## **PROFILE**



## Interview with Thomas Hess on the "Bavarian Research Institute for Digital Transformation" (bidt)

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In recent years, a landscape of institutes with a broader focus on digital transformation has developed in Germany. The best-known institutes with strong participation of business & information systems engineering specialists are the Weizenbaum Institute in Berlin, the Bavarian Research

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A. Maedche (⊠) Institute for Information Systems (WIN), Karlsruhe Institute of Institute for Digital Transformation (bidt) in Munich, and the Center for Responsible Digitalization (ZEVEDI) in Darmstadt. The Weizenbaum Institute was featured in an interview with Christoph Neuberger in issue 5/2023 of BISE. We continue this series with an interview with Thomas Hess about the bidt.

Thomas Hess is Professor for Information Systems and Management at Ludwig Maximilian University of Munich (LMU), where he leads the Institute for Digital Management and New Media in the School of Management. Thomas also serves as a board member of the Bavarian Research Institute for Digital Transformation (bidt) and was one of the founders of the bidt. He is a member of the Bavarian Academy of Sciences and Humanities and a member of the supervisory board of the MDax company Bechtle. His research focuses on the digital transformation of companies, digital media companies, and other topics in the field of digital business.

BISE: Many in the BISE community may have heard of the Bavarian Research Institute (bidt), but most likely don't know further details. We want to change this. Let's start with the big picture. How should we imagine the bidt in the big picture?

Hess: There are now several research institutes in Germany that focus on digital transformation and thus the fundamental change driven by digital technologies. What's special about the bidt are the object and the perspective under study. At the bidt, we are concerned with the digital transformation of society and thus with the overall view. And, we also look at the processes of transforming digitally.

The bidt is therefore strictly interdisciplinary. This means that we do not consider separate specialist perspectives in a complementary manner, but rather bring them together in projects and events. Representatives from



a wide variety of social sciences work together at the bidt, from political science to management studies and social sciences to law. Many technical disciplines from computer science and related fields of engineering science are also represented at bidt. These include computer science and related fields of engineering science. This focus also explains bidt's self-image, which is concerned with both understanding the changes brought about by digital technologies and shaping them.

**BISE:** How should we imagine the bidt structurally?

Hess: Research institutes often consist of multiple groups working in defined subject area. This is certainly an efficient organizational structure for stable subject areas. However, this stability is not present in the context of digital technologies. Therefore, when we were founded in 2019, we consciously decided to organize the bidt around projects. Projects at the bidt are, unsurprisingly, temporary and, more importantly, always interdisciplinary. Furthermore, they always combine a substantive technical perspective with a concrete impact perspective. A project that focuses on detecting fake news, thus engaging both a communication science and a computer science perspective, is therefore typical of the bidt.

Projects at the bidt can arise from the collaboration of two or more members of the board. The bidt board includes leading scientists from Bavaria who are either working on the digital transformation of a sub-sector of society (such as business or politics) or on technical aspects (e.g., software technology). For the members of the board, their work at the bidt complements their main job which remains at their university or a non-university research institute. In our experience, this makes the BIDT an attractive place to work for many leading scientists who wish to continue working in their discipline and their original institution but extend their focus within an interdisciplinary setting. Furthermore, it allows the bidt to respond quickly and flexibly to changes, such as the increased importance of new digital technologies.

Of course, the bidt cannot include all scientists on its board who wish to work in an interdisciplinary manner on the topic of digital transformation. For this reason, the funding of collaborative projects in Bavaria is the second important pillar of the bidt's project work: For this purpose, the bidt calls for proposals for funding such collaborative projects at their original institutions. In a collaborative project, three principal investigators typically work together over a three-year period. These projects are also always interdisciplinary and always include a technical scientist.

The projects at bidt, which can be carried out internally or externally, are coordinated by the bidt's research department and are currently clustered into the so-called research area platforms "Economy and Labor",

"Communication, Society and Participation", and "State, Regulation and Infrastructure". The research department also works on supplementary programs to support doctoral students and postdocs related to the topic of digital transformation. In addition to the research department, bidt also has the "Think Tank" and the "Dialogue" departments. The think tank has built up a comprehensive collection of data on digital transformation and is regularly involved in research projects. The Dialogue department supports the preparation of results for a broader public and organizes large and small events at bidt, including the biennial "Flagship Event", which typically attracts over 400 participants.

**BISE:** This structural approach is indeed unusual. Has it proven successful?

Hess: The bidt has existed for about six years, so it's certainly not possible to make a final judgment yet. So far, the approach has worked well. The first external evaluation was also very positive. One particularly advantageous aspect was that we were able to quickly address the topic of AI through the additional appointment of an expert to the board of directors and through collaborative projects, and, for example, didn't have to wait for a professorship to be filled. Collaboration within the projects also works well, although we expressly expect a connection between perspectives and not just complementary views on the topic.

One challenge is certainly the breadth of topics, even within the three designated research areas. Despite many projects, it remains impossible to cover a topic such as the digital transformation of business and work in its entirety. At the same time, well-founded, broad-based statements are still expected. We are currently addressing this challenge using two measures. First, in winter 2024/25, we established a research focus on "Trusted AI" for the first time. Structurally, this is based on the format of the DFG's priority programs. We are currently funding 10 individual internal and external projects in this context. The principal investigators come from the bidt board of directors and from universities and research institutions in Bavaria. The focus is led by a colleague from the bidt board of directors, who devotes a lot of time and energy to linking the individual projects and thus achieving overarching results.

**BISE:** In your introduction, you pointed out that the bidt is also about design-oriented research. What exactly does design-oriented research look like at the bidt?

Hess: In the BISE community, design-oriented research plays an important role; in engineering sciences, it is the very core. This is not the case in disciplines that deal with societal issues. These disciplines are typically concerned with understanding the world, and targeted design is not infrequently even rejected. When we founded the bidt, we consciously decided that we wanted to bring the design-oriented approach into disciplines that focus on social



issues. This is working increasingly well. For example, a research project at the interface of information systems and sociology is investigating the development and testing of new forms of digital participation in the manufacturing sector. It is also interesting to note that there are examples of design-oriented research in the social sciences, although these have largely faded into the background in recent decades. This is particularly true of sociology and business administration.

At this point, allow me to briefly refer to a current discussion in the BISE community. The focus of the BISE community has traditionally been on companies, occasionally supplemented by consideration of other societal and economic actors. Now, there is sometimes the idea of significantly broadening this focus, extending beyond ethical aspects to society as a whole. The experience made by bidt clearly shows that these fields are increasingly being occupied by academics from disciplines who are now comprehensively exploring the topic of digital transformation. I have serious doubts as to whether the BISE community would be doing itself a favor by expanding its domain to include society as a whole. Instead, as we have seen at bidt, it seems more promising to bring together experts from different academic domains to work in interdisciplinary collaboration.

**BISE:** What also seems to be unique to bidt is that it includes the business perspective. What can you tell us about this?

Hess: Before the bidt was founded, I repeatedly observed, both domestically and internationally, that for example the entrepreneurial perspective on digital transformation was addressed in the BISE community. However, when broader considerations are taken, this perspective is either dropped or pushed to the margins. This may be due to the fact that singular research focused solely on entrepreneurial issues is already well-established. However, I consider it dangerous to exclude this aspect from overarching considerations by referring to existing

activities – because it leads to this important perspective being omitted from overarching considerations, and thus incorrect conclusions being drawn. When establishing bidt, we therefore paid particular attention to include the business perspective. This perspective is structurally embedded in our research area "Economy and Labor", in which we explicitly address questions of digital transformation in an economic context through interdisciplinary collaboration.

**BISE:** And of course, the question arises where the budget of the bidt comes from.

Hess: We are very pleased that the State of Bavaria, through its Ministry of Science, provides the bidt with adequate and long-term funding. This enables us to plan ahead and also hire permanent staff for specific areas. Currently, around 40 people are employed directly at the bidt, working on internal projects and research coordination, as well as in the think tank, dialogue, and administration. In addition, there are the budgets for the collaborative projects in Bavaria. Next to it, the bidt is getting additional funding sources to carry out even more projects, for example, through project-related funding from the German Research Foundation (DFG).

**BISE:** Thank you very much. That was very interesting. I think many in the BISE community can now imagine the bidt much better.

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