mindsets – the dominant logics (Prahalad & Bettis, 1986) – constitutive of the organization. With the frame concept, it is possible to examine in more detail the constituents and change of 'the dominant logic', based on a socially-constructed organizational-level understanding of how the members of the organization interpret and make sense of the mission of the organization (Cornelissen & Werner, 2014). As the service transformation literature provides few insights in this area, the current dissertation sets out to empirically examine how framing influences service transformation at the level of the organization.

The second section introduced institutional theory as the 'grand' theoretical background of this dissertation, which explains why organizations tend to act alike (DiMaggio & Powell, 1983). Institutional theory helps understand the inertia of service transformation by pointing out the regulative, normative and cultural-cognitive mechanisms contributing to isomorphism in organizational fields, constraining organizations from developing and adopting new forms and activities (Scott, 2014). The institutional logics perspective (Friedland & Alford, 1991; Thornton et al., 2012) establishes the basis for understanding how fields comprise multiple institutional logics which confront organizations as incompatible expectations and prescriptions for action (Greenwood et al., 2011). Organizations must respond to and internally reconcile these incompatible logics to sustain their existence and remain viable and legitimate collaborators for other actors. By interpreting service transformation as driven by the emergence of a service-centric institutional logic, which forces organizations to integrate and reconcile this logic with the existing goods- or asset-centric logic. While the institutional literature has begun to approach the organizational level of analysis and portray logics as endogenous to actors' thinking and practice, relatively little research exists combining the institutional and frame perspectives to understanding how logics manifest in organizations, and how framing influences this process (Vican & Pernell-Gallagher, 2013).

Finally, the third section presented work on organizational cognition, which takes an alternative perspective to the reconciliation of conflicting logics

during service transformation. Focusing on the concept of frame, understood as a schema of interpretation (Goffman, 1974), this literature provides a lens for considering the collaborative reconstruction of shared schemas that guide organization members' interpretation, sensemaking and action in transitioning toward service-based value creation. With an explicit meso level focus on frames emphasizing the strategic goals and understanding of value creation at the level of the organization (Cornelissen & Werner, 2014), this theoretical basis draws attention to how managers formulate, legitimize and advance new interpretations of the organization as a resident-centric service provider. On this basis, the current dissertation examines how managers frame resident services as legitimate parts of their organization, promote their adoption among the members of the organization, and thus shape the unfolding of service transformation in the organization.

Together, these perspectives constitute conceptual framework for understanding the cognitive underpinnings of service transformation displayed in Figure 1. The framework outlines an interest in the framing of service as a part of the organization, focusing particularly on the ways in which key individuals interpret, make sense of, and enact resident services in the context of the residential sector. In a broader context, frames instantiate logics in organizational action (Vican & Pernell-Gallagher, 2013), and the local reconstruction of frames in organizational practice may contribute to change in broader institutional contexts (Gray et al., 2015). Hence, rather than proposing a one-directional deterministic influence from institutions to frames and from frames to action and service transformation, the current work departs from a mutually constitutive understanding of frames and (institutionalized) action (Giddens, 1984) by acknowledging that frames – here, the organization-specific schemas of interpretation – are both the medium and outcome of situated action enacted and refined by the members of the organization.

Institutional contexts	→	**Strategic frames**	→	Value creation in-action

Institutionalized assumptions, values and beliefs regarding legitimate forms of value creation

Organization-specific interpretation schemas for value creation

Service transformation manifested in practice
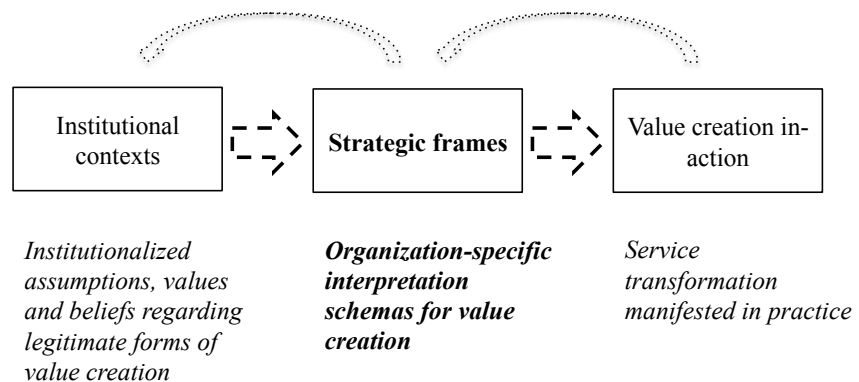
Figure 1 The theoretical basis of the dissertation

By focusing on frames that guide organizational action, this dissertation demarcates a research topic that has received only limited attention so far. For service (transformation) scholars, the current dissertation examines more

deeply the intra-organizational social dynamics that contribute to service transformation. In the context of institutional theory, this work expands the notion of organizational responses to complex pressures and related literature on hybrid organizations by examining the cognitive processes that underpin the (re-) construction of organizations as hybrids. Finally, this research orients to expanding literature on frames and organizational cognition by examining the diverse possible ways of framing the same phenomenon – service provision – and how different ways of framing influence organizational change and new emergence of courses of action enacting service transformation.

In contrast to focusing on the micro-level processes of framing, sensemaking and change in the practices of the organization, already widely theorized, the current conceptual framework orients this work to the meso level of the organization. Hence, this work takes a more aggregate focus on the patterns of framing and transformation toward service provision, examining in particular the influence of framing on the direction of service transformation (cf. bolded areas in Figure 4).

Building on this multi-level view of service transformation as a cognitive organization-level transition, the next section begins the empirical part of this dissertation by describing the research methodology.

3 Research design

This dissertation builds on a qualitative, multiple-case research design consisting of two independent but overlapping studies. Both studies draw from interviews and focus, first, on the responses to increasing emphasis on resident-centric service provision, and second, on the influence of different ways of framing resident services on service transformation. Philosophically, this work positions within the post-positivistic research paradigm which builds on the ontology of critical realism, with a subjectivist epistemology sensitive to the pluralism of representations constituting the social reality.

3.1 Context of empirical research

This dissertation focuses on Finland's residential sector. As briefly presented in the introduction, this sector or organizational field (DiMaggio & Powell, 1983) consists of diverse actors involved in the development, production, management, maintenance and support of housing and residential properties. Construction companies and property investors locate at the center of the field, supported by service providers – most importantly property management and maintenance companies – specialized in the technical management and maintenance of residential properties. These organizations further connect to various material suppliers and supportive service providers (accountants etc.), and further to field-level regulatory bodies and professional associations, which establish the rules and norms of conduct.

This 'status quo' of the residential field is expanding with an increasing focus on providing support for the residents beyond the physical apartment and services involved in the management and maintenance of properties. The traditional actors described above are increasingly acknowledging the importance of serving the residents as a result of changing demand, for example through the aging of population, and new business horizons emerging in the wake of digitalization and servitization of other industries. Furthermore, new service provider organizations are entering the field to offer services directly for the residents, manifested in the growth of domestic, home decoration and remodeling, and security services, for example, as well as in the growing opportunities provided by new technologies and online business.

This change implies that the residential field is becoming increasingly complex in terms of the logics that guide value creation (Greenwood et al.,

2011). On the one hand, the 'traditional' asset-centric logic of the construction and real estate sector still prevails, emphasizing the technical and financial aspects of producing and maintaining residential buildings. However, the emerging service-centric logic emphasizing the facilitation of residents' daily life is providing an increasingly salient basis for organizations to frame their value creation, invoking principles partially incompatible with those stemming from the asset-centric logic. While the 'resident service' logic does not dismiss the importance of producing and maintaining buildings, it moves the focus of organizations from developing and controlling assets to providing services for and with the residents.

In this context, the question of service transformation becomes a question of how organizations integrate and balance these two logics as they extend toward the provision of resident services. Building on the previous section, existing literature offers particularly limited insights into how organizations reframe their 'missions' in increasingly resident- and service-centric ways. Closer consideration of organizations seeking service transformation in the residential field offers at least two potential areas for novel contributions, justifying the context as appropriate for developing more detailed understanding of service transformation.

First, the residential sector offers a novel empirical context for studying service transformation, extending this line of inquiry from the context of manufacturing and B2B customer relationships to the context of the construction and real estate sector and B2C focus. Reflecting the current context on institutional literature, and particularly research on hybrid organizations, the second unique feature of the residential sector is its emphasis on conflicting logics which differ from the scenarios typically studied in the context of social enterprises. Contrary to the distinction between market and social welfare logics as orienting structures for organizational goals, the current context offers insights into the logic of value creation by elaborating situations in which an asset- or goods-centric logic is increasingly 'challenged' by a resident-centric and service-based logic of value creation.

3.2 Research approach and philosophical orientation

The literature review illustrates the robust rooting of this dissertation in existing theoretical constructs and distinct streams of literature. Institutional theory provides a fundamental understanding of social 'forces' that influence the behavior of individuals and organizations. Recent research growing out of the institutional tradition illustrates in greater detail how organizations may respond to institutional pressures, particularly under conditions of institutional complexity. Relatedly, research on organizational cognition and framing offers distinct concepts and perspectives for understanding how the members of the organization shape the collective schemas of interpretation which guide the adoption of resident service practices in organizations. Finally, literature on service transformation provides the backdrop for

understanding the shift toward a service-centric logic in the residential sector, offering conceptual understanding of the empirical phenomenon in question.

Building on this theoretical background, this dissertation adopts a *theory elaboration* approach (Vaughan, 1992). As the name suggests, theory elaboration aims to elaborate and extend existing constructs or theory by exploring already identified and described phenomena in new and more diverse contexts. Thus, it differs from grounded theory building aiming at the discovery of new constructs and theory to describe a new social phenomenon (e.g., Glaser & Strauss, 1999 / 1967; Strauss & Corbin, 1998). Vaughan (1992) suggests that theory elaboration is particularly relevant for expanding and integrating existing theories developed in specific contexts and often associated with particular types of organizations.

In the context of this dissertation, existing literature has already established the process of service transformation, frames, and institutional processes as concepts suited for analysis at the organizational level. However, service transformation has focused primarily on B2B industrial contexts with less attention to the consumer interface central to the residential sector, and paid relatively little attention to the cognitive underpinnings of change. Organizational literature, in contrast, has examined the micro level processes of organizational and institutional change, with attention to the collective framing and sensemaking processes that influence the courses of action. However, this literature has ignored the context of strategic transformations toward service-based value creation, and provides few meso-level variance-based examinations of the factors affecting service transformation as a cognitive phenomenon in organizations. These shortcomings further motivate the theory elaboration approach of the current work.

Theory elaboration is based on empirical examination and comparison of the phenomenon of interest across diverse contexts and organizational forms, including organizations of different size, complexity and function, and importantly, altering between units of analysis (Vaughan, 1992). At least four factors essential to the theory elaboration approach must be considered in the overall research design (Vaughan, 1992): (1) It is based on a multiple-case approach to enable systematic comparisons between diverse organizations to increase the generality of specific organizational theories. (2) Due to the complexity of variables involved in the comparisons, it leverages primarily qualitative data to understand the complex interrelations between different contingency factors; theory 'testing' is done based on qualitative comparisons. (3) It involves alternation and iteration between inductive and deductive research logics, notably avoiding the anchoring of emerging empirical findings to a preselected theory but encouraging critical comparisons not only between cases but also with (multiple) theories to refine constructs and theoretical explanations. (4) Finally, it aims at bridging micro and macro views and explanations by alternating between units of analysis, and between cases with different structural conditions, thus providing steps toward more general theory.

Vaughan (1992) points out that the theory elaboration approach strongly reflects a positivist research orientation in which the reality is considered having an objective existence independent of the observer. Contra traditional positivism, this dissertation positions within the *postpositivistic* research paradigm as presented by Guba and Lincoln (1994). The basis for this orientation is the ontology of *critical realism*, or scientific realism (e.g., Leplin, 1984), which perceives the reality as having an objective existence independent of the observer. Contrary to the 'naïve' realism of the classical positivism, critical or scientific realism considers reality as only imperfectly and probabilistically apprehensible (Guba & Lincoln, 1994). Notably, this position rejects ontological relativism often associated with social constructivism, which perceives realities as multiple, local and intangible mental constructions that are socially and experientially based, continuously created anew in interactions among human actors, and evade evaluation (Guba & Lincoln, 1994; Morgan & Smircich, 1980).

A particular problem with relativism in the context of scientific inquiry is that it does not enable critical evaluation of knowledge claims, and relatedly, does not portray scientific (or any other) knowledge claims as fallible (Hunt, 2010; Reed, 2005b). Building on a large body of existing research and debate, Hunt (2010) portrays critical (or in his term, scientific realism) as a remedy to these issues, rooting it in four fundamental beliefs (see also Leplin, 1984; Niiniluoto, 1999). The first is the idea already stated that the reality exists independently of it being perceived. Second, the idea of fallibilistic realism states that scientific truth claims are fallible, that is, never known with certainty whether correct or not. Third, scientific realism is critical in that it recognizes the fallibility of scientific measurement in testing knowledge claims, and asserts that the task of science is to use its method to improve measurement to generate most accurate possible description of the world. In other words, the word critical denotes here the continuing efforts to develop better measures, processes and norms for developing scientific understanding. Finally, scientific realism adopts an inductive view, which posits that the long-term success of a theory gives reason to believe that something like the entities postulated by the theory actually exists.

At an epistemological level, the distinction between social constructivism and postpositivism is much less pronounced. Contra classical positivism, epistemology rooted in critical realism relaxes the dualism of objectivism by portraying knowledge claims as 'probably true' given that they are replicated across time and place (Guba & Lincoln, 1994). This position can also be understood as moving from the objective end of a continuum (classic positivism) toward the subjective end (cf. Morgan & Smircich, 1980). Hence, postpositivism essentially consists of an objectivist ontology and subjectivist epistemology, which accommodates the pluralistic view of social constructivism without reducing the whole reality into discourses and texts with only epistemological status (Reed, 2005a, b). Thus, as opposed to the extreme subjectivism of social constructivism, postpositivism maintains

objectivity as an ideal and approaches the production and evaluation of knowledge claims accordingly (Guba & Lincoln, 1994).

Rooted in the idea that a reality exists – however dynamic, messy and variable in the nexus of discourses, structures, resources and relations – critical realism embraces the pluralism of locally and socially constructed realities with distinct language, meanings, norms, values and rules used as the basis of action and evaluation. As mentioned, this does not automatically lead to accepting ontological relativism. Instead, critical realism points the researcher to study the constitutive mechanisms and processes that underlie the construction of the diverse social realities, in attempt to explain (rather than to predict, describe or deconstruct) social behavior (Reed, 2005b). In align with the inductive principle of scientific or critical realism, if regularities are found as a result of such inquiry, it is reasonable to conclude that something like those mechanisms are in place influencing the (re)formation of social realities.

For example, institutional theory offers an explanation for the formation of shared meanings, interpretations and perceptions of human reality which differ from context to context and society to society, and the persistence and reformation of such 'structures' or 'cultures' over time (e.g., Berger & Luckman, 1966; DiMaggio & Powell, 1983; Tolbert & Zucker, 1996). Thus, institutional theory is one example of identifying an underlying process that appears to be ongoing in all human societies irrespective of the 'content', that is, the socially constructed knowledge (shared rules, norms, values and meanings) in that particular society or context (e.g., Boltanski & Thevenot, 2006; Thornton et al., 2012).

Methodologically, the ontological and epistemological grounds of postpositivism lead to the acceptance of discovery as a legitimate goal of empirical research in social sciences, legitimizing the use of qualitative methods and research focused on the meanings and purposes human beings ascribe to their actions (Guba & Lincoln, 1994). By also welcoming the experimental and quantitative approaches, postpositivism stands between the objective and subjective extremes and remains epistemologically open to diverse methods (Reed, 2005b). In this context, qualitative methods are particularly suited for developing detailed understanding of social phenomena studied in their context (Van Maanen, 1979).

Denzin and Lincoln (2005: 3) define qualitative research as the study of *"things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them".* In qualitative research, emphasis is placed on the relationship between the researcher and the object of study, information being generated in the interaction between the researcher and informants (Guba & Lincoln, 1994). At the heart of the qualitative research process is the observer or researcher, who turns the world into a series of representations through interpretive and material practices, making the world visible to others (Denzin & Lincoln, 2005). While it inherently involves an interpretive and naturalistic approach to the world perceived as beyond objective description, it invites the use of multiple sources

of data to arrive at more in-depth and complete understanding of the phenomenon (Denzin & Lincoln, 2005).

Thus, aligned with postpositivism and critical realism, this view transcends the paradigmatic dichotomy sometimes seen to exist between the 'quantitative' and 'qualitative' research methods. While the researchers' ontological positions may be fundamentally incommensurable (Guba & Lincoln, 2005), different methods should be perceived as complementary, their appropriateness depending on the nature of research questions and phenomena studied (Morgan & Smircich, 1980). The distinctive feature of qualitative research is that it always adopts (at least partially) an inductive logic that employs the meanings used by social actors to describe how they act in and experience their reality, as opposed to imposing scientific meanings on actors to explain a singular reality common to quantitative research (Gephart, 2004). As a result, qualitative research operates on words, talk and texts, as opposed to numbers and statistical representations. This allows qualitative researchers to describe and understand actual human interactions, processes and meanings, that is, the ongoing production of social realities in their context.

3.3   Case study research design

Reflecting on the philosophical basis outlined in the previous, and the theory elaboration approach (Vaughan, 1992), this dissertation adopts a case study design. For theory elaboration, case studies offer a research strategy suited for developing constructs, propositions or middle-range theory from case-based empirical evidence within single settings (Eisenhardt, 1989). The first important decision regarding the research design within a case study approach concerns the decision between multiple and single case designs. Whereas single case designs are based on unique or representative case offering insights into a new phenomenon, multiple case designs often follow a replication logic in which multiple cases are sampled to predict either similar (literal) or contrasting (theoretical replication) results to gain insights into the factors that contribute to similarities and differences between the cases (Yin, 2009).

Given the focus on theory elaboration, this study adopts a multiple-case design aiming to extend existing theory by theoretically sampling cases so as to shed new light on the phenomenon of service transformation. As argued by Eisenhardt (1989) and Vaughan (1992), multiple-case study based on theoretical replication is essential to the elaboration of existing or emerging theory as it allows the analyst to purposefully select cases which shed light on the influence of particular factors on the phenomenon in question. In this dissertation, the decision to adopt multiple-case design derives from the fact that existing research already offers diverse insights into the processes of service transformation, organizational change and framing in changing and complex environments. However, research provides fewer insights into the diversity of possible frames with which decision makers in the organization interpret and orient actions to new logics and organizational transformation.

These questions imply interest in the contingency factors behind the formation of hybrid organizations, making the multiple case study approach suitable for this research (Yin, 2009).

The central decision in multiple-case designs concerns the selection of cases, with two typical options: statistical and theoretical. Whereas the former focuses on sampling for representativeness in a broader population (e.g., particular types of organizations), theoretical sampling aims at introducing variance to the theoretical phenomenon so as to expand the boundaries of existing theories (Eisenhardt & Graebner, 2007). In align with the latter, the current study selected cases based on the differences in framing resident services, seeking to include broadest possible diversity of frames – the schemas of interpretation – so as to understand their influence on the unfolding of service transformation. This also underscores this dissertation's focus on theory elaboration based on comparisons between multiple cases with distinct features (Vaughan, 1992).

In more detail, a case study design can be described by defining four central parameters (Ragin, 1992): the case, phenomenon, context, and unit(s) of analysis (see Table 3). First, this dissertation focuses on the *phenomenon* of service transformation in the *context* of the residential sector in Finland. The phenomenon of service transformation is complex, particularly from the perspective of cognitive frames which constitute the nexus of top-down institutional processes and the generative bottom-up processes residing within the organization (Vican & Pernell-Gallagher, 2013). Furthermore, these processes are difficult to distinguish from the idiosyncratic contexts of organizations. For these reasons, case study methodology is appropriate, as it is suited for investigating contemporary phenomena in detail within their real life context, particularly when the boundaries between the focal phenomenon and its context are unclear (Yin, 2009). Thus, case studies involve considerations of how the case functions, what is its history and setting and other possibly relevant contexts, and how it links to other cases, involving diverse informants and data sources (Stake, 2005).

Table 3 The case study parameters

Level	Focus
Context	Residential sector in Finland.
Phenomenon	Service transformation, more specifically that involving a shift from the technical and asset-centered logic to resident-centered and service-based logic of action.
Case	Individual organization engaged in service transformation.
Units of analysis	Framing of resident services as a part of the organization. Managerial efforts to promote service transformation. Patterns of change in the case organizations.

The *case* in this case study design is an individual organization transforming toward higher orientation to customer-centric service provision. This meets

the criteria of a case, which Stake (2005) defines as an entity or system with a distinct boundary between internal and external 'worlds', distinguishing case-focused studies from those focused on specific method or process. Here, it is useful to draw attention to the difference between holistic or intrinsic, and instrumental case studies. The former are conducted on the basis of interest in a particular case, while the latter examine particular phenomenon within the case the researcher is interested in (ibid.). This dissertation is clearly instrumental in character, seeking to understand the influence of framing on service transformation in organizations, as opposed to, for example, change in residential sector at large. The distinction between intrinsic and instrumental case studies also aligns with the distinction between 'constructivist' case studies aimed at the generation of situated understanding of the meanings within a particular case setting, and the critical realist orientation of the current study to the development of new theoretical insights based on theory-driven case studies (Dyer & Wilkins, 1991; Eisenhardt, 1989).

Finally, the unit of analysis in case studies can either take the form of 'holistic' interest toward the case at large, or focus on one or more embedded units of analysis within each case (Yin, 2009). This dissertation adopts multiple units of analysis with predominant interest in the framing of resident services in organizations within the residential sector. The current research also seeks to understand the managerial efforts to promote service transformation, and how different frames manifest in organization-specific patterns of service transformation. Hence, this study focuses on three distinct units of analysis seeking to provide more detailed understanding of the phenomenon of service transformation.

Additional reasons support the case study design. First, they are particularly well suited for studies seeking answers to how and why questions (Yin, 2009), such as this dissertation. More specifically, case study enables the generation of detailed and holistic understanding of complex, contextual phenomena (Hartley, 2004). Second, given the existence of theoretical constructs on the topic of this dissertation, an open-ended inductive inquiry into the phenomenon is difficult to justify. As opposed to grounded theory building, case study design is therefore appropriate for extending current constructs or theory which have been introduced, but not comprehensively defined to enable the formulation of exact propositions and quantitative testing (e.g., Eisenhardt, 1989; Siggelkow, 2007; Vaughan, 1992). In this sense, the current dissertation operates in the domain of generating and refining theories of the middle range (Merton, 1949), with the particular purpose of expanding and modifying formal theory to new contexts (cf. Corley & Gioia, 2011; Sutton & Staw, 1995). To this end, case study methodology offers means for leveraging both preexisting theoretical constructs and emerging empirical evidence in an iterative manner for the refinement and formulation of theoretical concepts or propositions. Furthermore, it allows the theoretical framework to evolve during the research process (Eisenhardt, 1989; Siggelkow, 2007; Yin, 2009), relying on abductive rather than purely inductive logic (Dubois & Gadde, 2002).

3.4   Research process

Characteristic of instrumental multiple-case designs aiming at theory elaboration is their iterative process of testing and modifying tentative and emerging frameworks using both empirical data and existing literature, until a final model emerges that fits all the cases studied (Lee, Mitchell, & Sablynski, 1999). This may directly extend or improve the initial theory the researcher set out to elaborate, or, during the research process, the researcher may discover new theoretical constructs or theories more applicable to explaining the phenomenon, thus discovering new theory (Dubois & Gadde, 2002; Vaughan, 1992).

   Vaughan (1992) proposes that comparisons are particularly important for this process, with emphasis on comparisons between multiple cases and between theory and empirical data. Dubois and Gadde (2002) formalize such research approach as *systematic combining*. According to these authors, systematic combining is a process in which the theoretical framework, empirical fieldwork, and case analysis evolve simultaneously. This is useful for theory development because the analysis is not purely inductive and thus potentially caught in elaborate description that offers few explanations, but instead makes use of available theories to steer the description towards theoretical understanding (cf. Weick, 1979). Systematic combining is also a highly relevant logic for conducting case studies due to its ongoing iteration between theory and the empirical world, and the case and framework, due to the complex and contextual phenomena in question (Eisenhardt, 1989; Yin, 2009).

   Two processes are central to systematic combining (Dubois & Gadde, 2002): The matching of reality and theory, and the direction and re-direction of the research. The former aligns with the emphasis placed on constantly moving between asking questions, making hypotheses and making comparisons, also perceived important by Strauss and Corbin (1998) as a part of grounded theory building. The latter points out that systematic combining is not strictly anchored to developing a particular theory, but involves theoretical repositioning if the phenomenon observed does not fit the initial theoretical framework (Dubois & Gadde, 2002). Thus, to achieve match between theory and empirical findings requires ongoing direction and re-direction of the study, relating to triangulation between different forms of theory and data to allow the study to converge on a specific line of inquiry (see also Miles & Huberman, 1994).

   In align with the logic of systematic combining, the theoretical framework that guided data collection and analysis in this dissertation constantly evolved from a very unspecified form at the beginning of the research process to the final, narrowed down theoretical focus on framing (see Figure 2 for an overview of the evolution of the research process). At the beginning, the primary motivation for the research was to understand the increasing pressures to adopt service-based strategies and operations into organizations in the residential sector. The research process was launched in fall 2010, and its first study focused on understanding the interpretations of organizations

regarding the state of the residential field, and issues faced by the organizations in developing services offered to the residents (phase 1). The findings analyzed during spring and summer 2011 drew attention to the institutionalized strategies and models of operation in the sector, as well as to challenges faced by these organizations as they sought increasingly service-based and resident-centered approaches to their operations. This constituted the basis for understanding the dominant frames institutionalized in the field, and the stereotypical responses of organizations to emerging emphasis on resident-centric service provision. The first part of empirical findings report these findings in more detail.

PHASE 1:
Understanding the field

Theoretical reorientation: From real estate to service theory

PHASE 2:
Service development

Theoretical reorientation: from process to organizing

PHASE 3:
Organization and management of services

Theoretical reorientation: from managerial actions to framing

PHASE 4:
Framing of resident services

Conceptual reorientation: the contingency of framing in service transformation

AUHTORSHIP OF THE DISSERTATION

Figure 2 The research process

After the first phase, the research was theoretically reoriented to focus more specifically on the development of new resident service offerings in selected organizations following the multiple-case design. Empirical data was collected and analyzed during 2011, involving approximately twenty interviews with representatives of 13 different organizations. This second phase yielded basic understanding of the service provision process in these organizations (with the findings reported in Siltaloppi & Nenonen, 2013), as well as of the structure of the service development process (presented in a conference, see Siltaloppi, 2012). During data analysis and authorship of the initial reports and articles, the questions of organizing and managing service operations emerged central to understanding organizations' transition toward increasing orientation to resident service provision. For example, coping with challenges of new services

drew attention to certain managerial practices as important for the ability of the organization to keep on developing new resident services further.

This emerging insight initiated additional literature search and theoretical reorientation of the study toward organizational focus in the analysis of service transformation. With new theoretical focus, a second round of data collection was performed in mostly during fall 2012 (phase 3), which focused more specifically on the organization of new operations, the interactions among various stakeholders during the process, and managing the change processes within the organization. Between one and six additional interviews were performed in partially the same organizations as in the second phase but also with new organizations fitting the parameters of the study at the time. This phase increased understanding of the process and mechanisms through which the case organizations had developed new, service-based and resident-focused operations in the residential field. These findings were refined in a separate article, and later published in a journal (Siltaloppi & Toivonen, 2015).

However, as these findings took form, the inability to capture certain recurring factors in the interviews with concepts based in service theory caused growing discomfort. The traditional view of innovation, which perceives actors as purposive and calculative rational players seemed particularly ill-suited for understanding the 'cultural' forces that appeared very central to shaping the propensity and ways of certain organizations to pursue new service-based operations and (re-) organize them in their networks. During 2013, I discovered institutional theory as a fitting theoretical lens that could provide the 'missing link' for the analysis, which later led to identifying framing as a central concept for understanding organization-level service transformation. After extensive analysis of institutional and framing literatures, a new angle to the existing data was taken with interest in the constitutive frames guiding the interpretation, decision-making and action with respect to the development and provision of resident services (the upward arrows in Figure 2 representing efforts to re-interpret findings of previous phases in the context of novel theoretical frameworks).

This new theoretical lens initiated a new round of data analysis (phase 4) in which all the data from the previous two iterations, as well as the data from the first phase, were reanalyzed resting on the new theoretical perspectives. Given the growing interest toward the theme of service transformation ongoing in the residential field, the sample was narrowed down to seven case organizations with simultaneous orientation to properties and housing provision, and service provision for the residents. Between 2013 and 2014, these findings were refined and initial findings presented at a conference focused on organizational responses to institutional complexity (Siltaloppi, 2014). With increasing clarity on rooting the dissertation to the phenomenon of service transformation, authorship of the monograph was initiated in fall 2014. Additional interviews were also performed in each of the seven final case organizations during late 2014 and early 2015, with two goals: first, to gain an update to the situation of the organizations and their engagement in resident service provision, and second, to reinforce and further enquire after views

regarding the framing of resident services already implicitly present in earlier interviews, but not explicitly brought into attention. Integrating the insights of the new interviews to the analysis, the dissertation was finalized in spring 2015.

The purpose of this process description is to reveal the abductive and evolving character of the research process. What began as open-ended interest toward service provision in the context of residential sector evolved through a series of phases, unforeseen at the beginning of the research processes, to the current interest in framing as the central factor in service transformation. Hence, it would be misleading to present the research process as if oriented to the influence of framing on service transformation from the beginning. Instead, the interviews conducted were focused on different questions at different points in time, but due to the flexibility and open-endedness of the interviews conducted, they accommodated new theoretical perspectives offering deeper insights into the case organizations.

Before describing the key decisions during the research process – case selection, data collection and analysis – in more detail, a note regarding the format of this dissertation is appropriate. The previous description of the research process shows that a number of separate manuscripts were prepared during the research process, most presented at conferences but two also published in academic journals. While an article-based (compilation) dissertation was an option, the relatively radical theoretical reorientation in 2013 meant that most of the presented or published papers fell somewhat outside the scope of this dissertation as it is currently framed. Thus, a monograph was chosen as the format, enabling not only a consistent storyline throughout the report, but also offering an excellent platform for refining the findings to be submitted to journals after the finalization of the dissertation.

3.5 Study 1: Data collection and analysis

This and the following section will describe the research process behind this dissertation in more detail. Due to the two-phase process of collecting and analyzing empirical data, the discussion is divided into two separate sections. In this section, focus on the first phase oriented attention to understanding service transformation in the residential field. This lays the foundation for the second part of the study focused on framing, presented in the section following this one. As both studies draw from interviews as the primary data source, this section begins with a brief introduction to interviews as a method of data collection.

3.5.1 On interviews as the primary source of data

Silverman (1993) describes three archetypical positions with respect to perceiving interviews and interview data (see Alvesson, 2003, for a parallel but more 'balanced' consideration). First, a *positivist* position perceives interviews as giving access to facts about the world, the interviewer's task being to ensure the generation of valid and reliable data rooted in standardized questions and

statistical sampling. Second, *interactionism* considers interviewees as experiencing subjects actively constructing their worlds, the task of the interview being to gain authentic insights into people's experiences through unstructured, open-ended and in-depth interviews. Third, *ethnomethodological* interviews treat interviews as social interactions like any other, not perceiving them as a method of data collection but as situated accomplishments worthy of studying in their own right.

Reflecting the concerns of philosophical backgrounds, these three approaches diverge of their view of the 'truthiness' of interview data (Silverman, 1993). Positivists argue that interviews can be treated as reports of an external reality, subject to many biases which can be controlled by standardized means of data collection. Ethnomethodologists or constructivists, on the other hand, claim that interviews present interesting data, which only expresses interpretive procedures present in the social interaction between the interviewer and interviewee. Interactionists, finally, fall somewhere in between, remaining somewhat ambiguous as they oscillate between perceiving interviews as pure symbolic constructions and as expressions of underlying external realties.

In summarizing his view on interviews, Silverman (1993) makes two valuable points concerning the current study. First, he points out that the interactionist view of interviews helps the analyst go beyond perceiving interviewee accounts as naïve and strictly true or false. Instead, this view proposes a more balanced view of interviews as informed statements and displays of the perspectives and moral groundings of the informants, involving the promotion or hiding of particular viewpoints and opinions depending on the context and social situation of the interview. Second, the extent to which one focuses on the social construction of meanings over the 'factual content' of interviews also depends on the nature of research questions - different types of interviews fit together with different goals of research (Fontana & Frey, 1994). With simultaneous interest in different ways of framing resident services and generalization of these findings into theoretical propositions, the interactionist view of interviews seems clearly most suited for this dissertation.

This approach comes close to the 'reflexive pragmatist approach' to interviewing proposed by Alvesson (2003). Here, Alvesson refers to reflexivity as the conscious and consistent efforts to view the subject matter from different perspectives and work with multiple interpretations during the interview and data analysis. Pragmatism refers to an ability or willingness to postpone some doubt regarding the interview as 'appropriate' data, enabling the use of the material for best possible purposes. In other words, the approach favors epistemological awareness over philosophical rigor (p. 25). It also accommodates the changing positions when working with the interview material, from facts to meanings and language, and back. Furthermore, it relaxes the requirement of strict interview protocols emphasizing instead the reflexivity and interested, open disposition of the interviewer toward the informant and the topic.

An essential takeaway from this literature is that the interviewer, however distant from the informant, always influences the data generated with her choices on the structure, location, and recording of the interview, as well as the relationship established with the informant (Fontana & Frey, 1994; Kvale, 2006; Silverman, 1993). Perceived from the positivist viewpoint, this means that interview data is always biased, but for a constructivist, this merely means that the interview is a social interaction which inevitably develops unique forms (Silverman, 1993). From the 'mid point' of interactionism, what matters is that the interviewer and interviewee actively participate in the creation of a collaborative effort, which is the interview (Fontana & Frey, 2005). While one perhaps should avoid an overly objective stance toward the interview, aiming to "squeeze more juice out of the orange", an empathetic stance unilaterally privileging the respondent should also be avoided (Atkinson & Silverman, 1997). It is therefore important for the researcher to reflexively examine her role in steering and shaping the talk produced by the informant, and take it into consideration in the analysis process (Alvesson, 2003; Fontana & Frey, 1994). Furthermore, a naïve interpretation of the data should be avoided since the informants are also conscious and political actors with multiple agendas, calling for a clear analytical lens with which the researcher can develop balanced inferences (Alvesson, 2003).

While these questions are obviously far from a strict guideline of a 'proper' interview situation, they offer a few guidelines followed throughout the research process. First, the interview protocol took a semi-structured form (Fontana & Frey, 1994, 2005) with the themes of discussion decided in advance by the interviewer, but with careful attention paid to not forcing the interviewee to a particular narrative or predefined response categories (see Appendix for examples of interview forms used to guide data collection). Hence, the interview guide, while containing specific questions, was used as notes for the interviewer to remember to ask about specific aspects concerning the organization's transformation toward services, rather than as highly structured guide ensuring that each interviewee was being asked the same questions in the same order (Kvale, 1996). In the interview situation, the main task of the interviewer was to elaborate the things the interviewee brought up in attempt to try to gain in-depth insights into the reasoning of the informant, as well as the meanings he or she related to topics relevant for the focal phenomenon of the research (ibid.). Over time, as my experience of conducting interviews increased, I was able to remain more and more sensitive to the perspective of the interviewees, and embrace their line of reasoning over the structure of the interview guide.

Finally, it is important to note that this approach to interviews did not aim for a rigorous execution of the interview situation for 'replicable' data collection procedure, but instead, aimed at rich description and detail into the phenomenon studied. For this reason, the quality of data cannot be evaluated on the basis of the interview guide or methodology of the situation, as positivists suggest, but rather based on broader evaluation of the number of interviews conducted with different informants, coupled with the use of other

data sources, to provide best possible view of the different viewpoints associated with the phenomenon (Denzin, 1970).

3.5.2 Data collection

The first study was conducted at the beginning of the dissertation project to understand how various organizations perceived the current state of the residential field, and interpreted the emerging emphasis on resident-centric service provision in the field. Altogether 46 interviews were performed between two researchers conducting the interviews, including 35 different informants from 27 organizations (see Table 4).

Table 4 Empirical data in Study 1

Organization	Informants	Interviews	Duration (min)
Investor	3	3	84 51 69
Investor	3	2	123 104
Investor (non-profit)	1	1	135
Investor (non-profit)	3	1	104
Investor (non-profit)	2	1	122
Investor (public)	2	1	117
Investor (public)	2	1	100
Temporary accommodation	1	1	99
Property development	1	1	81
Construction	1	1	90
Construction	1	1	67
Property management	4	2	81 73
Maintenance and facility services	1	1	87
Maintenance services	1	1	104
Maintenance and facility services	2	1	96
Maintenance and facility services	1	1	87
Logistics services	1	1	104
Logistics services	1	1	75
Retail trade	1	1	76
Elderly / care services	1	1	94
Elderly / care services	2	2	108 79
Elderly / care services	1	1	93
Financial services	2	2	106 105
Public organization	4	3	54 57 50
Public organization	1	1	28
Public organization	2	1	92
Housing development	1	1	37
TOTAL = 27	46	35	3135min 52,25 h

These organizations represented a wide range of actors located within and around the residential sector, including property investors, construction companies, property managers and maintenance service providers, care

service providers, other 'resident service' providers, as well as public organizations involved in the development of housing and the built environment. The organizations included both large and small organizations, representing for-profit, non-profit and public sectors.

Organizations were selected to represent different types of actors involved in the provision of housing and support for the residents, with particular emphasis on the core actors – investors or building owners – of the field. The informants were selected to represent top positions in their organizations, thus being able to provide strategic-level view of the residential sector from the perspective of their organizations. Data collection was ended when both researchers observed saturation in the accounts provided by the interviewees. The interviews were performed in the premises of the respondents, recorded, and transcribed in verbatim for analysis. Given the relatively general nature of the study, a relatively precise interview guide was developed by the researchers used as the basis of all interviews, with minor modifications depending on the role of the organization in the field.

3.5.3 Data analysis

Data was analyzed first right after the data collection was finished in spring and summer of 2011, producing an initial understanding of the challenges and enablers of developing resident services in the residential field. These findings were reported as a part of a separate research project. However, the discovery of institutional theory and associated interest in organizational responses to institutional complexity renewed the interest toward this data. Thus, in 2013, the interviews were reanalyzed, interpreting these accounts as descriptions of how organizations perceived the growing institutional complexity between the asset- and resident-centric logics in the field, and more specifically, in the context of their organization.

Within this theoretical framework, the data analysis followed a relatively structured format in which, first, sections of the interviews were coded in categories focusing on the position of the organization in the field, the problems associated with resident service provision, and the resident service practices adopted as a part of the organization. The interview sections coded in each category were then aggregated into more condensed form to enable analysis across the 27 organizations, and summarized in tables (partially ordered meta-matrix, Miles & Huberman, 1994) which constituted the basis for writing up the findings. The analysis also involved the refinement of these findings into an understanding of the logics of action dominant in the field, with particular interest in the perceptions of different actors on resident services and their viability and feasibility as a part of operations in the residential sector.

Intended as a background-setting study, the purpose of these summarizing analyses was to generate most comprehensive possible overview of the residential field and its different actors, and to understand the different positions of different organizations with respect to the growing institutional complexity. As a result, the findings drew attention to a diversity of

perspectives and interpretations of resident services. These findings are described in more detail in the first part of the empirical findings (section 4) following the methodology section. In addition to shedding light on the characteristics of the residential field, the first study also provided the basis for sampling case studies for the second study, the design of which is discussed next.

3.6   Study 2: Data collection and analysis

3.6.1   Case selection

As explained, a multiple-case design was adopted as the basis of this dissertation as it allows for an empirical examination based on comparisons across organizations with different features (Vaughan, 1992). The basis for case selection was the first study consisting of interviews with members of 27 different organizations, only some of which had adopted resident services as a part of their operations. These constituted the 'stock' of potential case organizations. The sampling of cases was based on two criteria: (1) The organization had engaged in resident service provision, either by introducing new service offerings or activities aimed at the benefit of the resident ('quantity'), or by clearly adopting more customer-centered practices as the basis of operations across the organization ('quality'). (2) The organization was linked to both property-centric provision of apartments and resident-centered service provision, omitting potential case organizations with no clear linkage to the residential or real estate sector (e.g., e-grocery service provided by a retail cooperative). Hence, as this dissertation focused on organization-level service transformation, it omitted organizations engaged in resident services through interorganizational relationships, particularly those between building owners and care service providers common to seniors' housing or assisted living concepts.

  These criteria narrowed the potential sample down to nine organizations. With the purpose of representing the diversity of approaches to framing resident services in the case organizations, the remaining organizations were evaluated with respect to their views of and engagement in resident-centric service provision. As a result of this evaluation performed during the research process, two potential cases were omitted due to their similarity with other organizations, and lack of distinct insights into framing resident services. The first of these was omitted due to its close similarity with another municipally owned building owner, RentFound, which was more advanced in its engagement with resident service provision and thus provided better context for reflecting the frames around resident-centricity and service provision. The second omitted case displayed an online service platform development similar to that in PropMgmt. Combined with the marginal engagement of this organization in resident service provision, this case was omitted due to other cases, most notably PropInv, already representing a very property-focused

framing of resident services overall. Hence, the final sample consists of seven organizations presented in Table 5.

Table 5 Case organizations in Study 2

	Business	**Size**	**Resident service dimension**
PropInv	Building owner (for profit, listed)	Large national	Benefits offered to residents, community activities
SunClean	Facility & maintenance services (for-profit)	Large national	New domestic service operation
A-Homes	Building owner (non-profit)	Mid-size national	New home renovation service, reorganization of property management with new customer service
PropMgmt	Property management (for-profit)	Large national (with branch structure)	New resident information portal, reorganization of property management and customer service
RentFound	Building owner (non-profit / municipal)	Small local	Social housing management services supporting residents' welfare, reorganization of customer service
RentChamp	Building owner (non-profit / municipal)	Small local	New customer-centered approach adopted across the organization
TempAcc	Temporary accommodation services (for-profit)	Mid-size, operations in largest cities	Formation and growth of a novel accommodation service concept

While focused on informants' framing of resident services, the cases also came to represent a wide variety of organizations in the residential field. Six of the seven organizations had existing operations in the residential field in the context of which resident services were introduced to the organization (SunClean, A-Homes, PropMgmt, RentFound, RentChamp), but one also represented a novel organization providing temporary accommodation and thus falling within the context of residential sector. Both for- and non-profit organizations were included, representing different sized organizations from small and local to large national organizations. Finally, the case organizations represented a large variety of ways in which resident services were introduced to the organization, both as new practices and at the level of strategy and collective frames. Hence, the case study sample provides the basis for expanding understanding of the ways in which new logics may be framed as a part of the organization embedded in an existing field.

3.6.2   Data collection

As mentioned, interviews constitute the primary data source for this dissertation. Interviews were particularly well suited for the current research and its theory elaboration approach because they offer most efficient means for capturing the essence of the episodic processes of service transformation without engaging in resource-consuming ethnographic data collection (cf. Eisenhardt & Graebner, 2007). In this sense, I traded off rich detail and longitudinal analysis for the ability to conduct comparisons among multiple cases. As elaborated before, the interviews adopted an interactionist orientation by focusing on the informants' representation of their organization, their view of resident services, as well as the managerial means and challenges related to developing and sustaining resident services as a part of the organization.

Reflecting the abductive character of the research process (Dubois & Gadde, 2002) which iterated between theory and empirical data, the interviews were performed in multiple phases (see Figure 2). Combining the interviews from the second and third phases between 2011 and 2012, altogether 45 interviews in the seven cases were conducted with diverse informants. Finally, in the last phase nine additional interviews were performed, first, to gain insights into the current status of resident services in the organization 'two years after'; second, to reinforce understanding of the frames, management, and service transformation in the case organizations; and third, to fulfill gaps in the empirical data as well as to seek reinforcement for some of the central conclusions. Table 6 summarizes data in the seven case organizations.

The interviews were performed in the premises of the interviewees, and ranged in duration from 30 minutes to two hours, resulting in total of around 68 hours of interviews recorded during the interview and transcribed in verbatim for analysis. While the author of the dissertation conducted most interviews either alone or with a colleague, eleven secondary interviews were included in the final data set. Four of these interviews was performed by a research assistant / masters student who conducted the interviews on the basis of a jointly developed interview guide as a part of a collaborative project closely related to the current dissertation. The current author was also present in a number of interviews with the research assistant, during which a shared view was developed regarding the interview procedure and relevant topics. In addition, seven interviews on five cases from a colleague's research project were included in the sample as our data collection overlapped, offering complementary insights into the framing of resident services in the case organizations. Altogether, data in each case derives from multiple informants, reducing the influence of single informants' viewpoints on emerging findings (cf. Maitlis & Lawrence, 2007).

In addition, complementary data was collected primarily from the organizations' websites, marketing materials, and annual reports (when available), offering insights into the ways in which the organizations formally framed their strategies, goals and values for external audiences. In a few cases, access was also provided to some internal documents such as slides, but in

none of the cases open access was given to documentation that could have been used to develop more detailed longitudinal understanding the 'real time' integration of resident services in the organization.

Table 6 Empirical data in Study 2

Org	Informants	Interviews (min)	Second. data
PropInv	1.1 Vice president 1.2 Director, customer relationships 1.3 Director, investment unit 1.4 Director, regional business unit 1.5 Project manager 1.6 Project manager 1.7 Manager, business development 1.8 Manager, cust. relationships	10 (901)	Annual reports, website, project materials on one project
SunClean	2.1 Head of R&D 2.2 Manager, resident services 2.3 Director, marketing 2.4 Employee, operative marketing 2.5 Manager, B2B operations 2.6 Director B2B operations 2.7 Director, business area	7 (472)	Annual reports, website, marketing materials
A-Homes	3.1. Head of real estate operations 3.2 Manager, property management 3.3 Manager, resident services 3.4 Manager, key accounts (s.p. 1) 3.5 Manager, operations (s.p. 2) 3.6 Manager, operations (s.p. 1) 3.7 Employee (s.p. 1)	12 (832)	Internal slides, annual reports, website, marketing materials, research project documentation
PropMgmt	4.1 Marketing director 4.2 Vice President 4.3 Manager, corporate relations 4.4 Manager, operations 4.5 Manager, communications 4.6 Manager, business development (in 2015: CFO) 4.7 Director, business unit	7 (511)	Website, e-portal demonstration, marketing materials
RentFound	5.1 CEO 5.2 Manager, renting process 5.3 Director, resident services 5.4 Director, maintenance	4 (344)	Annual reports, website, resident magazines, strategy plans
RentChamp	6.1 CEO 6.2 Manager, property maintenance 6.3 Manager, property management 6.4 Director, property development	7 (524)	Internal slides, annual reports, website, resident information materials
TempAcc	7.1 CEO 7.2 CIO 7.3 Director, Customer services 7.4 Manager, Customer services 7.5 Manager, Customer services 7.6 Director, Sales 7.7 Director, Maintenance	7 (490)	Website, marketing materials
TOTAL	Number of informants: 43	54 (ca.68 h)	Approx. 800 p.

3.6.3 Data analysis

As already described in previous sections, data analysis proceeded in steps iterating between insights from case studies and existing literature (cf. Denis,

Lamothe, & Langley, 2001; Dubois & Gadde, 2002). Early on, the study focused on the development of resident services, evolving to a study of service-driven organizational change. With the introduction of institutional theory, particularly recent literature on organizational responses (Greenwood et al., 2011) and hybrid organizations (Battilana & Lee, 2014), data analysis was refocused on how the organizations dealt with multiple institutional logics inherent in service transformation. Furthermore, deeper reading of this literature together with the analysis of interviews directed the analysis to the central role of framing in service transformation. With this shift in theoretical focus, subsequent data analysis focused on how key individuals in the seven case organizations made sense of, and constructed meanings around, growing engagement with resident-centric service provision. Of particular interest were the ways in which managers rationalized increasing orientation toward resident services for themselves (and for the interviewer), and the means used to diffuse this understanding across the organization, that is, transforming managers' cognitive frames into organization-wide collective frames (cf. Kaplan, 2008b), and furthermore, to collective action.

Data analysis began by coding sections of the interviews describing the rationales of managers toward resident services. Based on the notion of institutional complexity, analysis also focused on issues and complexities related to resident services, which were considered revealing from the viewpoint of organizational change and focus of managerial efforts during service transformation. After first-order coding, the codes were further aggregated into second-order categories and themes relying on both common themes emerging from the data and the guidance provided by the theoretical frameworks.

The aggregation of codes began by grouping codes into common themes within each case individually, with the purpose of understanding common themes emerging from the discussions with different informants. This analysis also remained sensitive to the differences between the interpretations of different informants, aiming to preserve the richness of viewpoints regarding resident services. This code aggregation made extensive use of code aggregation tables, seeking to build a consistent data structure (Gioia, Corley, & Hamilton, 2013a) connecting emerging findings to raw data. While memos and notes were written throughout the initial coding process, during data aggregation, I sought to construct brief but representative case descriptions or 'composite narratives' (cf. Sonenshein, 2010) for each case summarizing the essential points regarding informants' framing of resident services. The purpose of these descriptions was to construct the 'story' of the organization in a more concise form (cf. Langley, 1999) to clarify the findings so far for the analyst, and to establish basis for cross-case analysis. Thus, consideration was given particularly to how the informants argued for the addition of resident services, and related these considerations to the preexisting organizational strategy and practices (if existed), and to organizational change at large.

Particularly in this phase of data analysis, the process iterated back and forth between raw data, emerging categories and theoretical insights. While the

aggregation of first order codes provided a converging view of framing in each of the case organization, the formulation of case-specific summaries brought up questions which required going back into the interviews to see how a particular issue or topic was discussed by different informants. In more than one case, this iterative phase resulted in interpreting the case in a new way with regard to its framing approach, as more precise queries into raw data contradicted earlier inferences and provided new insights. As an example, organization structure was considered early on as a central factor in shaping the organization's response to the service transformation situation. However, with iterations between empirical data and emerging frameworks, organization design increasingly appeared a question of balancing the introduction of new rationales and activities to the organization rather than central to the (re-) formation of frames underlying service transformation. Accordingly, organizational design is discussed in the findings as one area on which managers may influence during service transformation.

This process resulted in detailed understanding of how the members of the organization interviewed framed resident services as a part of their organization. Summarized in code aggregation tables and the case-specific summaries or 'narratives', the next step in data analysis was to begin more explicit cross-case analysis to identify differences and similarities among the cases. Of course, cross-case comparisons were implicitly ongoing throughout the 'within-case' analysis phase, and helped crystallize the relevant points in each case. However, in this phase the explicit purpose of the analysis was to identify archetypical ways of framing resident services in the organization. Initially, this analysis began to unfold around three distinct approaches to framing resident services, drawing attention to a continuum from frames preserving existing, building-focused logics of action to those radically reorienting the attention of the organization to customer-centric service provision. However, by focusing in more detail on how managers used particular expressions, arguments and evaluation criteria associated with resident services, the analysis began to draw attention to two underlying dimensions in managers' framing of resident services.

This realization was supported by framing literature, in which a distinction is made between content and structure (Walsh, 1995). I also found another useful study by Hahn et al. (2014), who proposed that managers may frame corporate social responsibility matters either through 'simple' business case frames or 'paradoxical' frames integrating multiple attributes and rationales to decision-making. This distinction provided the basis for reorganizing the data focusing more specifically on the relative structure and order of rationales dominating informants' interpretations of resident services.

After going back to the first-order codes and underlying segments of raw data, the archetypical frames could be categorized according to two dimensions. First, *argument diversity* distinguished organizations with dominant business rationales from those integrating multiple rationales in their reasoning on resident service provision. Second, the dimension of *identification with resident services* emerged to describe members' deeper

orientation to value creation. By revisiting the raw data, this dimension began to separate organizations with instrumental views of resident service provision from organizations perceiving resident services as constitutive of organization's existence.

With these two dimensions, the analysis arrived at four archetypical categories for framing resident services. Based on the tables and memos, the emerging findings were refined into written form constituting the first part of empirical findings reported at the beginning of section 5. As this dissertation also sought to understand how frames manifested in managers' efforts to legitimize and promote service transformation, data was analyzed next to refine the findings concerning the managerial practices prevalent in the case organizations. This part of the analysis took as its basis the two dimensions used for categorizing the framing approaches, seeking to understand how these distinguished between mangers' differing orientations to supporting service transformation in the organization. Finally, empirical data was also analyzed for broader manifestations and outcomes of service transformation for the organization. By linking these to the findings from the last round of interviews 'two years after', the final part of the empirical findings identifies patterns of service transformation linked to the dimensions underlying the frame archetypes. The findings of these analyses are also presented in section 5, in the aforementioned order.

3.7   Validity and reliability of research design

Evaluating the quality of a qualitative research design is based on different criteria from those applied to quantitative research. While the lack of standard methods for data collection and analysis may question the validity and reliability of qualitative studies in the traditional sense (Lee et al., 1999), criteria exist for evaluating qualitative research designs in their own right. One schema for evaluating qualitative case studies is provided by Yin (2009), who proposes four means for assessing the quality of research: construct validity, external validity, internal validity, and reliability (p. 40).

First, *construct validity* concerns the identification and selection of correct operational measures for the central concepts of the research. Yin proposes three means for improving construct validity: using multiple sources of evidence, establishing a clear chain of evidence, and having key informants review findings. This research is based on multiple interviews and informants from the case organizations. This way, the perspectives of different informants complement each other and offer a more balanced view of the organization, avoiding biases related to the accounts of individual informants. Furthermore, the research used secondary materials available from the organizations, primarily website, marketing materials, annual reports, and in some cases also internal presentations or summaries of research projects. Hence, the validity of findings is improved by triangulation across informants and forms of data (Denzin, 1970; Eisenhardt & Graebner, 2007; Yin, 2009).

Data analysis was also systematically reported with particular attention paid to preserving the chain of evidence from the raw data of interview transcriptions to aggregate categories constituting the main findings. Furthermore, the preceding description of the research process offers the reader detailed understanding of the research process. When reporting the findings, emergent insights were linked to raw data by providing quotes and presenting the aggregation of findings in data structures, enabling the reader to see the logic of conceptualizing raw data into empirical findings. Finally, presenting the emerging findings to informants from all case organizations also enhanced construct validity by integrating in the findings the informants' perceptions of the conceptualization of their organization.

Second, *external validity* depends on establishing a domain or context in which the findings of the case study can be generalized. As discussed earlier in this methodology section, the generalizability of findings from case studies is not based on statistical generalization into broader populations, but instead on analytical generalization to broader theory (Yin, 2009). In align with the theory elaboration approach, this study sought to improve external validity in two ways. The first was to continually link emerging findings to the theories guiding the work, achieving interplay between theory and empirical findings seeking to advance it. This interplay is visible throughout the findings, but particularly pronounced in the discussion of empirical findings linking together the service transformation, institutional theory and framing literatures with the findings of the empirical study.

Yin also suggests that direct replication improves the generalizability of findings in multiple case studies, meaning that if a second or third case is studied to which the theory predicts similar results, the findings are stronger than if only one case was considered. In the current study, multiple cases were sampled to represent similar approaches framing, thus including features of both theoretical (different views of and approaches to resident services) and 'literal' replication (cases close to one another in terms of their framing of resident services). Having the opportunity to compare different types of organizations with similar frames reinforces the current findings and their generalizability.

Third, *internal validity* depends on establishing causal relationships between constructs central to explanatory or causal case studies, emphasizing the ability of the research to distinguish the causal model of the study from false causalities. Yin suggests a number of techniques for improving internal validity, including pattern matching, explanation building or logic models as the basis of developing causal models, and addressing rival explanations for the resulting model. In this study, the basis for internal validity was the rooting of emergent propositions to empirical data and existing literature, supporting the causal inferences made based on the interviews. Furthermore, systematic development of case-specific summaries or composite narratives helped the development of explanations for the effects of different frames on service transformation. The additional data collection round also provided a longitudinal dimension to the empirical findings, enabling an analysis of the

effects of frames and associated managerial actions on the (temporary) outcomes two years later.

Finally, the *reliability* of the case study rests on demonstrating that the research process can be repeated with same results. In the light of the postpositivistic philosophical orientation, reliability constitutes the most ambiguous concept for evaluating the findings of a qualitative case study because this perspective acknowledges the inevitable influence of the researcher on the generation and analysis of data. Thus, I would rather refer to the transparency of the research process as the 'most' reliability one may achieve in this kind of research, resting on the principle that research should be conducted as if one's research was constantly observed by an external evaluator (Yin, 2009). In this spirit, I sought to root all emerging findings to raw data and make sure my findings rest on a transparent chain of evidence. The growing database of findings and analysis was also constantly updated and refined as the analysis progressed. Furthermore, I followed a similar, although evolving semi-structured interview protocol throughout data collection, and a similar pattern in data analysis proceeding from first-order coding of aggregating findings first within-case and then cross-case level.

Hence, the use of these means in designing and conducting the study improved the quality of findings by establishing a certain baseline for 'scientific conduct'. However, as with qualitative research more generally, and postpositivistic orientation in particular (Denzin & Lincoln, 2005; Guba & Lincoln, 1994), the research process was guided by my personal interest and growing knowledge of the phenomenon, reflected in the data generated through an interactionist approach to interviews. More specifically, I believe my background in engineering, coupled with growing interest in the 'soft side' of organizations, gives a specific flavor to this dissertation important for the reader to consider. With my unique mindset, I have aimed at providing the reader as detailed and accurate description of the research process as possible, including not only the 'strategic' decisions made regarding the research design, but also the evolution of my own interest and understanding with respect to this study so that the more implicit decisions I have made along the way would make more sense.

The next two sections of this dissertation describe the empirical findings.

4 Service transformation in the residential sector: A field-level perspective

This section describes the findings of the first empirical study focused on answering the question: How do organizations perceive and respond to the growing emphasis on resident-centric service provision in the residential sector? This question involves a two-fold interest, first, in the identification of the institutionalized bases for action among the organizations in the residential sector, and second, in the idiosyncratic responses adopted by organizations to the growing emphasis on resident-centric service provision. Hence, this section develops understanding of how organizations create value in the residential sector, and how they approach the transformation toward service-based value creation.

4.1 Overview of the residential field

The construction and real estate industry can be characterized as a complex and networked industry, spanning operations from raw land development to the facilitation of users' processes in buildings. The industry can be divided into commercial and residential sectors, the latter of which is the focus of this dissertation. In order to perform the diversity of functions needed to develop and maintain properties in feasible, sustainable and user-friendly manner, both the commercial and residential sectors are based on collaboration among four central roles and types of actors (note that sometimes one organization can play more than one role): Investors and building owners, construction companies, property managers, and maintenance service providers (see Figure 3).

First, the investors and building owners (here onwards referred to as building owners) invest in residential properties and lease the apartments for users, that is, residents. In this context, focus is only on 'direct' investors also operatively managing the building portfolio, in distinction from the so-called institutional investors investing in building owner firms. Upstream in the supply chain, the building owners are the customers of property developers and construction companies. Downstream, building owners perform or procure property management tasks, and usually procure (as opposed to perform in-house) maintenance services from specialized service providers. In

this sense, building owners locate at the center of the residential field. While this study focuses primarily on the field centered on professional building owners and the rental housing market, a large part of housing in Finland is owner occupied with the residents owning the properties or apartments either directly (detached houses, land), or through housing companies (apartment blocks, row houses), which constitute a similar form of ownership to condominiums in the Anglo-Saxon system. In housing companies, residents select a board of directors responsible for managing the property, a task for which a professional property manager is usually hired.
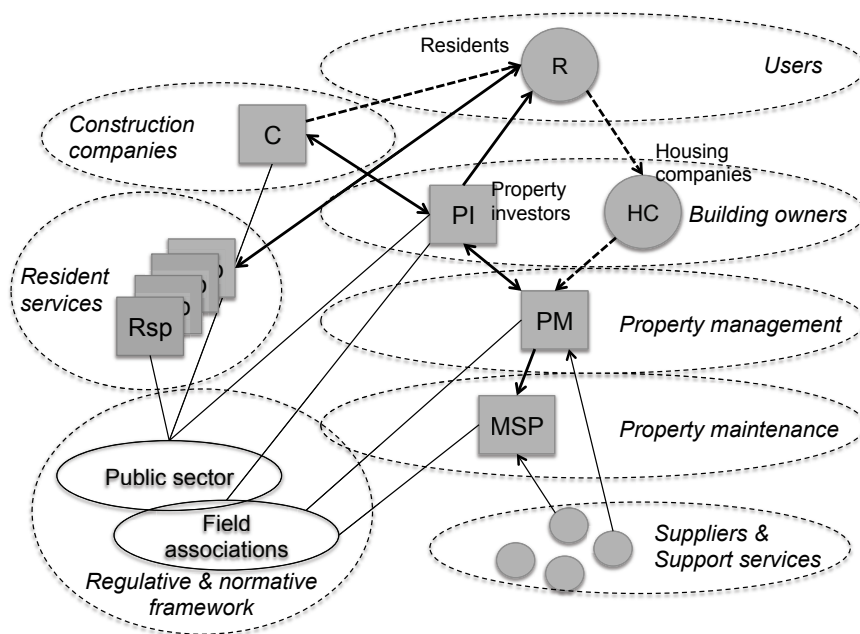
Figure 3 Key actors and roles in Finland's residential sector

Upstream from building owners, construction companies constitute another 'hub' of the industry by transforming land, raw materials and supplier inputs into buildings by collaborating with municipalities and landowners (unless they own the land themselves), customers, and a large network of suppliers including various sub-contractors, designers, project management consultants and so on. Construction companies can play two slightly different roles in this system: On the one hand, they are the contractors hired for projects commissioned by the buyer (the building owner). On the other hand, they act as property developers when they acquire land, develop buildings on the land, and sell developed properties to building owners or individual residents. In the latter role, construction companies acquire broader roles from land use development to marketing.

Downstream from building owners, property management constitutes the third function central to the industry. As the name indicates, property managers are responsible for managing the properties both administratively (i.e., books and accounting) and technically (maintenance). In the past, most

building owners have performed the property manager role, but as a result of growing specialization, professional building owners increasingly outsource property management services to specialized service providers in the pursuit of increasing focus on core business. Whether performed 'in-house' or outsourced, property managers are responsible for the operative management of properties, including activities from accounting to procurement of maintenance services and more strategic planning of maintenance over the life cycle of the building. In the commercial real estate sector, property management is also increasingly concerned with facility management, which focuses on supporting users' processes in the buildings. However, the emergence of user or resident services in the residential sector is only emerging, as will be discussed later on.

The fourth and final archetypical role in the residential field is property maintenance, which includes various operative tasks necessary to maintain the properties and outdoor areas in clean, safe and technically good condition. Most common service tasks include cleaning and outdoor area maintenance, maintenance of technical systems, etc. In practice, these services are labor-intensive, involving regular service tasks performed on the property.

In addition to these four key roles and associated actors, a number of other actors are involved in supporting the core actors' processes, including the various suppliers and sub-contractors of construction and maintenance service companies, and the financial institutions behind building owners. The field is also regulated extensively by the public sector, ranging from national and municipal levels of land use planning to national building code, energy norms and legislation governing, among others, rental agreements, contracts between buyers and contractors, and work safety. In addition, field associations play a role in establishing shared norms for professional conduct among, for example, construction companies or property managers.

The most important role for this dissertation, resident services, constitute last block in the previous figure encapsulating services offered directly for the benefit of the residents. In the commercial real estate sector, particularly office buildings, various facility services that support users processes have become increasingly common over the last ten to fifteen years. These services include reception services, mail services, IT and HR support services, among others, often bundled into turnkey facility service solutions offered to client organizations occupying the office buildings.

In the residential sector, interest towards resident services is only emerging. For this reason, the current dissertation examines the emergence and adoption of resident services in different organizations as the case of service transformation, acknowledging that services oriented to the condition of the properties are deeply institutionalized into the fabric of the whole real estate sector, including the housing sector. Currently, most common resident services include domestic (cleaning) services, security, repairs and remodeling, as well as home care services for the elderly. New online-based services are also becoming increasingly common parts of people's daily life, expanding the customary boundary around the residential sector. While home delivery

options extend to nearly anything one can order online, recent years have witnessed the emergence of directly household-related services such as online grocery stores, which – for the current study at least – represent new forms of resident services as they aim at facilitating or supporting the daily life of residents and households.

4.2 Empirical findings

4.2.1 Perceptions of resident services

As described in the methodology section, the empirical data for this study consists of interviews with top-level representatives from 27 different organizations in the field. The first goal in analyzing this data was to identify how different informants perceived the role and importance of resident services for their organization. Three orienting themes guided this analysis: (1) Respondents' overall evaluation of resident services within the residential field, (2) the role of resident services in the strategy of the organization, and (3) the archetypical response the organization had adopted toward the provision of resident services. Based on existing literature, three archetypical responses guided this analysis (cf. Battilana & Lee, 2014; Kraatz & Block, 2008): *Denial*, that is, explicit refusal to introduce resident services to the organization beyond the standard level of customer service; *addition*, that is, engagement in the provision of resident services while preserving strategic focus on buildings; and *central*, that is, the formation of inherently service-based strategic frame for the organization taking resident-centricity at the core of the organization. Table 7 summarizes these findings for each of the 27 organizations included in the first empirical study.

As discussed in the methodology section, this sample was not random and did not aim at statistical generalizations of the state of the field. If anything, it was biased from the beginning toward organizations in which resident services were likely to play larger roles than customary to the field. Nevertheless, the data includes organizations representing all five central roles described in the previous section, as well as organizations from the private, public and non-profit sectors, offering a diversity of viewpoints to, and interpretations of, resident services and their role for future operations of the organization.

Table 7 Perceptions of resident services in the residential sector

No.	Organization	Strategy and resident services
1	For-profit building owner (BO)	Aware of the potential of resident services. Focus on building owner (BO) core business. <u>Denial</u> of direct resident service provision.
2	For-profit BO	Aware of the potential of resident services. Focus BO core business, emphasis on quality housing. <u>Denial</u> of resident service provision.
3	Non-profit BO	Expanded BO core business with legitimate resident service provision. <u>Addition</u> of resident services to existing operations.
4	Non-profit BO	Resident services interesting but not profitable. Focus on BO and property development operations. <u>Denial</u> of resident service provision.
5	Municipal BO	Develops the organization through service. Service-based orientation to BO operations. <u>Central</u>, embedded in the constitutive frame.
6	Municipal BO	Widespread service development in the organization. BO logic with strong social mission. <u>Central</u>, embedded in the social mission of the org.
7	Municipal BO organization	View of the organization as service coordinator. BO focus with strong social mission. <u>Central</u>, embedded in the social mission of the org.
8	Subsidized property development & BO	Resident service central for elderly population. Focus on property development and BO. <u>Denial</u> of in-house service provision, focus on collaboration with care service providers.
9	Property development & construction	Resident services means to reinforce customer relationship. Focus on property developer & construction business. <u>Addition</u> of an e-service for the residents.
10	Property development & construction	Aware of the need to preserve connection to residents after sale. Focus on property developer & construction business. <u>Denial</u> of engagement in resident service provision.
11	Temporary accommoda-tion	Inherently service-based business logic. <u>Central</u>; the business based on the provision of customer-centered accommodation solutions.
12	Property management	Growing importance of resident-centricity. Focus on property management for housing companies. <u>Addition</u> of an e-platform for interacting with residents.
13	Maintenance & facility service	Aware of growing resident service markets. Focus on B2B maintenance business. <u>Denial</u> to expand service to individual households.
14	Security	Interest in the consumer security market.

	services	Focus on B2B service business. Denial of resident services beyond technology-based solutions.
15	Maintenance	Aware of the growing potential for resident services. Focus on technical maintenance. Formal denial, but janitors allowed to offer resident services on the side.
16	Maintenance & facility services	Focus on B2B maintenance services. Addition of a domestic service with existing resources.
17	Facility services, municipal organization	Involvement in resident service provision, but through other municipal service units. Focus on B2B maintenance and facility services. Denial of direct resident service provision.
18	Online grocery store	Strategic focus in retail trade. Addition of a grocery home delivery service.
19	Online food market	Provision of one-door access to food producers and other service providers online with home delivery Service and resident orientation central.
20	Non-profit social and care services	Focus on care and support services for the elderly, provision of home care. Care focus central, but connection to housing limited.
21	For-profit elderly home care	Focus on temp service and outsourced care provision for the municipalities. Care focus central, but connection to housing limited.
22	Elderly home care	Provision and development of care for the elderly. Service-based and networked provision of care services, resident service ideology central.
23	Financing & insurance	Sole focus on property investment business. Denial of resident services
24	State-level housing finance and development	Increasing awareness of the importance of services. Focus on funding subsidized housing in Finland. N/A; directs development through technical, not service-based viewpoints.
25	Ministry of housing and the environment	Focus on creating legislation for housing, with emphasis on addressing societal issues N/A; Aging of population an important driver for resident services
26	Municipal housing office	Increasing awareness of the importance of resident services. Focus on ensuring adequate and affordable housing. N/A; participation through policy-making.
27	Research and development organization	Purpose to start & coordinate research in the area of built environment with universities and firms. N/A; no specific program on resident services.

The findings of the first study show that for-profit building owners, construction companies and maintenance service providers most clearly opted

out from the provision of resident services, perceiving them incompatible with the existing approach to value creation. The primary concern that emerged from the interviews was the difficulty of producing resident services profitably, particularly in the light of strong pressures in these organizations to focus on the most profitable core business areas. In this context, the informants highlighted the clear differences between the business of building owners, for example, and the provision of resident services, despite being fundamentally in the business of providing accommodation as service for individual residents. Furthermore, they expressed concerns for the nascent character of the resident service market, characterized by low and uncertain demand particularly difficult for specialized service providers to deal with, let alone large and stabilized organizations like them. An executive from one of the building owner organizations stated this common position:

> *"I think our business is to produce, own and lease apartments, and someone else takes care of the service. In a way if we can offer the facilities for which we earn the rent, then there must be the entrepreneur who makes a business out of providing the services for the residents"* [Manager, case 4]

Despite negative perceptions of the immediate feasibility of resident services, nearly all of the informants perceived resident services of growing importance to the organizations in the residential field. Many informants pointed out that they had explicitly discussed the introduction of resident services, or even experimented with options to introduce new resident service elements to their offering. Instead of directly engaging in the provision of resident services, however, most of the traditional actors had approached resident services through collaboration with resident service providers. The interviews suggest that typical of this collaboration was that the building owner refused to take any service-related risk even to facilitate the early phases of the new service. For this reason, the implementation of resident services was commonly funded from the marketing budget or otherwise using non-core resources. In this category, many building owners offered benefits to their residents through third-party service providers, mostly limited to community events and discounted prices for specific services or outlets. Many building owners also rewarded their residents for long customer relationships, for whom the building owners offered a sum of money to be used on apartment renovation. Typical of such service offerings, the building owners did not actively engage in service provision but only provided the initial linkage through which the residents could arrange services for themselves.

  Another common example of organizing resident services without involving in service provision was evident in the collaboration between building owners and care service providers in seniors' housing and assisted living projects, in which the residential solution included certain supportive and care-related services for the residents. While such projects were perceived as challenging, some successful examples indicate that by emphasizing building design from

the viewpoint of care service provision, and by securing adequate service volumes for the service provider to sustain business on site, such collaborations can result in successful development of 'servitized' residential solutions.

Despite explicit denial to engage in funding or providing resident services, a few notable exceptions among construction companies and building owners illustrate ways in which resident services may be leveraged for core business performance. In case 9, a large construction company, the managers decided to develop their connection to past customers, that is, people who had bought homes from the company. For this purpose, an online portal was developed which offered residents information about their building and available services in their neighborhood and online. Contra to the many companies in which such benefits were negotiated without financial investments, relying on the bargaining power of the organization, the current example is distinct in the financial investments in the software seen as a potential way to differentiate the company from its competitors.

Case 3 provides an even more extensive example of adding resident services to an organization focused on the building owner role. The top executive interviewed repeatedly emphasized that the only way the organization can survive and prosper in the long run is by investing in the development of service offerings and experiences for the residents. As a result, the organization was rethinking its practices particularly from the residents' viewpoint, and sought new service offerings which would counter the threat of declining attractiveness of its aging building stock. Besides developing new resident-supporting services, the organization also framed its future role as a service coordinator towards the residents:

> "If you think that our organization is a coordinator, then there may be many bundles [of services] we can offer to our residents as additional services." [Manager, case 3]

Interestingly, while the for-profit actors showed little interest towards expanding their operations to resident services, the non-profits were more notably 'hybrid' in their simultaneous orientation to the properties and serving the residents. In addition to case 3, cases 5, 6, and 7 were also non-profit building owners owned by municipalities, each drawing attention to a hybrid strategy that held both the technical and resident-focused goals central to the mission of the organization. A significant factor behind this hybrid strategy was the municipality, which as the owner imposed its social mission on these building owner organizations. In this sense, the building owners had to conform to the plural and partially contradictory requirements which on the one hand demanded efficient building owner operations to provide low-cost housing for the residents, but at the same time, required participation in providing social support for the residents through service provision.

In property management and maintenance organizations, the dominant viewpoint was that the organizations exist primarily through the provision of

administrative and technical support services which ensure the maintenance of the properties in an optimal condition over their life cycle. However, two organizations offer insights into the addition of new resident-focused elements in these organizations. In case 12, the property manager organization had introduced an online portal which provided a novel interaction as well as information channel for the residents concerning their housing company. The purpose of the property management organization was to improve communication with the residents, and introduce new ways of producing property management service. However, reflecting on the larger state of the property management companies, this organization was clearly an exception standing out from the mass of mostly small and medium-sized companies focused solely on the traditional technical and financial management of housing companies.

Case 16 provides an exception among the for-profit maintenance service companies with its addition of a domestic service concept on the side of its B2B cleaning and maintenance service operations. Contrary to the common view among the B2B maintenance companies that consumer business is unfeasible for a large organization designed for efficiency in larger service volumes provided for business clients, the organization rationalized the addition of domestic service with its ability to leverage current competences and resources for entering the B2C market which was perceived to carry significant growth potential.

"I believe that we saw a growing market [in the domestic service] and its absolutely worthwhile to be there, because we have the know-how and training and all in place, so why wouldn't we do that [domestic service] as well?" [Manager, case 16]

Finally, the interviews also covered a number of resident service provider organizations offering services directly to the residents. Emphasizing care service providers and two online grocery store services, these cases drew attention to a perspective relatively decoupled from the residential concept. Stated differently, these organizations emphasized their core business revolving around, for example, the provision of quality care for the elderly customers, whether or not their home environment supported that in some way or not. In the care service providers' views, the relationships between the private service providers and municipalities as the important buyers were perceived the crucial relationship for the business. In this context, the notion of resident services, or provision of services for the 'residents, felt somewhat artificial and not quite intuitive for organizations operating primarily with the municipality and the elderly as customers of home care. In some cases, the care service providers were also engaged with private property developers who developed facilities for assisted living homes in which the service providers operated. In these cases, the distinction between the real estate world and the world of care was clearly pronounced, underscoring the importance of each

party focusing on their own part in the development and operation of such service solutions.

As with the online grocery stores, the characteristic feature of the 'pure' resident service providers was their direct concern for the residents as opposed to the building. In the online grocery store services, the direct relationship with individual consumers gave operations distinct character. In care services, to the contrary, most service providers considered the municipality the most important customer from a business perspective, thus portraying the care service sector only indirectly, or partially, involved in resident service provision.

4.2.2 Challenges of service transformation

Besides the views and adoption of resident services, the interviews drew attention to diverse challenges faced by the organizations in transforming toward the resident service logic. Overall, the interviews reveal a diversity of challenges related to resident services with certain common themes cutting across the data (see Table 8). First, beginning at societal-level constraints on service transformations, many informants mentioned public policies as challenges to the development of resident services. For building owners dependent of subsidies and land, the challenges were focused on the interaction with municipalities, on the one hand, and the subsidy system for housing development constraining the ability of building owners to facilitate resident service provision through service facilities, for example. In the context of elderly care and care service provision, the procurement of care services by municipalities was considered problematic for private care service providers who had difficulties in developing secure basis for business. For example, many considered problematic that when a municipality procures assisted living solutions for a certain number of customers, they purchase both the facilities and the service, but commit only to four or five years' contract which is too short for the service provider to assume the risk for the development costs of the property.

The second crosscutting theme of challenges relates to the current market developed around the category of resident services, more particularly its small size and the lack of demand for these services so as to sustain feasible business. Many associated this issue directly with the society-wide lack of culture for service consumption, which leads to great obstacles for those attempting to open the market and pioneer in the provision of any kind of resident services. Among the organizations that had engaged in the provision of resident services, this concern emerged in the form of struggles to find effective marketing strategies, and the overall concern for the slow growth of the service in terms of customer volumes.

Table 8 Challenges associated with resident services

Org.	Key issues for resident service provision
1	Limitations of public regulation & zoning.
	Division of labor between BOs and service providers.
	Public sector interference with care service provision.
2	Limitations associated with public subsidies & zoning.
	Collaboration with service providers, particularly in seniors' housing.
3	Low understanding of service-based logic.
	Aligning new practices with external stakeholders.
4	Lack of service consumption culture in Finland.
	Difficulties in establishing collaboration with (care) service providers.
	Weak basis for feasible service business (local volumes).
	Lack of subsidies for service facilities.
5	Fitting low cost housing provision with the added costs of services.
	Intra-organizational balancing between technical and resident-focus.
6	Combining low-cost social housing with service provision.
	Integration and funding in relation to municipal social services.
	Balancing between social and technical goals.
7	Limitations of subsidized housing solutions.
	Integration and funding in relation to social services.
8	Dependence of public policy in the procurement of elderly care.
	Uncertain basis of business for the service providers.
9	Making the service known & used by residents.
	Developing an appropriate software system as the basis of the service.
10	Service-based logic inherently different from property development.
11	Collaboration with service providers difficult due to the unique mode of operations.
	Balancing between stability and change.
12	Emphasis on core business challenges.
	Intra-organizational adoption of the new e-system.
13	Different revenue models between B2B and B2C.
	Resident services risky for large service providers without BO commitment to risk sharing.
14	Used to operating with organizational clients.
	Lack of competences with and natural access to the resident interface.
15	Scattered and unpredictable demand in the B2C market.
	Culture among maintenance workers not customer-oriented.
16	Difficulties in marketing for consumers.
	Unclear intra-organizational priorities.
17	Dependence of political decisions.
	Organizational challenge of interacting directly with consumers.
18	Difficult to achieve large volumes and efficiency in early phases.
	Organizing new partnerships for service provision.
19	Explaining the solution to the customers and other stakeholders.

	Overcoming the current system dominated by large retail cooperatives.
20	Unrealistic view of service production costs in care.
	Societal regulations and municipal decisions shape opportunities for independent service providers.
	Municipalities' purchasing practices detrimental to providers.
21	Public subsidies and municipal sourcing practices detrimental to private care service providers.
22	Balancing the distinct cultures of public and private care provider organizations.
	Diffusion of new service practices among all stakeholders.
23	Establishing feasible collaboration with BOs and care service providers.
24	Lack of long-term perspective in the development of housing and environments.
25	Little leverage or interest to influence the development of resident services.
26	Public procurement issues on new development projects.
27	Non-innovative sector with organizations and managers accustomed to centrally regulated operations.

Third, the interviews also drew attention to challenges in the collaborative relations among actors to provide services for the residents. Most commonly, these challenges emerged between building owners and care service providers in the context of assisted living or seniors' housing concepts, in which the contribution of both parties was essential to success. However, the different logics of operation, coupled in some cases with uncertain funding from the municipality, created such uncertainty that particularly the building owners did not want to assume any service-related risk in these projects. From the perspective of service providers, this created significant risks as the building owners did not commit to securing adequate volumes for feasible business for the service provider. More generally, challenges related to collaboration also emerged in organizations that had sought new resident service solutions, causing new requirements for suppliers' and service providers' practices.

Finally, the interviews also pointed out many concerns related to the operative organization and implementation of resident services, stemmin from the lack of previous experience with resident services. Among the mentioned issues were unclear priorities inside the organization on how much to invest resources in the development of resident services. Building owners considered arranging or developing facilities for service providers as risky, because the uncertain demand for such services was seen as a threat to increasing the vacancy rate of the property and thus decreasing profit. The direct and open interaction with residents central to resident service provision was also considered challenging, as most of the traditional actors were used to interacting primarily with professional buyers or with the 'property' in a technical sense of service provision.

These challenges point toward an underlying institutional inertia that opposes, at the field level, transformation from asset- to resident-centered orientation to value creation. Reflecting the institutional constraints on service

transformation, one way of summarizing the challenges is to arrange them by Scott's (2014) three institutional pillars (see section 2.2.2). In the regulative dimension, the public funding system for housing development focuses solely on the building, limiting the ability of developers or building owners resting on subsidies to develop facilities which facilitate resident service provision beyond standard and state-approved residential building. In the normative dimension, the standardized roles of building owners, property managers and maintenance service providers exclude resident service provision, and make collaboration with resident service providers difficult. Finally, the cultural-cognitive constraints can be seen in the operative challenges stemming from the lack of available schemas and mental models for resident service provision. This manifests in the uncertainty related to organizing resident services both internally and with external service providers, signaling the 'embryonic' character of the resident service market in Finland. In the absence of available templates, it is left for the pioneering organizations to create, legitimize and implement new ideas and particular views on resident services that change the field over time.

4.2.3   Logics of value creation in the residential sector

Taken together, these findings illustrate the different views of value creation and orientation to resident service provision among organizations of the residential field. Taking the five central roles as the starting point, presented earlier in Figure 3, the dominant view among traditional for-profit building owners was that properties are primarily investment assets managed for optimal revenue over the building life cycle. Construction companies also perceived properties as assets, particularly from within their developer role, but also viewed properties as technical systems designed and 'assembled' during the construction process. For property managers and maintenance service providers, the technical character of buildings was evident as they focused on maintaining the optimal technical condition of the residential buildings, both through short-term maintenance and long-term refurbishments. Table 9 provides a more detailed summary of the views of value creation embedded in the five central roles.

  The views of these core actors of the residential field stand in clear contradiction to the perceptions among various resident service providers regarding the basis of value creation. Their viewpoint departed from the centrality of supporting residents' daily life, downplaying the role of buildings in favor of human-provided support and distinctively service-based revenue models. Most distinctively, the buildings were interpreted as venues for daily life and service provision. While the property-focused actors also paid attention to the perspective of the residents, the distinction to the perspective of resident service providers was clear in the empirical data.

Table 9 Five central roles in the residential sector

Role	View of value creation
Building owner (org.)	(Develop and) invest in residential properties. Revenue based on long-term ownership. Properties as assets.
Developer / construction co.	Develop & construct residential properties. Revenue based on the difference between sales profit and construction costs. Properties as assets and technical systems.
Property manager	Technical and financial management of properties. Professional service with revenue from ongoing service contracts. Properties as technical systems and administrative units.
Maintenance service provider	Provision of maintenance tasks at the property. Labor-intensive service, revenue from ongoing service contracts. Properties as technical systems.
Resident service providers	Support for residents' daily life. Revenue based on one-off service performances (e.g., remodeling) or ongoing contracts (e.g., domestic service). Properties as homes, and venues for daily life and service provision.

This emerging distinction lies at the heart of this dissertation and its institutional perspective, distinguishing the property-focused and asset-centered orientation typical of the traditional actors from the emerging orientation emphasizing service provision for and with the residents as the basis of value creation. Leveraging the insights developed in S-D logic on the distinction between goods- and service-dominant logics (Vargo & Lusch, 2004, 2008), it is possible to further condense the findings by summarizing this distinction into two archetypical orientations to value creation characterizing the tension foundational to service transformation. These align closely with the conceptualization of service transformation developed in section 2.2.4 (see Table 2) as the integration of a service-centric institutional logic into an organization traditionally oriented to a goods-centric logic.

As illustrated in Table 10, the first ideal type centers on the productivity of assets with attention paid primarily to the properties as the basis of value creation, while the second emphasizes serving the residents as constitutive of value creation. The view of properties also differs between the two ideal types, the former perceiving them from technical and administrative standpoints while the latter emphasizing them as venues for residents' value creation. As a result, the two orientations convey different basis for value creation, one assigning more intrinsic value to properties while the other emphasizing properties and apartments as one resource contributing to residents' value creation. Finally, the asset- and service-centric orientations differ in the way

they orient the organization to business purposes, the former emphasizing the purchase, maintenance and lease of properties while the latter steering toward more human-centric provision of support for the residents.

Table 10 Goods- vs. service-dominant orientations to value creation

	Productivity of assets	**Serving the residents**
Focus	Property	Resident
Properties as…	Assets, technical systems, administrative units	Homes, venues for residents' value creation
Basis of value creation	Intrinsic value of the properties	Properties one resource contributing to residents' value creation
Purpose of the organization	Produce, buy, maintain and lease properties	Support residents' value creation with properties and other services

Rather than objectively existing structures or templates, these orientations are ideal type conceptualizations of the extreme positions between which organizations fall with their strategic choices and deeper cognitive orientations. It is also important to highlight that rather than moving from one end to another, service transformation involves the integration of both into a viable (and feasible) hybrid form addressing both the asset- and service-centric aspects of value creation. While most building owners, for example, align closely with the production- and asset-centered ideal type, the data shows how some adopted more service-centric orientations to value creation. These extremes are particularly useful for underscoring the initial premise of the study, which posits that the service- and resident-centered orientation is growing increasingly relevant in the residential field, challenging organizations that must find ways to respond to the growing complexity between the two orientations (Greenwood et al., 2011).

Extending beyond these archetypical orientations to value creation, the data suggests a more nuanced view of the logics that guide and govern different actors in the residential field. Beneath the idealized categories, two dimensions can be identified which capture the essential features of the archetypical logics of organizations in the residential field (see Table 11).

In align with Gebauer and Kowalkowski (2012), the first dimension describes *the basis of business* internal to the organization in question. On the one hand, organizations may be asset-centered, meaning that their internal focus is primarily on the processes through which they develop and maintain buildings as material assets consisting of technical sub-systems. On the other hand, organizations may be service-centered, characterized by the focus of the organization on the provision of recurring service tasks for specific clients or customers.

The second dimension describes the *orientation of operations*, that is, whether the organization strives for higher productivity of buildings or

whether residents' needs are taken at the center of value-creating activities. In the case of the former, the building is considered the beneficiary or target of organizations' efforts, emphasizing the technical activities and expertise required in the construction and maintenance of buildings. In the bottom-left quadrant one therefore finds construction companies that focus on the development of buildings as physical assets and technical systems, and generate revenue from single transactions as the building is passed to the buyer. The top-left quadrant accommodates property manager and maintenance service provider organizations that focus on the property, but follow a service-based logic of operations in which revenue is generated from serving individual clients through recurring service processes.

Table 11 Four logics of value creation in the residential sector

		Orientation of operations	
		Productivity-oriented	Resident-oriented
Basis of business	Service-centered	*Property management and maintenance* Residents the 'customer's customers'; Resident services an option to deepen customer relationship (managers) or leverage existing competences (maintenance providers)	*Resident services* Resident services the basis of business and value creation in the organization
	Asset-centered	*Construction & development* Interaction with residents only during transactions, if at all; Resident services means for marketing (applying only to housing developers)	*Building owner / landlord* In direct contact with residents, but at an arm's length; Resident services marginal contributors to customer satisfaction

The right hand side of the matrix draws attention to logics with the resident as the beneficiary of organizational activities. Inside organizations, this involves an understanding that the revenue of the organization depends directly on the satisfaction of the resident, particularly visible in the revenue model of the organization. In the bottom-right quadrant, building owners operate with primary focus on the buildings as assets (e.g., investments, investment portfolios) but making revenue from offering attractive apartments to individual tenants. In the top-right quadrant, resident service providers inherently orient to a service-based logic with simultaneous emphasis on the welfare of the residents.

The matrix provides a more nuanced view into the distinction between goods- and service-dominant orientations to value creation by drawing

attention to two dimensions which display distinct directions for service transformation, and point to four archetypical modes to value creation in the residential sector. These logics convey specific understanding of how the organization operates, creates and captures value, and perceives the fundamental basis of value creation more generally. In this sense, the logics can be understood as field-level frames which capture the institutionalized understanding of value creation in a specific field, providing order and meaning to collective activity (Lounsbury et al., 2003). Because this dissertation defines frames explicitly as an organizational or meso level concept focused on the interpretive schemas shared by the members of an organization (Cornelissen & Werner, 2014), the collective understanding of the constitutive frames at field level is referred to here as logics to avoid confusion.

Beginning with the construction companies or developers, the transactional revenue mode means that these organizations are often most detached from the residents, interacting with them only when consumers buy apartments directly from the developer. For this reason, as supported by the interviews, housing developers tend to perceive resident services as means for marketing, if significant at all. With growing competition among developers, resident services were related to the ability to tailor the furnishings, design and materials in the apartment, or to access financing services and support for moving, seen as potential means to distinguish the organization from competitors. However, the interviews suggest that these organizations focused internally almost unilaterally on the construction process, and the context-specific projects in which, through skillful management and cost-effective procurement, the organization was able to rein costs and arrive at profitable project bottom line.

Second, the building owners act as landlords for the residents, and thus have a direct interface to the residents who pay monthly rents for the apartment. The interviews suggest that particularly the for-profit building owners, while concerned with the service experience of the residents, considered resident services as useful but relatively marginal for improving customer satisfaction and commitment to the organization. Hence, major investments in resident services were limited as these organizations focused primarily on managing their building portfolio on the basis of financial analyses. However, the direct link to residents makes it less surprising that some, mostly non-profit building owners, had adopted more clearly the resident service role, extending beyond the asset-centered business logic to integrating resident service offerings to the housing solution.

Third, property management and maintenance service providers illustrate an inherently service-based approach to business with revenue tied to ongoing service contracts requiring the service providers to perform specified tasks agreed with the buyer. While service-oriented, these organizations displayed a strong technical orientation and focus on the property, causing these organizations to perceive residents as a customer of their customer. Toward resident service provision, the data indicates that organizations were not likely to engage in resident service provision, particularly the large market leaders.

This position was evident in the interviewees' comments on the different revenue models between B2B and B2C. However, a few actors had adopted resident service practices, building on the rationales of customer value and commitment, and the ability to leverage existing competences for consumer-customers.

Finally, resident services rested on the provision of specified service for an individual resident or one household at a time. This took the resident-centered and service-based logic at the core of company strategy and business model, with the primary purpose of supporting the residents in their daily life. Despite the existence of diverse revenue models ranging from one-off service tasks to ongoing contracts and regular service provision, common to all resident service providers was the centrality of the service experience of the individual resident. Given the nascent character of resident services as a whole, with relatively low demand, few providers and lack of strong recognizable market category, the success of companies seemed to depend on the ability to create positive experiences and build reputation among customers which supports the growth of the business.

These insights combined, the main roles constitutive of the residential sector encapsulate distinct logics of action, with which the actors mostly align. However, the interviews draw attention to a number of exceptions to this pattern, revealing the formulation of new interpretations of doing business in the residential sector. The descriptions of building owners that adopted resident services, for example, illustrate that the archetypical features of field-level logics may be reframed within organizations so as to orient the business to new directions. Reflecting these findings against the literature on cognitive perspectives to organizations, it is possible to understand these strategic decisions as frames combining, in more or less unique ways, the rationales of the asset-centered or productivity-oriented logic dimensions with those stemming from the service- or resident-oriented thinking (e.g., Walsh, 1995). Furthermore, the nascent character of the resident service logic means that the category of resident services remains ambiguous to most actors in the field, accommodating multiple views and interpretations of resident services displayed in the diversity of perspectives expressed by the informants. This diversity constitutes a promising basis for a deeper study on the influence of framing on service transformation.

4.3   Summary and implications

The first empirical study sought to answer the following question: How do organizations perceive and respond to the growing emphasis on resident-centric service provision in the residential sector? By empirically examining the perceptions of resident services in different organizations, the findings of this study display a diversity of organizational responses to the increasingly salient emphasis on resident-centricity and service-based value creation in the residential field. While many of the traditional actors opted to 'deny' service provision with the residents, some had adopted new service activities,

extending in some cases as far as defining the organization more fundamentally as a resident-centric service provider.

While the data initially drew attention to a clear distinction between the 'traditional' (i.e., the construction companies, building owners, property managers and maintenance service providers) and the service-based logics of value creation, a closer analysis suggests a more nuanced view of the 'dominant logics' of the residential field. By distinguishing between the basis of organization's business, and the orientation of its operations, four archetypical logics can be identified which describe the orientation of different types of organization to value creation in the field. These constitute distinct grounds for framing resident services, and likely constitute an important moderating factor in understanding service transformation in the residential sector.

From an institutional perspective, the three logics constitutive of the traditional roles of the developers, building owners, as well as property management and maintenance, were tightly interlinked and constituted the backbone of the institutionalized value chain of the residential sector, in which the relationships and roles between actors are stabilized and standardized. To the contrary, the fourth logic oriented to resident service provision remained more isolated from the other three, underscored by the informants' discussion of challenges in fitting the existing logics with resident-centric service provision.

With respect to existing literature, these findings lay the foundation for more nuanced understanding of service transformation in the residential sector. The first insight is that service transformation within an organization is not simply a question of one-dimensional shift from 'production' to 'service provision' but involves multiple dimensions with respect to which transformations unfold (e.g., Gebauer & Kowalkowski, 2012). Hence, service transformation may unfold in radically different patterns depending on how, and in which order, organizations seek to reorient their operations in terms of the primary beneficiary, and aim to redefine the basis of their business. While the current findings are cross-sectional and prohibit a detailed analysis of the patterns of service transformation over time, the shift from denying the service-based logic to adopting service elements and even establishing the organization as fundamentally service-based may not constitute a sequence of steps, but involve more radical and discontinuous transitions in the organization which require further attention into the framing of resident services.

Reflecting the findings against institutional literature, the challenges identified in the interviews illustrate the institutional complexity between the orientation to the productivity of assets versus serving the residents (Greenwood et al., 2011). Existing literature suggests that the specificity of institutional logics influences how organizations respond to complex pressures (ibid.), specificity understood as the extent to which an institutional logic establishes unambiguous basis for specific activity (high), or whether it allows more room for maneuver (low) (Goodrick & Salancik, 1996). In the current context, the existing logics oriented to the development, ownership,

management and maintenance of properties appeared relatively specific, while the logic of resident-centric service provision was much more unspecified. The theory hence predicts that the latter may provide larger margin for diverse interpretations, perceptions and patterns of activity. This was evident in the empirical data containing diverse interpretations among organizations of what resident services are (ranging from service tasks such as cleaning to perceiving the apartment as service) and how they can be organized and performed (for example, through collaboration or integration to existing organization). Thus, the ideal type of resident service provision presented in the previous remains still more ambiguous and open for new interpretations.

From a framing perspective, this lack of specificity is likely to leave a larger margin for maneuver for managers in framing resident services as a part of their organization, making the residential sector an excellent empirical context for framing research. The interviews suggest that the organizations had adopted diverse approaches to resident services, from arm's length collaboration with resident service providers (e.g., case 8) to framing the organization as a resident-centered and service-based accommodation provider in its own right (case 11). These diverse frames support the notion that in the current context, lacking clear and legitimate templates for resident service provision, managers' framing of resident services may be particularly central to the emergence of new resident service offerings, and to both organization and field level service transformation (cf. Gray et al., 2015; Vican & Pernell-Gallagher, 2013). Characterized by relatively few high profile success stories, service transformation in the residential sector lacks 'prototypes', and therefore, the future is 'still in the making'.

This setting between the more specific logics oriented to the properties, and the unspecified resident service logic, constitutes a basis for hybrid organizations as managers promote transformation to operations based on resident service. While existing literature on hybrid organizations focuses predominantly on organizations combining market and social welfare logics (Battilana & Lee, 2014), the current context introduces hybrid forms which integrate and reconcile an emerging and less specified logic with a preexisting logic dominant in framing the mission of the organization. The latitude for diversity in the emerging logic means that the combination of logics takes on different forms from those common to social enterprises, calling for further understanding of the managerial efforts involved in the management of hybrid forms. The current findings also point toward the more temporary or transient hybrid forms as the new, unspecified logic oriented to resident-centric service provision may more easily blend into or integrate with the existing logic, in contrast to the fundamental and highly specified distinction between market and social welfare logics.

Another way of understanding decoupling between the external 'face' of the organizations, and their dominant business logic as encapsulated in the 'core' processes, is through the concept of categories. A foundational assumption of this literature is that categories enable complex fields and markets to function smoothly by segmenting organizations and offerings into groups that share

features that distinguish them from members of other categories (Hsu & Hannan, 2005; Wry, Lounsbury, & Jennings, 2014; Zuckerman, 1999). Thus, categories constitute the basis for meanings, interpretation, and comprehensible action, with premium on coherence of actions which render them comprehensible. From a marketing perspective, membership renders a new product comprehensible to customers and thus facilitates its entry to the market (Rosa, Porac, Runser-Spanjol, & Saxon, 1999).

As the category for resident services (cf. the top-right quadrant in Table 11) is very ambiguous and remains unknown to the large audiences, organizations may face difficulties in promoting resident services to existing and potential residents. As recent research draws increasing attention to mechanisms through which categories span, blur and change (Durand & Paolella, 2013; Wry et al., 2014), an important insight from the category literature is that during the emergence of a new business logic in a field, it may be beneficial for organizations to anchor to preexisting categories so as to avoid cognitive dissonance among external stakeholders which might generate resistance (e.g., by confused residents) or drop in the number of customers. Institutionalized organizational identities anchoring the central roles of organizations in the field are also subject to change upon the emergence of resident services as distinct and increasingly called-for business logic (Glynn & Navis, 2013). Thus, the cognitive management of transition becomes important not only from an external evaluation perspective (focused on customers accustomed to buying or renting apartments as 'products'), but also from the intra-organizational perspective of employees' perception of what the organization exists for, and how it seeks to realize its role in the field.

Given the highly institutionalized organizational forms, core practices and roles of organizations in the residential field, coupled with the lack of clear and specific templates for resident services, the category perspective suggests an extensive need for cognitive transition management ignored in literature on both service transformation and organizational responses to institutional complexity. Together with the perspectives discussed on the previous pages, this leads the current dissertation to the next section focused on elaborating theory on service transformation from the cognitive perspective.

5 Cognitive underpinnings of service transformation

The second empirical study constitutes the main part of this dissertation. By focusing in detail on seven organizations, this section provides detailed understanding of the cognitive underpinnings of service transformation. More specifically, it examines the framing of resident services in the case organizations, the legitimation of novel frames by managers, the more general facilitation of service transformation in organizational activities, structure and culture, and finally, how framing and managerial action influence the directions of service transformation over time.

5.1 Service transformation in case organizations: An overview

Before deeper immersion in the findings, this section presents the seven case organizations as they have engaged in service transformation. The purpose is to provide an overview of the organizations and introduce the diverse ways in which resident services are, at an aggregate level, framed and implemented in these organizations. At the end of this section, Table 12 summarizes the key features of each case.

5.1.1 PropInv: Property-based business with value-adding services

PropInv is a national for-profit building owner focused on developing and managing residential properties, and leasing them to the customers. The interviews with different managers in the organization emphasized the centrality of property development, portfolio management and professional property management and maintenance as the central basis of business. In this context, resident services were perceived as promising means for the organization to provide added value for the residents, but at the same time considered problematic due to their inherent incompatibility with property-centric business focus. In discussions on company strategy, most informants considered resident services having little strategic importance in comparison to the property-focused basis of business, perceiving resident services as marketing-related means to add value to the residents' customer experience. This principle was particularly well reflected in the clear decision by PropInv to not engage in any forms service provision, but seek third party service

providers to offer and provide the services either directly for PropInv (e.g., property management and maintenance services) or to the residents (the resident services). Characteristic of this view of resident services was a suspicion that resident services weren't, at least for the moment, financially feasible business in comparison to the provision of rental housing:

> *"Maybe in the rental housing for the seniors, but I don't believe that the [resident] services in regular rental apartments are, at the moment, financially feasible, or that it doesn't provide added value, that is to say that if we don't get added value, we are not likely to provide those [resident] services for very long." [Informant 1.3[3], PropInv]*

In terms of the concrete resident service activities, PropInv had established a network of third party service providers whose services were made available to the residents but not forced into lease terms, making them optional for the residents to use. In a similar manner, PropInv also organized community events for the residents Over the study period, the organization also increasingly emphasized the importance of good customer service, with ongoing projects to improve their online services and increase the organization's overall orientation and sensitivity to diverse customer needs. In the area of property development, the organization had a few seniors' housing properties in collaboration with care service providers, in which a minimum level of weekly or monthly support and care service was included in the lease.

The organization had also designed a novel 'servitized' residential quarter with extra amenities such as spa, and specific attention to opportunities for third party service providers coordinated by a service manager. Despite eventually cutting out some of the service features, this project was particularly interesting for the current dissertation as it revealed how the members of the organization framed resident services not only in abstract but in the context of real-life project. In this case, the willingness to combine resident service features to the quarter derived from marketing concerns. According to top managers, the large size of the project called for features that would make the project stand out from the residential property development projects of the competitors, and also provided larger volumes which could support service providers' business locally better than just individual buildings.

5.1.2   SunClean: Cleaning service for private households

SunClean is a national, for-profit facility service company focusing primarily on cleaning services offered to business clients. SunClean also provided other facility services in the B2B context besides cleaning, and operated in B2B

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[3] The informant IDs refer to table 5 in the methodology section specifying the position of the informant in the organization.

staffing services as well as laundry services offered to consumers. According to the interviews, an important enabler or driver for the organization to engage in the provision of cleaning services for households were the existing resources in the area of cleaning services which allowed SunClean to rapidly implement the new service building on existing competences. From a cognitive standpoint, the existing focus on service provision in the organization created a natural continuum for the members of the organization, portraying resident services not so much as a radically new service than an extension to the existing operation. Similar business concerns also characterized managers' expectations with domestic service as with existing B2B operations, further illustrating the preservation of existing frames.

In practice, the domestic service was implemented on the basis of current competences and processes modified to the household context. This enabled a rapid launch of the new service further developed during service provision. Organizationally, SunClean established a new business unit for domestic service with dedicated employees whose training was modified to match the idiosyncratic demands of households. Similarly, new tools were developed for planning and coordinating work of individual cleaning attendants. Despite some changes, the interviewees highlighted the fundamental similarity of work practices between home and office environments, involving the same basic competences and material resources. Only marketing differed more significantly from the B2B operations given the different strategies and tactics needed to promote services in B2B and B2C contexts.

5.1.3 A-Homes: A service-developing building owner

A-Homes is a medium-sized non-profit building owner operating in many of the largest cities in Finland. In A-Homes, interest in resident services derived from concerns related to an aging building stock and the decreasing attractiveness of the apartments in comparison to the competition. In this context, resident services offered an avenue for improving the attractiveness of A-Homes' offering for both the current and potential residents. As a result, A-Homes had taken significant efforts to develop new service features for the residents. Rather than perceiving resident services as 'value-adding' add-ons, they were considered as the basis of a new strategic direction which would help distinguish the organization from traditional building owners. The interviews suggest that A-Homes endorsed the co-existence of property- and service-centric thinking in the organization, pointing to managerial efforts at framing the basis of business using meanings from both domains. A key manager promoted a particularly clear narrative framing the organization changing from owning and leasing apartments toward service coordination:

> "[And if we think of our organization] as a service platform or through service integration, if we consider that our company is a coordinator there, then there could be these comprehensive packages that we could offer to residents as additional services. From the point of view of advertising, our website can reach about 14,000 residents,

our company is interesting for collaborators in that aspect, so they can reach a significant portion of residents." [Informant 3.1, A-Homes]

At the level of organizational activities, interviews at A-Homes revealed a number of initiatives and services offered to residents' benefit. First, the organization had renewed its customer service, and property management system more generally, to simultaneously improve customer service and enable the organization to gain better control over its property maintenance. In this renewal, a specialized call center was established with two outside service providers, providing an improved contact channel between residents and the organization. Relatedly, A-Homes had created new online services to ease communication and provide easy access to housing-related information. More directly in the context of resident service provision, A-Homes had also developed a home renovation service with predefined interior design packages easy for the residents to visualize and acquire (e.g., for the kitchen, bathroom, floor surfaces), sourced, organized and overseen by the representative of A-Homes. Because A-Homes owned the apartments but wanted to allow its residents to be able to renovate and tailor their own homes, it also subsidized the investment and provided access to financing service, turning the usually arduous renovation project into a turnkey solution for the resident.

5.1.4 PropMgmt: Novel interaction channel toward the residents

PropMgmt is a national, for-profit company specialized in property management services provided for individual, owner-occupied housing companies. As explained in the previous chapter, property management has traditionally emphasized technical and administrative professional service at the expense of focusing on the residents. In PropMgmt, many informants considered this as an issue and pointed to an increasing need to reorient the organization to resident-centricity in the provision of property management service. A latent but emerging interpretation of the role of PropMgmt was that the organization should offer more than just the standard accounting and technical management services, extending to providing accessible information for all residents so that they can make better decisions regarding the maintenance of their property. Furthermore, the opportunity of the company to act as a service coordinator between the residents and third party service providers was considered as a potentially important future orientation.

One concrete means for achieving this goal was the development of an online information portal for the residents of the housing companies to use for contacting property managers and access useful information regarding their housing company. The portal was developed on the basis of an earlier system with the intention to give residents transparent and real-time information of the financial and technical condition of their housing company, provide information for maintaining the apartment, and open a new interaction channel between the residents and property managers. In PropInv, full leveraging of this system also required changes to the property management

practices, in which the manager-centered system was changed toward higher internal specialization between technical property managers and customer service. As a result, the technical managers could leverage the new system for more efficient use of their time, with more resources allocated simultaneously to addressing residents requests and orchestrating the technical and administrative processes around the housing companies.

5.1.5 RentFound: Realizing the social mission

RentFound is a non-profit foundation owned by a Finnish municipality with the fundamental goal of providing low-cost housing for the citizens of the municipality. This included primarily the development, management and maintenance or properties as typical of the building owner role, with particular emphasis on cost-efficiency given the organization's reliance on subsidies and the need to provide affordable housing for the less affluent citizens. Contrary to the for-profit building owners, RentFound was guided by its social mission emphasizing the provision of support for residents to resolve their social issues. As explained by the CEO, the social nature of the organization meant that both the technical goals traditionally associated with building owners, as well as the resident-focused goals, were essential to the provision of *good housing*:

> "Our guiding idea is to rent affordable apartments – for as low as possible rent, as our rules state. This emphasizes our social character a great deal, meaning that we don't see this as business. Although we operate in the [housing] markets, we do not conduct this as business. This means that we do not aim to generate profit, but to create good housing" [Informant 5.1, RentFound]

RentFound had developed a diversity of means for influencing the welfare of the residents besides the affordable apartment. First, the organization had a number of social housing managers devoted to helping residents encountering issues threatening their housing, such as difficulties with rental payments. Besides providing autonomous support for the residents, the social housing managers also collaborated closely with the social services of the municipality to help residents with more severe social problems to survive on their own. RentFound also hosted a number of other employees, including 'social janitors', who participated in facilitating and supporting housing communities locally. The organization had also rethought some of the central processes such as rental control to adopt a more proactive stance toward reconciling residents' issues in align with the social mission.

  As a building owner RentFound had also engaged in collaborative projects with municipality and non-profit service providers to develop and maintain housing properties designed for the needs of diverse special groups, for example recovering alcoholics. From the broader viewpoint of resident services, RentFound had also renewed its property management system based on the introduction of an ERP system and the specialization among technical

property management, customer service, rental control and resident services, similar to A-Homes and PropMgmt. In fact, RentFound was among the first building owners in the country to develop a new organizational form for property management, which helped not only to gain better control over technical property maintenance, but also to develop the overall service as it was offered to the residents in different phases of the 'residency process'.

5.1.6 RentChamp: Customer-centric housing provider

RentChamp is another publicly owned building owner organization owned by a Finnish municipality. Established as a private, non-profit organization, the purpose of RentChamp was to produce, maintain and offer low-cost housing for the less affluent citizens of the municipality. While the organization was heavily invested in realizing the 'traditional' building owner role (for example, the organization was a forerunner in technically advanced property development projects), it also emphasized, more than any other building owner in the current study, customer centricity as the constitutive principle in housing provision. Contrasting the current approach to housing provision with the traditional bureaucratic model customary to many public building owners, the CEO highlighted seeing the residents as customers for whom the organization must provide comprehensive and quality service experience:

> "We adopted a completely different way of thinking -- we understood that we ought to serve our customer who pays for it all." [Informant 6.1, RentChamp]

At the level of activities, service transformation in RentChamp involved quite radical rethinking of the basic processes and contact points from the residents', and not the providers', perspective. One example mentioned in the interviews was the process of signing the lease. Whereas the previous way involved a random janitor opening the door for a prospective new tenant to have a look at the apartment, regardless of its condition, and then the lease would be signed at RentChamp's office, the new system adopted a customer-centered form in which the prospective tenant was picked up, taken to see the apartment which was cleaned up and fixed beforehand, and the lease was signed on site for better customer experience. The customer service was also reorganized and empowered to make decisions more autonomously with prospective or current tenants based on their needs and issues. Finally, the establishment of a subsidiary for maintenance service provision enabled RentChamp to engage with concrete provision of supportive services in the residents' apartments. These were initially provided informally and on-demand basis, but systematized later on with predefined processes and listed prices for different service tasks (involving mostly handyman tasks and cleaning).

5.1.7 TempAcc: New market creation for temporary accommodation

TempAcc is a relatively young for-profit company offering temporary accommodation service for mobile workers (and their employers), insurance companies whose customers are in need of temporary housing, as well as directly to consumers seeking short-term accommodation. Contrary to the other case organizations with existing operations in the residential field, TempAcc was established from the beginning as a service-based company offering accommodation as flexible service tailored to the needs of individual residents. One facet of this business logic was that TempAcc did not own the apartments itself, but leased them from owners, furnished them, and made available diverse services from which the residents could choose those fitting their needs, all bundled in one-door solution. Hence, the constitutive frame of the organization was inherently service-based:

> *"This is the idea and, we don't own the apartments ourselves --- we wanted to focus on developing this service." [Informant 7.1, TempAcc]*

Based on this unique frame, the core activities of the organization were rooted in what may be called as a service ideology. As a service-based organization, it performed most resident services in-house, including maintenance-related services, customer service, and relocation. Furthermore, the organization paid extensive attention to coordinating among the diverse activities and processes to ensure customer-specific and on-time service integrated for the customer. Here, the ERP system played an important role in coordinating the efforts of different specialized parts or teams of the organization. In addition to residents, TempAcc also provided service to landlords, from whom they rented their apartments. By taking the responsibilities of the landlord, TempAcc also performed normal rental control and ensured the apartment remained in good condition.

Table 12 Overview of the case organizations

Case	Organization	Resident service activities	View of resident services
PropInv	For-profit building owner; large national organization	Integration of resident service features to housing projects; community events and third party resident service providers.	Useful for marketing purposes; focus on investment business.
Sun-Clean	For-profit facility service provider; large national organization	An organizational sub-unit dedicated for domestic service provision.	Service-based business logic central; resident services a new market for existing competences.
A-Homes	Non-profit building owner; mid-size national organization	New organization of customer service; pre-packaged apartment renovation service.	Resident services the basis for strategic reorientation, expanding beyond asset-centricity.
Prop-Mgmt	For-profit property manager; large national organization	New online contact channel for the residents; new organization of property management service.	Important for improving core business performance.
Rent-Found	Public building owner; small regional organization	Wide-ranging support for residents with social issues; organization of community events.	Central and parallel to building owner goals, embedded in the social mission of the organization.
Rent-Champ	Public building owner; small regional organization	Promotion of customer-centricity across the organization; provision of 'janitor' services for the residents.	Building owner goals reframed through a resident-centric lens.
Temp-Acc	For-profit provider of temporary accommodation, mid-sized organization	Integration of diverse resident services into accommodation service solutions.	Inherently service-based and resident-centered organization and business model

5.2 Framing resident services

Combined, the seven case studies illustrate a wide variety of viewpoints and approaches to the integration of resident services in the organization. In this section, these initial descriptions provide the basis for systematically analyzing the framing of resident services as legitimate parts of the organization. Based on an abductive approach, in which data analysis iterated between inductive data analysis and recurring visits to theory for support and clarification of concepts (cf. Denis et al., 2001; Dubois & Gadde, 2002), four distinct forms of reasoning emerged in the data around resident services. These represent distinct positions from which managers interpreted and oriented action to resident services in their organization, providing an answer to the second research question. As described in the methodology section, these categories emerged from the data by aggregating the first-order codes into second-order conceptual themes further aggregated into the four theoretical categories (Gioia et al., 2013a). These distinguish between business-centric rationales, non-financial rationales, instrumental views of resident services, and resident services viewed as constitutive of the organization (see Table 13).

First, *business-centric rationales* consist of considerations of resident services from the viewpoint of business performance, emphasizing profit as the central criterion against which the viability of, and organization's engagement with, resident services is considered and evaluated. Second, *non-financial rationales* place resident services in a broader context in which factors such as long-term performance and sustainability emerge as important agendas. This means taking into consideration the changes in the residential field with respect to changing customer needs, compatibility of resident services with current business models, and also the more diverse demands bearing on the organizations and the plural goals that call for engagement in resident-centric service provision. Third, *instrumental views of service* portray resident services as means to achieving particular goals deriving from the property-centric strategy of the organization. In other words, this category echoes an instrumental view of resident service provision, understood as 'means to ends' within a broader and institutionally legitimated strategic framework. Finally, perceiving *service as constitutive logic* describes an orientation that frames resident services as the constitutive logic of the organization, central to its strategy and reason for its existence.

These ways of interpreting resident services offer a comprehensive view into the different ways understanding what resident services are, the role they play in the strategy of the organization, and how they contribute to the ways in which the organizations create value for and with the residents. The diversity of views also underscores the flexibility inherent to framing (resident) services as a part of (asset-centric) organizations, highlighting the construction of unique interpretations of the field-level processes and the institutional logics guiding actions in the (residential) field.

Table 13 Data structure for framing resident services

First-order codes: Views of resident services	Conceptual themes	Main categ.	D.
- Limited resources for resident service provision - Providing only services with revenue potential - Means to enhance core business performance - Enabled by state subsidies - Important in improving service quality	Cost sensitivity on resident service provision	Business-centric rationales	Argument diversity for justifying resident services
	Profit generation through resident services		
- Meet changing resident needs (e.g., aging) - Rely on and develop existing professional competence	Alignment with changing demand	Non-financial rationales	
- Basis for strategic transformation - Basis for operative reorganization and improvement in efficacy	Basis for long-term change		
- Early issues and costs inherent to service development, not a business threat - Essential to the realization of social mission	Essential to plural goals of the organization		
- Elements offered to residents for them to order and coordinate - Marketing 'assets' - Means to convey goodwill toward key stakeholders	Marketing tool	Instru-mental view of service	Identification with resident-centric service provision
- Way of utilizing current competences - Flexible and evolving offerings according to resident needs - Natural additions to new organization of existing core practices	Operative service activity		
- Means to core business renewal - Bounded by current strategy and business partners	Means to (incremental) organizational renewal		
- Property manager in the business of comfortable housing, customer-centric approach to building owner business - Employee empowerment in service provision and engagement in ongoing development	Reframing the purpose of the organization	Service as constitu-tive logic	
- Appreciation of service-providing employees, supporting their work	Clarifying the basis for service-centricity		

Underlying the four main categories, it is possible to identify two distinct dimensions or themes constitutive of framing resident services. The first dimension, integrating the first two aforementioned categories, centers on *the diversity of arguments* used for justifying resident services in the organization. Whereas the business-centric rationales represent a relatively narrow and specified evaluation of resident services based on the consideration of financial bottom line, the inclusion of non-financial rationales makes the interpretation and evaluation of resident services broader and more complex, as longer-term goals and non-monetary values are given more weight. The second dimension, integrating the remaining two categories, addresses the organization's *identification with resident services*. In this dimension, the instrumental view of service represents resident services as secondary in importance to the property-focused 'dominant logic' of the organization, whereas framing service as the constitutive logic of the organization emphasizes the centrality of resident-centered and service-based values and beliefs in organization members' understanding of how the organization creates value with, rather than for, the residents. These two dimensions are further explored in the sections that follow. Thereafter, they constitute the analytical basis for understanding service transformation in the residential sector.

5.2.1 Argument diversity for justifying resident services

The dimension of argument diversity spreads along a continuum of one dominant criterion to the existence of multiple, more or less equally strong rationales, attributes and arguments for interpreting and evaluating a particular entity, practice, or goal. In reflection to organizational literature on hybrid organizations, this dimension mirrors a continuum from 'classic' organizations with one central logic to those in which multiple logics of action are at the core of organization's functioning (Besharov & Smith, 2014). However, contrary to hybrid organization literature which focuses primarily on organizational forms, activities and the internalization of wider cultural symbols (Battilana & Lee, 2014), this research takes a narrower viewpoint by focusing on the role of single or multiple rationales behind the formation of frames – schemas of interpretation – around resident services.

  On the dimension of argument diversity, organizations can be categorized into those in which the managers promote primarily and predominantly the business-focused rationales for interpreting and evaluating resident services, and those in which the managers apply and endorse multiple, even contradictory attributes and rationales as central to interpreting, making sense of, and making decisions on resident services. At the organizational level, an example of the former is SunClean that launched its domestic service operation on the basis of its perceived future market potential. As an example of the latter, the interviewees in RentFound regularly drew upon diverse rationales to justify the involvement of the organization in providing and further developing supportive services for the residents parallel to focus on property development and management, ranging from technical maintenance

and investment concerns to social mission, public duty and the importance of supporting residents quality life. The following explores in more detail the diversity of rationales underlying resident service provision in the case organizations. Support for the findings from interviews is provided in Table 14.

Table 14 Empirical support for themes related to argument diversity

Conceptual theme	Representative quotes from the interviews
Cost sensitivity on resident service provision	"The development of the [resident] service network, we do it as much as we have resources for at the moment" [Informant 1.8, PropInv] "And then, if we think about our company and our service offering, in a way it suits us well because it's exactly in the field of our basic business, from the point of view of what we do." [Informant 2.3, SunClean]
Profit generation through resident services	"And we have not found that one mass product or service [for the residents] which is feasible. Viable sure, but not feasible, the kind that generates added value..." [Informant 1.1, PropInv] "At the end of the day, this is metered on the basis of euros. And the euros come only from customer satisfaction, and productivity" [Informant 2.1, SunClean]
Alignment with changing demand	"The best cases are those in which we get to identify the customer need and provide them a solution that is the absolute best for them, even when they don't want it. But you need to know the customer deeply. And must dare to bring the solution for them, assure that it is the best for them." [Informant 7.1, TempAcc] "I could imagine these [are the services] the residents want in the future, things brought to your home, groceries, laundry, cleaning, and such, as the population ages." [Informant 2.1, SunClean]
Basis for long-term change	"And service platform and integration, if we consider that our company is a [service] coordinator, then there could be these comprehensive packages that we could offer to residents as additional services." [Informant 3.1, A-Homes]
Essential to plural goals of the organization	"Although we operate in [housing] markets, we don't do business, we don't aim to generate profit but good housing. --- As you can see, all the [resident] service we have is not thought from a revenue logic perspective. They do not entail any fees but are included in the basic package" [Informant 5.1, RentFound]

Business-centric rationales. Business-centric rationales portray resident services as business areas in their own right, reasonable for the organization only to the extent that they contribute to the profit generation in the core business, or generate profit directly. For some organizations, particularly SunClean and PropInv, this frame was dominant in discussions of resident services. Managers in these organizations justified resident services primarily

and predominantly on the basis of their contribution to the economic bottom line of the organization, with somewhat different perspectives taken between the organizations. In SunClean, a maintenance and facility service provider operating primarily in the B2B markets, the service-based business logic was already central to the organization with existing competences readily available for the provision of domestic services for the residents. In this context, the interviews suggest that the business potential of domestic services was a central driver for SunClean to engage in resident service provision. With relatively small distinction between 'core business' and 'peripheral resident services' at the level of operative processes, it was possible for the managers of SunClean to frame domestic service as a new and legitimate business area for the organization, as well as one easily implemented at relatively low cost in comparison to more radically new business areas.

PropInv, on the other hand, was deeply rooted in the institutionalized building owner business, manifested in the informants' view of property development and portfolio management as the central value creating activities of the organization. In the absence of directly applicable competences for resident service provision, resident services were primarily perceived as marketing assets useful for helping the organization to distinguish its primary offering – the apartments – from the competitors. Hence, the primary argument for introducing resident service elements was their contribution of core business bottom line, whether in the context of individual housing development projects or across the organization.

Given the nascent character of resident service markets in Finland, and the general lack of highly visible and successful businesses built around resident services, considerations of the positive influence of resident services on business performance were perceived in both PropInv and SunClean as relatively uncertain. Whereas the managers in SunClean clearly showed more faith in the growth of the market and growing profitability of domestic services by launching the domestic service concept, likely deriving from their intricate knowledge of service business at large, PropInv turned this uncertainty into skepticism toward resident services manifested in scrutinizing the costs of developing and providing the resident services. For example, PropInv made a decision not to invest any resources in the provision of resident services beyond the 'standard' customer service, instead opting to seek collaboration with third party resident service providers that could offer their services for the residents of PropInv. These collaborations were also characterized by PropInv's reluctance to invest in supporting the service providers' business and development of new offerings for the residents, instead illustrating arm's length relationships with service providers whose offerings were made available to the residents at discounted prices with little interaction or collaborative development of the offering. While more optimistic, the managers in SunClean also admitted that a major enabling reason for the launch of the domestic service concept was the ability to leverage existing resources and employee competences, reducing significantly the development costs and time to market. Hence, the business-centric rationales clearly boiled

down to the consideration of market potential and demand, and the cost and efficiency of service provision affecting the bottom line of the company.

In SunClean's case, it is also important to point out societal structures, in particular the tax deduction right for household service consumption, which supported the launch of the domestic service. Nearly all informants mentioned this as an important driver for market growth and the growing business potential of the domestic service market. From another perspective, many building owners relying on subsidies for the development of assisted living homes, for example, mentioned the lack of subsidies for facilities dedicated to resident service provision as a major hindrance to the development of resident services on their properties. Perceived through the lens of strong business rationales, the societal-level policies were framed either as providing direct support for, or obstacles to, the development of resident services in the organization.

As discussed more later on, business rationales may also emphasize the central role of resident services in the generation of profit, as illustrated by TempAcc and its unique business model focused on the provision of temporary accommodation based on a service-centric approach. Contrary to traditional building owners, TempAcc did not perceive resident services peripheral or minor in comparison to its core business; resident service established its core business. Despite this difference, the interviews reveal how the informants in TempAcc used predominantly business-related rationales to frame resident services and the overall development of the organization, albeit in the context of their innovative business model resting on service provision rather than the ownership of properties. Distinct from PropInv's emphasis on added cost and SunClean's seek for profitability, the business-centric rationales manifested in TempAcc as emphasis on growth and their market-leading position in the context of temporary accommodation.

Hence, each of the aforementioned organizations draws attention to different facets of business rationales underscoring organizations' engagement with resident services. Based on the empirical evidence, business-centric rationales share the feature of relatively simple and straightforward goal setting for resident services, deriving from the consideration of the financial bottom line. Whether focusing on current or future performance, the three cases also appeared to share the feature of producing relatively unambiguous basis for sensemaking and decision-making around resident services, with clear criteria for performance evaluation and future planning. As discussed next, this differs from cases in which multiple interrelated rationales are used in justifying organization's engagement with resident services in the residential field.

Multiple interrelated rationales. While the business-centric rationales accommodate different types of business goals, their simple and straightforward character becomes evident once the arguments associated with resident services are examined in the broader context of arguments orienting to non-financial rationales. Hence, the first important finding of the

current study is that both non- and for-profit organizations may frame resident services based on rationales broader than sole business interest, justifying resident services using more diverse rationales woven into a consistent 'narrative' supporting service development and provision. In these cases, resident services exist in the nexus of multiple rationales the managers need to integrate. At the same time, service may also provide an integrative concept for the organization enabling the individual members and groups balance in the nexus of multiple institutional logics.

Two cases – RentFound and RentChamp – provide particularly good illustration for the category of multiple interrelated rationales with their strong societal mission importing non-market values, norms and goals to sensemaking and decision-making in the organization. For this reason, resident services were perceived and evaluated more broadly than just based on their impact on profit generation, including considerations of how the services enabled the organization to support residents' life more comprehensively, for example offering help in resolving social issues and improving residential communities. In these cases, business rationales were clearly too narrow and 'biased' to provide legitimate basis for action, the interviews displaying frequent references to residents' social welfare and the societal accountability of organization's decisions and actions. This did not mean the dismissal of financial or 'business' rationales – as private organizations, both RentChamp and RentFound relied on revenue funding and hence constantly considered the impact of decisions (e.g., to introduce new resident services) on the financial status of the organization. Importantly, the financial rationales did not overrule the social rationales, displaying these organizations as hybrids combining multiple rationales to provide solutions to complex societal problems (Battilana & Lee, 2014). In this pluralistic context, resident services were both means to facilitate residents' social issues in attempt to limit costs and more generally promote the welfare and housing comfort of the citizens in the municipality.

Looking more deeply into these two cases, the interviews with the representatives of RentFound offer a number of examples of the diversity of rationales associated with resident service provision. For example, one rationale for resident services was to reduce resident turnover and therefore the cost of housing. The difficulty of showing such effects in practice were not, however, a concern for the top management, who simultaneously perceived resident services as central to supporting the resolution of residents' social problems thus helping the municipality to resolve social problems more generally. One informant explicitly stated that they do not consider the exact returns on specific resident service investments as important as the systematic efforts to seek and implement ways in which the organization may improve its capability to fulfill its social mission and become a better housing provider at large. Similar pluralism of rationales, and ambiguity of performance criteria, was related to the provision of social support for the residents with most severe social problems. While the managers expressed concern over the fact that they were subsidizing municipal social services by offering similar social

support from their limited budget formally dedicated to housing, they also considered the cost acceptable referring to a 'higher good', that is, social stability and safety of residential communities.

In RentChamp, similar contradictions or ambiguities were present in considerations regarding the reasons and extent to which the organization should participate in the provision of resident services. The broader values of the organization emphasized not only the technical aspects or financial performance, but also included ideas and ideals for improving the condition of residents, and the quality of life more generally. From this viewpoint, resident services were seen to promote a quality brand for public housing, and help the organization address the issues of their residents in a more preventive manner. RentChamp had also established a maintenance service organization, which shared the customer-centric values of the organization. Hence, the managers perceived this 'service infusion' into traditional maintenance operations to constitute one pathway for resident service 'thinking' influence the quality of the overall service for their residents. The maintenance organization also provided resident services directly, but did not to charge full costs from the residents. Instead, the CEO accentuated the importance of participating in residents' daily life – be it small installations or other small tasks – to have an impact on the residential communities and residents' welfare at large. Fundamentally, these efforts were also seen crucial to the ability of the organization to preserve the technical condition of the apartments and buildings at an optimal level from the viewpoint of the building owner goals and criteria.

Besides framing resident services as essential to realizing the pluralistic goals of the organization, as was the case in the two organizations discussed above, two other case studies display how multiple interrelated rationales were associated with resident services in the context of organizational change. Here, the cases of A-Homes and PropMgmt display the possibility of framing resident services simultaneously as means for contributing to short-term business performance, and promoting the long-term renewal of the organization. A-Homes, for example, maintained focus on its building owner strategy and operations, but simultaneously engaged in the development of resident services perceived both as means for increasing the attractiveness of A-Homes' apartments in the short run, and changing the strategy of the organization more fundamentally in the long run. The latter view is particularly interesting as it portrays broader reasoning around resident services simultaneously building on business attributes and rationales focused on organizational reorientation to service-centric strategy. In contrast to PropInv, for example, A-Homes displays how managers – particularly those at key positions – may consciously promote frames integrating multiple rationales to achieve change in the organization from property- to service-centric mode of action.

PropMgmt provides a similar example of interrelated rationales to justify resident services on the basis of both current core business improvement and longer-term strategic change. Contrary to A-Homes, in which the plural

meanings were upheld and promoted by a top executive in a relatively small organization, the interviews in PropMgmt drew attention to differing viewpoints of resident services among the members of the executive group. Whereas one informant promoted an organization-wide transformation of business logic from traditional property management to service-based and resident-centered promotion of good housing, others – aligning with the more dominant viewpoint – promoted resident services as means for improving the performance of property management processes as they are traditionally conceived of. A concrete example of these differing viewpoints was the development of an online information portal for the residents, which from the former manager's viewpoint provided whole new opportunities for engaging in resident-centric service provision. The viewpoint of the latter managers, however, interpreted the new online information portal as means to improve the efficiency of property management processes with new forms of communication. Some individuals in between, such as the manager responsible for the information portal, took more integrative positions, seeing the new resident service feature as means to both with potential to facilitate wider transformation in the organization. This situation reflects contestation around the collective frames of the organization (cf. Kaplan, 2008b), suggesting that multiple rationales may not be consciously promoted but also exist due to conflicting visions, expectations and orientations of the (key) organization members.

Common to all the four cases above, no single goal or criterion was applied to judge resident services as unambiguously 'good' or 'bad', as was more clearly the case with the business-centric rationales. Instead, multiple rationales were used to reflect upon the role and importance of resident services for the organization, and fit different problem-solutions patterns on to resident services through which they could be understood. Combining these findings with existing literature, the co-existence of multiple concurrent rationales likely produces greater ambiguity in decision-making and evaluation of resident service success (cf. Hahn et al., 2014). However, rather than taking this ambiguity as evidence against the resident services (e.g., questioning their 'added value' as in the case of PropInv), the managers in the aforementioned cases argued for resident services by describing multiple pathways and mechanisms by which the resident service features implemented in the organization (may have) improved the overall performance of the organization.

Hence, the rationales used to justify resident services not only include specific criteria of evaluation, but also comprise of specific problem-solution patterns enabling actors to understand and interpret the service activity or offering in a particular way in the context of the organization. Business-centric rationales emphasize financial performance as the main evaluation criterion, and involve a more fundamental understanding of why a specific activity or offering should be, or is not, worthwhile (e.g., resident service essential to saving money or improving customer experience). However, many non-financial rationales also emerged from the data, relating the justification of

resident services to more diverse rationalities and criteria of evaluation. For example, residents' social welfare provided a criterion for evaluating and making sense of resident services not based on how they impact the financial performance, but how they contribute to the safety of residential communities and the quality of life of the individual residents. While the business literature is accustomed to thinking services and service transformation on the grounds of the market logic and profit generation, the empirical evidence portrays the existence of multiple rationales or attributes that justify service transformation. This provides the basis for characterizing organizations on the basis of the diversity of arguments applied in the justification of services.

5.2.2 Identification with resident services

Identification with resident services constitutes the second dimension in the analysis of frames oriented to resident services. How organizations, as aggregate of their individual members, identify with resident-centric service provision ranges from weak to strong depending on the extent to which the members of the organization frame resident services as constitutive of the mission and purpose of the organization. In distinction to the dimension of argument diversity which describes the 'structure' of frames (i.e., the number of, and interconnections among, attributes and rationales associated with resident services), the dimension of identification focuses on the 'content', or the central meaning associated with resident services (see Walsh, 1995). Whereas the dimension of argument diversity draws attention to specific cause-effect models, evaluation criteria, and their diversity in the organization, the current dimension distinguishes between more fundamental conceptions of how the members understand value and the basis of value creation in the organization.

On the grounds of this distinction, an *instrumental view* depicts resident services as secondary to the property-focused and asset-centric logic of value creation. The interviews, as shown in the following, draw attention to informants' way of discussing resident services with a 'means-to-ends' mentality, perceiving them as instrumental to the realization of specific forms of value defined on the basis of the asset-centric logic (cf. Table 11 in section 4.2). Organizations with service as the *constitutive logic*, to the contrary, rest on a resident-oriented and service-centric logic through which value creation appears as inherently relational and oriented to supporting residents' daily life. This establishes a very different raison d'etre for the organization that diverges from the standard of the industry to highlight organization's deeper identification with, and strategic orientation to resident-centric service provision. This dimension resembles Mathieu's (2001) notion of organizational intensity of service, with a tactical orientation to service provision at one extreme (in align with the instrumental view), and cultural orientation concerned with the underlying values and beliefs of the organization aligning with service provision at the other extreme. In the following, these two extremes of the dimension of identification are discussed

in more detail, with supportive quotations from the interviews provided in Table 15.

Table 15 Empirical support for themes related to identification with resident services

Conceptual theme	Representative quotes
Marketing tool	"On the other hand, I see [the online portal] as a good tool for acquiring new and retaining existing customers." [Informant 4.1, PropMgmt] "But as regards to why [to provide resident services], it's because the [residential quarter] project was so large --- it was a handful for our sales to lease. Let alone when the next buildings are finished, so it is a large site of rental apartments. And the idea was that there must be something that attracts the residents." [Informant 1.5, PropInv]
Operative service activity	"I think it's about the direction, that we pay our dues [with resident services] for a while, make mistakes and succeed with something, but the point is that there is a direction [for the resident service]." [Informant 3.1, A-Homes] "[Question:] So your product is problem-solving, and not just a specific task? [Answer:] Yes, we want, of course it easier said, to do household tasks and chores, and things related to that, things done by people." [Informant 2.1, SunClean]
Means to (incremental) organizational renewal	"The emphasis in our development has constantly moved towards the residents --- the e-system provides the opportunity for [engaging residents], and when we look at individual residents and their satisfaction and how we can make their lives easier, it's our third step which is still in the planning stage." [Informant 4.5, PropMgmt] "Through the renewal of the ERP system we have had to rethink our processes and to think what we can do better, and this way we have developed our operations a great deal." [Informant 5.1, RentFound]
Reframing the purpose of the organization	"This is the idea, we don't own the apartments ourselves --- we wanted to focus on developing this service." [Informant 7.1, TempAcc] "We adopted a completely different way of thinking --- we understood that we ought to serve our customer who pays for it all." [Informant 6.1, RentChamp] "Our value proposition is the kind that we do not sell property management, we sell good and comfort housing. Our business provides solutions that promote residents' housing comfort." [Informant 4.1, PropMgmt]
Clarifying the basis for service-centricity	"Like you said, we have the different sides, technical, social and financial. And the glue between them is the shared logic [of action], which consists of the social mission and non-profit principle. And I would say that all our employees share this view, at least to some extent." [Informant 5.1 2, RentFound]

Instrumental view of resident services. Many informants represented resident services instrumentally as operative-level practices oriented to the achievement of particular ends deriving from the current property-focused logic of operations. The first perspective emerging from the interviews portrayed resident services as means to increase the attractiveness of the core business offering of the organization. Informants in PropInv, for example, saw resident services providing the organization a means to separate itself from competition on apartments, and in the same way, the online information portal of PropMgmt was considered by most key managers as means for separating the core offering focused on technical and administrative property management from those of competitors. In other words, the interviewees portrayed resident services to provide an additional reason to customers to choose the offering of their organization, as opposed to service being the primary reason. Hence, resident services were depicted as marketing tools for the organization to promote its core offering.

This view was also evident in SunClean, which considered the introduction of the domestic service as means to increasing the visibility of its brand among consumer audiences. However, in distinction to the more property-focused organizations (PropInv, A-Homes, PropMgmt), SunClean provided service more directly for the residents, despite its focus on more 'technical' B2B cleaning services. In their context, the instrumental view toward resident services was more pronounced in the way the informants discussed resident services, and service provision at large, as an operative-level activity involving specific resources and competences applied by the employees in the premises of the customer. The instrumental character of this view becomes evident as one considers another service-based case, TempAcc, in which informants' reflection of service provision revolved much more around identifying with resident-centric service provision, rather than considering it, as in SunClean's case, secondary to the core business of B2B facility services.

Third, the interviews also drew attention to instrumental views of resident services stemming from informants' reflections of organizational change. For example, the way in which most managers in PropMgmt described the new online information portal providing means for the organization to reinforce the efficacy of current practices with housing company boards highlights the preservation of strategic focus on property- rather than resident-centric service provision. Hence, instead of more radically reframing the organization as focused on resident-centric service provision (as one manager proposed in an early interview), the interviews reveal how resident services can be framed as means to more incremental organizational renewal with growing interest in (but not radical transformation to) resident-centric service provision.

Combined, these illustrations highlight a view of resident services as means or tools for achieving particular ends, without the service provision providing deeper meanings or significance to the members of the organization. The instrumental view describes the aggregate of viewpoints and attributes among organization members to frame resident services as operative activities and processes, which, depending on the strategy of the organization, were

considered as either positive means for realizing goals related to, for example, higher customer satisfaction (e.g., A-Homes), or less positive resource-consuming activities aimed at distinguishing the organization from competitors (e.g., PropInv). Both shared a view of services as activities of integrating resources for the benefit of other actors (Coombs & Miles, 2000; Vargo & Lusch, 2008), with managerial concern for these activities contributing to ends more central for the organization.

Service as constitutive logic. In contrast, the empirical data reveals a number of reflections by different informants referring to stronger identification with resident-centric service provision perceived as central to and constitutive of the organization's existence. These rationales portrayed service not so much as an operative-level activity but as a shared cognitive orientation to value creation, a shared orienting principle aligning the efforts of different sub-units and members of the organization toward the goal of supporting residents' daily life. This implies that an organization's service transformation can be considered at two distinct levels, first based on its engagement with particular types of activities (e.g., the provision of home renovation service for the residents by A-Homes), and second based on the 'content' of the collective frames which orient the members of the organization to interpret and make sense of the purpose and value creation logic of the organization in a particular way. An illustrative example of this distinction is RentChamp, which as a building owner remained oriented to the development and leasing of residential properties while doing so from a customer-centric standpoint and understanding of value. This example underscores the second important finding of the current study which portrays service not only as operative-level activity but also as constitutive and collective logic of the organization, the shared orienting principle or ideology bringing the members of the organization together in creating value for and with the residents.

TempAcc provides a good example of the dominance of the resident-centered and service-based approach to business. The interviews reveal how most informants portrayed service at the center of the organization, for example by explicitly discussing how they provide so much more than the apartment customary to housing providers. The interviews also display how the managers shared a pressing concern for how their efforts, integrated with those of other sub-units, contributed to customers' service experience and the ability of the organization to integrate diverse service elements to help the customers with their temporary accommodation needs. Hence, in TempAcc the strong identification with resident services manifested in the existence of a common organizing principle orienting the members of the organization to service provision and collaborative value creation in a manner distinct from the property-focused building owners.

Similar to TempAcc, the interviews with members of RentFound and RentChamp illustrate the shared understanding of resident-centricity and service provision as fundamental to the existence of these organizations. In RentFound, the interviews suggest that resident services were central to

promoting the social mission of the organization, but also perceived important in terms of facilitating the attractiveness of residential communities and supporting the attractiveness of the apartments as the main offering. Hence, resident services were interwoven in the multiple rationales and goals of the organization. In RentChamp, the CEO framed the organization as inherently customer-centered and committed to improving the housing service offered to the residents, establishing a novel basis for how the organization engaged in realizing its mission as a building owner. Instead of highlighting technical processes and property-focused concerns, the CEO as well as other informants emphasized the question of creating value for and with the residents through multiple activities in a particular, service-oriented way. In other words, what emerged from the empirical data was a distinct view of, and orientation to, value creation among organization members.

In summary, the dimension of identification with resident services distinguishes between organizations with instrumental and central views of resident services. Central to this dimension is the way in which the members of the organization reflect upon resident services as a part of the organization's value creation. As discussed in section 4.2, value creation may be perceived either through asset- or service-centered business perspective, and understood as focusing either on productivity or value for the residents. In the nexus of these dimensions, the current section highlights that the instrumental view of resident services roots in perceiving resident services primarily through asset-centric and / or productivity-oriented logics. Centrality of resident services, to the contrary, rests on the value creation logic of the organization rooted in resident-centric service provision, manifested in distinct ways of understanding how the organization creates (and captures) value.

In reflection to the residential sector and the often taken-for-granted focus on properties as the raison d'etre of organizations, the instrumental view reflects conformity to this institutionalized logic of the field. In contrast, considering service as the constitutive logic of the organization disrupts and contradicts the institutionalized logic, and likely forces the members of the organization to more deeply reflect upon the role of customer-centricity and service-based value creation for the organization. The interviews suggest that organizations in the latter category more naturally construct their identity around resident-centric service provision, linking change in organizational identity to the phenomenon of service transformation.

5.2.3 Four archetypical frames for resident services

The two dimensions – diversity of arguments and identification with resident services – constitute a two-dimensional matrix that enables the identification of four archetypical ways of framing resident services in the case organizations. In the dimension of argument diversity, managers' views of resident services fell between the extremes of low diversity focusing predominantly on business-centric rationales, and high diversity emphasizing multiple interrelated rationales combining both business-centric and non-monetary rationales. The main difference between the extremes is that the

former provided relatively unambiguous basis for making sense of and evaluating the resident service as a part of the organization, based on its contribution to financial value creation, while the latter comprised of multiple cause-effect models and evaluation criteria applicable to sensemaking and evaluation of resident services.

The dimension of identification focuses on the fundamental view among members of the organization regarding the logic of value creation. The interviews point to a distinction between organizations rooted in a property-focused logic of value creation emphasizing the productivity of assets, and organizations resting on a resident-centric and service-oriented logic. As a result, the former displays an instrumental view of resident services with emphasis on resident services as operative efforts to achieve particular ends (i.e., service as application of resources for the benefit of others). The latter illustrates resident-centric service provision as constitutive of the organization's self-understanding, that is, how the members understand their engagement with other actors during value creation. In the nexus of these dimensions, four archetypical frames can be identified: (1) profit generation, (2) organizational reorientation, (3) constitutive business logic, and (4) expression of values (see Table 16).

Table 16 Four archetypical frames for resident services

		Diversity of arguments	
		Low: Business-centric rationales	High: Multiple interrelated rationales
Identification with resident services	Strong: Constitutive logic	Basis of business logic Resident service constitutive of the business logic, and the taken-for-granted basis for profit generation Representative case: TempAcc	Expression of values Resident service inherent part of organization's plural mission, and embodied in the identity and values of the organization Representative cases: RentFound and RentChamp
	Weak: Instrumental view	Profit generation Resident services in a secondary role in profit generation, emphasis on their cost and profitability Representative cases: PropInv and SunClean	Organizational reorientation Resident services means to change core business processes and redirect long-term strategy Representative cases: PropMgmt and A-Homes

First, the bottom-left quadrant describes the archetype of framing resident services as means to *profit generation*. The instrumental view of resident services means that the members of the organization consider resident services secondary to the property-focused core business. At the same time,

the evaluation of resident services rests on business-centric rationales, as members of the organization perceive financial bottom line as the ultimate rationale explaining why the organization is engaged in resident service provision. In the nexus of these characteristics, resident services emerge as legitimate parts of the organization only insofar as they contribute to organization's profit generation with emphasis on the existing property-focused core business orientation. Although none of the cases is a pure example of each archetype, PropInv and SunClean provide the most illustrative examples of profit generation.

Second, the bottom-right quadrant describes framing rooted in the notion that besides profitability, resident services also provide means to more extensive long-term *reorientation* of the organization. While resident services are still considered from an instrumental viewpoint as secondary to the property-focused core operations, the horizon of legitimate rationales for thinking about and evaluating resident services expands beyond the immediate business focus. In A-Homes, for example, a top executive played a large role in re-interpreting the purpose of the organization through a service-focused lens, legitimizing resident services as means to necessary strategic change. This example highlights the expanding scope of the organization to make sense of resident services not only as means to the creation of financial value either directly or through influencing 'core business' performance, but also as means to change the course of the organization. Another illustrative case is PropMgmt, which similar to A-Homes sought reorientation through increasing resident- and service-focus.

The third quadrant at top-left cell describes an archetypical frame in which resident services are framed as the *basis of organization's business logic*. The centrality of business-centric rationales displays a clear for-profit view toward service provision with business-focused goals. However, the status of service as constitutive business logic, expressed in informants' understanding of service-based value creation as constitutive of their identity and existence, indicates a more profound orientation to framing resident services at the core rather than periphery of the company's value creation. TempAcc provides the illustrative example of this category with its unique approach to the provision of temporary accommodation as service tailorable to diverse customer needs, rather than as merely furnished apartments. In their context, value creation was understood as attending to the customer over the whole process from finding the apartment to moving in, living in it and moving out, treating these as subsequent phases to which the organization needed to offer support and ease the residents' life. Contrary to taking the apartment of physical assets as the basis of value creation and revenue, TempAcc had distanced itself from the focus on apartments by taking the role of the tenant and leasing apartments from the owners, as opposed to owning the properties or apartments by themselves. Hence, the legitimacy of resident services derived from the fact that they were an inherent and inseparable part of the organization's business model.

The fourth and final archetypical frame rests on service as the constitutive logic of the organization, placing it at the center of organization members' view of value creation. In contrast to TempAcc's strong business focus, the remaining two organizations, RentFound and RentChamp, drew attention to more diverse rationales associated with resident-centricity and service provision, involving arguments associated with social welfare and the long-term sustainability of housing conditions besides the market-derived arguments. In this context, resident services were framed as *expressions of organizational values*. On the one hand, this means that services were central to realizing the plural goals of the organization. At the same time, services also constituted the basis for transcending and integrating multiple contradictory goals and rationales into a consistent organizational mission oriented to the promotion of residents' welfare through both physical resources (well-maintained apartments) and interpersonal service provision (e.g., the provision of social support, organization of community events). Hence, the legitimacy of resident services derived from broader societal values, but also contributed at the organizational level to balancing the multiple goals inherent to the two case organizations and their hybrid character.

As explained, each archetypical frame rests on distinct assumptions and understanding of what resident services are, and what they mean to the organization. As such, the frames encapsulate distinct 'orienting devices', shared schemas of interpretation, which guide members' interpretation of situations and the problems at hand, and orient their action in a particular way, for example toward the development of new services. Each frame also provides distinct basis for evaluating resident services, based either on few or many arguments or rationales, and either on instrumental or constitutive views of services.

Summarizing the previous descriptions, profit generation depicts resident services as marketable goods providing means for improving core business performance, evaluated primarily on the basis of their cost and (predicted) business performance. In the case of organizational reorientation, resident services appear as means to renew core business processes and the strategy of the organization, illustrating evaluation criteria that reflect the organization's alignment with broader field-level changes. Resident services as the basis of business logic draws attention to the constitutive role of resident services in the strategy of the organization, with emphasis on profit generation through service provision rather than the productivity of buildings leveraged as assets. Finally, framing resident services as expressions of organizational values draws attention to organizations with multiple rationales and goals to which resident services are embedded, providing both means to realize different goals and transcend them in a manner that provides consistency, alignment and common direction to the members of the organization.

This framework distinguishes between the rationales for making sense and evaluating the success of resident services in the particular organizational context (argument diversity), and the more general and shared view of the logic of value creation as perceived by the members of the organization.

Hence, the current framework remains sensitive to the criteria proposed by Entman (1993) as definitive of frames, namely promoting a particular problem definition (referring to an understanding of how value is created), causal interpretation (of how a specific service should create value), moral evaluation (what is the legitimate basis for evaluating the success of resident services), and treatment recommendation (how the organization should organize with respect to resident services and value creation). As discussed in the literature review in section 2.3, this view of frames is predominantly strategic and oriented to the meso level of organizations (Cornelissen & Werner, 2014). It emphasizes the jointly constructed representations of the firm in its industry, with particular focus on the assumptions of organization's capabilities and basis of competition, and more broadly, its orientation to value creation.

5.3 Legitimizing resident services

5.3.1 Pragmatic, moral and cognitive forms of legitimacy

One way of examining more deeply the frames in an organizational context is to consider how they legitimize resident services for the members of the organization and thus mobilize action behind service transformation. Looking this from the top managers' standpoint, the formation of new frames constitutive of the organization depends on building legitimacy for new interpretations, problem-definitions and solutions (Kaplan, 2008b). Similarly for individuals at operative levels of the organization, the promotion of service transformation calls for convincing the key decision-makers of the importance of resident services for the organization, calling for more detailed attention to how key individuals in the seven case organizations sought to legitimize, or more generally made sense of legitimizing, resident services (Dutton, Ashford, O'Neill, & Lawrence, 2001). From this standpoint, this section examines in more detail the construction of legitimacy for resident services.

 As discussed in the literature review, legitimacy can be defined as the "generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995: 574). According to Suchman, legitimacy rests on three distinct forms, pragmatic, moral and cognitive. Pragmatic legitimacy is based on self-interested calculation of an audience of the benefit or expected value of an activity on the performance of the evaluator. From a pragmatic perspective, an organization may evaluate the legitimacy of resident services on the basis of the profit it generates, putting emphasis on shareholder value, for example. Moral legitimacy reflects a positive normative evaluation of the activities or the organization at large, and rests on whether the activity is 'the right thing to do' (Aldrich & Fiol, 1994; Suchman, 1995). Whether a resident service is evaluated as morally legitimate may rest on the extent to which it promotes societal welfare (as defined in the common value system of the actors concerned), for example, how the resident service promotes affordable housing or helps resolve residents issues in an

acceptable way. Finally, cognitive legitimacy roots in the comprehensibility and taken-for-grantedness of an activity as understood by the audience, resting on the alignment between the resident service practice and the shared cultural templates and beliefs which 'explain' specific activities and render them meaningful for the audience (DiMaggio & Powell, 1991; Scott, 1991; Suchman, 1995). In other words, cognitive legitimacy is concerned with the 'objectified' and 'sedimented' beliefs among actors that allow actors to understand – or misunderstand – resident services as a legitimate (or illegitimate) part of value creation in the broader context of the residential field (Tolbert & Zucker, 1996; Zucker, 1983).

While the concept of legitimacy is usually associated with institutional theory, in which it considers how external constituencies evaluate the conduct of an organization, it is also appropriate for considering the reasoning deployed to legitimize resident services within the organization. This view implies that organizations are not homogenous entities but consist of individuals and groups with distinct backgrounds and orientations influencing their perception of the organization and its goals. The main task for actors seeking to instill particular frames is therefore to build legitimacy for the novel frame orienting the organization to resident services in order to change the basis for collective action. In the following, each of the archetypical frames is examined in the light of the three constitutive forms of legitimacy. At the end of this section, managerial tactics to promote legitimacy are examined.

5.3.2   Legitimacy based on profit generation

Beginning with the archetype of profit generation, the findings show that the legitimacy of resident services rests on their ability to contribute to financial bottom line of the organization closely monitored on the basis of existing business indicators. Focusing in particular on PropInv and SunClean, the representative case studies of the profit generation archetype, the interview data points, as expected, to different forms of pragmatic legitimacy as the basis for resident services summarized in Table 17.

In the nexus of perceiving resident services as means to increase or reinforce core business performance, and the dominance of business arguments in deciding for (or against) the addition of resident services, the central basis for legitimacy was clearly pragmatic, and more specifically rooted in *exchange legitimacy* focused directly on the business performance of resident services (Suchman, 1995). The idea of exchange legitimacy is that a constituent evaluates an act legitimate if it is beneficial to her. From this viewpoint, the top executives considered resident services legitimate if they generate profit for the enterprise according to the dominant core business rationale. As an example, PropInv had approached the design of a new apartment quarter from a service perspective, including diverse services in the quarter to increase its attractiveness among prospective residents. However, the low legitimacy of resident services, manifested in the executive group's lack of faith in the feasibility of the project due to the additional costs of services, resulted the top

management to decide against investing in the service features with uncertain returns as interpreted by the top managers.

Table 17 Forms of legitimacy for profit generation

Legitimacy	Description	Representative quotes
Pragmatic (exchange)	Legitimacy of resident services based on consideration of cost and performance.	"Our primary goal is to generate growth, more customers." [Informant 2.3, SunClean] "It is quite challenging, we of course hope that [the resident services] in some way contribute to residents' comfort and thus reduce our turnover" [Informant 1.2, PropInv]
Pragmatic (influence)	Alignment with long-term goals.	"We see that the whole domestic service sector is just about to get going, it is still small in Finland but we want to get involved in it from the beginning. And we have a pretty strong brand, and the domestic service also supports our brand building". [Informant 2.1, SunClean]
Cognitive (compre-hensibility)	Predictability of service provision techniques and processes.	"If we talk about cleaning the toilet, it doesn't matter where it is done because it is the same everywhere." [Informant 2.2, SunClean] "I mean in principle all of which relates to these kinds of support services, to the everyday chores which people do, these are our [company's] things" [Informant 2.3, SunClean]

Suchman also identifies two other types of pragmatic legitimacy, influence and dispositional. Whereas exchange legitimacy is concerned with the (more or less) direct financial benefit, *influence legitimacy* describes support for a form of activity because of its alignment with broader or long-term interests. *Dispositional legitimacy* captures legitimacy conferred when the 'personified' perception of the organization aligns with the interests or values of the constituent. While these forms did not emerge as equally central to the legitimacy of resident services, maybe for the reason that the institutionalized expectation in these organizations so strongly favored the existing business logic, SunClean did draw attention to influence legitimacy as one rationale for the engagement in developing and providing the domestic service. This emerged when the interviewees talked about the long-term goals of the organization to make SunClean more renowned as a brand, and grow its market share in the domestic service market leveraging its existing resources. One informant saw domestic service falling nicely within the scope of such labor-intensive services SunClean is specialized in, suggesting that because of the alignment in both goals and means, resident services constituted a legitimate step to the direction of resident services for the organization.

Relatedly, it is possible to interpret SunClean's entry to the domestic service market as an example of cognitive legitimacy, particularly from the viewpoint

of *comprehensibility*. The interviewees in SunClean mentioned a number of times that one important reason or enabler for engaging in the provision of the domestic service was the similarity of the domestic service with the B2B cleaning operations, allowing the managers to predict how such organization, the cleaning processes, and necessary resources should be arranged. From this viewpoint, the new domestic service was evaluated legitimate on cognitive basis due to its similarity with existing operations. In comparison to PropInv, one way of explaining SunClean's deeper involvement in resident service provision may derive from this cognitive legitimacy notably absent in the former.

5.3.3 Legitimacy in organizational reorientation

As rationales for resident service provision expand to multiple interrelated rationales, the empirical data points to the emergence of new forms of legitimacy constituting the basis for resident services. Building on the two representative organizations for this archetype, PropMgmt and A-Homes, the empirical data draws attention to at least five forms of legitimacy, for which Table 18 provides empirical illustration.

First, the data illustrates both *exchange* and *influence* forms of pragmatic legitimacy, the former oriented to the immediate financial benefit to the organization and the latter to its longer-term interests. The influence form was particularly salient in the two current case organizations, manifested in informants' broader focus on resident services as means to organizational renewal from the traditional building owner or property manager mode to one emphasizing resident-centricity and the organization as a service coordinator. In PropMgmt, the introduction of the online information portal was considered valuable in improving both the efficiency of the core property management processes and the effectiveness toward the residents with new forms of communication and access to new resident service features. Similarly, the development of the new ERP-driven property management system in A-Homes, coupled with new resident service offerings, revealed the top executive's emphasis on the influence form of pragmatic legitimacy as the basis for justifying organization's engagement with resident services.

In distinction to profit generation, the case organizations also drew attention to different forms of moral legitimacy as the basis of resident services. Building on Suchman, moral legitimacy rests on resident services being evaluated as 'the right thing to do'. For A-Homes, a non-profit organization, the development of resident services appeared to build on a sense of social mission fundamental to the existence of the organization, drawing attention to the *consequential* form of moral legitimacy emphasizing what the organization accomplishes. Rather than presented as explicit driver for service transformation, as was the case in RentFound, for example, interviews with representatives of A-Homes drew attention to the non-profit form creating 'latitude' for the development of resident services. In other words, the financial pressures on the development of new solutions and service offerings appeared less pronounced than in for-profit organizations, enabling the organization to

explore new opportunities, implement new activities and reconstruct the frames defining the role and purpose of the organization. Behind these considerations, the consequential justification rested on the notion of providing better service to the residents.

Table 18 Forms of legitimacy for organizational reorientation

Legitimacy	Description	Representative quotes
Pragmatic (influence)	Resident services as means for organizational renewal.	"This [online portal] is a tool for systematizing our operations --- we force our own operations to a certain standard. --- On the other hand, I see [the online portal] as a good tool for acquiring new and retaining existing customers." [Informant 4.7, PropMgmt]
Pragmatic (exchange)	Resident services means to sustain core business performance.	"Our building stock is aging, and the importance [of resident services] will increase because of the competition with new apartments --- so the age of the building stock influences the significance of [resident] services and demand, that is, how we remain attractive". [Informant 3.1, A-Homes]
Moral (consequen- tial)	Resident service essential to the societal mission of the organization.	"To me, we have always had the non-profit and social [ideal] as our goal." [Informant 3.2, A-Homes]
Moral (procedural)	Resident service embodied in management techniques.	"We have taken the customer experience as the starting point in our management. --- Parallel to this operative line organization we have created certain modes of operation, and the MO of the customer experience is one. And this MO has a responsible director who is in charge of keeping the customer experience [at the center of operations], that it is monitored and developed." [Informant 4.6, PropMgmt]
Moral (personal)	Key manager's personal and legitimacy as the basis of resident services.	"Well, maybe I was more afraid of the [key manager's] exit and that [the resident services] may be marginalized. But no, it didn't happen after all. That it is clear, our CEO has a clear position that the resident services must be developed" [Informant 3.2, A-Homes]

Second, the interviews also pointed to *procedural* form of moral legitimacy, in which the legitimacy of resident services rests on the socially accepted techniques or procedures within the organization. PropMgmt offers an example of this form with the recent introduction of a customer-centered management practice in which customer experience was systematically brought at the center of property management service by implementing a new

management system. This management MO, monitored by a top-level executive, ensured that all the processes and sub-units of the organization followed shared processes and criteria for customer experience. This way, customer-centered features of the service were made more salient in the organization by associating the with codified process models. In this case, the legitimacy for more customer-oriented albeit still technically focused service practice derived legitimacy from the broader legitimate ethos of managerialism and accountability.

Third, the data also illustrated the *personal* form of moral legitimacy, which rests on the charisma and legitimacy of individual leaders in the organization. The top executive of A-Homes is an example of this form, embodied in his strong champion role within the organization endorsed by the CEO. As a result, the initiatives promoted by the executive were perceived, according to the interviews, as more or less uncontested and 'smart' initiatives to take the organization to the right, albeit unconventional, direction. Coupled with the previous point on consequential legitimacy and the 'latitude' for resident service development, the case of A-Homes may have particularly benefitted from the presence and efforts of such champion regarding the extensive resident service development and broader transformation of the organization. In contrast, PropMgmt showed much less championing by individual managers, highlighting instead the legitimacy of systematic and formal development of the organization endorsed by more 'faceless' executive board, and embodied in the implementation of systematic management practices.

These findings suggest that moral legitimacy may be particularly relevant to service transformation in the residential sector because it introduces broader values and meanings to the discussion that surrounds the goals and mission of the organization, and helps question at least partially the dominance of the existing property-centric focus. As a result, new associations may be crafted around resident services which extend beyond their immediate impact on core business performance. In particular, moral legitimacy may be essential to the generation of 'latitude' for experimenting with new service offerings and organizational practices, which may seed and build momentum for service transformation in the organization as viable MOs may be discovered. Contrary to the more immediate pragmatic concerns, the moral arguments may be particularly powerful in engaging the members of the organization in search for a 'better' version of the organization based on value-laden questions of what is the right thing to do or accomplish.

5.3.4   Legitimacy based on business logic

The third archetypical frame combines business-centric rationales with resident services as the constitutive logic of the organization. In other words, organizations positioned in this quadrant are profit- and growth-seeking organizations, but aim at these business ends based on inherently customer-centric and service-based business logic. As a relatively new organization that developed a service-based approach to business from the beginning, TempAcc

offers insights into the legitimacy of resident services within this archetype. Empirical evidence for these findings is illustrated in Table 19.

Table 19 Forms of legitimacy for business logic

Legitimacy	Description	Representative quotes
Pragmatic (influence)	Orientation to the development of service for the customer as the basis of business success.	"It all boils down to what is the added value and benefit to the customer. We have an innovative group of people, and so we know that if certain basics were in order, we would be many steps ahead. But the basic thing must be there first before we can build something nice on it." [Informant 7.6, TempAcc]
Cognitive (compre-hensibility)	Shared understanding of the service offering and MOs in service provision facilitated by top management.	"The customer does not know our way, if he has not used us. [Our approach] is unique, there is nothing that quite like that." [Informant 7.2, TempAcc] "You can kill the passion for work with wrong kind of management. I know. I believe [what supports employee engagement] that one important thing is that you are close to the customer all the time, whether you work in maintenance or customer service or wherever, the message from the customers comes through to you too. You know what the customer feedback is." [Informant 7.6, TempAcc]
Cognitive (taken-for-grantedness)	An emerging 'tacit' view of the uniqueness of the organization and its business, constituting the basis for collective action.	"One thing that affects our whole company, which we probably do not always realize, is that we have an operation mode that is a bit schizophrenic in that we can never achieve this kind of optimal situation. We constantly need to optimize our operations. We have slowly built a culture where change is kind of a natural part of our DNA. --- We are not satisfied in a way --- This, way, of acting has definitely played a part in creating this culture where change is -- part of the operation mode. And people expect -- or people have this attitude, that hey, things keep developing and they expect that I develop in my work." [Informant 7.3, TempAcc]

Given that the strategy of TempAcc was firmly rooted in a customer-centered and service-based framing of the logic of business, resident services constituted an unquestioned basis for organizational action. With the dominant business rationale, the organization sought rapid growth and good financial performance as the market leader in temporary accommodation in Finland. This underscores the centrality of pragmatic legitimacy, which, in contrast to many traditional building owners such as PropInv, was focused on the *influence* form manifested in the emphasis on growth and ongoing development of the organization. For example, top executives rationalized the

pronounced emphasis on service development as means to improve the service for the customers, resulting in satisfied customers considered crucial for current revenue as well as future growth.

More importantly, TempAcc drew attention to the cognitive basis of legitimacy for resident services. According to Suchman, cognitive legitimacy rests on two forms, the comprehensibility and taken-for-grantedness of a new practice. Legitimacy based on *comprehensibility* means that an activity – here, resident service provision – fits the cultural-cognitive models and templates available to the members of the organization to organize, interpret and give meaning to the complex events which surround the organization (Scott, 2014; Suchman, 1995). In TempAcc, this form of legitimacy manifested in the ways in which the informants described their unique offering and mode of operations, conveying a shared understanding of how the organization aims to create value with the customers. Despite the unique approach to accommodation service provision, the interviews displayed notable confidence in their approach, perhaps reflecting the CEO's ability to construct and diffuse compelling explanations and interpretations of the logic the members of the organization should follow.

This was particularly interesting due to the radical distinction of this logic from the institutionalized forms of interpreting business in the residential sector. Because the logic of TempAcc was so distinct from other actors involved in accommodation provision, the challenge for the organization was to maintain an organized and efficiently coordinated flow of processes through which value was created for and with the residents. In this context, the interviewees highlighted the unique culture prevalent in TempAcc, embodied in committed and engaged employees constantly developing the different aspects of the service further. In some ways, this was considered a counter-force to the inherent uncertainty and ongoing change within the organization which undermined the comprehensibility of particular events of practices. Top managers described in detail this challenge and the ways in which they attempted to support the employees so as to sustain a shared understanding and collective engagement despite ongoing change, rapid growth, and the unique MO sometimes unfamiliar to customers and difficult to grasp for the employees.

The interviews also pointed to another form of cognitive legitimacy, based on *taken-for-grantedness*, which is the most subtle and powerful form of legitimacy, portraying a practice as inherent to the organization with no imaginable alternatives (Suchman, 1995). For this reason, legitimacy based on taken-for-grantedness is difficult to identify and distinguish from the comprehensibility form. Nevertheless, the discussions with managers in TempAcc drew attention to certain things inherent to the service-based approach of the organization which pointed to 'the DNA' of the organization, the deeply-seated beliefs on which the logic of the organization rested. One of these was the members' engagement in ongoing improvement of the service, illustrating a form of cognitive legitimacy deriving from the taken-for-

grantedness among organization members that things in TempAcc are indeed done from, in the lack of a better word, the 'service perspective'.

5.3.5 Legitimacy and the expression of values

The fourth and final quadrant of the framework illustrates a situation in which multiple rationales combine to support resident services. The distinction to legitimacy based on business logic is that whereas it adopted a narrower business focus for evaluating resident services, the current category contains multiple rationales which justify (or question) resident service provision simultaneously. In this context, the legitimacy of resident services appeared most ambiguous, yet given the prominence of the remaining case organizations, RentFound and RentChamp, perhaps also most enduring. Table 20 illustrates the empirical data in support of the findings discussed in the following.

Reflecting the empirical data against the complex setting within which both RentFound and RentChamp operated, all three dimensions of legitimacy emerged in the interviewees' reflections of resident services. Beginning with the pragmatic form of legitimacy, both cases drew attention to sensitivity regarding the costs of service development and provision given the fundamental purpose of these organizations to provide low-cost housing for their residents. Hence, resident services were, as in the for-profit organizations such as PropInv, somewhat difficult to legitimize from the perspective of their added cost. As one example, both organizations were constantly negotiating with the owner (municipality) regarding the extent to which the building owner had to fund provision of services inherently in the area, or at least budgetary response, of social services.

Considerations of moral legitimacy emerged as central to both the aforementioned case organizations, illustrating the consequential, procedural and personal variants (Suchman, 1995). Beginning with the consequential form, the managers in RentFound saw resident services as necessary to the realization of the social values central to the organization. For these managers, the additional costs of social housing management, for example, were considered secondary to the strong sense of social mission requiring the organization to look after its sometimes more disadvantaged residents, both for the sake of the welfare of these individuals but also to look after the safety and comfort of the housing communities for all residents. The consequential legitimacy also emerged in discussions concerning the technical maintenance services, particularly the importance of diffusing the resident-centric and socially responsible frame down to maintenance employees as their way of working plays a central role in residents' satisfaction.

Table 20 Forms of legitimacy for the expression of values

Legitimacy	Description	Representative quotes
Pragmatic (influence)	Concern for the lack of financial resources for resident services given the goal of low-cost housing.	"In principle, housing should be as inexpensive as possible, and everything else we provide can have a small profit margin." [Informant 5.1, RentFound]
Moral (consequential)	Service necessary for supporting the disadvantaged and realizing the mission of the organization.	"[Contrary to for-profits] we choose the worst customers from our perspective. --- And this evokes conflicting thoughts among the employees, in the sense that we consciously select difficult customers. It is difficult to motivate that. But that is why I try to emphasize our social and non-profit character, that it is our mission." [Informant 5.1, RentFound]
Moral (procedural)	Alignment with existing property management roles and similarity with the 'technical' organization.	"Our characteristic is that we have these resident housing managers. Some perceive it not as property management at all --- [but in comparison to the traditional model], the resident housing manager takes a totally different perspective to things like dialogue with residents which the traditional managers do not do." [Informant 5.3, RentFound]
Moral (personal)	CEO of the organization as the 'front-man' and champion of service transformation.	"[The CEO] is a good example of this, he has good values I think, that he thinks about the future and what is reasonable and sustainable, and what we can do to make things better for the next generation and all these kinds of things, and these make it easy for people to get involved, because if you have good values, it's a no-brainer." [Informant 6.2, RentChamp]
Cognitive (comprehensibility)	The formation of common understanding across the organization of what we do.	"I mean our new employees have come from service organizations. So they have this intrinsic idea that the starting point is the goal of a satisfied customer". [Informant 5.4, RentFound] "We adopted a completely different way of thinking -- we understood that we ought to serve our customer who pays for it all." [Informant 6.1, RentChamp]

Procedural form of moral legitimacy confers legitimacy to resident services if they align with procedures acceptable and legitimate in the organization at large, particularly in the absence of clear outcome measures (Suchman, 1995). In both cases, this form is visible in the way resident services were organized.

In RentChamp, for example, resident services were introduced within the maintenance organization, leveraging synergies in the use of resources as neighborhood-based janitors and cleaning attendants also provided services directly for the residents. In RentFound, the social housing management and other resident-supporting service tasks were labeled and organized as activities similar to the traditional property management, as illustrated by the label 'social' housing management, for example, or 'social janitors'. Hence, managers were able to legitimize resident services by framing these new roles and tasks through the use of existing categories common to the residential field.

The personal facet of moral legitimacy was most evident in RentChamp, whose CEO was the 'champion' of customer-centric thinking and central to the transformation of the organization into a customer-centric mindset. The ways in which the middle-level managers discussed the role of the CEO in the reformation of the organization offered indication that new practices oriented to serving the residents were accepted and adopted to a good extent because the CEO's values and his legitimate leadership central to the life of the organization. This may have been particularly relevant during early parts of the transformation during which cognitive dissonance between the institutionalized frames and new thinking was more severe among the employees. In fact, the CEO noted in one interview that despite his open and egalitarian approach to promoting the transformation, he had to pay attention to how he paced the introduction of new ideas and solutions to others so as to avoid confusing the employees still embedded in old ways of doing.

Despite the clear distinction to 'traditional' building owners, both RentFound and RentChamp also drew attention to cognitive legitimacy based particularly on comprehensibility and shared understanding of the purpose of the organization. This manifested in discussions that explored the pluralistic character of these two organizations and their goals, and how integrated collective action was possible despite potential conflicts among different organizational sub-units oriented to different goals. The customer-centric thinking in RentChamp provided a clear guiding principle, a collective frame for organizational action, as did the emphasis on social mission and the key values in RentFound. In both organizations, there was also a concern for being able to diffuse and sustain this collective understanding that legitimized resident service provision all the way down to the maintenance organization. In RentChamp, this was achieved through establishing a subsidiary for property maintenance in which the top managers could systematically infuse the common values and beliefs as the basis of day-to-day operative practice. In RentFound, this question was more pressing due to operating with external service providers accustomed to the traditional MOs and lines of responsibility common to maintenance service provision.

In summary, moral considerations emerged as central to the legitimacy of resident services in both RentFound and RentChamp, constituting a basis for transcending the apparent contradiction in weaving together the building owner operations with the social mission deriving from the municipal context.

Here, the legitimacy of resident services transcended the strict low-cost pressure as managers referred to the necessity of customer-centric and service-based forms of action in the realization of their social mission. Both cases also drew attention to cognitive legitimacy of resident services, resting on members' comprehension of resident services as inherent and necessary parts of the organization with multiple goals. In many senses, the arguments illustrating both moral and cognitive basis of the legitimacy of resident services point to an understanding of resident services as central to the realization of organization's values, and the integration of multiple goals into a coherent guiding frame of the organization which the members strongly identify with. In relation to the literature on hybrid organizations, which suggests that strong overarching identities constitute the basis for successful and sustainable hybrid organizations (Battilana & Dorado, 2010), the current findings suggest that such identity may form around the customer- and service-centric frame which may allow organizations to balance multiple professional identities and strategic goals by transcending some of the apparent inconsistencies central to such hybrid organizations.

5.3.6   Promoting the legitimacy of resident services

The different forms of legitimacy for resident services underscore the differences among the four archetypical frames. Table 21 summarizes the different forms of legitimacy central to the four frame archetypes. The differences in the justification of service transformation imply different ways in which organization members approach the legitimation of novel frames guiding collective interpretation and action in the organization. As proposed by Suchman (1995), different forms of legitimacy call for different legitimation strategies. Hence, the remainder of this section examines in more detail the means or tactics used by key individuals in the case organizations to promote the legitimacy of resident services during service transformation. More specifically, the empirical data is examined based on the different forms of legitimacy, and their coupling with the dimensions of the framework developed in section 5.2. These findings are summarized in Table 22.

Instrumental view. Beginning with the dimension of identification with resident services, the previous analysis suggests that an instrumental view of resident services relies primarily on pragmatic legitimacy, specifically the influence form oriented to the longer-term benefit of service activities or offerings for the organization. In this context, the empirical evidence points to at least three managerial tactics of building legitimacy for resident services in the organization: formal planning, theorization, and fostering pluralism.

First, *formal plans* help individuals present a new theme or development project to others, its pros and cons, and focus on establishing means to avoid negative consequences. Building on the case organizations, the instrumental view of resident services signals the domination of property-centric core business goals in the process of formal planning. For example, the new residential quarter project by PropInv with resident service features was

outlined and presented in a format clearly making visible the expected costs and benefits of the service elements influencing the development project revenue. Although the executives later judged the service features too expensive, the plans enabled the development team to carefully consider and design the new project to provide as attractive as possible context for legitimate service provision.

Table 21 Summary: The legitimation of resident services

		Diversity of arguments	
		Business-centric rationales	Multiple interrelated rationales
Identification with resident services	Constitutive logic	**Basis of business logic** Cognitive: Customer- and service-centric approach inherent to organization's business logic. Pragmatic: Profitability and growth the drivers for ongoing development.	**Expression of values** Moral: Resident services central to realizing the social mission of the organization. Cognitive: Shared understanding of the pluralistic mission of the organization and role of resident services in value creation.
	Instrumental view	**Profit generation** Pragmatic: Impact of resident services on core business profit generation.	**Organizational reorientation** Pragmatic: Impact of resident services long-term performance. Moral: Realization of underlying goals other than business performance.

A-Homes offers another example of the importance of formal planning. The key executive engaged the organization in research projects and careful internal development to outline and specify the new services offered to the residents. In combination with his personal legitimacy, these plans established a base of legitimate and communicable knowledge allowing the executive to legitimize and champion resident service development in the organization. As explained by the key executive:

> *"We pilot tested these in [two residential buildings], how [the renovation packages] work — and we conducted a lot of research on how people perceive these, what they value and experience. So some things start from small-scale experiments to see how they work, but here the matter was that it had to be quite well planned before [taking it to the market], since we are talking about nation-wide*

operations, you cannot go there unless you have it processed"
[Informant 3.1, A-Homes]

Second, *theorizing new relationships* between the new resident services and the long-term trajectory of the organization constitutes a managerial tactic to legitimize resident services, closely related to formal planning. Less explicit than formal plans, and more decoupled from the preexisting core business measures, theorizing may be particularly useful in convincing others of the potential value of new resident services even in the absence of plausible numbers or other explicit evidence. In SunClean, for example, the rationales for launching the domestic service emphasized the expected future business potential of the currently small but growing domestic service market, and the positive impact the managers perceived the domestic service to have on the brand value of the company. As the long-term outcomes are inevitably uncertain and ambiguous, it may be particularly useful for managers to have the ability to construct intuitively appealing cause-effect relations which link resident services to the projected future of the organization.

Third, managers may also *foster pluralism* during development projects or organizational change, keeping the 'door open' for new service offerings or forms of activity in the organization. PropMgmt displayed such pluralism of meanings in the transformation process that unfolded first around the development of the new online portal, and later with the reorganization of property management processes. At the beginning, different managers interpreted the process in different ways, projecting different futures for the organization. During the development of the online portal, different meanings still existed, ranging from the 'formal view' of core business enhancement to more latent and prospective views of the portal opening up whole new service opportunities. The same thing is visible in A-Homes, in which the key executive simultaneously emphasized the property-focused processes and service development, keeping different subordinates oriented to different processes inside the organization. Reflecting on the informants' views more broadly, the data suggests a kind of 'open-endedness' prevalent in these organizations. From the viewpoint of pragmatic legitimacy, this open-endedness may have contributed to the legitimacy of resident services by making the goals and performance criteria more ambiguous, thus creating buffer against negative evaluations of resident services.

Constitutive logic. The category of resident services as constitutive logic of the organization points to the predominance of cognitive legitimacy for resident services. As customer-centric service provision is taken as a core principle of the organization, it seemed unnecessary to even discuss the legitimacy of resident services in these organizations as the legitimacy rested on the intuitive comprehensibility and taken-for-grantedness of resident services among organization members. Reflecting this against the widespread institutionalization of property-focused logics in the residential field, the novelty of customer-centric and service-based modes of operation called for

extensive managerial attention to support the unique frame in the organization against external pressures. The empirical evidence points to at least three tactics available to managers in supporting cognitive legitimacy: leveraging existing categories, ongoing rationalization of actions, and selective recruitment and training.

Table 22 Managerial tactics to promote different forms of legitimacy

Dimension	Dominant form of legitimacy	Managerial tactics for legitimacy building
Instrumental view	Pragmatic legitimacy (influence)	Use formal plans and data to support initiatives extending beyond current core business performance. Theorizing indirect relationships between service provision and long-term performance of the organization. Foster pluralism by keeping doors open for different options during change projects.
Constitutive logic	Cognitive legitimacy	Leveraging and translating existing categories and templates. Rationalization of actions, involving ongoing sensemaking and sensegiving. Recruitment and training of more 'receptive' audiences.
Business-centric rationale	Pragmatic legitimacy (exchange)	Conforming to the predominance of core business goals, framing resident services as supportive of them. Embedding service considerations in core business projects. Underscoring resource alignment and potential benefits of synergy.
Multiple interrelated rationales	Moral legitimacy	Conform to and leverage idealized notions of purposes other than profit generation. Foster trust with superiors to generate latitude. Strive to high 'technical' performance legitimizing pluralism through 'spillover' effects.

First, the data shows that managers *leveraged existing categories and cognitive templates* to make sense of new forms and logics of activity. The CEO of TempAcc, for example, described their logic of operations by positioning their service between the known categories of rental and hotel accommodation, and another informant defined their scope as "everything else the traditional accommodation forms do not cover". Using existing

categories to support members' and external constituents' comprehension of new service activities, RentFound labeled its new functions in align with existing terminology as 'social housing managers' and 'social janitors', aligning the new roles with the existing and well-understood roles of property management and maintenance. These suggest that building cognitive legitimacy rests on the symbolic efforts of key individuals to evoke and modify known categories and meaning structures so as to convey understanding of the unique approach of the organization.

Second, managers in the case organizations engaged in extensive efforts to *rationalize actions* by interacting with organization members and engaging in more or less ongoing sensemaking and sensegiving efforts regarding how the organization operates (cf. Gioia & Chittipeddi, 1991). In TempAcc, for example, the unique approach called for extensive efforts by managers to keep members on board with ongoing change, and to involve the members of the organization in the development of service practices in the growing organization. In practice, this was achieved through frequent meetings within and across functional units, and by fostering informal interaction among organization members to facilitate guided collective sensemaking characterized by balanced engagement between managers and employees, and the production of unitary but rich accounts of events as the basis of sensemaking and decision making (Maitlis, 2005). Similarly, RentChamp drew attention to the importance of the CEO's effort to facilitate transition and support employees' adoption of new interpretations by maintaining ongoing open interaction among the members to discuss and reflect on of what the organization is about and what kind of change is needed to better address the needs of the residents. As stated by the CEO:

> *"I noticed that – and am guilty for – thinking about some thing for three months when I drive to work in the morning. In my own mind. And when I felt the idea was ready in my mind, I present it here [for the employees] and wonder why they are not getting it right away."*
> *[Informant 6.1, RentChamp]*

The third tactic involved *selective recruitment* of employees already more receptive to the frame of the organization. TempAcc clearly sought specific types of young employees easily adaptable to the distinct logic and ways of the organization. Similarly, RentChamp consciously steered away from hiring maintenance or property management employees with strong orientation to the asset-centric logic, instead seeking employees with innate orientation to customer service and little previous exposure to the property-centric culture in the field. RentFound also applied selective recruitment practices to find people suited to operate in the nexus of property- and human-focused goals. Coupled with training, these HR-related practices helped build cognitive legitimacy for customer-centric and service-based forms of activity in the organization, reducing conflicts between the institutionalized practices of the field and the unique approach of the organization.

Business-centric rationales. In the dimension of argument diversity, the business-centric rationales drew attention to the predominance of pragmatic legitimacy with emphasis on the exchange form, that is, the immediate benefit of resident services to core business. In align with Hahn et al. (2014), this category displayed clear and relatively unambiguous business thinking behind decisions, manifested in the narrow but highly specified frame that guides decision-making. In this context, legitimacy was conferred to resident services based on their contribution to the financial performance of the organization. From the managers' standpoint, the tactics to promote the legitimacy of resident services appeared relatively limited. Based on the empirical data, the tactics included conformation to core business goals, embedding service consideration in core business projects, and highlighting benefits of synergy.

Firstly, individuals seeking to promote resident services simply *conformed to the core business goals* of the organization and sought to accomplish within them the best outcomes they could with respect to developing resident services. PropInv offers an example of a strategic framework within which the manager responsible for customer relationships had, within the constraints of a small budget, the ability to develop solutions adding value to residents' housing experience. For example, this enabled the development of a network of third party service providers whose services were made available to the residents at discounted prices. Within large institutionalized organizations, this may be the most common tactic for seeking to promote new resident service solutions. As elaborated by the manager:

> "The challenge originates in... We talk a lot about customer experience and we have had internal training. And we have clear meters --- And the hard reality comes from the fact that this is business, in which we have certain allowances for renovations, budgets for rental revenue, these specified boundary conditions within which we must try to combine [customer experience and business]". [Informant 1.8, PropInv]

Second, some legitimacy may be conferred to resident services by *embedding them in legitimate core business projects or processes*. As illustrated by PropInv, the organization had included resident service features in the development project of a residential quarter, but which were eventually cut out due to declining economy and executive board unconvinced of the adequate positive impact of resident services on revenue. The later interviews in PropInv and PropMgmt also suggest that the legitimacy of resident services may be reinforced by embedding the principles of customer centricity and quality service in the technically or administratively focused core processes of the organization. In these cases, relatively minor principles are introduced and widely discussed in the organization as important for future business, gradually making the service-related agenda more salient and legitimate in the organization.

Third, SunClean drew attention to using possible *benefits of synergy* as the central argument to legitimize organization's engagement in providing new resident service. With existing operations in the B2B cleaning services, SunClean could leverage its existing resources and competences in cleaning work to launch new business in the domestic service context. This was considered an important factor behind the decision to enter the new market by the interviewees, as the expansion of operations toward resident-centric service provision did not require major investments. This represents an alternative form of conformation to core business goals which, contrary to cases of conformation to existing goals and measures, seeks to convince decision-makers by demonstrating the low cost of entry that enables experimentation with new services which instantly begin to generate revenue.

> "And then, if we think about our company and our service offering, in a way it [the domestic service] suits us well because it's exactly in the field of our basic business." [Informant 2.3, SunClean]

Multiple interrelated rationales. The fourth and final main category of this study describes organizations with multiple interrelated rationales constituting the basis for action oriented simultaneously to multiple goals. In these cases, the moral forms of legitimacy emerged as the most salient, with heightened sense of, and sensitivity toward, the values and goals of the organization, as well as the aspirations concerning its future. In this context, the means available to managers to legitimize resident services, focusing particularly on the moral dimension, included: leveraging idealized goals, fostering trust, and striving for high technical performance.

Leveraging idealized goals means that managers evoke certain idealized notions of particular goals or values as central to the organization. For example, the CEO of RentChamp clearly chose to emphasize customer-centricity as the basis for organizational action, underscoring the distinction to the traditional, bureaucratic mode of public building owners alienated from the humane and respectful treatment of residents. While surprising for a public organization to evoke such market-oriented meanings, the interviews displayed a more balanced framing of the organization not as market-based but rather human-centered and committed to the provision of good service in all of its processes. In RentFound, the interviewees leveraged the distinction between operating in the housing markets with emphasis on the provision of low-cost housing, and the social mission of the organization extending beyond the market-based imperatives. These examples show how managers may be able to construct legitimacy for resident services by emphasizing some goals over others as the basis of operations.

Second, *fostering trust* is important from a moral standpoint as it confers personal legitimacy to particular managers and the service projects they promote. While somewhat difficult to evaluate based on the current data, at least A-Homes drew attention to a close and trustful relationship between the CEO and the key executive responsible for the development projects,

conferring legitimacy to resident service development. Similarly, trust characterized the intra-organizational relationships in RentChamp and RentFound. The informants recurrently underscored how all members were pushing to the same direction, whether they worked in customer service, social housing management, or technical property management. While much of this trust may be accountable to personal traits of CEOs and other key executives, as was evident in all three aforementioned organizations, it may also depend particularly on the personal values of executives which align with the more explicitly stated goals or mission of the organization. Low dissonance in this sense may help organization members identify with their leaders and perceive their vision as credible and consistent with the broader organizational context.

The third tactic illustrates the interesting effect of spillovers from good technical performance to moral legitimacy (Suchman, 1995). In addition to good performance of the organization contributing to the pragmatic legitimacy of resident services, *technical performance* may also legitimize the goals or values underlying service provision in the organization. This may happen in a number of ways. For example, change in the orientation of property management in RentChamp involved the introduction of a new ERP system and new measures to monitor performance, including heightened attention to customer satisfaction. As the new system began to generate positive feedback, faith in the new orientation of the organization was reinforced. As a result, the technical changes appeared to create fruitful grounds for more comprehensive reframing of the organization's purpose. This was also visible in A-Homes with its increasing orientation to service coordination, and in RentFound committed to supporting residents' social welfare. While the causality remains a question for future research, the current findings suggest that the positive effects of business performance on the formation of new interpretations and understandings, and the moral legitimacy of resident services, may be particularly relevant.

In summary, different dimensions of legitimacy draw attention to different means for promoting organization's engagement with resident-centric service provision. These differences root in the fundamentally different ways of framing resident services with distinct patterns of identification and constitutive rationales. However, the distinct rationales underlying different frames, and the managerial tactics to promote the legitimacy of resident-centric service provision, only provide half the picture regarding the cognitive underpinnings of service transformation. The findings so far develop the key dimensions with which to understand the archetypical ways framing resident services as legitimate parts of the organization, and identify managers' means to promote these frames in their organization. The next step is to focus on how the frames influence the manifestation of service transformation in the organizations.

5.4   Integration of resident services in organizational practice

Resting on the practice perspective of human conduct, this dissertation perceives frames both contributing to, and being shaped by, organizational practice (e.g., Giddens, 1984; Schatzki, 2001). Frame change and service transformation at large involve not only managers formulating and imposing new schemas of interpretation, but also intertwines with the enactment and ongoing refinement of these frames in practice by the members of the organization (cf. Dionysiou & Tsoukas, 2013; Feldman, 2003). This means that service transformation requires both 'symbolic' and 'material' efforts to achieve change in the enacted practices by which the organization seeks to create value with others, putting premium on collaborative interaction among individuals and groups constituting the organization. In this context, it is important to understand how managers in the case organizations facilitated the transition toward increasing resident- and service-orientation 'in action'. This section focuses on elaborating further the third research question by expanding from the domain of legitimation to promoting change in the activities, structure and culture of the organization central to service transformation.

5.4.1   Service transformation as hybridization

An essential feature of service transformation is change in the collective understanding of how the organization creates value, which in the current context distinguishes between asset- and service-centric orientations or logics (see section 4.2.3). As service transformation rests on managers' and other organization members' efforts to reframe the purpose of the organization in a collectively acceptable, understandable and viable way, it is possible to perceive service transformation as at least temporary hybridization of multiple logics of value creation in the organization. Literature defines hybrid organizations as those combining multiple institutional logics in new ways (Battilana & Dorado, 2010), which in the context of the residential sector means the integration of service-based logics to the preexisting, asset-centric logic focused on the property.

   The value of the hybrid organization perspective is that it draws attention to the efforts during service transformation to integrate and balance incompatible identities, goals, perceptions and activities stemming from the different logics coexisting in the organization (Battilana & Lee, 2014). While the hybrid organization literature is mostly oriented to social enterprises and other organizations more permanently balancing between institutional logics, for example the logics of market capitalism and social welfare (ibid.), the framing perspective of this study proposes that the coexistence of multiple logics provides managers with significant room for maneuver (Seo & Creed, 2002) with the ability to interpret logics in different ways (Vican & Pernell-Gallagher, 2013) and engage in efforts to change the patterns of value creation at the field level (Gray et al., 2015) – in other words, innovate. As the empirical findings already show, resident services can be framed in diverse ways.

However, the question remains how different frames orient managers', as well as other organization members', attention to the promotion of service transformation in action?

Battilana and Lee (2014) propose five key dimensions for research on hybrid organizations: organizational activities, human resources, organization design, interorganizational relationships, and culture. In the current study, I focus more specifically on three, namely activities, organization design, and culture. First, *activities* draw attention to the management of operative routines and processes in the organization to enable the implementation of resident service activities in practice. How the frames influence managers' effort in establishing new service processes constitutes a particularly interesting point for further analysis. Second, *organization design* is focused on the formal organization of resident service activities, specifically from the viewpoint of their structural separation from, and integration with, property-focused activities. With differing attitudes to and rationales for resident services rooted in the archetypical frames, it is likely that different ways of organizing activities emerge in the organizations. The consideration of organizational design also includes attention to incentives and control systems shaping the ways in which members of the organization engage with resident services. Finally, *culture* constitutes the third dimension emphasizing efforts aimed at influencing the shared values and norms constitutive of how the members of the organization make sense of themselves and the organization. Here, HR practices such as recruitment and training play an important role, as do managers' support for employee engagement, for example. Table 23 summarizes these layers for the following analysis.

Table 23 Layers in the management of service transformation

Dimension	Focus
Activities	Management of operative-level activities, including the development of new resident service processes
Organization design	Formal organization design focused on the separation and integration of resident service activities from those focused on properties, as well as organization's incentives and control systems
Culture	Shared values and norms constitutive of how the members make sense of themselves and the organization; emphasis on recruitment and training practices, as well as managerial support and guidance

Two of the original five dimensions are absent from this consideration. First, the dimension of interorganizational relations was excluded due to the organization-centric focus of the current study. Second, HR is integrated with culture since HR, particularly recruitment and training, constitute means for cultural change in organizations.

In addition, some clarification between the concepts of culture and frame is in order. Collective frames are central parts of organization culture encapsulating the specific ways of interpreting the organization in its context to orient actions (Giorgi, Lockwood, & Glynn, 2015). The current section draws attention to other facets of culture with particular emphasis on the more institutionalized norms and values shared by the members of the organization within the broader field context. Hence, the aim is to understand how the formation and promotion of new frames is linked to other elements or manifestations of culture.

Next, the three layers are leveraged in the analysis of how the different frames manifest in organization members', particularly managers' efforts in promoting service transformation in the organization.

5.4.2 Managing service transformation in the case organizations

The case organizations displayed diverse approaches to service transformation. In each organization, the interviews with managers drew attention to diverse practices and roles adopted by managers in the promotion of new resident-centric services and the underlying frames. In this section, a brief overview of each case is provided pertaining to the three aforementioned dimensions. Thereafter, data is analyzed in more detail to understand how different approaches to framing resident services may influence the course and outcomes of service transformation in the organizations.

PropInv. The interviews with representatives of PropInv illustrate a cautious approach to service transformation with managers tempering the evolution of resident services by confining it quite strictly within the context of property-focused core business. Two forms of activity were implemented in PropInv to address resident service development. First, resident service features were considered within property development projects, including seniors' housing projects in collaboration with care service providers, and the residential quarter project aimed at broader audiences with resident services playing central roles in the marketing of the concept. In these cases, managers in the project organization were involved in considering the organization and implementation of service activities as a part of the project. Second, one manager within the customer service and marketing team was assigned the development of resident services along her other duties, including the organization of community events and the development of the broader network of third-party service providers offering their products and services for the residents at discounted prices. Both these examples illustrate how PropInv bracketed the development of resident service activities within clear boundaries of existing core operations, underscoring its core business focus. A top executive reflected on the reason for their cautious approach:

> "We have learned that this is such a differentiated market that it does not... There is no one concept that fits all. And we haven't yet found the mass product or service that is feasible business-wise, or feasible,

sure, but not something which would bring the extra added value if you know what I mean." [Informant 1.2, PropInv]

With regard to organization design, PropInv displayed a separation of resident services from the property development and investment management activities. While managers involved in property development and investment activities at least partially took responsibility for resident service development as well, the implementation of customer benefits or community events relied on extensive use of third party service providers. This was pronounced in the strategic decision of PropInv not to get involved in any forms of service provision, pointed out by nearly all informants of this study. Instead, managerial efforts were oriented to searching for ways in which 'added value' could be generated in a manner very easy and effortless for the current organization to implement and oversee. As mentioned in previous sections, PropInv emphasized its existing control systems as the basis of evaluating resident service performance. Furthermore, the organization remained oriented to its investor / building owner logic and goals, the interviews revealing few attempts to add new competences or perspectives to the organization through recruitment, for example. But as opposed to treating this as a shortcoming, a top executive implied in the interview that this too is a strategic decision to focus on core business:

"We don't want to be the service provider, besides for the housing service." [Informant 1.1, PropInv]

SunClean. With its introduction of a B2C domestic service, SunClean drew attention to more extensive efforts at implementing the new resident service inside the organization. In the context of key organizational activities, managerial focus was initially on the design of the service from an operative-level perspective, including attention to the service process and resourcing, pricing, as well as handling the customer interface. In this effort, the organization relied on the expertise of existing executives familiar with the technical side of cleaning services, these managers producing the initial outline that enabled the launch of the service.

"Regarding domestic services, since we have consumer customers on the laundry unit side, we know how it works, we have existing invoicing systems and everything, so basically the contract models have been created already and we've confirmed that they are suitable for this consumer business and that they work." [Informant 2.1, SunClean]

Contrary to providing a strict formal process model for the service, this design process resulted in a flexible outline further refined and specified after launch. Management of new service operations therefore did not rest so much on formal plans and guidelines as on the experience and employee competence on

cleaning service provision. The development of the service continued post launch not only with respect to the content and performing of the service, but also related to resource planning and particularly marketing for the consumer audiences. In this continued development process, issues were discussed and decisions made among a team of top executives as well as key members of the domestic service organization. The interviews suggest that these meetings were relatively informal and assembled on need basis, portraying the development efforts somewhat unorganized and resting on the efforts of key individuals.

With respect to organization design, the domestic service was separated from the B2B cleaning organizations, the former having dedicated employees and operative managers responsible for the new operation. Administratively, the service was positioned within a B2B cleaning service business unit because it was seen as a way to motivate the B2B business units to promote the domestic service among their client organizations. This also involved applying the incentives and control systems of the B2B operations to the new business area of domestic services, although with less demanding goals accommodating the gradual growth of performance. However, this arrangement was later changed as the domestic service was formally positioned under the laundry service organization also serving consumer customers, in attempt to find solutions to the poor marketing performance and slow growth of the domestic service. In both cases, the dominant viewpoint was to separate the domestic service employees and managers from the B2B service provision in order to efficiently address the needs of different types of customers without confusing existing operations.

The interviews also suggest that the managers in SunClean were not required to engage in extensive efforts in shaping organization culture as the domestic service aligned with the existing identity of the organization as a professional cleaning service provider. Furthermore, the new operation explicitly acquiesced with the organization-wide norm of not marketing in mass media, regardless of its apparent contradiction with the principles of consumer marketing. Thus, existing assumptions and values constitutive of the organization were retained, and employees recruited and trained following the existing practices already implemented in B2B operations (with some tailoring to the training routine to the home context). With emphasis on training and employee competence, the informants underscored alignment with existing culture treating employees as its key assets:

> "We have an excellent training system, we invest a lot in training the employees and reinforcing their competence, and I believe we have a lot of competence in cleaning work." [Informant 2.2, SunClean]

A-Homes. The third case, A-Homes, draws attention to more extensive managerial efforts at achieving service transformation. At the level of activities, a top executive took a leading role in the organization with respect to developing ideas and refining them into new service concepts. In this work,

the manager involved other members of the organization increasingly as the ideas were refined and brought closer to implementation, but kept the development projects quite carefully separate from the ongoing practices of the organization. From his standpoint, the careful and detailed design of new activities and service concepts was important, creating a comprehensible and easily implemented basis for a traditional building owner like A-Homes to adopt new activities focused on resident service provision. However, the designs for the service activities were not immutable; the introduction of the home renovation service is a good example of ongoing adaptation of the service to emerging customer needs and difficulties with initial suppliers, as a result of which quite major changes both to customer-facing and back-office features of the service were made.

In terms of organization design, the new resident service features – here specifically focusing on the renovation service – were compartmentalized from existing core business activities. A person was hired to market, coordinate and develop further the renovation service separate from the preexisting sales organization. The interviews drew attention to persisting boundaries between these two 'organizations' or teams despite close physical proximity and partially overlapping interests. Similar separation also characterized the compartmentalization of customer service from property management, both outsourced to specialized service providers integrated into consistent service by A-Homes' ERP system. Returning to the perception of the manager responsible for the renovation service, the concern seemed to point to a cultural distinction between apartment and service selling, even after a while of co-existence:

> "Then again, [the sales team] are skeptical and have prejudice [toward the new resident service], they don't see its potential. I would like to see, and [the top executive] also thought originally that it is important to [attach] this to the sales and our own sellers. But so far, I have not been asked to get involved in the sales process." [Informant 3.3, A-Homes]

This reference to distinct cultural orientations was visible in A-Homes more generally as the interviews supported a view of relatively clear structural and cultural separation into building-focused organizational sub-units and individuals focused on resident services. The top executive responsible for service development, while acknowledging this chasm, appeared to give relatively little attention to it in his broader organization-wide reflection, instead orienting his work to providing personal support and endorsement for the individuals involved in developing and promoting resident services, on the one hand, while similarly attending to the employees and issues stemming from the property-focused side, on the other. Given the relatively small size of the organization, there may have been little concern for the amplification of conflicts between different cultures, further balanced by the strong personal legitimacy of the key executive. Hence, the recruitment of a new employee

specialized in home renovations and interior design displays conscious orientation to increasing the pluralism of viewpoints and competences in the organization, legitimized as efforts to transform the orientation of the organization from sole building owner focus toward service coordination. In reflecting service development and broader cultural shift, the manager referred to a pragmatic and purpose-driven view of service transformation:

> *"These changes always include positive and negative things, but it's more about moving systematically toward a goal, and if you are afraid of changes, you don't dare anything. You have to take a goal and know that some things will be painful, but you learn from it and move forward." [Informant 3.1, A-Homes]*

PropMgmt. In the property management company, service transformation unfolded around the development of a new online portal and interaction channel toward the residents. The early development of the online portal centralized on the efforts of a three-manager team, with one (middle-level) manager playing particularly central role in the process, facilitating between customer research, software development and the organization. From the viewpoint of organization design, this indicated a challenge of integrating the online platform and the new forms of interaction and service provision in the property management organizations and their day-to-day practices. Involving specialization between technical property managers, customer service and 'specialists' such as lawyers, with integration based on efficient use of the ERP system, the goal was to leverage new tools for more efficient operations with ability to offer residents more value. Control systems were similarly renewed as a part of the change, with growing emphasis on residents' and housing company board members' experience and satisfaction rising in importance.

> *"This breaks the common pattern of doing property management, and the question is how to get each individual property manager behind it". [Informant 4.6, PropMgmt]*

Managerially, the central concern with change related to overcoming the inertia of highly institutionalized property management practices in the residential sector, involving a change in the role of individual property managers within the organization and toward the housing companies. Service transformation thus boiled down to managing change in the property managers' taken-for-granted assumptions regarding their work and value creation in the property management context. The interviews suggest this was particularly challenging for PropMgmt due to the geographically dispersed organization operating through dozens of branch offices across the country, each performing property management in slightly different ways and meeting the proposed changes with different attitudes. Particularly early on in the change process, at the time of the launch of the online portal, the interviews suggest that the organization faced challenges in pushing forward with the

organization-wide change. Later on, as revealed by the final round of interviews, the organization had found ways for reorienting themselves as a property management organization.

RentFound. This case examined resident services in a publicly owned building owner organization committed to a social mission. In this context, the organization had implemented diverse service activities to support residents with their social issues, reduce social problems at housing communities and improve more generally the comfort of the residents. These services ranged from the helping hand of resident housing managers to social managers and more extensive support for reconciling social problems provided in collaboration with municipal social services. The managerial concern for service activities was not therefore related to immediate efficiency or systematization of service activities, but the overall help and support provided for the residents to ensure their problem-free housing.

From the perspective of organization design, the boundaries between different service activities, while established in different teams or sub-units, were not emphasized but rather downplayed in the face of the need to provide effective support for particularly those dealing with social problems. Rather than separation, the interviews suggest that the managerial focus was on the integration and coordination of service efforts across sub-units to achieve best possible outcomes for the residents, with an eye on cost-efficiency throughout (from the viewpoint of the municipality on the whole, rather than directly for RentFound). This was also visible in the control systems, which – particularly when focused on resident services – did not aim at high resolution and unambiguous KPIs, but instead emphasized the overall effectiveness of the organization with respect to its overarching mission.

With efforts to balance the technical and building-related goals, as well as the demand for low-cost housing with the goal of improving residents' welfare, the interviews drew attention to the importance of shared values as the basis of organizational integration. From the perspective of the CEO, clarifying the social mission and values of the organization – including resident-centricity, affordability, social responsibility and democracy – among employees was particularly important. Equally, the informants considered important to recruit people with values similar to the organization. As expressed by the CEO:

> *"I try to emphasize our social mission [to reduce tensions within the organization], its our mission. It has been given to us, and if we did not operate this way, we would not exist. Of course you can always compare the values of our people. And someone with strong business orientation may not stay with us for very long. Because our view is a little different. This is not something to grow out of proportion either, but I'm guessing our spirit is different from many other firms. And we have not tried to hide it but rather to embrace it." [Informant 5.1, RentFound]*

RentChamp. The second public building owner, RentChamp, drew attention to similar reorganization of property management activities as in RentChamp and PropMgmt, with emphasis on supporting residents and providing them high quality service. From the perspective of managing change at the level of organizational activities, the primary 'mode of action' was one of rapid application of ideas in practice to achieve ongoing but locally incremental change easy for the members of the organization to take part in and adapt to. The CEO played a central role in facilitating this transformation, promoting the reconstruction of activities in a collaborative manner with the members of the organization. The small size of the organization may have also contributed to the tolerance of lower formalization of activities, leaving more discretion to individual employees to develop their work practices and participate in developing the ERP system constitutive of the core processes of the organization.

An important transition in RentChamp unfolded around the reorganization of the property management and customer service functions, separating between the technical experts and customer service, and leveraging an ERP system to integrate and coordinate service provision both within the organization and toward maintenance services. By establishing a maintenance service organization as a subsidiary, RentChamp also took control over how day-to-day maintenance services are provided, emphasizing customer-centricity as an organization-wide principle extending down to the operative-level activities performed at the properties. While the change produces seemingly separate specialized teams focused on technical property management, maintenance, and customer service, the interviews suggest that RentChamp, like RentFound, emphasized integration among these functions as the basis for providing good service. Central to orienting these functions to the common customer-centric mission was the ERP system, which the CEO emphasized as important for providing transparent and clear goals for teams and individual employees, and coordinating between functions to reduce throughput times and ensure quality service experience for the residents. The CEO considered important to engage employees in the new system from ground up:

> *"Thinking our personnel and how to keep them on board, we have a performance bonus system with vacancy rate as one meter, then customer satisfaction, and financial bottom line --- and it clearly gives a boost, setting a meter, it makes the people go after it. And the point is to make [changes] attractive to the organization, that we focus on this for now and it's important." [Informant 6.1, RentChamp]*

In the transformation, the primary concern was to find ways to provide better service for the residents, emphasizing a cultural change from the bureaucratic mode of housing provision for the municipality according to the goals set by

the political system. For the CEO, this required efforts to instill new interpretations of what the organization does, and promote new values central to reconstructing organizational identity. Besides ongoing dialogue with organization members to support the formation and adoption of new activities and roles, the CEO implemented a training program using the expertise of different professionals to facilitate cultural transition through common training events and workshops. These contributed in particular to shift in employees' orientation to their work, as greater emphasis was placed on the responsibility and freedom, or engagement, of individual employees in their work. In the context of property maintenance, this manifested in the heightened appreciation of the work of janitors and cleaning attendants, and in the direct support and encouragement provided for these people to take initiative in improving the quality and conditions of their work. In this sense, change rested also on recruiting people with less exposure to the residential industry and its institutionalized practices and mindsets, perceived as opposing the desired approach to work by the managers. Quoting the CEO:

> "We must be able to make decisions. The janitor or cleaning attendant, if he or she sees an issue or thing to develop, they have the permission to point it out so that we can improve. This kind of open culture. And it has been one central force allowing us to progress. --- We did this rule back then, a license to act in a way. If James Bond has a license to kill, we have license to act." [Informant 6.1, RentChamp]

TempAcc. The final case offers an insight into an entrepreneurial organization growing around a unique strategy, business model and organizational form to provide temporary accommodation for the customers. Given the entrepreneurial character of TempAcc, the interviewees emphasized ongoing facilitation of improvement in the operative routines and activities performed to create value for and with the residents. The way of achieving this was the organization-wide involvement of employees in developing their work, and stimulating rapid iterative cycles of development experimenting with new solutions in practice as fast as possible. While essential for a rapidly growing organization such as TempAcc, the interviews also drew attention to the increasing concern for efficiency and standardization of activities to ensure the consistency of service offerings and experiences. As a result, multiple informants considered the balance between these somewhat contradictory 'trajectories' as an important question or issue for the whole organization in order to transition from a small entrepreneurial organization to a mid-sized market leader.

While organized into specialized teams or sub-units, the organization was characterized by the lack of steep boundaries between different units. Deriving from the unique mission of the organization, the interviewees emphasized instead the need for high levels of coordination and integration among teams and sub-units to provide customer-centered housing services. The head of ICT

played a central role in coordinating between the development of the ERP system and service development in different sub-units of the organization. Characteristic of organizational design in TempAcc was the goal-oriented approach to managing the employees and sub-units. The CEO as well as other managers pointed out the centrality of goal setting and monitoring for managing the work of individuals, the goals and meters broken down to individual and team levels involving concrete goals such as the adoption of a particular practice or adding one new customer encounter to one's work day. Coupled with personal support and conscious avoidance of judgment upon mistakes and failures, the precise goal setting and monitoring, with rewards for good performance, appeared central to pushing the organization forward.

Unsurprisingly considering the organization's service-centric frame, the interviews also portrayed a unique organization culture. Given the entrepreneurial origins of the organization, the 'story' of TempAcc was not one of cultural transformation as was the case in the other case studies in this dissertation, but rather one showcasing an emerging identity and culture formed around the distinct approach to the provision of accommodation as service. Central to this culture was fostering employee engagement in ongoing development, and attuning to customer needs and experiences. In good part, this rested on recruiting young and motivated people fitting in the rapidly changing organization, supported by practices such as job rotation and frequent informal interaction which helped create a sense of common engagement among employees to shared goals. While most informants struggled to pinpoint what is unique in TempAcc, the following statement by one of the members of the executive board captures many of the essential points regarding their culture:

> *"One thing that affects our whole company, which we probably do not always realize, is that we have an operation mode that is a bit schizophrenic in that we can never achieve this kind of optimal situation. We constantly need to optimize our operations. We have slowly built a culture where change is kind of a natural part of our DNA. --- We are not satisfied in a way -- This, way, of acting has definitely played a part in creating this culture where change is -- part of the operation mode. And people expect -- or people have this attitude, that hey, things keep developing and they expect that I develop in my work." [Informant 7.3, TempAcc]*

Taken together, these brief descriptions of the seven case organizations illustrate different orientations to the promotion of service transformation. These accounts provide the basis for exploring in more detail the influence of different frames on the unfolding of service transformation as mediated by managerial efforts to facilitate organizational change. The next focuses on the dimension of organization's identification with resident services, and the one that follows examines the diversity of arguments. In these sections, the main question is how different orientations to framing resident services may

influence managers' focus of attention during service transformation, influencing its outcomes. To gain deeper insights, both sections examine the cases through the previously presented layers of activities, organization design, and culture.

5.4.3 The contingency of identification with resident services

The dimension of identification with resident services distinguished between instrumental views of resident services, and resident services as the constitutive logic of the organization. Focusing on the layers of activities, organization design and culture, the following findings identify distinct managerial solutions that couple with different ways of framing resident services. These are summarized in Table 24, and discussed in detail in the following.

Table 24 The contingency of identification on the management of service transformation

Dim.	Instrumental view	Service as constitutive logic
Activity	Operative detail Primary focus on the operative service process with implicit efficiency focus, managed through formalized service processes	Resident value Service development & activity orientation to resident value (implicit effectiveness focus & integration)
Design	Embedded compartmentalization Within existing business units, under top executives whose primary focus was on building-focused operations	Parallel compartmentalization Autonomous, CEO-endorsed sub-units with dedicated managers also members of the executive group – emphasis on coordination and integration among units
Culture	Unquestioned assumptions & values Preservation, or even unconscious reproduction, of preexisting assumptions, values & beliefs in managerial action	Management with and toward customer-centric values and beliefs Managerial efforts to formulate new values and beliefs used as managerial 'tools' for directing efforts; dissemination through recruitment, training and 'socialization'

Beginning with focus on managing transition at the level of organizational activities, the interviews suggest that the instrumental view of resident services manifests in managerial focus on the operative-level development of service activities and processes. The interviews in SunClean illustrate this orientation as the informants frequently emphasized their efforts to get the service up and running from an operative-level perspective. For example, a top executive described her role focused specifically on designing the service from

the viewpoint of operative-level service provision, including legal concerns specific to the B2C service context and the measurement for resource planning central to the operative organization of cleaning work. Hence, service development was focused on establishing a viable basis for service provision, promoted by top-level managers on the side of their commitments to advocating core business goals.

More broadly, the instrumental view toward resident services echoed an efficiency-centric approach to the development and management of resident service activities. This was evident in the limited investment in service development separate from service provision, present not only in SunClean but also in ProvInv in which the scope of developing and managing resident service activities was limited to specific projects and themes compatible with the property-focused strategy. Both A-Homes and PropMgmt also illustrate this approach, with A-Homes enjoying somewhat more latitude due to its non-profit form. These insights suggest that the instrumental view of resident services may limit the resources allocated for resident service development, requiring individuals who take personal ownership of the projects and promote them in the organization scraping together necessary resources where they can be found. The balance between agency for the development of resident services and the resource constraints is evident in the following quote:

> "And this building of a service network, we do it as much as we have resources for it at the moment. But it is not much. If we expand [the network] any more, it requires more, we need more time to manage it." [Informant 1.8, PropInv]

In contrast, service as constitutive logic manifested in managers' focus on resident value as the basis of developing and managing service activities. In comparison to the instrumental view, service as constitutive logic was coupled with organization members' focus on effectiveness, downplaying the relative role of operative details and the efficiency of the service particularly in the earlier phases of introducing new services. For example, managers in TempAcc stressed the importance of the customers' viewpoint in the ongoing development of service activities, and navigating the delicate balance between focusing on internal efficiency versus the effectiveness of the service as perceived by the customers. Similarly, top executives in RentFound emphasized the effectiveness generated toward the residents as the basis of resident service activities, concerned not so much with their efficiency (particularly concerning the severe cost pressure) as with being able to reduce the issues faced by residents through new activities.

It is important to point out that while the aforementioned examples, and theorizing in these findings more generally, illustrate organizations as aligning with a particular archetype, almost all of the seven case organizations also display features falling somewhere between the archetypical categories. PropMgmt in particular illustrates a degree of ambiguity with respect to its identification with resident services. On the one hand, the organization was

clearly oriented to the provision of technically competent and administratively rigorous property management, approaching the development of the new online portal instrumentally from the viewpoint of operative details. At the same time, the interviews highlighted the role the portal played in renewing the work practices of individual property managers, and the ability of the organization to build new and better forms of interaction toward the residents, thus implying a growing emphasis on resident value parallel to the 'technical' focus and goals.

Moving to organization design, the characteristic distinction between the instrumental view of resident services, and service as a constitutive logic, can be crystalized in the different ways of compartmentalizing resident service activities from property-focused activities. Organizations with predominantly instrumental views of resident services seemed to reflect upon resident services with a status ordering which established the property-focused activities at the 'core' of the organization, with resident services more peripheral to organization's mission. Organizationally, this was evident in organizing resident services within or subordinate to organizational sub-units focused on property-centric goals, their development being driven or endorsed mostly by managers involved in 'core' business. Only at the operative level did these organizations – for example, SunClean with dedicated employees for the provision of the domestic service – hire specialized foremen and / or employees to perform the new service. Equally, the organizational separation was clearly seen as means to protect existing 'core' operations from the new service activities, displaying separation from the resource perspective as well.

Organizations identifying more strongly with resident services, on the other hand, displayed formal organization structures in which dedicated top executives were responsible for resident service operations, thus granting them more equal position in the organization in comparison to the previous examples. In TempAcc, the managers of different sub-units participating in service provision were members of the executive group, and RentFound similarly appointed an executive to oversee the resident service activities with a formal mandate. In RentChamp, as well as in the other two cases, the CEO was committed to promoting customer-centric and service-based activities in the organization, conferring higher legitimacy to managers and sub-units dedicated for resident service provision or protecting resident service activities organized within technically-focused units. Hence, these organizations did not emphasize separation but integration and collaboration among employees and sub-units oriented to different goals. As explained by the CEO of RentFound:

> *"We have very different types of processes, based on different professions, we have technical people, we have social workers and accountants. --- We have a strategic executive group in which, while we do take care of a lot of operative issues, the basic division of work is that the executive group tries to look at the things common to all [sub-units]. And the collaboration and coordination between the sub-units." [Informant 5.1, RentFound]*

From the viewpoint of culture, and the efforts to influence the deeper attitudes, values and beliefs shared among the members of the organization, the dimension of identification draws the clearest distinction between the two archetypical forms of framing resident services. On the one hand, organizations with predominantly instrumental views displayed how the underlying values and constitutive frames central to the organization remained unquestioned during efforts to introduce new resident service activities in the organization. Thus, the focus on operative activities observed in SunClean may not represent so much managers' heightened sensitivity to the difficulties and intricacies of the operative details of service provision, but a lack of cultural orientation to more critically reflecting and reconstructing the fundamental assumptions and values constitutive of the organization. Similar lack of reflexivity was also evident in PropInv, and relatively persistent although somewhat more contested in PropMgmt in which different managers promoted quite different views of the future of the organization. Common to all these organizations was a sense of managing the resident service provision 'on the side' of more profound and important business activities, which the following quotation illustrates:

> "The downside is that we clearly have opportunities for more but it's a question of resources, and to take care of this well, it requires either a few passionate people who want to do it no matter what, and if I think about our case and if I left, it would be a major challenge as the development is so vulnerable, it would really require resources and also commitment from our company." [Informant 4.5, PropMgmt]

In organizations strongly identifying with resident services, the interviewees put much more emphasis on the distinct frame and organization culture constitutive of their customer-centric and service-based approach to value creation. In TempAcc, RentFound and RentChamp, the executives frequently reflected upon the importance of ongoing facilitation of employees' sensemaking, their role being to articulate and reinforce the notion of customer-centricity at the core of organization members' shared understanding. Besides ongoing dialogue, the managers in these organizations advocated new frames by shaping the workforce composition to reinforce their unique approach. In align with the findings of Battilana and Dorado (2010), the organizations sought to recruit employees based on their fit with the values of the organization. Whereas managers in TempAcc emphasized young employees able to adopt and promote the values and unique practices of the organization, the CEO of RentChamp considered important to avoid recruiting professionals socialized into the traditional culture of the residential sector. During the transformation process, RentChamp also invested in extensive training and CEO support to allow the members of the organization to adopt new attitudes and ways of thinking toward their work, as well as the new roles encapsulating these assumptions and values. As a result, these organizations

were able to develop and sustain collective engagement with a customer-centric rather than property focused logic of creating value.

5.4.4   The contingency of argument diversity

The second dimension – argument diversity – introduces a second layer of considerations on how the archetypical frames manifest in organizational action and service transformation (see Table 25). Beginning with focus on activities, the comparison between business-centric rationales and multiple interrelated rationales reveals a distinction between emphasis on accountability in the case of the former, and integration in the case of the latter. Accountability refers in this context to the importance of making visible the financial performance of new service activities. The interviews provide evidence for this approach in the descriptions of managers elaborating the importance of being able to evaluate the performance of the new services against formally set business goals. This view was especially pronounced in PropInv with close consideration of costs caused by the development and provision of resident services. With lack of concrete evidence for the positive influence of resident services on rental revenue, the management of resident services emphasized a mentality of 'playing it safe':

> "I guess the idea with this [project] was that there is demand for these kind of [resident] services. And it's not like we argue otherwise as there is surely demand. But we haven't had the courage, it is such a big risk that we haven't dared to try and respond to that demand. Because we are not sure of it." [Informant 1.5, PropInv]

In TempAcc, also drawing attention to the centrality of the business-centric rationale, the theme of accountability emerged in a different light given the central orientation of the organization to customer-centered provision of accommodation service. Here, accountability manifested in managerial attention to the integrated contribution of multiple activities to value creation, highlighting the importance of effectual improvement in value experienced by the customer. This case also draws attention to the domain of organization design and the centrality of detailed performance monitoring in different activities, broken down from the high-level strategic goals to specific operative-level goals for different sub-units and down to individual employees' daily work. In TempAcc, this feature of organization design was particularly pronounced, portraying control systems as central means for managing activities toward common (business) goals. SunClean illustrates similar orientation to managing the domestic service, implementing the highly refined KPIs of existing B2B operations to the new resident service, albeit with less ambitious goal setting due to the emerging character of the service.

Managing resident service activities in organizations with more diverse rationales central to decision-making emphasized the 'potential' rather than immediate performance of service provision. For example, interviews in RentFound portrayed the development of resident services, and more broadly

managers' relationship with diverse activities, as open-ended and concerned simultaneously with multiple goals. Hence, the strict accountability of an activity with respect to a specified goal and its performance criteria appeared less important than managers' consideration of multiple possible effects. The interviews imply that this may have increased managers' sensitivity to the mutually reinforcing aspects among the system of diverse goals and associated activities, providing more conducive grounds for discovering 'win-win' solutions in the nexus of property- and resident-focused goals. A-Homes displayed this focus on 'potential' with its relatively open-ended search and development of resident service activities and offerings parallel to property-focused activities managed more strictly with emphasis on accountability, with the transcending purpose of facilitating the organization-wide transition toward service-centricity.

Table 25 Contingency of frame diversity on the management of service transformation

Dim.	Business-centric rationale	Multiple interrelated rationales
Activity	Accountability Emphasis on activity's impact on business goals of the organization	Potential Emphasis on managing activities fostering their value creation potential
Design	Separation for administrative clarity Administrative separation to enable clarity of decision making, through close & unambiguous monitoring of activities; visible criteria for managing activities	Separation for development latitude and service focus Separation to create focus – accommodation of diverse activities rather than to make them precisely measurable ('creating room') with less strict metering
Culture	Defining the basis of business Focus on establishing shared understanding of the business model involving considerations of key competences, customer interaction and revenue logic	Accommodating cultural diversity Focus on emphasizing, instilling and legitimizing shared values which transcend diverse goals and activities

This suggests that multiple interrelated rationales may be conducive to the formation of higher tolerance for ambiguity in evaluating performance, as multiple goals more likely reveal the potential upsides of new activities which on strictly financial criteria may be evaluated as failures. This also draws attention to more diverse meters putting emphasis not only on vacancy rates or the financial bottom line, but also on customer satisfaction and societal effectiveness. The consideration of this issue by the CEO of RentFound is worthwhile citing in greater length:

"Although I'm not an engineer, I like numbers. Especially when we set goals, we need to have something to measure them with. I don't want goals we cannot measure, because they are too vague. But of course they are not always easily measured. When I look at our... Let's take three words, efficiency, productivity, and effectiveness. For me, the thing with which I evaluate our success, in my position, comes through effectiveness. Efficiency and productivity are all good and we have meters and ideas for those. But the way I see it, I look at the purpose of our organization. What it means in practice is for example how cheap our rents are --- we have a meter for that. --- How many apartments we have and how many new apartments we build, to improve the housing situation [in the municipality]. And here is the point I said earlier, the criteria according to which we select residents. We have metered that as well. So we are not only saying we operate on social principles, but we also have the numbers to show it." [Informant 5.1, RentFound]

Expanding this consideration to organization design more generally, framing resident services through multiple interrelated rationales appeared to orient managerial attention to the separation of activities not to make them 'calculable' and accountable, but to create room for individuals and teams to develop relevant resident service activities and offerings without the immediate concern for property-centric evaluation of profitability. In A-Homes, the home renovation service was compartmentalized from the 'core' building owner activities in a manner securing its position within the organization, rather than to subject it to same kind of performance scrutiny as the core processes. While the separation protected existing processes from 'contamination', it also created latitude for the manager to develop the service further without having to conform to existing sales or other property-focused practices in the organization. This was a feature that distinguished it from organizations oriented more clearly to accountability; SunClean, for example, eventually exited the domestic service market as the service failed to properly take off and meet the financial performance criteria set for the operation. As stated by a property-focused manager in A-Homes:

"It is [the operative manager's] responsibility now, and it means of course to give her more power to develop [the home renovation service] further, the content of the renovation packages and everything else." [Informant 3.2, A-Homes]

Finally, the dimension of culture brings forward managerial effort to define and endorse a common basis for organizational activities. In organizations with predominantly business-centric rationales, this involved defining the logic of value creation which constitutes the basis of business. PropInv and SunClean illustrate how managers, consciously or unconsciously, adopted and reinforced the existing institutionalized assumptions regarding how a building

owner or maintenance service provider should and can conduct feasible business. In the case of the former, for example, the interviewees perceived central the asset-centered investor business model, consciously acknowledging its inherent incompatibility with resident-centric service provision. However, business rationales also accommodated radically new definitions of business, as illustrated by TempAcc and its inherently service-based business model to the provision of accommodation.

In the context of multiple interrelated rationales, the organizations were framed through more diverse rationales. The case studies suggest that managers sought to accommodate the diversity of goals and meanings in the organization by seeking to root common activities to broader or more general assumptions and values constituting key anchors for organization culture. Shown particularly well by A-Homes and RentFound, these efforts involved not the promotion of specific business models so much as promotion of common values or longer-term intentions of the organization tying together goals and activities seemingly incompatible in the present. In the same way, PropMgmt and particularly RentChamp drew attention to managers' efforts to reframe in a legitimate way the 'core business' of the organization according to new values emphasizing the customer rather than the property. In the latter case, the CEO encouraged dialogue on these issues and was able, perhaps due to his credible vision and the small size of the organization, to participate extensively in face-to-face dialogue and discussions with the members of the organization conducive to change in organization culture. As a larger organization, PropMgmt faced more severe challenges in changing the culture across the many branch offices, but displayed a gradual increase in the awareness of the benefits associated with resident centricity.

5.4.5 Summary

The previous findings reveal distinct ways in which the archetypical frames and their underlying dimensions manifest in organizational action, particularly in managers' efforts to promote resident services and service transformation within their organization. With an instrumental view to resident services, managerial attention was focused on the operative details of the service process, managing service provision from a viewpoint of 'technical' viability (how different activities, actors and resources play together) and efficient service provision. This operative-level focus highlights the preservation of existing cultural assumptions central to the organization culture, reinforced by the compartmentalization of resident service activities and employees from the property-focused activities and processes. Reflecting this against the centrality of pragmatic legitimacy for resident services, managers' effort to frame resident services as beneficial to the long-term performance of the organization may be necessary for generating latitude for resident service development in the first place.

In contrast, service as constitutive logic emphasized managerial attention to operative details but also to the integration of multiple service activities to provide effective solutions to residents' problems. From the perspective of

organization culture, this involved heightened attention to the promotion of customer-centricity as the central value and driver for organization's efforts. The findings suggest that recruitment and training constitute central means by which organizations can influence change in the frames held by individual members of the organization, supported by the existing literature. This also points to efforts in affecting the cognitive legitimacy of resident services in the organizations, understood as the comprehensibility and taken-for-grantedness of resident services as a part of the organization's value creation efforts. In this sense, the design of the organization emphasized, on the one hand, the autonomy and equal status of sub-units providing resident services, and on the other, the managerial efforts to coordinate between these activities and integrate them for overall resident service experience.

In the dimension of argument diversity, business-centric rationales coincided with emphasis on the accountability of resident service activities. This called for organization design, particularly specified and unambiguous control systems, to emphasize clear goal setting and monitoring of performance so as to make visible the effects of resident services on business performance. Culturally, this rested on reinforcing a uniform view among organization members of the basis of business. With emphasis on pragmatic legitimacy resting on immediate business impact, managers were more or less constrained by the existing definitions and goals of core business when seeking to legitimize resident services.

Finally, multiple interrelated rationales drew attention to managerial efforts to foster the diversity of activities and goals in the organization, creating 'latitude' for resident service offerings and activities to evolve. In this context, compartmentalization of activities into sub-units did not (only) appear as protection of core business processes, but (also) as means to protect the 'integrity' of resident services and the preservation of distinct meters and performance criteria separate from building-focused and asset-centered goals. As a result, cultural diversity was accommodated by fostering the pluralism of values and goals in the organization, coinciding with efforts to build legitimacy for resident services on predominantly moral grounds with emphasis on broader goals and the longer-term outcomes.

Overall, the findings suggest that the dimension of argument diversity, with its distinction between business-centric and multiple interrelated rationales, can be summarized in the former's focus on '*dexterity*' – the skillful performing of activities to promote business goals – and the latter's orientation to '*ambidexterity*' – the ability to approach multiple activities from a perspective sensitive to the achievement of multiple and partially contradictory goals. Hence, the archetypical frames contain not only distinct anchoring of organizational identity to either asset- or service-centric logic, but also manifest in distinct rationales regarding the operations and the logic of managing activities.

5.5 Manifestations and directions of service transformation

The previous section implies that the means and overall orientation by which managers frame, legitimize and promote resident services influence employee engagement in organizational change, and thus shape the course of service transformation. This section examines the 'outcome' side of these orientations, seeking to discover how service transformation unfolded in the case organizations. While the nature of retrospective interviews and lack of real time observation within organizations prevents a detailed analysis of the interplay between the identified managerial orientations, and employee sensemaking on and commitment to resident service provision, the interviews reveal the perceptions of informants on service transformation as it progressed over time. These were particularly evident in informants' descriptions of challenges associated with resident services, drawing attention to issues that highlight the inherent difficulties of integrating a new logic of value creation to the organization. Hence, the current data helps understand the underlying issues and tradeoffs involved in the different orientations to framing resident services and managing service transformation, illuminating the more tangible manifestations of service transformation in the case organizations.

To make these factors a salient part of the empirical analysis, and to provide answers to the fourth research question, the current section makes use of interview data in two different points in time to understand the manifestations and (temporary) outcomes of service transformation processes in the case organizations. As the majority of the interview data was collected between 2011 and 2012, the next section analyzes the experiences and challenges of the interviewees in that period of time to better understand the organizational dynamics 'during' service transformation. At the end of this section, data collected at the end of 2014 and early 2015 are utilized to gain deeper insights into the situation 'two years after'. This provides more direct evidence of the influence of different factors on the directions of service transformation in the case organizations, helping to further refine the linkages between different frame archetypes, managerial orientations, and organizational outcomes.

5.5.1 Challenges of service transformation in 2012

The first step in this analysis was to examine in more detail the challenges and problems faced by the informants as they sought to develop and implement new forms of resident service practices in their organization (see Table 26). More detailed understanding of these challenges, along with the more general interpretations of employee engagement in promoting service transformation, helps describe the (temporary) outcomes of service transformation and how these outcomes may be attributable to different approaches to framing resident services. As in the previous section, the discussion of the challenges is organized in accordance with the two main dimensions.

The cases characterized by an *instrumental view* of resident services pointed in general to somewhat reserved views regarding resident services, perceived among informants as 'interesting but difficult'. One concrete manifestation of

the instrumental view was the lack of resources and competences for developing and providing resident services. One the one hand, the informants discussed this issue as the difficulty of doing things new to them and the organization, demanding a lot of time and effort to design and implement new service solutions. On the other hand, this issue was amplified by the limited resources available to resident service development, deriving from the lack of legitimacy for resident services within the organization. These issues combined, the empirical data implies that personal commitment to developing and promoting resident services was experienced as unattractive and even risky, a battle easily lost without strong endorsement from top management.

SunClean provides a good example of these challenges. While the new service process was relatively easy for the organization to adopt, and the idea of resident service provision easy to accept and instill in the operative-level organization, the positioning of the new service within a B2B business unit denoted limited legitimacy and resource allocation for further development and marketing of the domestic service. In PropMgmt, pulling together different people to develop the online service portal demanded extensive effort and attention of the key manager, amplified by the dispersed organization and lack of strong strategic endorsement for resident service development. The informants in PropInv similarly implied that beneath the surface-level interest in resident services quite little latitude existed for exploring new opportunities with resident services.

Another common challenge mentioned in the interviews was related to issues in partner relationships, as resident services called for new contract forms and practices even with existing suppliers and subcontractors accustomed to property-centric orientations in collaboration. For PropInv, the issue of finding right partners and viable basis for collaborative action was particularly pronounced in seniors' housing projects seeking to integrate care services with housing to offer comprehensive housing service for the elderly. In A-Homes, the development of the home renovation service required new routines and forms of contracts with furnishing suppliers and contractors. The early experiences with the renovation service pointed out quality issues and created unfeasible commitments either for A-Homes or for the contractors, directing further development and reorganization of service provision.

In the context of organizations with *service as constitutive logic*, the informants were inherently more positive toward and engaged in the development and provision of resident services. As a result, the challenges discussed by the informants were primarily related to the internal organization of operations and ongoing efforts central to aligning the internal activities with customers' needs and activities. In TempAcc, informants frequently referred to the challenge of aligning improvements and changes in one sub-unit with the processes in other parts of the organization. Besides the more simple issues of adjusting parameters in the ERP system, many informants highlighted the necessity of ongoing coordination among different organizational sub-units, for example customer service and maintenance, to preserve the quality of service offered to customers. As a result, the members of the organization

seemed to experience the service-centric approach of the organization as more complex and dynamic than informants in property-focused organizations with more stability and predictability.

Table 26 Challenges associated with service transformation

	Aggregated challenges	**Representative quotes**
PropInv	Forming viable partnerships with resident service providers Limited resource allocation for resident service development Lack of vision for feasible resident services from the investment perspective	"The challenge originates in... we talk a lot about customer experience and we have had internal training. And we have clear meters --- And the hard reality comes from the fact that this is business... in which we have certain allowances for renovations, budgets for rental revenue, these specified boundary conditions within which we must try to combine [customer experience and business]". [Informant 1.8, PropInv]
SunClean	B2C marketing The formulation of service concept Priority mismatch in allocating resources to developing B2C Employee turnover	"The consumer business is new to us, and since it is clearly different field, as I have tried to describe the challenge of marketing, but there are clearly different tools and ways to reach the consumers. That is where we have had challenges all the time, and still have." [Informant 2.3, SunClean]
A-Homes	Finding partners with compatible processes for resident service provision Convincing public agencies of the legitimacy of resident services Lack of integration between resident service and existing organization Coordinating the complex property management system.	"We noticed with early pilots that the contractor had to bid the service for the residents for nothing --- it costed from three to six hundred euros to bid one apartment." [Informant 3.2, A-Homes] Then again, [the sales team] are skeptical and have prejudice, they don't see its potential. I would like to see, and [the top executive] also thought originally that it is important to [attach] this to the sales and our own sellers. But so far, I have not been asked to get involved in the sales process." [Informant 3.3, A-Homes]
Prop-Mgmt	Lack of control over maintenance services Inability to influence decision-making in housing company boards Large differences between branch offices Lack of means for shared development Property manager resistance to new practices	"The challenges have been related to how we can inform the residents and make them interested in [the online portal]." [Informant 4.6, PropMgmt] "This means that, when we are talking about the individual property managers, that they too understand that this [online portal] is their tool as well, and how it eases their work." [Informant 4.5, PropMgmt]
Rent-Found	Resource allocation with municipality at the boundary of social services Dealing with cost constraints	"The city appoints us residents [with social problems], and we have our social housing manager service it requires. And the city only covers about half of the cost. And it is a constant source of argument." [Informant

	Coordination issues between different functions	5.1, RentFound]
	Balancing multiple goals	"The challenge is that our resources are very limited for development, we must just somehow find the resources and make do." [Informant 5.3, RentFound]
Rent-Champ	Sharing costs of resident services with municipality	"We move forward in life and unfortunately we have had to think about [firing], when we have a little older guys who have never touched a computer. They have to be flexible by necessity, learn something new." [Informant 6.2, RentChamp]
	Challenges of resident democracy on decision-making	
	Challenge of new practice adoption and organizational change	"The things like whose responsibility it is to hang a painting on the wall of an elderly person, who should pay for it, as [the municipality] has tried to make our maintenance do it. --- But as our maintenance does not get compensated for it, we have to push the brakes a little." [Informant 6.4, RentChamp]
	Development of unwanted routines in the new mode of operations	
TempAcc	Balancing customer needs with internal optimization	"We have examples of situations in which our optimization appears crazy toward the customer." [Informant 7.3, TempAcc]
	Challenges of ongoing change and growth	"Even a person who is not highly capable of developing is able to do so in two-three person teams, he gets used to it. But as we grow, the variance makes it impossible. As you cannot be present in every situation and aware of all decisions…" [Informant 7.1, TempAcc]
	Balancing standardization with involvement and innovation	
	Diffusing new practices across the organization	

Another frequently mentioned aspect among organizations with high identification with resident services was their dependence on external endorsement for resident service solutions. Given the property-centric orientation institutionalized in the residential field, the promotion of resident-focused service solutions embodied in the new organizational practices and forms created challenges not only internal challenges but also challenges in securing endorsement for the new services in the eyes of key constituents, such as owners, suppliers and customers. The publicly owned building owners displayed their reliance on the municipality and its political leaders in endorsing their resident-centric activities, framed primarily as contributing to the welfare of the citizens. A concrete issue at this interface was related to covering the costs of social support services between the building owner and social services of the municipality. The compartmentalization of property management and maintenance activities into subsidiaries provides another example of the challenging relationship with municipalities, as the stringent budgets hindered both RentFound and RentChamp to invest directly in developing the property management and maintenance functions despite their influence on service quality for the residents.

In the context of low argument diversity and *business-centric rationales*, the primary concern emerging from the interviews considered, rather unsurprisingly, business performance. As a result, the business rationales seemed to constrain organization members by locking them into a relatively

narrow financial logic of argumentation in which engagement with new resident services was subject to ongoing scrutiny based on the 'logic' of profitability and rate of return. Coupled with an instrumental view of resident services, both PropInv and SunClean displayed the adoption of a rather skeptical stance toward the feasibility of resident services, influencing the 'attractiveness' of resident services among organization members.

In TempAcc, the interviewees were naturally more positive toward their service based business logic. However, the financial concerns surfaced in the balancing between stabilizing the organization by routinizing and standardizing practices, on the one hand, and fostering change by engaging employees in constantly developing their work, on the other. This dilemma appeared to permeate the views of organization members in the interviews, suggesting a salient internal tension between current profitability or future market share and performance.

Finally, organizations based on frames with *higher argument diversity* drew attention to issues of coordination among multiple goals, activities and organizational sub-units. With multiple legitimate rationales, the members of the organization appeared to form different camps or groups focused separately on properties and residents. A-Homes and PropMgmt both illustrate how key individuals and the teams around them had clear visions of the role of resident services for the future strategy and orientation of the organization, and high commitment in advocating these views and the adoption of new resident services. Despite at least partial formal endorsement, however, interviews in both cases indicate a divide between these 'service-focused teams' and the property-focused 'core business units', displaying the challenge of internal divide. As a result, disseminating new 'service infused' practices across the organization was considered challenging by the middle managers responsible for the resident services.

While higher identification with resident services alleviated these distinctions, as shown in the cases of RentFound and RentChamp, the issues of coordinating among multiple goals and different kinds of activities remained salient. Interviews with the members of RentChamp illustrate how the adoption of more resident-oriented practices with new responsibilities created challenges, particularly early on. However, the CEO's emphasis on the central values and purpose of the organization seemed to transcend the contradictions between the old and new approaches to housing provision, highlighting the importance of overarching values and meanings that help employees relate resident-centricity and new service activities to the preexisting orientation to properties. As highlighted by RentFound, this helped top management to coordinate among and facilitate the integration of diverse activities and different goals constitutive of the social mission of the organization without aggregating conflicts between different teams. Instead, the interviews support the conclusion that both RentFound and RentChamp were able to facilitate collaboration among teams and sub-units embracing the pluralism of goals and activities.

5.5.2   From 2012 to 2015: Service transformation 'two years after'

An additional round of data collection was conducted at the end of the research process in late 2014 and early 2015. The purpose of the additional interviews was to complement previous interviews, validate inferences made from the earlier data, and to see if and how the organizations had changed since the last interviews two years prior. In other words, these interviews provided the opportunity to 'test' – qualitatively – the insights emerging from data collected earlier in the research process. In particular, the new interviews offer insights into the stability and evolution of organizations' service-orientation, highlighting factors supportive of, or detrimental to, organization's engagement with resident-centric service provision. In Table 27, and the text below, the current state of the seven case organizations is recounted, providing the basis for the subsequent refinement of the empirical findings.

Beginning with *PropInv*, the organization had adopted an increasingly customer-centric stance to accommodation provision and building owner operations, which contradicted somewhat the earlier views of the informants emphasizing the centrality of the property-centric building owner logic. This change manifested in the growing acceptance given to customer satisfaction as a strategic, organization-wide goal. For example, this meant that not only the 'customer relationship managers' but also the 'hard' investment and property development professionals were involved in considering how the organization may provide better value for the residents. In terms of concrete changes, the organization had worked to improve online services to bring their offering closer to the modern-day standards of online service. Furthermore, the organization had introduced new partners with which new services were made available to the residents, and internally, the company had developed explicit service promises specifying the quality of service to guide their efforts within different processes toward resident centricity. The interviewee emphasized that these changes did not mean in any way a radical reorientation of company strategy toward actual provision of resident services, signifying instead an expansion in the ways organization members viewed value creation across the different units of the organization.

SunClean revealed more significant changes to the domestic service concept. In 2012, the managers sought to improve the effectiveness of marketing by integrating the marketing of domestic services more closely with laundry services, another B2C unit within the organization. From the beginning of 2013, the operative organization of domestic service was also integrated with laundry services, moving operative responsibility from the B2B cleaning to laundry service people. This move aimed at better autonomy for decision-making regarding the development of the domestic service, but also echoed somewhat negative views of the domestic service among decision makers in the B2B business unit. However the previous difficulties with marketing and improving the efficiency of operations remained after the reorganization. Additionally, new issues emerged after the merger with laundry services as the latter followed a different 'operational logic' based on fixed location rather

than mobile employees. Hence, as opposed to alleviating issues, the lack of competences coupled with limited resources for development appeared to create new problems the organization could not quite resolve. As a result, the opinion among B2B executives was that, despite the potential, SunClean could not make a feasible business out of domestic service based on the current approach. From the beginning of 2015, the operations were divested and acquired by a specialized domestic service company. Hence, SunClean ended its engagement with domestic service provision, drifting back from resident service provision to focus on B2B markets with the more property-centric logic of action.

Table 27 Service transformation in the case organizations 'two years after'

Case	Transformation from 2012 to 2015	Representative quotes
PropInv	Elevation of customer-centricity into a strategic goal, with increased dialogue among organizational sub-units on improving service experience (2013-2015).	"We want to put emphasis on the customer experience by improving the service and service experience. So fewer new innovations but making the things [we offer] easier to the customer. --- So yeah, in the strategic sense the customer experience has increased in importance and become equal to our other [strategic] goals." [Informant 1.8, PropInv]
SunClean	Integration of domestic service with laundry services organization (2013) – lack of resources and competence for domestic service development (2014) – divestment of domestic service with growing dissatisfaction with performance (2015).	"One reason for moving [domestic service] under the laundry service organization was that it was not seen as business [by the B2B units]. --- But it involved a lot of not having the skill to build it up right, not make a business out of it. So a certain kind of unprofessional attitude was visible. --- But [the sale of domestic service] was not purely a financial decision, but more, at that point, acknowledging that it just does not work with the system we had." [Informant 2.7, SunClean]
A-Homes	Refinement of existing service offerings (2013) – the executive central to resident service development resigns, turning focus on improving current activities from broader change (2014) – A-Homes acquired by another non-profit building owner, retaining existing resident service features (2015).	"It did affect us that [the key executive] left, he really was the visionary. He thought about things and developed ideas, and assigned others to develop them. So we are worse off without him. And of course we have these internal struggles between marketing and real estate, the marketing wants us to do more [with resident services] but we do not have the money." [Informant 3.2, A-Homes]
PropMgmt	Implementation of changes in core processes (2013) – personnel changes in executive board with new strategic focus (2014) –	"We've noticed that it requires us to develop as a company, particularly from a cultural standpoint, to acknowledge who is our customer. Is it the real estate or the person or whoever. I see us moving toward stronger notion of the

	systematic efforts to support organizational change with strong cultural component (2015).	person being our customer" [Informant 4.6]
RentFound	Stable engagement with resident services, ongoing development focused currently on community engagement and activation; emphasis on the social mission of the organization (2015).	"I feel this is the right way to go, but we must constantly keep on developing it, we cannot stop and just enjoy the ride, but then again, we also don't have this thinking based on the quartile economy, like we were sales people pushing manically forward. If we did, we could not face [our residents] as human beings anymore." [Informant 5.3, RentFound]
RentChamp	Sustained emphasis on customer centricity, focus on the refinement of existing MOs; addition of resident service tasks to the maintenance organization (2013-2014) – growth of the maintenance organization as operations expanded to the whole building stock of the municipality (2014-).	"I mean everything is customer service, whether it is --- property maintenance, cleaning or construction, it's all service --- And the service is to a good extent based on internalizing the service culture, by everyone. In a way, reflecting this in the sense of the market economy, we need to sell ourselves to our customers every day, and our customers are the customers of the municipality, the residents, the taxpayers, all of them." [Informant 6.1, RentChamp]
TempAcc	Preservation of the unique, service-centric frame at the core of the organization; increasing emphasis on systematizing operations, and clarifying and expanding the service offering (2013-2015) – systematization of development in service of the functional service provision units (2015).	"[Our aim has been to] make our operations as problem-free and transparent as possible so that we have the capability to seize the opportunities that emerge. ---Although it is important to take care of [the operative issues], we must make sure [the operative processes] work well so that we can focus on the things most relevant to our future. And that is what we have prepared during the last two years, and we have moved forward tremendously." [Informant 7.6, TempAcc]

Changes had also happened in *A-Homes*, which was acquired by another non-profit building owner at the beginning of 2015. In the merger, the resident service solutions embedded in the property management system, and more clearly in the home renovation service, were preserved and expanded also to the new organization. Before the merger, the key executive primarily responsible for 'championing' resident services in the organization left A-Homes for another company. The last interview suggests that this left a void in the organization in terms of resident service development, further amplified by the restructuring of the organization during the merger. Nevertheless, the CEO continued to endorse resident services as a central part of the organization, marking stabilization in the organization's orientation to resident services. According to the data, however, the visions for pushing the organization further in the direction of a service platform and service-based strategy were

dropped, with major efforts directed at building the new organizations after the merger.

PropMgmt launched the online service portal at the end of 2012, with plans to initiate more systematic change across the property management organizations. The last interview revealed major changes that had taken place since 2012. At the level of activities and organization design, new property manager roles were implemented with separate customer service, technical property management, and nationally centralized support functions. Major changes in the executive board had also taken place, with refined strategic orientation to customer-centric property management service based on the utilization of online platforms. Hence, PropMgmt steered away from ideas to develop more extensive resident services in favor of seeking to improve the current, technically oriented property management service in terms of its efficiency and customer satisfaction. The interviewee described this change, on the one hand, as major change in the property management practices across the branch offices, and on the other, as a clear cultural shift from building- to customer-focused property management approach, taking a new direction for service transformation, similar to PropInv. Due to the large size of the organization, the efforts to train property managers and achieve transition to new culture and MOs across the branch offices were still ongoing. However, the relatively uncertain feelings among key informants in the fall of 2012 had, at least based on the last interview, shifted toward a more positive outlook on the future of the organization.

Interviews with the two public building owner organizations, *RentFound* and *RentChamp*, displayed the stabilization of their pluralistic approaches to housing provision that sustained emphasis on resident-centric service provision. In both cases, service transformation was initiated more or less ten years ago, which is why major changes had already taken place at the time of the first rounds of data collection. The situation in 2015 thus revealed only minor adjustments to the practices of the organization, underscoring the stabilization of balance between multiple goals in these organizations. Importantly, the collective frames in both cases remained oriented to resident-centric value creation, encapsulated in the emphasis on the social mission (RentFound) and customer-centric housing provision (RentChamp). At a concrete level, minor changes were made to service activities in RentFound, with efforts to develop new service activities to further facilitate residents' wellbeing. To the contrary, more significant changes had taken place in RentChamp, as the maintenance organization responsible for all municipally owned properties was merged with RentChamp's maintenance subsidiary at the beginning of 2015. As described by the CEO, the merger required extensive attention to diffusing the collective frame and values of the organization to new employees accustomed to the bureaucratic municipal system, a situation very similar to the earlier transition process when RentChamp initially refocused to customer-centricity.

Finally, the last interview in *TempAcc* revealed few changes to the distinct business model of the organization, and displayed similar thinking of the

strategy and logic of the organization as two years prior. While the organization had grown over the past two years, and focused particularly on systematizing the offering and internal practices for greater comprehensibility and consistency, the managers had paid attention not to lose the core values and unique service-based approach of the organization. As expressed by the interviewee, the last two years were spent on preparing the organization for more rapid growth, with emphasis on developing the offering, the ERP system and internal practices involved in making the service available to the residents. As a result, the informant saw less need for top manager involvement in resolving operative-level issues and speeding up day-to-day development, freeing up resources for growth-seeking activities (e.g., opening branches in new market areas), for improving the ability of the internal 'support' functions (e.g., IT, development, HR) to 'serve' the service-providing organizational sub-units, and for developing the organization to a common direction overall.

5.5.3   Directions of service transformation

The case studies draw attention to multiple patterns of change in the frames constitutive of organizational action. In multiple cases, the guiding strategic frames changed only little between 2012 and 2015, illustrating *frame preservation* over time. However, the preservation of underlying frames seemed to have led to different material manifestations and outcomes in different cases. In RentFound and RentChamp, the preservation of frames signified sustained engagement with resident-centric service provision, and commitment to developing further the activities supporting residents' daily life. In SunClean, the data points to the preservation of core business frames rooted in the logic of B2B facility service provision, with decreasing significance of resident service activities as discussed in the previous. The difference between SunClean and the two building owners was the level of identification with resident-centric service provision. As suggested by existing literature, strong positive identification may be particularly important for the sustainable engagement of previously asset-centric organizations in service provision (cf. Battilana & Dorado, 2010), further facilitating the preservation of frames over time. In contrast, the lack of strong identification may impose constraints on the evolution of the service operation and thus influence its marginalization or termination.

The remaining cases illustrate changes to the collective frames of the organization, offering additional insights into the possible directions of service transformation. With PropInv, the data shows *frame expansion* manifested in the increased emphasis on customer experience as an explicit organization-wide strategic goal. The final interview displayed growing strategic significance of and identification with resident-centricity, while remaining rooted in the property-focused building owner mentality and retaining the principle of not engaging in in-house service provision. Similarly, the earlier developments in A-Homes display how the property-centric frame expanded as the key executive promoted an increasing orientation to residents' value creation and service-based view of strategy across the organization.

However, the more recent data on A-Homes draws attention to 'stagnation' in the service transformation process, with signs of possible *frame erosion*. While the earlier interviews illustrated a shift to an increasingly service-based strategic orientation, the last interview suggests that the organization lost momentum due to 'external' reasons which pushed it to refocused on consolidating current service offerings within the current strategic framework. Although resident services remained on strategic agenda endorsed by the CEO, thus signaling the preservation of the organization's orientation to resident services, the interview raised concern for the lack of strong advocates for the service ideology since the departure of the key executive. Similar lack of momentum was characteristic of the last phases of the domestic service in SunClean, indicating that constant promotion and facilitation of service-centric frames within previously property-centric organizations may be particularly crucial for sustained engagement in resident services.

The 5-year window in which PropMgmt was studied points to a drift or fluctuation in framing resident services. While some informants clearly pursued frame expansion, others downplayed the importance of resident services to preserve the current technically and administratively focused orientation to the provision of property management service. However, the last interview showcases how the organization more systematically adopted an orientation to resident-centric strategy to property management, which illustrates frame expansion similar to that in PropInv.

Finally, beneath the preservation of frames may lie more radical *frame creation*, as illustrated by TempAcc. Although the last interview with a representative of the company reinforced the view that the organization had stabilized its unique strategic frame of providing temporary accommodation as service, the history of the organization highlights to a large extent the activities and attitudes that were central to establishing this frame as the basis of collective action. In these discussions, frame creation emerges as a collaborative achievement combining visionary top management and extensive employee engagement in reflecting and developing the service processes and offerings for the customers unbound by the preexisting institutionalized notions of housing provision based on ownership of assets, not service.

5.6   Theorizing service transformation

The empirical findings so far have examined the archetypical frames constructed around resident services in the case organizations (5.2), the legitimation of these frames by managers (5.3), and the management of service transformation more generally in the case organizations (5.4), and the manifestations and outcomes of service transformation (5.5). These findings display multiple different pathways to service transformation, resting on different ways of framing resident services and advocating change in the organization. In this section, the insights of the previous findings are integrated to constitute a framing-based theory of service transformation, summarized in Table 28 and Figure 4.

5.6.1 Influence of framing on the directions of service transformation

Beginning with the ***directions of service transformation***, the insights in the previous section on the evolution of the case organizations over time provide the basis for formulating analytically distinct 'directions' for service transformation in the collective frames of the organization. First, *frame expansion* describes the internalization of new rationales or values to the collective understanding of the purpose and means shared by the members of the organization, as was the case in recent changes in thinking in PropInv or PropMgmt. Second, *frame preservation* illustrates the protection and fostering of the current frame so as to clarify and reinforce the current interpretation of the organization's context, goals and means, as illustrated by RentFound and RentChamp. Third, *frame erosion* illustrates scenarios in which frames that integrated both asset- and service-centric logics at the core of the organization stagnate and begin to drift back toward the institutionalized asset-centric standard, present in the recent changes in A-Homes and SunClean. Finally, *frame creation*, present most notably in the early emergence of TempAcc as unique service-based accommodation provider, describes the more revolutionary or discontinuous emergence of new frames in an industry, which establishes the basis for new forms of business.

The antecedents for the different directions of service transformation may be found in the distinct ways of framing resident services as a part of the organization (see Table 28). The first observation is that organization's emphasis on property-centric business, signaling an ***instrumental view*** of resident services, means that the legitimacy of resident services rests on pragmatic concerns, that is, their impact on organization's core business. In this context, the evidence points to the likelihood of limited allocation of resources for the development of new resident services and competences needed in their provision. The data suggests that service transformation resting on an instrumental view may rely particularly on key individuals able to identify opportunities for service development despite the resource constraints, and legitimately frame the resident services as relevant to the strategy of the organization. Organizationally, the instrumental view is likely to focus managerial attention and effort to operative details in the development of resident services, and favor the compartmentalization of resident services from core business activities subjected to monitoring in accordance with core business KPIs.

As a result, the findings suggest two possible directions for service transformation. First, the lack of resources, narrow strategic scope for resident service development, and operative managerial focus may lead to the preservation of property-focused frames coupled with the *marginalization* or termination of resident service activities, specifically if they are found inefficient or ineffective on the existing standards of the organization (e.g., SunClean, early phases in PropInv). Second, attention paid to residents and service-centric value creation, however limited, may seed frame expansion embodied in a gradual transformation in how the members of the organization perceive and interpret the role of resident services for value creation. Evidence

from A-Homes, PropMgmt and PropInv suggests that as the organization focuses on the internal development of processes and implement new practices and tools with customers (e.g., the online portal by PropMgmt), new interpretations of how the organization can create value with the residents become possible. As a result, attention gradually expands beyond the 'technical' focus on the productivity of assets to consider the residents' perspective and quality of service throughout the organization. Subsequently, this may create the basis for more radically reframing the strategy and role of the organization, as expressed in A-Homes' visions of building strategy on the organization as a service platform and coordinator.

Table 28 The influence of framing on service transformation

Frame dimension	Characteristics of change	Directions of service transformation
Instrumental view	Low strategic significance contributes to the lack of resources and limited scope for the development of resident services.	a) Frame preservation – marginalization of resident services. b) Frame expansion toward stronger identification.
Constitutive logic	Developing & supporting the adoption of new service-centric frames as the basis of collective action; balancing new activities with the demands of external constituents.	a) Creation of frames unique to the field. b) Frame preservation – stabilized engagement with resident service provision.
Business-centric rationale	The financial performance of resident services determining which activities, goals and frames are retained in the organization.	a) Frame expansion or erosion – further development or termination of resident services depending on their financial performance.
Multiple interrelated rationales	Sustainability of resident-centric values and service frames dependent upon top manager endorsement and facilitation of integration among multiple values and goals.	a) Frame preservation – maintenance of plural goals and the hybrid form. b) Frame erosion – lack of endorsement for and meaning construction around service-focused initiatives.

As expected, the case studies show how framing resident services as the **constitutive logic** of the organization alleviates the issues of limited resource allocation and marginalization of resident services as organization members all the way up to top management commit to a shared service-centric logic of value creation. However, the findings draw attention to issues inside the organization stemming from the fact that new frames and practices diverge from the institutionalized practices of the field, reducing their cognitive

legitimacy among organization members. For this reason, managers played particularly central roles in facilitating cultural transition by rationalizing the new approach through various means of sensegiving, and selectively recruiting employees to reinforce the emerging orientation of the organization. Hence, resident services were not purposefully separated from 'core' activities but both embedded in the operations across the organization and by conferring the service-providing sub-units legitimate autonomy.

As these organizations also depended on the external endorsement for their new modes of action, the preservation of customer- and service-centric frames depended on managerial efforts to balance multiple demands and expectations externally while simultaneously reinforcing collective understanding of the organization's mission among the organization members. In this context, the preservation of the service-centric frames depends not only on key managers constantly promoting and rationalizing the organization's service-centric logic, but also on the external endorsement of new services (e.g., customers using the service). In other words, the longer the new frame and mode of operations were sustained, the more it institutionalizes in and around the organization increasing the cognitive legitimacy of the service-centric logic. Financial boundary conditions also contribute to this process, as few organizations are able to sustain operations over time with inadequate resources.

In the dimension of *argument diversity*, attention was drawn away from the identity and central logic guiding collective action to the explicit and dominant rationales guiding decision making in the organization. Focus on **business-centric rationales** in framing resident services made salient and primary the financial performance of resident services. This was highlighted in the managerial orientation to accountability and administrative clarity, providing the basis for legitimizing resident services pragmatically based on monitoring and performance evaluation based on criteria deriving from the unambiguous company strategy.

Such orientation to service transformation indicates an evolutionary logic for the process of service transformation according to which specific resident service activities, and associated interpretations and rationales more generally, are selected and retained if the financial feedback is positive. TempAcc's rapid growth, for example, legitimized further development of the existing service practices, and perhaps reduced criticism stemming from the ambiguity caused by rapid change and uncertain strategic choices. In other words, the success of the company legitimized the organization-wide engagement in service development, enabling the organization to grow, meet diverse customer requests, and become more profitable. In the negative case, SunClean illustrates how lower-than-expected financial performance, and the declining belief in the domestic service market, led to the termination of the service. It is also possible, as displayed by PropInv, that while resident service activities remain marginal in the organization, strategic thinking gradually increases emphasis on the importance of resident-centricity across operations. Thus, while engagement in new resident service activities remains low, new schemas

of interpretation propagate across the organization to shape the collective orientation to value creation.

Finally, framing resident services using **_multiple interrelated rationales_** in the strategic frame created pressure in the organizations to balance among multiple legitimate rationales and goals. From a managerial perspective, this called for efforts to simultaneously facilitate activities with different, partially incompatible goals (e.g., provision of low-cost housing and social support services) and manage tensions between them. Hence, attention shifted from relatively unambiguous performance focus to focus on integrating the diverse activities into an overall offering provided for the residents, evoking the moral basis of legitimacy as central to the formation and stabilization of new frames. This meant giving more emphasis on the diverse possible effects of resident services evaluated not solely on financial criteria or from the viewpoint of the property-centric logic, but including more sensitivity to residents' experience and the long-term sustainability of the organization's orientation to housing provision.

The data suggests this rested particularly on key managers', usually CEOs or other top executives, ability to construct common meaning and provide shared values transcending the seemingly contradictory goals and activities accommodated within the organization. This also required managerial effort to coordinate among the specialized teams or organizational sub-units focused on different goals, particularly evident in RentFound balancing between the public and market-oriented goals. The importance of top executives in balancing multiple goals and facilitating service transformation was particularly salient early on in PropMgmt, and later on in A-Homes after the departure of the key executive left a void in the positive meaning construction around resident services. Hence, the findings suggest that key individuals may be particularly important for organizations combining multiple rationales especially when overarching values and transcending interpretations of the mission of the organization are not yet stabilized and widely adopted among the members of the organization. The stability of these organizations may also depend on ongoing work by key managers to reinvigorate the constitutive values and common mission, which helps create a protected 'space' for resident services even when the building-focused goals and activities remain at the core of the organization's mission.

5.6.2   The contingency of organization structure

The findings also point to distinct patterns in organizing resident services which shape the directions of service transformation. Specifically, organization design draws attention to the separation or compartmentalization of resident service activities and dedicated employees from the property-focused activities and human resources, and to the ways in which they are integrated into solutions for the residents. More specifically, the interviews indicate that the formal organization structure influences the way in which the members of the organization experience and are able to participate in service transformation. In SunClean or A-Homes, for example, resident services were clearly separated

from the property-focused core activities and processes, while in other cases, for example TempAcc or RentChamp, service transformation extended to, or even dominated, the 'core business' activities across the organization.

This relates to the phenomenon of institutional ambidexterity (Jarzabkowski et al., 2013) which examines the question of separation versus integration as means to sustain multiple institutional logics in the organization. The literature suggests structural and contextual ambidexterity as the two archetypical options, the former referring to the separation of functions aimed at different ends, while the latter describing individual employees or teams orienting their activities simultaneously to multiple logics or goals (e.g., Gibson & Birkinshaw, 2004; Simsek, 2009). In the current context, this literature refers to the ways in which organizations integrate the property- and service-centric logics in the day-to-day life of the organization. On the one hand, this relates to the dimension of argument diversity. As previously identified, the dominance of business-centric rationales highlights performance focus with emphasis on organizational 'dexterity', or the skillful performing of unambiguous activities, as measured against the core business goals. Multiple interrelated rationales, in contrast, highlight 'ambidexterity' in the current sense of skillfully advancing opposing or incompatible goals at the same time. On the other hand, this also relates to the compartmentalization or integration of organizational identities associated either with the property- or service-centric logics.

Based on the challenges described by the informants, the findings suggest that the more activities are separated into dedicated sub-units with distinct strategic frames (i.e., property- versus service-centric), the more attention is focused on within-unit issues with potential for more severe conflicts at the intra-organizational boundaries. In other words, while the separation of resident services may initially preserve the efficiency of core operations and allow the managers to develop the new service undisturbed by the property-focused activities, over time the issues between resident services and core business areas may escalate and begin to affect, for example, the allocation of resources to resident service provision (e.g., SunClean). In contrast, the integration of resident service features into the frames and activities across the organization may produce more severe conflicts early on as individual members struggle to form new conceptions of the organization and their role in it, and adopt new practices for their day-to-day work (e.g., RentChamp), and require more extensive managerial effort to balance competing demands. Over time, however, this may reduce the likelihood of more severe issues inside the organization, and facilitate sustainable service transformation in the organization.

5.6.3   Summary and additional factors

Combined, these findings propose a number of factors which affect service transformation (see Figure 4). In the context of the conceptual framework outlined in section 2.4, the current dissertation departs from the identification of distinct ways of framing services in the context of a predominantly asset-

centric and property focused field. As reflected in Figure 4, the current study proposes that the response of an organization to the increasing emphasis on resident-centric service provision in the field depends on how it frames resident services. Here, this work identifies four archetypical frames that characterize the case organizations' orientation to resident services. The formation and stabilization of frames rests on their legitimation, influenced by different managerial tactics promoting the pragmatic, moral or cognitive forms of legitimacy of resident services.
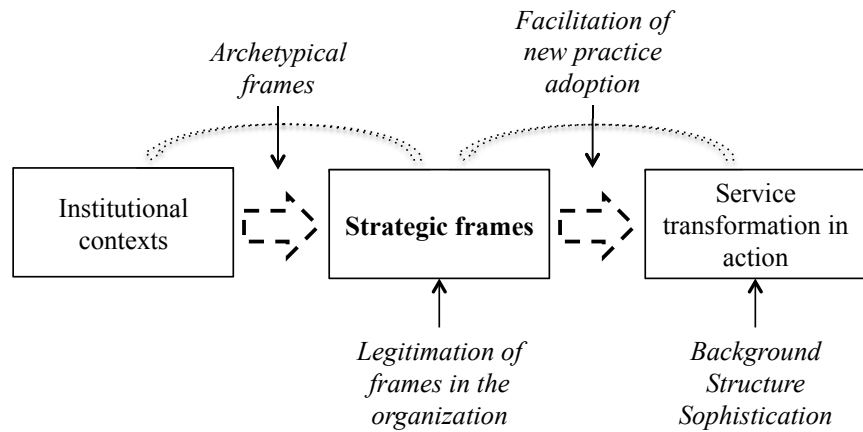

Figure 4 Conceptual model of service transformation

While service transformation requires change in frames, which translate into practice as they begin to guide organization members' interpretation of events and the decisions they make, additional managerial efforts besides legitimation tactics are needed to facilitate service transformation. By examining the facilitation of transformation in the activities, formal structures and culture of the organization, distinct orientations to managing service transformation emerged in the empirical data turning strategic frames into organizational action. As a result, service transformation may take a number of directions from expanding or creating frames and the introduction of new service activities to frame preservation and erosion which couple with stabilization or marginalization of resident services as a part of the organization.

While the left-to-right arrows in the Figure 4 suggest a somewhat deterministic path from framing to managerial orientations and organizational action, this work acknowledges the mutual constitution among frames and organizational action. In other words, while new meanings and interpretations shape the individuals' orientation to interaction and value creation with other actors, the enactment of new activities and practices both reinforce and alter the collective frames. Hence, the right-to-left arrows are crucial in illustrating the recursive, situated and interactive processes constitutive of service transformation, although the research design of this dissertation prevents the examination of these processes in more detail. While the current study does

not penetrate into these micro-level processes of sensemaking and framing, the findings do illustrate a number of more aggregate patterns in reorganizing toward increasing service orientation.

The empirical data also points to a few **additional factors**, which contribute to service transformation in the case organizations but which have received less attention in the findings thus far (see Figure 4). Although not exhaustive, the background, formal structure and sophistication of the organization, discussed more thoroughly in the following, emerge from the data as important factors that affect the adoption and stability of new service activities, and the overall unfolding of service transformation.

First, the different characteristics of the case organizations enable an evaluation of the influence of organizations' backgrounds on the unfolding of service transformation. The highly institutionalized organizational forms, roles and practices of value creation in the residential field signify a relatively stable and 'mature' field (cf. DiMaggio, 1991; Greenwood & Suddaby, 2006; Lawrence, Hardy, & Phillips, 2002), in which organizations may find very little latitude for 'acting otherwise' due to high formal structuring and centralization of power (Meyer et al., 1987b). In this line of thought, organizations following the institutionalized templates (e.g., a construction company, investor, property manager, maintenance company) face pressure to focus on their core business to increase efficiency by specialization. This provides futile grounds for service transformation. In this context, new organizations entering the field from the outside may face fewer pressures to conform to the norms, particularly when they explicitly frame themselves not as members of the field but as a new form of organization with novel offering. TempAcc provides a good example of such creation of new organizational forms and frames, which constitute new 'proto-institutions' (Lawrence et al., 2002) that may gradually institutionalize and constitute new fields given the ability of the organization to mobilize both employees and external stakeholders to adopt and promote the new solution.

With respect to organizations embedded in the residential sector, the implementation of resident services may be more difficult due to the aforementioned institutional pressures. However, the case studies suggest that not all 'incumbent' organizations position in the field in the same way, some being more exposed to uniform institutional pressures while others may be more shielded from these pressures, or even face complex pressures due to their position in the nexus of multiple fields (Greenwood et al., 2011). RentFound and RentChamp offer good examples of such complex pressures with their position to both provide affordable and quality housing following the market-based logic of the residential field, and partake in contributing to citizens' welfare stemming from their status as publicly owned organizations with social mission. While challenging, the interviews suggest that this pluralism of logics also provides them with broader resources and incentive to look outside the institutionalized forms and practices of the field to solve the problems in their complex context. Hence, the empirical data as well as existing literature (Greenwood et al., 2011; Seo & Creed, 2002) suggest that a

complex institutional context may be particularly conducive to extensive service transformation.

Furthermore, different organizations in the field define their goals and core competences differently, and face different external pressures from their constituencies. Property management organizations, for example, differ from property investors with their role as a knowledge-intensive service company, and from maintenance service companies with more labor-intensive character. For these reasons, different types of organizations 'enter' service transformation from different positions and perspectives. The case studies suggest that the service companies (SunClean in particular) had fewer issues with service provision itself, the problems deriving from interactions with new customers and lack of understanding the domestic service market different from the more asset-centric B2B context. Building owners, on the other hand, were very reluctant to engage in service provision directly, instead opting for a coordinator role in developing a network of service offerings around their core offering. Thus, referring to Table 10 in section 4.2, the 'point of origin' for service transformation likely plays an important role in the trajectory of organizational change. Overall, however, the evidence suggest that organizations at the center of institutionalized or mature fields are more likely to marginalize or 'spin out' resident service operations (e.g., the divestment in SunClean) than organizations at the periphery.

A particular mechanism by which the institutional origins of the organization may influence service transformation is through the organization design or structure. As elaborated in the previous, the findings discuss different aspects of combining property- and service-focused activities in the organization during service transformation, drawing attention to the question of separation versus integration of service provision from asset-centric activities. In the organizations institutionalized into field norms and beliefs, the initial development of resident services may more naturally take the direction of separating the development and provision of new services from the core activities and organizational sub-units. In new organizations or organizations shielded from the field pressures, it may be easier to integrate service-centric interpretations, meanings and forms of activity to the core of the organization, particularly when coupled with engaged and legitimate top management.

If an organization begins service transformation by separating the new from the existing, it may be more likely that this separation persists over time and poses a threat for the sustainability of service-centric frames and operations. As the empirical evidence shows, the issues that eventually emerge at intra-organizational boundaries may lead to the powerful majority in the organization to interpret service activities as the 'difficult one', reinforcing the chasm between property- and service-centric sides. While legitimate managers, particularly in small organizations, may temper these conflicts, their absence or departure may be particularly detrimental to further transformation toward services. However, if an organization begins by integrating new resident service features into the organization, and is able to invest more time and effort in the necessary reconstruction of the collective

frames from the start, the organization may be able to avoid more severe issues down the line, and thus sustain the service-based logic over time.

In addition to the institutional origins and their impact on the organization of services, organization's level of 'sophistication' emerged from the empirical evidence as a potentially important factor influencing service transformation. By sophistication this work refers to the overall systematization of organizational practices, commonly achieved in the current case organizations by the implementation of ERP systems which enable the systematization and integration of organization's core activities and processes into an efficient and effective system. The empirical evidence suggests that systematization positively influenced service transformation by producing more stable conditions for service development 'on the side' of property-focused core processes, thus legitimizing growing focus on customer-centricity and service-based value creation. PropMgmt and PropInv offer the best evidence for this interpretation. PropInv had taken extensive efforts to systematize its processes and renew the organization, and these efforts were ongoing in 2010 when this study began. In the final interview, the informant clearly stated that this project was now finished and enabled the organization to focus increasingly on the customer experience, which was not possible before as efforts were oriented to the asset-centric systems of the organization.

Similarly, the online portal and ERP system development had consumed most of managers' time in PropMgmt until 2012, after which new avenues and directions for the organization seemed to have become possible. With their renewed interest in customer-centric, online-based property management, the organization had moved to enacting some of the visions vaguely expressed in the early interviews in relation to the online portal and the overall direction of the company. Common to both cases, as well as A-Homes, RentFound and RentChamp, was that the ERP system and systematized core processes supported resident-centric service provision in novel ways. However, systematization around an ERP system focused predominantly on the preexisting core business may not facilitate service transformation. SunClean's example provides some indication that this is indeed the case, especially in reflection to TempAcc which from the beginning developed its ERP system to support its service-based logic of value creation.

Combined, these insights point to a path-dependent view of service transformation as an ongoing and situated effort. The findings portray organizations as subject to constant shaping and reshaping depending on the changing frames, managerial actions, and external conditions fused and enacted in the day-to-day activities of the organization. This means that while outlined in the manner of a contingency model, this study does not causally link specific initial conditions to specific outcomes. Instead, this study develops linkages between framing and the directions of service transformation by seeking to capture, if only in a crude manner, the fluctuating and constantly negotiated status of frames constitutive of interpretation and action.

6 Discussion

This section summarizes the empirical findings of this dissertation, and discusses its contributions to existing research as well as managerial practice. The limitations of this research are also discussed, leading to the elaboration of questions for future research.

6.1 Summary of empirical findings

The purpose of this dissertation was to develop new knowledge of the cognitive underpinnings of service transformation by examining how the framing of services influences organization-level service transformation. Comprising two empirical studies, one examining the perspectives of actors in the residential sector at large, and the other focusing in more detail on seven organizations reorienting toward resident-centric service provision, this dissertation develops a framing-based theory of service transformation extending from the institutionalized, field-level logics of value creation to framing resident services within the organization, providing the basis for emerging explanations for the diverse manifestations of resident service provision in organizations traditionally oriented to property-centric value creation. Four research questions were posed in the introduction to guide the research process.

The first question asked: How do organizations perceive and respond to the growing emphasis on resident-centric service provision in the residential sector? The findings from the first study, reported in section 4, provide an overview of the residential sector and the institutionalized roles constitutive of the field. Combining the perspectives of different actors, these findings portray four distinct logics of creating value in the residential sector depending on the orientation of the organization (either toward productivity or residents) and the basis of business (either asset- or service-centric). The findings also show that the ongoing shift from asset- to service-centric logic, captured in the notion of service transformation, is not uniform among organizations in the residential field. Instead, organizations adopted diverse views of, and responses to, the increasing importance of resident-centric service provision, ranging from the denial of resident services as viable basis of value creation to the adoption of new resident service activities by combining them with existing operations, and in most extreme cases, to the creation of new organizational forms and business models based fundamentally on the service-

centric logic. As such, this study presents one of the first systematic accounts of organizations' perceptions of service transformation in the residential field, revealing the co-existence of diverse views of, and strategies toward, new logics emerging in the residential field. This view complements rich existing literature focused on capital goods manufacturing by outlining an alternative context for studying changes in the orientation of organizations to value creation.

The second research question asked: How are services framed as a part of organization's value creation? Building on the second study focused on seven organizations, the findings identify two main dimensions – the diversity of arguments in justifying resident services, and identification with resident services – as the basis for framing, or developing schemas of interpretation around, resident services. These dimensions distinguished between instrumental views of resident services, and resident service as constitutive of the organization (identification), and between business-centric rationales and multiple interrelated rationales central to the justification of resident services (diversity of arguments). In the nexus of these dimensions, the findings identify four archetypical frames through which members in the case organizations interpreted and made sense of resident services as a part of their organization. These frames, labeled *profit generation*, *organizational reorientation*, *basis of business logic*, and *expression of values*, illustrate the diversity of possible ways to interpret and construct meaning around resident-centric and service-based value creation.

Third, this dissertation sought answers to the question: How do managers legitimize and facilitate the integration of service-centric value creation in their organization? Given the important roles played by key individuals, usually managers, in organizational change, the second study extended attention to strategic frames by examining the tactics used by managers to legitimize organization's engagement with resident services. The findings link different ways of framing resident services to different forms of legitimacy – pragmatic, moral and cognitive. Pragmatic legitimacy emerged as constitutive to business-centric rationales and dominated the instrumental view of services; moral legitimacy was central to the promotion of integration among multiple rationales; cognitive legitimacy was closely related to framing resident services as constitutive of the organization. Furthermore, the findings describe a number of tactics used by managers to legitimize resident services based on the pragmatic, moral and cognitive forms.

In addition, this study sought to identify the broader means by which managers promoted and facilitated the adoption of resident services in their organization. Particular attention was paid to how the archetypical frames manifested in different forms of managerial efforts oriented to influencing the activities, formal structure and culture of the organization to facilitate service transformation. The instrumental view of resident services coincided with managers' attention to efficiency and operative detail, emphasizing formal compartmentalization of resident service activities from the property-focused activities, as well as the preservation of existing culture. Service as

organization's constitutive logic highlighted the integration and coordination among activities and organizational sub-units, with emphasis on managing cultural change central to the (re-) orientation of the organization toward resident-centric and service-based value creation. Business-centric rationales emphasized managerial orientation to accountability and the clarity of control systems to make decisions on resident services based on knowledge of their impact on financial performance. Finally, multiple interrelated rationales were associated with managerial efforts to foster the diversity of rationales giving rise to multiple interrelated but partially incompatible goals and value-creating activities. In particular, the sustainability of organizational pluralism was a key managerial concern, focused on protecting the autonomy and equal status of resident-centric service activities within the organization.

Integrating the previous insights with evidence of organization members' experiences of service transformation, as well as with longitudinal evidence from the case organizations 'two years after', the findings also answer to the fourth and final research question asking: How do frames manifest in the unfolding of service transformation in organizations in the residential sector? By examining informants' experiences and reflections of changes in the organization, the findings point to four patterns or directions of service transformation, from the erosion of service-accommodating frames to the preservation, expansion or creation of frames conducive to resident services. The findings link these directions of service transformation to the different ways of framing resident services, developing explanations for the different patterns of change based on evidence from the seven case organizations. Furthermore, the findings highlight the centrality of formal organization structure in shaping service transformation, and discuss additional factors contributing to service transformation, including the organization's background, formal structure and sophistication.

6.2   Contributions

The findings of this dissertation make a number of contributions to existing literature. In the following, these contributions are discussed in three sections. The first section focuses on contributions to service transformation research, elaborating the unique insights stemming from the cognitive perspective central to the analysis. In particular, this section highlights the perspective of service as ideology stemming from the dimension of identification with resident services. The section that follows examines the findings of this dissertation in the context of research on framing and hybrid organizations, focusing more specifically on the dimension of argument diversity and service transformation as organizational hybridization. Finally, the third section integrates the two dimensions into more generic framework, which contributes to institutional theory by generalizing the findings into four forms of transformative work integrating multiple institutional logics into organizational action.

6.2.1 Contributions to literature on services and service transformation

This dissertation makes at least six contributions to the literature on services and service transformation: It (1) refines service transformation as a key concept in the literature; (2) elaborates the cognitive underpinnings of service transformation and proposes mechanisms by which framing influences the unfolding of service transformation; (3) identifies different orientations to the management of service transformation based on the archetypical frames; (4) deepens understanding of the service transformation process resting on the cognitive level of analysis; (5) constructs a middle-range theoretical model of S-D logic applicable to empirical settings and useful for linking S-D logic to service transformation literature; and (6) introduces a novel context for studying service transformation which broadens the scope of this phenomenon.

This dissertation adopted the concept of **service transformation** to describe a phenomenon ongoing across industrial sectors in which organizations change toward organization-wide embracement of relatively enduring organizational policies, practices and procedures, as well as shared behavioral orientations and cognitive representations, which guide, support and reward service-oriented behaviors that offer customers more comprehensive support than products or other tangible offerings alone. This definition aims to encapsulate a distinct kind of change from product- or asset-centric strategies, business models and activities toward services, focusing on the organizational level of analysis.

The service transformation concept makes conscious distinction to other closely related concepts, most notably 'servitization', by providing a value-neutral concept which seeks to avoid implicit normative references to the superiority of service-based strategies. In addition, it promotes more generic understanding of the phenomenon beyond the context of capital goods manufacturing. While closely aligned with the service infusion concept, service transformation steers away from its orientation to the context of marketing to root in organizational theory, accommodating both organization and field level analysis of transformation toward service-centric value creation. Hence, the service transformation concept strives for sensitivity to how change is framed in organizations and fields, thus providing the basis for more complex understanding of the phenomenon. This also argues for the avoidance of the less radical concept of service transition, which orients attention to situated, still ongoing phases of the change process. This leaves less room for sociological analysis of how actors build meanings and frame particular concepts for advocating or opposing change, instead emphasizing the sequences or steps of changes taking place in the 'material' structures and activities of the organization.

With this conceptual backdrop, the main contribution of this dissertation to literature on service transformation is the development of a ***framing-based theory*** of service transformation, which elaborates the cognitive underpinnings of service transformation. This expands the scope of current research beyond operative-level processes, organization structure, formal

strategies and business models. The findings identify four framing archetypes which illustrate different positions along two underlying dimensions, identification and diversity of arguments, that guide actors' interpretation of events around them. These influence the forms of action taken in the organization to adopt increasingly customer- and service-centric orientation to value creation. Hence, the current work provides a new perspective and theoretical framework to conceptualize service transformation as driven and shaped by change in the strategic frames constitutive of collective action in the organization.

In more concrete terms, the findings of this dissertation illustrate large diversity in the frames, or schemas of interpretation, associated with resident services. This suggests that individuals and organizations may frame service provision and service-based value creation in significantly different ways with influence on resulting action. In the current context, for example, (resident) services were perceived as risky business investments, avenues for organizational renewal, constitutive of organization's business logic, and fundamental to expressing the core values of the organization. This observation is important as it explains the emergence of different orientations to value creation and directions for organizational change, which influence the directions of service transformation over time.

As a result, this dissertation expands the notion of services and service transformation beyond (the reorientation of) organizations' operations (service as activities) and business models (service as revenue logic) to **service as ideology**. By focusing on organizational cognition with the frame concept, this dissertation distinguishes between instrumental and constitutive views of service based on how the members of the organization identify with service provision. In the former case, the organization remains rooted in the asset-centric logic of value creation, displayed in this study in the perceptions of resident services as secondary means to promoting core business ends, or as *operative-level practice*. The latter, to the contrary, depicts service provision as the *constitutive logic of value creation*, illustrating a shared orientation among organization members to value creation based on customer-centric service provision. This view resembles Åkesson and Skalen's (2011) analysis of service-dominant professional identities characterized by the elements of interaction, customer orientation, co-creation and empowerment.

More specifically, frames are interpretation schemas (Goffman, 1974) which make salient only particular aspects and issues of the 'reality' (cf. Jay, 2013; Smith & Lewis, 2011), simultaneously leaving out other perspectives, problem-definitions and treatment recommendations (cf. Entman, 1993). Hence, framing service as ideology may more likely orient the attention of organization members to the needs and practices of the customer, whereas an instrumental framing may emphasize the productivity of assets. As a result, organization members adopt distinct views of the goals and 'mode' of value creation central to the organization, leading to fundamentally different views of the key issues, challenges and success factors of the organization. This results in different managerial orientations which shape how employees attend

to their daily work, shaping the overall orientation of the organization to value creation with other actors. This points to the conclusion, supported by empirical evidence, that service transformation also embodies change in the latent orientation of the organization and its members, which may have little tangible manifestations but which nevertheless has a significant impact on how the organization engages in value cocreation with customers and other stakeholders.

With this theoretical orientation, the current dissertation meets the suggestion by Gebauer et al. (2012) for more research that leverages management theories to explain service strategies and their evolution in organizations. With the introduction of the 'cognitive layer' of analysis, this study particularly expands existing research which points to, but does not examine in detail, the centrality of cultural change (Mathieu, 2001) and breaking industry recipes (Matthyssens et al., 2006). By taking these as the primary object of inquiry, this dissertation shapes a novel research agenda based on institutional and cognitive theories of the organization which position collective frames and framing processes at the core of service transformation.

Third, this dissertation contributes to the literature by identifying different ***tactics of and orientations to managing service transformation*** in organizations previously oriented to asset-centric logic of value creation. The current findings elaborate different managerial means for legitimating and facilitating the adoption of services, as previously discussed. Furthermore, the findings link these means or managerial orientations to different ways of framing resident services, suggesting that frames influence service transformation particularly by orienting managers' and other organization members' attention to particular issues, interpretations and goals over others. The findings suggest that instrumental framing of services orients managerial action specifically to clarity of goal setting and monitoring, informing organizational separation of activities. Service as ideology, to the contrary, more likely orients managers' efforts to establishing certain constitutive principles of action among the members of the organization, which integrate and transcend the conflicts among property- and service-centric logics.

Thus, the findings suggest that the instrumental view of service orients managers' attention to formal structures and boundaries of responsibility, while the view of service as ideology with integrative managerial focus orients to leveraging the complementarities and synergies among functions and employees' efforts to create value for the residents. In this sense, the former may produce change in the organization oriented to efficiency, while the latter is likely to foster more exploratory form of change. From an intra-organizational perspective, the two orientations also point to different directions in terms of framing and attending to conflicts. If service transformation is considered as the internalization of new logics of action to the organization, the former approach may more naturally conceal different logics and aim at separating groups with different views, while the latter approach more likely embraces internal pluralism, seeks proactive responses

to emerging conflicts, and aims at leveraging the synergies across multiple logics (Kraatz & Block, 2008).

In this sense, the current dissertation also contributes to service transformation literature by depicting service transformation as organizational hybridization of multiple institutional logics (Battilana & Lee, 2014), as opposed to a binary shift from one logic to another. A direct implication of this view is that organizations are inherently pluralistic, and that frames are under constant reformation by the actors enacting them (Cornelissen & Werner, 2014; Kaplan, 2008b). Hence, the management of service transformation is not only a question of implementing new forms of activity, but focused on balancing multiple demands, reigning internal tensions and seeking transcending meanings that guide collective action across the organization (Kraatz & Block, 2008). This may require individual-level reflectivity which allows the managers to observe and tease apart different interpretations and meanings, and use multiple tactics and available symbolic resources to reframe the basis for collective action in accordance with the service-centric logic (cf. Selznick, 1957). At the same time, skill is required to legitimize strategic transition for external constituencies, as well as to construct new forms of customer relationships, practices and organization structures through which value is created.

The fourth contribution of this dissertation adds new knowledge to the current understanding of the ***service transformation process***. While not a process study as such, the hybridization view of service transformation clearly demarcates the current work from linear conceptualizations of the change process (e.g., Oliva & Kallenberg, 2003). Hence, this work points to a more dynamic and complex view of the transformation process influenced by external factors, framing of services, managerial orientations as well as other organization-specific factors summarized in Figure 4. In this process, leadership that facilitates cultural and identity change becomes increasingly important, with particular attention to balancing of multiple logics and rationales in ways conducive to the prolific co-existence of multiple goals and means of creating value. Moreover, the overall systematization of operations in the organization may influence service transformation as it provides a stable basis for adding new services, and because it may free resources and cognitive capacity of key individuals to seek broader interpretations of the organization and explore with new opportunities for supporting customers' value creation.

The current findings also promote a periodic view of service transformation in which an organization begins with one constellation of value-creating activities and meanings organized into a collective frame. With multiple possible directions, cognitive reframing and reorganization of activities may result in the expansion, preservation, or erosion of the current frame, or the creation of a novel frame altogether. The collective frame influences the direction of change as it orients managerial attention to certain events, issues and constituencies over others. As new frames are enacted in practice through the implementation of new activities, the frames become subject to further change (Dionysiou & Tsoukas, 2013), which further reorients the value

creating activities of the organization. What results is an open-ended view of service transformation which is not bound in a predefined sequence of steps from the minor to major engagement in service-based value creation (Oliva & Kallenberg, 2003), but allows for 'reverse' service transformation (Finne et al., 2013), and explains the temporary states of stability and change around organization's engagement in service provision.

This displays service transformation as multi-dimensional and laden with risks or opportunities for more radical change or regress. At the micro level, the current view aligns with the observation that organizations may adopt different orientations to change, or enact multiple orientations simultaneously (Smith et al., 2014), ranging from the expansion to erosion of frames, and from incremental improvement to more open-ended experimentation with new solutions. While there is the opportunity for discovering and promoting radically new solutions, there are also a plethora of dead ends, failures and mistakes which constantly shape the 'path' of the organization. In this sense, the current work aligns with and provides an alternative angle to the view of radical incrementalism discussed by Kowalkowski et al. (2012) as the basis for service transformation. This also aligns with entrepreneurial models of change such as bricolage (Baker & Nelson, 2005) or effectuation (Sarasvathy, 2001), in which the path and future of the organization is endogenously constructed by actors creating new solutions from available resources.

The fifth contribution of this dissertation is the ***development of a 'middle-range' theory*** (cf. Merton, 1949) for service-dominant (S-D) logic, which describes at a highly conceptual level a paradigmatic shift from goods- to service-dominant logic of value creation (Vargo & Lusch, 2004). A large number of empirical studies cite S-D logic as if it provided an empirical description of ongoing service transformation in organizations and industries. However, a closer reading reveals that S-D logic makes few if any normative propositions regarding the transition, management or performance of organizations, instead outlining an ontology or paradigm with distinct lexicon alternative to the goods-dominant worldview for understanding value creation in service ecosystems (Lusch & Vargo, 2014; Vargo & Lusch, 2008). By focusing on framing and the collective understanding of value creation shared by organization members, this dissertation suggests that one way of 'operationalizing' S-D logic for empirical analysis is to perceive the goods- and service-dominant logics as archetypical frames, or schemas of interpretation, which guide individuals' sensemaking and decision-making and hence orient them in particular ways to creating value with others. While easily depicted as two mutually exclusive opposites, the findings of this dissertation show that the 'goods versus service' dichotomy has multiple possible dimensions and perspectives, which manifest in the different ways organizations frame service provision. In align with framing literature, this means that the ideal type logics can be framed and instantiated in practice in diverse ways (Thornton et al., 2012; Vican & Pernell-Gallagher, 2013).

By bridging between the empirical observation of service transformation and the ontological or meta-theoretical orientation of S-D logic, the framing

perspective can benefit both service transformation literature and further development of the S-D logic. One insight of the frame perspective is that while existing literature reports a shift from asset-centric to service-based business (Anderson & Narus, 1995; Prahalad & Ramaswamy, 2004; Vandermerwe & Rada, 1988; Wise & Baumgartner, 1999), similar to the general transition from goods- to service-dominant logic explored by Vargo and Lusch, neither should be taken as a sign of universal change in the frames guiding interpretation and decision-making. Rather, these should constitute the basis for further empirical inquiry, such as the one in this dissertation, seeking to identify the multiple dimensions of, and meanings associated with, service transformation by the informants embedded in their context. In addition, this points to investigating the ways and extent to which organizations do, or do not, preserve their old logics and forms of value creation parallel to the introduction of the new. One of the central insights of this dissertation is that service transformation has a strong element of hybridization across multiple logics, and the unfolding of the hybridization to a large extent defines the resulting outcomes, that is, service transformation in organizations.

The frame concept also provides S-D logic a potentially useful concept for understanding value cocreation in service ecosystems (Vargo & Lusch, 2011). As presented in the literature review, S-D logic has taken interest in institutions as the constitutive structures of ecosystems which guide, constrain and coordinate value cocreation (Edvardsson et al., 2014; Vargo & Lusch, forthcoming; Vargo et al., 2015). While potent at the systemic level of analysis focused on the creation of new solutions and emergence of markets (Vargo et al., 2015), the discussion of institutions and institutional logics lacks specificity at the level of individual actors and resource integration. With the frame concept, it is possible to focus on the guiding schemas of interpretations held by individuals and shared in groups, emphasizing the micro-level processes and resource integration activities guided by, but also shaping, the frames.

Finally, this dissertation contributes to the literature by introducing and elaborating a **new empirical context for studying service transformation**. While existing research has focused predominantly on capital goods manufacturing contexts with B2B relationships, the current context introduces the residential sector, or construction and real estate sector more broadly, to the research field. This dissertation focuses on the organization-level reorientation from the productivity of assets to service provision with individual residents. As a result, this work enriches current literature in at least two ways. First, it expands the phenomenon of service transformation to consider more explicitly the goal of facilitating an individual user's value creation process, which is more evident in the B2C context in contrast to the B2B focus on organization-level integration into value creation for the 'customer's customer'.

Second, the current context makes more visible the emphasis on integration among multiple logics and activities at the core of service transformation. While the context of capital goods manufacturing tends to emphasize

increasing leveraging of provider competences for alleviating customer's risks and help integrate new products into customer's value creation process, the residential sector draws attention to the 'internalization' of new orientations and forms of activity resting on new competences with logic distinct from the asset-centric and technical orientation dominant in the industry. In other words, the current context may encapsulate more diversity in the avenues for change toward service-based mode of operations, and put more emphasis on change in organizational identities and in the field-wide institutional logics. For these reasons, the current context is particularly suited for elaborating the influence of framing on service transformation.

6.2.2 Contributions to literature on framing and hybrid organizations

The findings of this dissertation distinguish between two main dimensions, identification with resident services and argument diversity. Whereas identification with resident services specifies the more general orientation of organization members to value creation (i.e., framing services either as 'ideology' or 'practice'), the dimension of argument diversity draws attention to distinct rationalities constitutive of organization members' comprehension and evaluation of resident services in specific situations and contexts. The dimension of argument diversity underscores the possibility of simultaneously using multiple arguments to justify engagement with resident services. More specifically, it distinguishes frames based on business-centric rationales from those rooting in multiple interrelated rationales or attributes.

With the distinction between 'single' and 'plural' rationales, the current work contributes to **research on framing**, particularly that by Hahn et al. (2014), who propose that decision-making on corporate social responsibility (CSR) matters takes different forms depending on whether managers frame these issues as simple business matters or as more paradoxical questions involving multiple overlapping attributes or rationales. Similarly, the current findings identify frames portraying (resident) services either as pure business decisions or decisions involving multiple legitimate rationales that need to be taken into account. Hahn et al. (2014) propose that whereas simple business-centric frames produce narrow and unambiguous decision-making, more complex frames portray issues as multi-faceted and thus make decision-making more difficult. The findings of this study align with this conclusion, but expand it by showing how managers with different frames perceive and evaluate services in different ways. While the business-centric frames produce management oriented to monitoring and control, multiple interrelated rationales appeared to produce more holistic and synergistic managerial orientation more capable of leveraging the complementarities among multiple goals and activities. Furthermore, by considering the second dimension of identification, the current findings extend beyond the framework by Hahn et al. to explore the influence of identification, and not just frame complexity, on organizational action, emphasizing the importance of collective values and identity for alleviating the issues of decision making ambiguity.

From the viewpoint of service transformation, the distinction between business-centric and multiple interrelated rationales is relevant as it suggests that organizations may have multiple guiding rationales and goals for the adoption of service activities. The service transformation literature seems to take financial performance as the self-evident driver of transformation, reflecting the market-based assumptions underlying much of marketing and operations management literature. Here, factors such as customer satisfaction, profitability, and distinguishing the organization from competition are considered important triggers and goals of service transformation (Oliva & Kallenberg, 2003). The current study adds to this list the existence of non-financial values such as social welfare, which establish a distinct basis for implementing and evaluating service activities and the success of service transformation on non-financial basis.

As mentioned, this study considers service transformation as organizational hybridization among multiple logics of value creation. In addition to providing a novel perspective to understanding service transformation, the current study also *expands research on hybrid organizations* – organizations that combine multiple logics in novel ways (Battilana & Dorado, 2010) – beyond its common focus on social enterprises combining the market logic with that of social welfare (Battilana & Lee, 2014). Hence, these findings align with Besharov and Smith's (2014) suggestion that the centrality of logics constitutes an important characteristic of hybrid forms. Here, low centrality means that one logic and the associated rationales dominate over the other logic(s), while high centrality means the co-existence of multiple, equally powerful logics at the core of organizational functioning. This research expands the hybrid organization literature to describe a range of hybrid forms from those in which one logic is minor in the sense of both argument diversity and organizational identification to those combining multiple equal rationalities integrated by strong identification with particular forms of action.

The findings of this dissertation also contribute to the literature on hybrid organizations by elaborating the proposition that *strong positive identities* may help the organization protect itself against the negative influence of multiple logics and associated complex pressures (Battilana & Dorado, 2010; Greenwood et al., 2011; Pache & Santos, 2013). This dissertation claims that at least one aspect of this mechanism derives from organization members' shared understanding of the basis of value creation, that is, what is valuable to them and their customers, and how such value can be realized in and through interactions with other actors. In one sense, this provides an internal compass for the members of the organization to navigate multiple internal identities and external preferences of different constituencies, constituting an important facet of organization members' self-conception of what defines their organization, makes it unique, and allows it to endure over time (Albert & Whetten, 1985).

With emphasis on framing, the current work also elaborates *the social construction of collective understanding and shared identity* as constitutive of hybrid organizations. In particular, the findings point to the

possibility of framing multiple assumptions, values and beliefs associated with different institutional logics as more or less incompatible (Besharov & Smith, 2014) depending on the existence of a transcending identification with particular principles or orientations to value creation. In other words, the framing perspective suggests that the centrality of logics in an organization is subject to idiosyncratic and contextual framing of the purpose and logic of the organization, rather than taking institutional logics as given templates imposed on particular types of organizations (e.g., social enterprises). Hence, multiple rationales may more easily emerge as incompatible and detrimental to the long-term existence of the organization with an instrumental view of an emerging logic, than in the case of multiple logics being constitutive of the organization's identity and mission.

The centrality of identity also surfaces in the framing-based study by Hahn et al. (2014), who propose that identity influences the efficacy of cognitive frames in decision-making in the way that a homogenous business identity weakens the influence of paradoxical frames (consisting of multiple rationales) on interpretation, while a heterogeneous identity weakens the influence of business case frame on interpretation (p. 475). The current dissertation produces no contradictory evidence to these propositions. However, these propositions appear to exclude the possibility, suggested by the current study, of a ***homogenous but transcending identity*** that reinforces the efficacy of diverse (or in Hahn et al.'s language, paradoxical) frames on interpretation. In this sense, the current study accommodates the possibility of transcending frames as well as reflexive and mission-driven managers who may foster internal pluralism and achievement with respect to multiple goals leveraging, rather than being only handicapped by, the internal pluralism of rationales and the contradictions.

6.2.3   Contributions to institutional literature

The two-dimensional view of framing provides a number of novel perspectives to understanding how collective cognitive processes underpin service transformation at the organizational level. Besides service transformation, framing and hybrid organization literatures, the framework developed in this dissertation provides avenues for ***more generic theorization on organizational change*** resting on the institutionally informed view of organizations and fields. This view applies particularly to institutional contexts with dominant logics, in which organizations adopt and internalize new logics which reorient their conduct with respect to new and existing constituencies. Besides service transformation, this view may be particularly applicable to transformations involving increased attention to corporate social responsibility issues (cf. Hahn et al., 2014), or to the context of social enterprises and other forms hybrid organizations emerging in the society (cf. Besharov & Smith, 2014).

To distill a more generic framework for understanding change, the dimension of identification with resident services can be generalized into *identification with new logic*, be that service-based value creation, social

responsibility, or human welfare. In this dimension, organizations may frame the new logic as instrumental, adopted in a manner to promote the preexisting logic of the organization, or organizations may frame themselves according to the new logic, which involves the internal and external re-negotiation of what the organization exists for and how it creates value with others. The second dimension draws attention to the rationalities that guide the more specific actions and efforts to change the organization. In this sense, it represents the structure of the constitutive frame complementary to its primary content encapsulated in the dimension of identification (Walsh, 1995). Here, single rationales display the existence of relatively unambiguous and uniform shared criteria for evaluating different activities, and cause-effect models that render the activities comprehensible. Multiple rationales, to the contrary, describe the pluralism of such cause-effect models and evaluation criteria, suggesting a continuum from simple to complex organizations in terms of the rationalities they rest on.

This framework, presented in Table 29, draws attention to four forms of *transformative work* based on the distinct approaches to framing new logics in the organization: constrained, expanding, aligning and integrative. The concept of transformative work refers to *the activities and efforts performed by the members of the organization to adopt and sustain new logics of action to transform the organization.* The concept of transformative work coincides with institutional literature and the notion of institutional work, defined as "*the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions*" (Lawrence & Suddaby, 2006: 215). Focusing on the organizational level of analysis, with sensitivity to the institutionalized patterns of interpretation and action, the four forms of transformative work point to distinct managerial orientations in promoting change in organizations, and suggest a typology of organizational transformation applicable to contexts other than service transformation.

First, the *constrained* form of transformative work describes efforts to protect the institutionalized logic prevalent in the organization. As a result, the adoption of elements from the new logic is limited to activities or forms that can be integrated to the existing logic of the organization and justified from the perspective of the dominant rationale. As a result, change is likely incremental and may involve the symbolic decoupling of core activities from those boundary activities associated with a new constituency or emerging theme in the field or society (Meyer & Rowan, 1977).

The second form of transformative work rests on the frame archetype of organizational reorientation, describing frames that adopt an instrumental view of the new logic while accommodating multiple rationalities to evaluate the inclusion of new elements to the organization. In this context, transformative work takes the forms of introducing and cultivating new and complementary rationales for new forms and actions, with particular emphasis on sustaining the diversity of interpretations that define the sensemaking and evaluation in relation to new activities. Hence, this form points to *expanding* cognition in the organization which creates latitude for experimenting with

new forms of activity and may help the organization operate in the nexus of conflicting external demands, similarly to what Pache and Santos (2013) interpret as selective coupling with multiple logics.

Table 29 Four forms of transformative work

<table>
<tr><td rowspan="2"></td><td rowspan="2"></td><td colspan="2">*Rationalities*</td></tr>
<tr><td>Single</td><td>Multiple</td></tr>
<tr><td rowspan="4">*Identification with new logic*</td><td>Ideological</td><td><u>Aligning</u>

Defining new goals and means, nurturing stakeholders' comprehension.</td><td><u>Integrative</u>

Fostering balance by establishing, promoting and clarifying common values.</td></tr>
<tr><td>Instrumental</td><td><u>Constrained</u>

Protecting the existing logic, demarcating organizational change to forms and activities compatible with the current logic.</td><td><u>Expanding</u>

Introducing alternative but complementary rationales, cultivating diversity of interpretations and actions.</td></tr>
</table>

Third, the *aligning* form of transformative work rests on a more fundamental shift from an instrumental to ideological framing of the new logic. Consequently, transformative work orients to the creation of new goals and means for value creation necessary when the organization diverges from the institutionalized standard. Emphasis is placed particularly on how both the organization members and external stakeholders comprehend the new logic of the organization, acknowledging the relatively long time and extensive efforts it may take for both the internal and external constituents to comprehend and take for granted the new ideology (Tripsas, 2009).

Finally, the shift from single to multiple rationalities denotes a shift from aligning to *integrative* form of transformational work. With the existence of diverse rationales, and more than one strong constituency orienting the goals set for activities and organizational achievement at large, transformation calls for managerial efforts to foster balance among multiple rationales by establishing, promoting and clarifying common values which establish the basis for collective engagement despite divergent goals and activities. In this context, organization's identification with the new logic constitutes the basis for shaping a transcending view of value creation. By explicitly advocating overarching values and common goals, the managers may become able to foster common mission that is able to leverage, rather than suffering from, the pluralism of rationales permeating the organization. This reflects the trajectory of change what Selznick (1957) perceived as the organization 'emerging as an institution in its own right', not merely responding to complex pressures but rising above them (Kraatz & Block, 2008).

Combined, the four forms of transformative work imply distinct patterns of change, from the incremental addition of activities (constrained form) to experimentation (expanding), radical change (aligned) and ongoing (re-) construction (integrative). These constitute organizational-level archetypes of change. Reflecting on the detailed conceptualization of frame change by Gray et al. (2015), these archetypes encapsulate different mechanisms (e.g., reframing, importing, merging, maintaining plurality) of how individuals are able to 'translate' frames in diverse ways so as to establish new grounds for interpretation and action. Rather than specifying these individual-level mechanisms, however, the current work contributes to the literature by proposing a typology of the forms of organizational-level transformative work aimed at the internalization of new logics to transform the organization.

More generally, this typology can be extrapolated to describe *distinct patterns of institutional processes in organizations* responding to the challenge of integrating multiple logics (Greenwood et al., 2011). Hence, it organizes the diversity of views associated with balancing multiple logics inside organizations. In this literature, some studies portray the presence of complexity as inherently threatening to organizations (e.g., Tracey, Phillips, & Jarvis, 2011). Others portray hybrid organizations as relatively stable and balanced, resting on members' skillful use of multiple logics (e.g., Binder, 2007; McPherson & Sauder, 2013), while others see complexity as an enduring source of innovativeness that managers can choose to maintain within organizations (e.g., Jay, 2013; Murray, 2010). Rather than mutually exclusive, the current study shows that all of the previous views are 'correct' but depend, at least partially, on how multiple logics are framed in the organization. While the constrained view may frame two logics as incompatible and threat to organizational survival, the integrative view more likely produces balance or even transcendence among multiple logics. Similarly, the expanding view may be particularly conducive to leveraging tensions between logics for innovativeness. Hence, institutional complexity and the characteristics of the organization as hybrid are only partially determined by the features of logics 'out there', such as their compatibility and centrality (Besharov & Smith, 2014), with significant room for (skillful) framing the logics in an idiosyncratic manner in the context of a specific organization (Giddens, 1984; Vican & Pernell-Gallagher, 2013).

6.3 Practical implications

While positive in its orientation to knowledge production, the findings of this dissertation also offer a few practical implications for managing service transformation, particularly in the residential sector. The most important contribution of this work relates to the illustration of different possible archetypes to framing resident services as a part of the organization, increasing awareness of the potential directions the 'traditional' asset-centric organizations may have available for guiding change. While acknowledging the fact that large listed companies are likely more confined to business-centric

rationales than smaller non-profits, the framework promoted in this study illustrates possible directions for organizations to increase their engagement with customer-centric service provision. Relatedly, the findings offer information of the likely pros and cons of each approach to service transformation, making visible the possible challenges, particularly from the perspective of change management, an organization may need to reconcile during service development and implementation.

The findings draw attention to distinct forms of managerial action useful for facilitating service transformation on the grounds of different frames. As described earlier, the findings describe process- and cognitively focused managerial orientations, the former emphasizing the design and implementation of new activities and the latter the reformation of collective frames guiding the organization. In general, this dissertation suggests that for successful service transformation, both are needed, with particular emphasis on managing transition in the shared values and understandings among organization members. In this process, organizations are considered not as the Tayloristic machines subject to principles of 'scientific management', but as groups of skillful and social human actors whose creativity and performance rests on the fulfillment of social needs and identification with the values, purposes and means with which value is created (cf. Willmott, 1992). As a result, leadership rather than management is emphasized, calling for engaged and engaging key individuals committed to finding new forms of value creation, rather than value capture.

At the level of managerial practices, the findings of this work point to a few 'universally' important practices for managing service transformation. First, the personal engagement of legitimate leaders, usually top managers, in promoting service transformation seems crucial (and conducive to transforming profit generation frames into more 'progressive' collective frames). While operative-level managers may develop and refine the efficiency of activities, top managers are central to promoting new interpretations and definitions of the organization, and legitimizing on-the-spot decisions regarding the directions the service operations take in the organization. The interviews also point to the importance of top managers' personal vision and engagement in advocating change, which becomes even more pronounced in larger organizations in which managers face great pressures to adopt the political logic of the corporate world detrimental to the creation of novel meanings and forms of activity (cf. Jackall, 1988).

The empirical evidence also points to a specific approach to goal setting and monitoring performance, which emphasizes not the specification of means but goal-setting which directs employee behavior to achievement beyond immediate efficiency and profitability. For example, TempAcc and RentChamp drew attention to clear goal setting down to teams and individual employees, involving goals for improving the work achievement but not defining means to achieve this improvement. In reference to the notion of balanced empowerment in service development (Fuglsang & Sundbo, 2005; Sundbo, 1996), this approach to goal-setting may foster the bottom-up engagement of

employees and operative teams in service transformation in a manner that facilitates ongoing improvement and complements the top-down managerial efforts at broader, system-level changes. In this sense, the findings do not imply emphasis on fostering unconstrained bottom-up action, but aim at constructing balance between top-down constraints and limits needed for maintaining alignment and common direction (and efficiency), and the bottom-up generation of new ideas for improvement and leveraging of synergies for higher customer value (see also Siltaloppi & Toivonen, 2015).

Another key area of managerial attention during service transformation is workforce composition, placing emphasis on recruitment and training of employees. First of all, training existing employees is often necessary for the development of new competences required in the provision of resident services. Achieving change in the underlying frames also requires managers to focus on the recruitment and training of new employees, as new employees import their preexisting assumptions, values and beliefs to the organization. For example, hiring traditional property managers may impair efforts to reorient the previously property-centric organization to customer-centric service provision, as new employees import the existing institutionalized values and assumptions to the organization and hence reinforce its existing asset-centric logic. For this reason, executives in the more 'progressive' organizations underscored the importance of recruiting people who share the values of the organization, or hiring young or otherwise 'un-socialized' employees more easily trained to the customer- and service-centric logic of the organization (see also Battilana & Dorado, 2010).

The findings also imply a view of managing the change process itself in a manner which flexibly combines formal design efforts with practical experiments and involvement of both employees and customers in the process of developing new service offerings (Siltaloppi & Toivonen, 2015). This approach may have several benefits particularly for changing the collective frames of the organization toward customer-centricity and service provision. First, by involving key stakeholders in the process over its phases, the development process itself constitutes a collaborative platform for reconstructing the guiding frames and easing employees' adoption of new frames. Second, it facilitates the formation of new connections between the organization and its external environment. This enables new frames to form in accordance with the limitations, expectations and needs of external stakeholders and material constraints. Third, this mode facilitates ongoing dialogue among top management and employees in reconstructing the frames, creating trust between the parties and commitment to new values and forms activity beyond what is possible in a strictly top-down controlled process.

With these insights, it is also important to address in advance a few possible misinterpretations regarding the application of the findings of this dissertation in practice. First, the current study takes interest in the transformation of organizations from asset- to service-centric forms and logics of value creation. However, it does not suggest that all manufacturing organizations *should* transform into service providers, not the least because the performance

implications of such transitions are mixed (Neely, 2009). As mentioned, this dissertation is a positive study of service transformation with no examination of financial performance. Hence, it is not a normative promotion of service-centric strategies. The second 'caveat' is that the current work perceives different frames and emerging managerial orientations to both produce and resolve the paradoxes inherent to service transformation (Smith & Lewis, 2011). Hence, as the managers of organizations are well aware, organizational life is an ongoing accomplishment, with no magic wands to fix issues immediately or permanently. Rather, the chosen – or rather, taken – interpretations, strategies and practices of the organization both resolve particular problems and give rise to others inherent to that particular approach. This means that the managerial tactics and orientations need to be interpreted simultaneously as solutions and 'means of survival'.

6.4 Limitations

As any scholarly work, the findings of this dissertation must be interpreted with an eye on certain limitations. In the following, the limitations are discussed by, first, reflecting the theoretical choices that constitute the basis for this work. Thereafter, methodological limitations are discussed, with specific attention paid to the selection of cases as well as the quality of the empirical data.

6.4.1 Theoretical choices

The first decision that influences the generalizability of findings relate to the selection of particular theoretical perspectives, most notably organizational cognition coupled with institutional theory. While these perspectives are particularly useful for exploring in detail the cognitive underpinnings of service transformation, this view draws attention away from the classical contingency theory explanations focused on the fit of the organization with its environment (e.g., Lawrence & Lorsch, 1967). Hence, as I looked inside the organization to the rationales, arguments, attitudes and identification with respect to resident services, the current study excludes an analysis of the influence of environmental and organizational antecedents on service transformation, as well as their consequences on organizational performance.

Relatedly, this research rests on the foundation of institutional theory which perceives organizations as subject to isomorphic pressures, often forced to conform to the cultural assumptions, values and beliefs of organizational fields, rather than making decisions based on rational calculation of best outcomes for the organization (DiMaggio & Powell, 1983, 1991; Scott & Meyer, 1983). While this dissertation builds on more recent institutional literature relaxing the strict structuralism of early neoinstitutional theory, and embraces the 'flexibility' inherent to the frame concept which captures the local reconstruction of meaning structures in the nexus of micro-level cognition and macro-level institutions (Cornelissen & Werner, 2014), it nevertheless considers organizations and organizational change to unfold in the nexus of

multiple and sometimes contradictory institutional pressures which managers attempt to cope with, channel, and transform in different ways so as to sustain and improve their organization (e.g., Greenwood et al., 2011; Thornton et al., 2012). In this context, the interpretation of findings to other literature fields with more 'rational' orientation to organizations and economic activity, such as service marketing, operations management or strategy, requires a through consideration of the underlying assumptions and the philosophical basis of this study.

6.4.2   Research design and methodology

The limitations of the methodology and research design were partially addressed in section 3, in which the questions of reliability and validity of the research design were discussed. However, additional limitations are associated with the case study methodology and case selection, as well as the empirical data used as the basis of this research. Their impact on the evaluation and generalization of the current findings are discussed next.

The first limitation related to the case study methodology stems from the fact that the findings of a case study are always influenced by the selection of cases, and no two cases are alike (Yin, 2009). Hence, the findings of this dissertation build on the idiosyncratic case organizations selected for closer analysis. From a theoretical standpoint, the generalization of findings must therefore involve an evaluation of critical boundary conditions within which it is reasonable to expect the current findings to hold. In this study, such boundary conditions relate to service transformation as the context of the study, the type of service transformation focusing on services provided for consumers, the institutional context of the residential sector, and finally, the types of organizations studied.

First, focus on service transformation means that this dissertation examined organizations undergoing, or having undergone, transition toward higher orientation to customers and service-based value creation. Thus, the approaches to framing omit cases that ignored the service-centric logic, making the findings generalizable to situations of service transformation in other contexts besides the residential sector, and more broadly, to studies of organizational change. However, in the context of the latter, it is important to point out that framing, as considered in this study, focuses on the logic of value creation within the particular industrial sector, thus suggesting a caveat in applying the current findings to cases in which framing is oriented, for example, to the 'deep structures' of the society (Heracleous & Barrett, 2001), or societal-level institutional logics (Thornton et al., 2012).

Within the service transformation context, generalizing the findings of the current dissertation must take into consideration the focus of the current study on services offered to consumers (rather than business clients). This is distinct from the majority of service transformation literature focused on service transformation in B2B relationships between manufacturers and client organizations (see also the discussion at the end of section 6.2.1). Common to both contexts is emphasis on the changing focus from the manufacturing of tangible assets to easing customers' value creation, whether individual

consumers or households seeking support in their daily life, or client organizations creating value with their customers supported by the upstream manufacturer. Nevertheless, this sampling decision implies that the services considered in the current study are likely less knowledge-intensive and involve more labor-intensive, and in some cases, software-based service processes and solutions, distinct from the knowledge-intensive consulting services associated with service transformation in manufacturing contexts (Oliva & Kallenberg, 2003).

In addition, the triadic nature of B2B services stands apart from the B2C services of the current study, as B2B service provision often involves the consideration of how the manufacturer may help the client to address the needs of their customers through service provision (e.g., Li & Choi, 2009; Wynstra, Spring, & Schoenherr, 2015). In contrast, service provision in the current context is more clearly dyadic, although in some cases (e.g., PropInv) it involves triadic constellations among the building owner, resident and third party service providers. However, this sampling issue may not be as pronounced with the current focus on framing, as it would be in an operative-level study of management or relationship practices. Still, it is acknowledged that other contexts may draw attention to different types of framing, and even introduce new archetypical frames regarding the orientation of the organization to service provision, calling for future research.

The institutional context of the residential sector also affects the findings of the dissertation as framing in different national and industrial contexts may take forms and emphases invisible in the Finnish culture, as well as in the context of the residential industry. For example, asset-centricity in the residential sector may specifically draw attention to difficulties in integrating new rationales to existing frames, whereas emerging industrial sectors or industries with higher pace of change may emphasize the difficulty of framing the offering and purposes of the organization in particular ways to associate them with categories understood by broad audiences (e.g., Kennedy, 2008; Kennedy & Fiss, 2013; Zuckerman, 1999). Thus, the findings of this dissertation are more applicable in the context of established and institutionalized industries with dominant roles and logics of action. Furthermore, rapidly changing industries, such as IT, may display different orientations to framing than industries with characteristically slow speed of change, such as the construction and real estate section in which the life cycle of buildings is measured in decades rather than quartiles. The current findings may also generalize to societal sectors such as health care or education only in a limited way, as these contexts may involve considerations of more fundamental values in reframing the organization. Finally, it is necessary to point out the general economic downturn that may characterize the current findings within a broader historical perspective.

The generalizability of findings must also address the types of organizations selected as the case studies. As the current study involves both large and small organizations, with both for-profit and non-profit status, the findings of this dissertation are not limited to specific types of organizations (e.g., large for-

profit building owners engaged in service transformation). This richness is fundamental to revealing the diversity of framing approaches and thus constitutive of the findings of this dissertation. However, the decision to fade into the background the characteristics of case organizations means that the findings of this work do not provide clear connections between organization types and emerging frames, which arguably would enrich the findings of this dissertation. Hence, future research is needed to investigate how the contextual and organization-specific factors influence the emergence of particular types of frames, and how different types of frames in the context of a particular type of organization influence performance.

6.4.3 Empirical data

The forms of empirical data constitute another source of limitations for the findings of this dissertation, concerned primarily with the 'quality' of empirical data and evidence. As the findings are based on retrospective interviews, they mostly reveal informants' ex-post rationalization of events rather than providing 'real time' insights into the process of framing during service transformation. In this study, a conscious choice was made between high level of detail and breadth of scope in favor of the latter, the purpose of the study being to understand the influence of framing on service transformation, rather than focus on the process of frame change at the micro level. As a result, this study accepts interviews as the most accurate available data source which provides an efficient way of developing relatively detailed understanding of the organization (Eisenhardt, 1989).

Different tactics were adopted to improve the quality of data. First, multiple informants from each organization were interviewed to counter the retrospection bias of individual informants. Second, interviews with key informants were conducted at different points in time with refined theoretical knowledge and understanding of the case, offering also the opportunity to observe the evolution of resident services in the organization at multiple points in time. Furthermore, the emerging findings were discussed with key informants in each organization to ensure that the interpretations of the author regarding each of the case organizations aligned with the understanding of the informants of their own organization.

Hence, the empirical data provides a solid basis for drawing conclusions about each of the individual organizations. On the downside, the lack of 'real time' observations means that the study had to rely on retrospective accounts of how managers sought to promote new frames and support their organization in service transformation. With lack of access to internal documentation, it was also difficult to gain access to changes in central meanings or managerial efforts over the process of service transformation. The secondary data collected from publicly available sources (e.g., websites, marketing materials, annual reports), while helpful in forming an overall understanding of the case, was not useful for understanding framing as these materials were aimed at external constituencies and thus potentially decoupled from internal interpretations and action (Fiss & Zajac, 2006; Meyer

& Rowan, 1977). Nevertheless, frames constitute a forgiving research object with regards to cross-sectional interviews by taking interest in the informants' ways of interpreting and understanding resident services in the case organizations. While cross-sectional data may hide some of the twists and turns of organizational change, it is reasonable to assume that the interviews did reveal the dominant frames present in the organizations, supporting the current research design.

While losing some resolution in the within-case analysis, the current research design is particularly equipped to reveal and analyze differences in framing resident services across multiple organizations. To this end, the multiple interviews in each case organization constitute an adequate basis for examining the dominant frames across cases, and formulating understanding of the managerial orientations to legitimizing and facilitating the adoption of resident services in the organization. Furthermore, the final round of data collection conducted two years after the main phase of data collection provides temporal depth to the data which help clarify the proposed relationships between framing and the directions of service transformation.

An additional limitation of this study considers the selection of respondents. It is reasonable to believe that the top and middle-level managers involved in developing resident services can provide the most accurate insight into the relationship of the organization with resident services, and that their interpretations and visions are central to shaping the collective frames and courses of action the organization more generally (Binder, 2007; Vican & Pernell-Gallagher, 2013). However, by focusing mostly on managers' accounts of service transformation, the current data may hide the pluralism of interpretations and rationales in the organization, and as a result, provide too unilateral view of service transformation resting on the 'formal', manager-induced account. Literature on strategic change, for example, shows more contested and questioned status of collective frames during strategic change, subject to the influence and interpretations of diverse actors. Hence, collective courses of action emerge from this 'messy' reality in which multiple actors struggle for meaning and dominance (Balogun & Johnson, 2004; Buchanan & Dawson, 2007; Kaplan, 2008b; Sonenshein, 2010), which the current work may be ill equipped to reveal.

More generally, this concern reflects the choices made regarding the main unit of analysis – frames. In their extensive review of literature on frames and framing, Cornelissen and Werner (2014) identify a number of distinct definitions of frames and framing at micro, meso, and macro-levels of analysis. This dissertation adopted a strategic meso-level view of frames, which highlights the collectively constructed representations of the firm in its industry, including assumptions and knowledge of the capabilities of the organization as well as orientation to competition with other firms (Kaplan, 2008a; Nadkarni & Narayanan, 2007). This choice was motivated by the character of service transformation as predominantly strategic-level change. Furthermore, as existing research has already explored in detail the process of framing in single-case settings, the decision to adopt a multiple-case design

with predominantly cross-sectional data draws attention away from the micro level process of framing to the frames constitutive of decision-making and action at the meso level of the organization.

With this choice, the findings of this dissertation generalize particularly in the context of other meso-level studies of frames, particularly those studying the extent to which an organization engages in particular (new) forms of activity. While not applicable to studying change in the individual-level cognition or field-level cultural assumptions, the findings of this dissertation remain mindful of the micro-level basis of frames as individuals' cognitive knowledge structures. Furthermore, this work acknowledges, in align with institutional theory, the macro-level influences on the formation and re-formation of frames at organizational level. Rather than viewing frames as existing as somehow inert cultural templates or repertoires available for managers to adopt, however, this dissertation rests on the interactionist assumption that frames constantly evolve and are preformed in social interaction (Gray et al., 2015; Kaplan, 2008b). Hence, the findings of this study were interpreted as manifestations of the underlying processes of sensemaking and framing, resulting in the emergence of diverse organizational forms and strategies that steer away from the institutionalized forms and practices characteristic of the residential sector.

6.5   Future research

6.5.1   Service transformation

The current dissertation, with its broad theoretical background, points to a number of interesting areas for future research in the context of service and service transformation research. First, this study has linked different ways of framing services to the unfolding of service transformation in organizations. However, more detailed understanding is needed of the antecedents and processes of frame reformation. Existing literature suggests that the backgrounds of organizations and individuals, as well as individuals' personal values, likely play a role in the frame (re-) formation (Vican & Pernell-Gallagher, 2013), stemming from the diverse institutional contexts in which individuals and organizations are embedded (cf. Greenwood et al., 2011; Raynard & Greenwood, 2014). Thus, future research could examine in more detail how, for example, the values, backgrounds and personal traits or orientations of the key individuals come to affect organization's transition to service-based value creation.

Another interesting question relates to the characteristics of the organizations, which were given relatively little attention in this dissertation. While the current findings associate for- and non-profit organizations with different frame archetypes, more research is needed on the influence of organizational characteristics on the process and outcomes of service transformation. In this research, potentially interesting features may be the age and size of the organization (e.g., the younger the more agile) (Dougherty

& Hardy, 1996); the position of the organization in the organizational field (e.g., central position offering power and resources, peripheral latitude for innovation) (Greenwood & Suddaby, 2006) and in industry networks (e.g., brokerage positions offering opportunities for innovation) (Burt, 1992); and the external brand, image or status of the company (e.g., affecting external endorsement and formation of identity during change) (Dutton & Dukerich, 1991; Kodeih & Greenwood, 2013).

Organization theory offers other interesting avenues for future research. Whereas this study has primarily leveraged the concept of frames, theorizing on sensemaking and sensegiving (e.g., Gioia & Chittipeddi, 1991; Maitlis, 2005), for example, offers a slightly different perspective to the construction of shared understanding and meaning that underscores service transformation in organizations. In particular, this literature draws attention to the collective and interactive processes of reconstructing frames and negotiating meanings in the interaction between managers and employees. In the same sense, recent work on strategic change (e.g., Sonenshein, 2010) may be useful for considering organization-level service transformation as strategic change unfolding in a dialectical relationship between managers' and employees' sensegiving and interpretation of events. In particular, this literature points to the pluralism of interpretations and outcomes contested inside organizations, displaying service transformation not as uniform organization-wide integration of new logics of value creation, but as contested process among individuals and groups to impose particular meanings on events and formally endorsed change processes (Kaplan, 2008b).

Through these (and many other) perspectives, it is possible to gain new insights into service transformation. Whereas the current literature is mostly characterized by a relatively rational and managerialistic view of organizations developing and providing solutions to customers' problems, the organizational literature draws attention to the 'messy' social construction of organizations as they engage in value creation with others. Considering the lack of critical perspectives taken to service transformation, even in the presence of evidence against its financial benefits (Neely, 2009), future research may also find useful to examine the 'dark side' of service transformation. One example is the 'reverse service transformation' pattern identified by Finne et al. (2013). Beyond the process perspective, it may be worthwhile to research into how, for example, service transformation undermines strong and positive organizational identities and creates dissonance which may undermine the long term performance of the organization, or be used by managers to shape the power relations between management and service employees (Alvesson & Willmott, 2002). It may also be interesting to look service transformation from a social responsibility perspective, and if transitions to service-based value creation promote or hinder CSR agendas, or if CSR plays any role in such change. The current findings suggest, in the least, that socially responsible values may constitute grounds for promoting and sustaining service transformation beyond what the market-based values enable.

Third, this research has built on institutional theory in the formulation of a general view of service transformation as the integration of asset- and service-centric logics of value creation in the organization, portraying these as ideal type institutional logics comprising particular assumptions, values and beliefs regarding appropriate, efficient and effective forms of conduct (Thornton et al., 2012). However, this research has not examined in detail the institutional processes surrounding service transformation at field level, focusing instead on intra-organizational integration of multiple logics. In line with Matthyssens et al. (2006) who propose the breaking of 'industry recipes' as central to service transformation, the current study calls for attention to the social dynamics of service transformation in fields or industries. Specifically, more research is needed to understand how service transformation in individual organizations influence interaction with and change in other organizations, thus shaping the change at the level of fields or industries. Here, organizations not only respond to the complex pressures of multiple institutional logics, but also engage in institutional work (Lawrence & Suddaby, 2006) to maintain, disrupt and change existing institutions.

Finally, the findings of this study point to the additional need to examine the performance effects of service transformation. This work offers two tentative explanations for the inconclusive evidence regarding the financial performance of 'transformed' organizations (Neely, 2009), which may provide propositions for future work. The first explanation originates in the archetypical frames identified in this dissertation, which encompass distinct definitions of service and constitute distinct orientations to the service transformation process. As these orientations are not equally oriented to financial performance, it is likely that different trajectories of change do not produce equally superior financial performance, albeit successful from organizational or customer value perspectives. The non-profit case organizations, for example, involved more diverse rationales to justify engagement in resident service provision, and evaluated the performance of resident services on more diverse criteria than those focused predominantly on business. Furthermore, the business rationales ranged from short-term efficiency to long-term growth and renewal of the organization, underscoring the diversity of goals encapsulated in different frames on services. As a result, the evaluation of service transformation must acknowledge the different organizational backgrounds and orientations of organizations to change.

Another potential explanation for the mixed evidence for the feasibility of service transformation may derive from the different ways in which particular frames orient organizational action to change. While actors are able to advocate change in collective frames (Benford & Snow, 2000), the current findings indicate that frames also shape actors' relationship with, and orientation to, change. For example, the case of TempAcc indicates that framing value creation from the viewpoint of customers' value may encourage ambidextrous orientation to work, that is, employees' simultaneous engagement in service provision and development with potential for higher performance (cf. Gibson & Birkinshaw, 2004; Tushman & O'Reilly, 1996).

Similarly, the preservation of dominant property-centric frames with compartmentalized resident service provision may discourage the exploration of new opportunities and instead orient members' efforts to improving the efficiency of current core business. In this context, the organizations orient to innovation in different ways, providing an additional reason for ambiguity in the performance of service transformation.

6.5.2 Institutional theory and hybrid organizations

The current dissertation advances integration between framing and hybrid organization literatures by proposing a two-dimensional framework that integrates the rationales central to sensemaking and decision-making in organizations with the dimension of organization's identification with specific logics of value creation. Hence, this work extends the work by Hahn et al. (2014) on the influence of simple vs. paradoxical frames on decision-making, and expands the notion of hybrid organizations by elaborating their cognitive underpinnings and by expanding the concept outside the context of social enterprises combining market and social welfare logics (Battilana & Lee, 2014).

In this context, the current findings begin to explore the linkages between framing and identity formation, but fail to provide sound theoretical integration. As framing is central to decision-making and mobilizing collective action in hybrid organizations, and identity plays an important role in sustaining hybrid forms over time by providing shared values and meanings that foster collaboration and the alignment of efforts, this intersection calls for more research to clarify how these concepts intertwine. One challenge of this task is that existing literature portrays frame and identity concepts existing at both individual and organizational levels, with a strong institutional element present in the formation of both frames and identities (Cornelissen & Werner, 2014; Gioia, Patvardhan, Hamilton, & Corley, 2013b; Glynn, 2008). In some cases, identity is explicitly portrayed as a filter or perceptual screen through which the members of the organization interpret issues (Gioia & Thomas, 1996; Tripsas, 2009), which closely resembles the current definition of frames as schemas of interpretation that make salient particular aspects of reality manifested in particular problem-definitions, causal models and treatment recommendations (Entman, 1993).

One possible point of departure for reconciling these concepts is to portray identities as the more enduring aspects of organization's self-conception (Albert & Whetten, 1985), while frames are the more specific schemas of interpretation open to more widespread and even strategic contestation (Cornelissen & Werner, 2014; Kaplan, 2008b). This view would also enable the integration of institutions as the macro-level concept guiding the formation of and emerging from identities, which further guide and emerge from the formation of frames. However, an issue with this view is that identities may not be very durable but subject to ongoing reconstruction, questioning the extent to which identities can be defined by their enduring character (Gioia et al., 2013b).

Another basis for reconciliation, in align with the current work, is to distinguish between the situated rationales guiding the organization (the traditional domain of frames), and the more profound logics or principles that guide members' engagement with each other and with external stakeholders in value creation (close to the domain of identity). Instead of constituting different levels, these need to be thought of as distinct dimensions of organizational cognition which combine as organizations (continually) frame their orientation to interaction and value creation within their dynamically evolving contexts. As Creed, Scully, and Austin (2002) suggest, "*the construction of social identity may be at once both an antecedent to and a critical outcome of the framing of legitimating accounts*" (p.493). In other words, the legitimating rationales and identity construction are intertwined in the process of promoting new agendas, be those the avocation of civil rights as in the study by Creed and colleagues, or the creation of new strategic direction for the organization, as in the current dissertation. However, more work is needed on this interrelated character of framing and identity formation. For example, one could examine more closely the enduring and changing elements of frames and identities, and the actors and forms of action constituting the nexus of stability and change.

As a second area of future research, more research is needed on the emergence of different types of hybrid organizations. Whereas this dissertation has expanded the notion of hybrid organizations beyond social enterprises, the mechanisms and processes by which the different kinds of hybrid forms emerge, stabilize and disappear remain unknown (see also Besharov & Smith, 2014). Reflecting upon the previous discussion, this likely calls for attention to the interlinked institutional, identity-constructing and framing processes through which organizations frame themselves pluralistically and position in the nexus of multiple institutional spheres. The antecedents of hybridization also call for additional attention. Existing research points to the individual-level factors of key members of the organization (George et al., 2006; Hardy & Maguire, 2008), as well as to the characteristics of the institutional logics combined in an organization (Besharov & Smith, 2014; Greenwood et al., 2011; Raynard & Greenwood, 2014). With an understanding of different types of hybrid forms provided by the current research, it is possible to examine the differences in the antecedents more closely.

The current findings also point to the question of how institutionalization of service frames and activities in an organization may influence mission drift. With changing key individuals and fluctuating market conditions, both the current findings and existing literature (Battilana & Dorado, 2010; Battilana & Lee, 2014) implies that hybrid forms are susceptible to mission drift over time. While the taken-for-grantedness of a service-centric logic supports its existence in the organization, more research is needed on the dynamics that lead to the erosion of hybrid frames. One possibility is that new top-level managers may import new interpretations that erode existing commitment to service provision (or social mission). Or, it is possible that that over time, in

the absence of ongoing facilitation, employees begin to reconcile the complexity of their work by increasingly orienting to a single logic at the expense of the hybrid mission.

Despite increased attention to institutional processes within organizations, the institutional literature seems to build on the assumption that contrary to hybrid forms, most organizations are not characterized by institutional complexity and align instead with only one institutional logic which provides uncontested and taken-for-granted basis for action. While this view is reasonable in the sense that new solutions to complex problems gradually institutionalize into uncontested forms of activity both inside organizations and in organizational fields, the current work reveals pluralism and complexity even in organizations apparently following a market-based logic dominated by an asset-centric orientation to value creation. Hence, literature at the institution-organization boundary may benefit from closer examination of the 'liminal state' between 'pure' hybrids integrating inherently incompatible societal logics (e.g., social enterprises), and the 'simple' organizations with uncontested institutionalized prescriptions for action.

Another interesting avenue for future research in the institutional context relates to understanding which institutional discourses or repertoires are changed and preserved as the basis for collective action is reframed within organizations. It is also important to develop more detailed understanding of the processes that change them (Cornelissen et al., 2015). By focusing on the categorization of frames, and linking the categories to managerial orientations and directions of service transformation, this dissertation mostly ignored the manipulation of symbolic and material resources central to service transformation. Furthermore, elements of contest for power and status remain outside the scope of this thesis. Future research is therefore needed to understand which aspects of logics (and of what kind of logics) are more likely preserved or changed as during framing processes and why, and whether and how this derives from the interests of actors and the logics involved. This research suggests that organizational identities and transcending views of value and value creation likely play important roles in this process. In this context, it would be interesting to see studies reporting not only successful processes of institutional changes from the organization to field level (e.g., Smets et al., 2012), but also studies presenting failed changes either alone or in a comparative manner (e.g., Battilana & Dorado, 2010).

7 Conclusion

This dissertation set out to develop new knowledge of the ways in which framing influences service transformation. Perceiving industries as driven by dominant logics, the current dissertation presents service transformation as the entering of a new logic of value creation, one based on service, into an organizational context dominated by an asset-centric logic of value creation. In this context, the main contribution of the current work is the identification of how different ways of framing (resident) services influence the directions and extent of service transformation. The frames can be categorized into four archetypes depending on whether they rest on business-centric of multiple interrelated arguments (constituting the dimension of argument diversity), and whether the actor frames resident services instrumentally or as constitutive of organization's existence (defining the dimension of identification with resident services). Stemming from this discovery, another central finding of this dissertation is that service is for actors not only an operative-level means for value creation, but also an ideological orientation to value creation, which characterizes the ways in which the members of the organization interact and engage with others. This research provides a detailed look into the managerial means to legitimize and facilitate the adoption of service-centric forms of value creation. Importantly, service transformation rests on efforts to change not only the activities and formal structures of the organization, but also the guiding frames and organization culture, which provide a shared sense of engagement and commitment among actors to a specific form of and orientation to value creation. Finally, this dissertation links frames and managerial orientations to the directions of service transformation. This ties together the framing-based theory of service transformation advanced by this thesis, advancing theorizing on change in both service and organizational research contexts.

Appendix 1: Interview protocols

The interview protocols in the following are translated from Finnish. They are representative examples of interview guides refined throughout the research process.

Study 1: The residential sector

Theme 1: Current housing business of the organization
(1)   What is the vision, and what are the goals, of company's current housing business?
(2)   What components does the current housing business consist of? (e.g., value proposition, products and services, customers, revenue)

Theme 2: The challenges and opportunities of housing business
(3)   How would the informant define housing business? What does it consist of, what services are related to it, what kind of services are offered to the residents?
(4)   What are the trends influencing the housing sector?
(5)   Which factors related to the public sector influence the development of service business in the housing sector?
(6)   What other factors hinder or support the development of service business?
(7)   What has motivated the company to develop services offered to the residents?
(8)   What is the value of resident services to organizations in the residential sector?
(9)   Which factors limit or support the development of resident services in the organization?

Study 2, first part: Focus on the development of resident services

Theme 1: Service development
(1) What is the interviewee responsible for?
(2) How do you participate in developing new services or business in general?
(3) How are new ideas or initiatives born?
(4) How would you describe the development process in your work?
(5) How is the customers' viewpoint involved in the development process?
(6) How are new ideas for services taken into practice?
(7) Typically, how service ideas evolve on the basis of experiences from practice?
(8) Which factors do you consider critical or challenging to development?

Theme 2: Organization and management of innovation
(9) How is development organized in the company?
(10) How development integrates with daily work processes?
(11) How the organization implements experiments with new ideas?
(12) What are the roles of different actors in development? How are decisions made? Who makes the decisions?
(13) How members of the organization interact during the development of new services?
(14) How ideas are shared?
(15) What kind of goals are set for development? How flexible or rigid are they?
(16) How are decisions justified in the organization?

Theme 3: Customer experience
(17) How does the company perceive customer centricity? Why is it important?
(18) What are the main sources of the firm's customer understanding?
(19) How is the company's understanding of customer needs formed? How is customer-related information transferred to service development?
(20) How does the organization learn from customers in practice?
(21) How has the organization involved customers in development? In which stages of the process?

Study 2, second part: Focus on frames

Theme 1: The interviewee and organization
(1)   Who are you and what do you do in the organization?
(2)   How would you describe your organization and its strategy? How about its values?
(3)   What is the significance of service provision, particularly resident services, for the organization?
(4)   How do you differ from other organizations in the field?
(5)   What services do you provide for your customers?
(6)   How are these provided and organized?
(7)   What specific goals do you associate with resident services?
(8)   In your view, how well do the current services work?

Theme 2: Frames
(9)   In your perception, how do the interpretations or understanding of the goals of the organization differ among individuals or units?
(10) How are contradictory viewpoints perceived and handled?
(11) How have you participated in creating shared understanding in the organization?

Theme 3: Organization and management
(12) Which issues have taken most of the interviewee's time in terms of managing the organization? Which contexts these relate to?
(13) How have you attempted to resolve the issues?
(14) How does the organization at large approach renewal and the development of new operations?
(15) What is your vision of optimal way of organizing operations, particularly resident services?
(16) What prohibits the realization of this vision?

Theme 4: Organizational implications and institutional pressures
(17) How do you measure the success of the organization and resident services?
(18) How has the organization evolved with respect to the key indicators over the recent years?
(19) Which factors have influenced this evolution the most?
(20) Can you identify any pressures to expand or reduce resident services?
(21) Overall, are there any clear external reasons that would explain your engagement with resident services?
(22) How have you experienced collaboration with different stakeholders?

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Service transformation is increasingly prevalent in the contemporary economy. This dissertation examines the cognitive underpinnings of service transformation, that is, how frames – schemas of interpretation – promoted by managers influence organizational change toward service-centric value creation. The findings developed in Finland's residential sector reveal distinct ways of framing services as a part of value creation in customarily asset-centric organizations, and identify different orientations to legitimizing and managing service transformation. These factors influence the direction of service transformation, suggesting that successful service transformation is a combination of ideological and practical change management to integrate multiple logics of value creation within the organization.

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