AALTO UNIVERSITY
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Laura Wirtavuori

BUILDING AND REINFORCING SERVICE MINDSET WITHIN COMPANY EMPLOYEES

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Supervisor: Eila Järvenpää, Professor

Instructor: Anna Tiri, M.Sc. (Tech.)

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ABSTRACT OF THE
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In a world of increasing competition and globalisation, it is crucial to be able to attract customers through providing them the best possible value. However, value is created in interaction and is a subjective experience. According to service-dominant (S-D) logic a new mindset of looking at value creation is required to stay competitive. Companies should look at people as their primary resource, as value is always created in interaction between people or people and goods. S-D logic is not limited to the provision of services, but includes also provision of tangible goods.

Service mindset of employees is hypothesized to influence customer satisfaction, and thus business outcomes like customer retention and profits. S-D logic explains a new mindset, but does not give that mindset a name, and there is no definition of service mindset in literature. In this thesis, the definitions of the case company, KONE, were used as the basis for exploration. After combining the results of theoretical and empirical research a conclusion was made that service mindset should be defined as *the will to follow through on value propositions, through employees working together with their colleagues, supported by their managers, being responsible to the customers, and creating an atmosphere in which a sense of a greater purpose and equality of all stakeholders guide action.* Other research areas of this thesis were the factors that affect service mindset, how those factors can be influenced, and how behaviour of employees can be changed.

The service profit chain literature was explored to get an understanding of the factors possibly affecting service mindset. Literature in change management served as the starting ground for understanding behavioural change within organisations. Finally, the literature in positive psychology, motivation and goal-setting theory were explored to better understand how people can be affected, since people are at the core of today's organisations.

A theory building approach was adopted, and the main data collection method was thematic interviews (n=16). The interviews were conducted within an internal service chain at KONE. In addition, data was gathered from workshops that were organised separate from this thesis work. Finally, an intervention was conducted and the subjective evaluations of the participants were gathered to get an understanding of the effects of the intervention on service mindset. The service profit chain and service mindset behaviours as defined by KONE were used as the basis for analysis. Afterwards the different themes that arose were gathered into a new model explaining the factors affecting service mindset and their relationships.

The most important findings were that a shared sense of purpose should guide all action and processes within an organisation, the quality of collaboration is a key element in the service profit chain, being able to see the bigger picture and to trust colleagues and managers is crucial for collaboration, and the role of management behaviour and choices is significant in all change initiatives.

Keywords: Service mindset, behavioural change, service-dominant logic, service systems, positive psychology	Publishing language: English

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Maailmassa, jossa kilpailu kasvaa ja globalisaatio lisääntyy, on oleellista kyetä houkuttelemaan asiakkaita tarjoamalla heille parasta mahdollista arvoa. Arvonluonti tapahtuu kohtaamisissa ja saatu arvo on subjektiivinen kokemus. Palvelukeskeisen logiikan mukaan yritykset tarvitsevat uuden tavan tarkastella arvonluontia pysyäkseen kilpailukykyisinä. Yritysten tulisi kohdella ihmisiä ensisijaisena resurssinaan, sillä arvo luodaan aina ihmisten välillä tai esineen käytön kautta. Palvelukeskeinen logiikka ei ole rajattu vain palveluliiketoiminnan piiriin, vaan on hyödyllinen myös fyysisten tuotteiden valmistuksessa.

Työntekijöiden palveluasenteella voidaan olettaa olevan yhteys asiakastyytyväisyyteen, ja sitä kautta myös yrityksen tuloksiin, kuten asiakassuhteiden kestoon ja yrityksen liiketoiminnan tulokseen. Palvelukeskeinen logiikka määrittelee ajattelutavan muutoksen, mutta ei määrittele nimeä sille, eikä muualla kirjallisuudessa ole määritelmää palvelukeskeiselle ajattelutavalle. Tässä työssä tutkittavan yrityksen, KONEen, määritelmää käytettiin tutkimuksen lähtökohtana. Teoreettisen ja empiirisen tutkimuksen tulosten yhdistämisen jälkeen palvelukeskeinen ajattelutapa määriteltiin *haluna toteuttaa arvolupaukset työntekijöiden yhteistyön kautta, esimiesten tukiessa työntekijöitä, jotka ovat vastuussa asiakkaille, samalla luoden ilmapiiriä, jossa yhteinen merkitys ja kaikkien asianomaisten tasa-arvo ohjaavat toimintaa.* Muut tutkimuskysymykset käsittelivät palvelukeskeiseen ajattelutapaan vaikuttavia tekijöitä, sitä miten näihin tekijöihin voidaan vaikuttaa, ja sitä miten työntekijöiden käytöksiin voidaan vaikuttaa.

Palveluarvoketjuja käsittelevää kirjallisuutta käytettiin perustana palvelukeskeiseen ajattelutapaan vaikuttavien tekijöiden tunnistamiselle. Muutosjohtajuuden kirjallisuus toi ymmärrystä käytöksen muutoksen aikaansaamiselle organisaatioissa. Lopulta positiivisen psykologian, motivaation ja tavoitteiden asettamisen teorioita tutkittiin ihmisiin vaikuttamisen eri ulottuvuuksien ymmärtämiseksi.

Tässä diplomityössä käytettiin kvalitatiivisia menetelmiä uuden teorian luomiseen. Pääasiallinen tutkimusmenetelmä oli teemahaastattelu (n=16). Haastattelut toteutettiin valitun sisäisen palveluketjun eri osissa KONEella. Tämän lisäksi tietoa kerättiin työpajoista, jotka järjestettiin erillisenä osana tästä diplomityöstä. Lopulta toteutettiin interventio, jonka jälkeen osallistujilta kysyttiin heidän näkemystään intervention hyödyllisyydestä palvelukeskeisen ajattelutavan parantamisessa. Kerätyn tiedon analyysin perustana käytettiin KONEen määritelmän mukaisia palvelukeskeiseen ajattelutapaan liittyviä käyttäytymisiä sekä palvelu-arvo ketjun tekijöitä. Tämän jälkeen esille toistuvasti nousseet teemat koottiin yhteen malliin, joka selittää palvelukeskeiseen ajattelutapaan vaikuttavia tekijöitä ja niiden välisiä suhteita.

Tärkeimmät löydökset olivat, että yhteisen merkityksen tulisi ohjata kaikkea toimintaa sekä organisaation sisäisiä prosesseja, yhteistyön laatu on avainasemassa arvon tuotannossa, kyky hahmottaa oma asema ja omien toimien seuraukset organisaatiossa sekä luottamus kollegoihin ja esimiehiin ovat vaatimuksia laadukkaalle yhteistyölle, ja johdon käytösten sekä valintojen rooli ovat merkittäviä kaikissa muutosohjelmissa.

Avainsanat: palvelukeskeinen ajattelutapa, käytöksen muutos, palvelukeskeinen logiikka, positiivinen psykologia	Kieli: Englanti

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Skiing is my passion, so it is only fitting that it was my ski racing coach who inspired me to apply to study industrial engineering and management. The choice of becoming a "teekkari" proved to be a good one, I have enjoyed my time as a student in Otaniemi. The knowledge and skills I have learned are only a small part of everything that this education has given me. I have grown as a person and made friends who I hope will stay with me for the rest of my life, the kind of friends who inspire and whom I can trust, no matter what.

The almost seven years that have passed since I took my first course at Aalto have not always been smooth sailing. I was not sure if industrial engineering and management was for me, I felt lost. A major turning point for the better was my bachelor's thesis supervised by Esa Saarinen. Esa, you helped me find my way. I will always be thankful for the support, inspiration and faith you have shown me.

I am still on the path that started from the spring spent researching happiness. It led me to choosing leadership and knowledge management as my major, but also taught me about myself and my interests. When I started searching for a thesis position, I knew roughly what I wanted it to be: something about the inner workings of people. One event led to the next until I was face to face with Anna Tiri. I knew right away that the topic we came up with was the one I wanted to write about. It took some time to get this thesis position, but it has been worth the wait. I have thoroughly enjoyed the time spent on this project. I believe I have discovered a new passion (not writing a thesis, the topic). Thank you, Anna, for believing in me, you are my superhero.

Now, after countless cups of coffee, one exchange and one internship in France, eight different jobs, thousands of laughs, tens of last minute panics, a few emotional rollercoaster rides, and roughly 268 skiing days later, I am close to becoming Master of Science. Estimating the number of days spent skiing, I can understand why my friends say that I seem to be always skiing. However, skiing is the easy part. I have also worked hard, and I think it has paid off in the form of getting to write my thesis on something that I am passionate about.

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Make a difference,

Laura

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1 Introduction

Service business has gained a universal role in the economy and within companies while the world is becoming more interconnected and turbulent. Giving service the role as a frame of reference can guide management philosophy towards effectiveness and better ability to compete in the future, not just strictly within the service business but all business. This management philosophy is called service-dominant logic (S-D logic). It is focused on the interactions between producers and their customers and other network partners, as value is co-created through a collaborative process. S-D logic has an innate purpose for serving and collaborating with the customer, and is thus customer-centric and customer responsive by nature. It requires a shift in mindset. (Lusch & Vargo, 2008)

Even when customers are buying goods, like an elevator, they are actually buying a service of getting people effortlessly to where they want to be (Christensen et al., 2016). Goods-dominant logic (G-D logic), widely used for maximum product control and profit maximization, does not fit the growing role of service within companies and economies (Lusch & Vargo, 2008). Services drive most economic activity. This creates a need for creating value with intangible resources or new service innovations. They depend on interdisciplinary knowledge and skills, ranging from technology innovations to business, social and demand innovations. (Vargo et al., 2008)

The case company in this thesis, KONE, has traditionally been a manufacturing company, proud of its heritage and engineering talent. KONE's history began over a hundred years ago, in 1910, but services gained a more prominent position at the centre of its offering in the 1980s. In 2005 positive customer experience became a central theme. Currently maintenance is driving KONE's sales in many areas. High service quality continues to be at the heart of KONE's strategy, which is different to the company's long history. (KONE, 2017a) How customer value is created brings a need to move towards a more service oriented culture throughout the company, ranging from manufacturing to support functions to field personnel.

KONE's strategy is *Winning with* customers, which places the customer, and service quality, at the core of its focus (KONE, 2017b). This is well in line with S-D logic, in which value is always created in interaction. Service is defined as "the application of competences through deeds, processes and performances for the benefit of another entity or the entity itself" (Lusch & Vargo, 2008:1). Within this definition fits also the manufacturing of physical goods. Being able to match firm capabilities with customer needs requires a continuous conversation between the parties, and can generate customer loyalty and competitive advantage. (Lusch & Vargo, 2008) To implement its strategy KONE has introduced its Ways to Win, which are *true service mindset*, *customer-centric solutions and services, collaborative innovation and new competencies,* and *fast and smart execution*. The ways to win are further supported by KONE's strategic aims, *be a great place to work*, *have the most loyal customers*, *faster than market growth, best financial performance* and *leader in sustainability*. This supports the view that KONE is moving, as a company, from goods-dominant logic towards service-dominant logic. (KONE, 2017b; KONE, 2017c)

At KONE, mindset is understood as something that drives behaviours, which in turn shape culture. In this thesis KONE's terminology is used also for service mindset. It is understood as a set of active behaviours, which are **caring about the impact one has, renewing oneself, taking ownership and collaborating.**

True service mindset, which refers to service mindset and emphasises the fact that it is a real mindset instead of fake smiles, and customer-centric solutions, are by definition linked to service mindset. However, also the other ways to win require service mindset. Service mindset is not only something that should be shown towards customers, but towards colleagues as well. It should be present in all interactions. Collaborative innovation and new competencies require trust and a will to improve together, both within the realm of service mindset. Collaboration and developing new competencies both require teamwork, and thus, being service minded towards colleagues as well. Fast and smart execution, on the other hand, requires understanding the impact that one's own work has, or seeing the bigger picture. (KONE internal material) All the actions employees choose to take or to not take go further than the employees themselves or those taking the results of their work, they show all the way through to customers. If employees do not see how their work affects others they are not able to prioritise and execute fast and smartly. (Fischer, 2012)

Being a great place to work and having the most loyal customers are closely intertwined strategic targets, since satisfied, loyal and productive employees lead to satisfied and loyal customers (Heskett et al., 1994). Among top global employee engagement drivers are rewarding the employees, promoting involvement in the organisation, democratising the workforce, supporting work-life balance and focusing on customers (Taneja et al., 2015). When people are happy with their workplace it adds to their psychological availability and frees emotional energy, giving people what they need to be service minded (Kahn,1990). While having a great place to work supports having the most loyal customers, also other components need to be in place, like the skills of the employees and the company's processes that support the ability to deliver on time (Fischer, 2012).

This thesis focuses on the people within a company, because of their important role. In the words of Lusch & Vargo (2008:2) *"Service-dominant logic suggests that all participants in the value-creation process be viewed as dynamic operant resources. Accordingly, they should be viewed as the primary source of firm and national innovation and value creation."* As the role of service within all businesses, even the manufacturing business, increases, so does the role of people.

The service profit chain literature explains, in short, the links between different factors in creating service, from management to workplace climate and internal quality, through employees to customers and finally leading to profits for the shareholders (Heskett et al., 1997; Bowen, 2008; Fischer, 2012). This thesis focuses on the part of the chain from managers to internal customers. Studies have shown that management plays a big role in shaping company climate (Fischer, 2012). According to Kopelman et al. (1990), HRM practices affect the organisational climate, which in turn affects cognitive and affective states of the employees, affecting their behaviours and finally the company's productivity. There is a proven link between the service that employees give each other and customers experience. Employees who are served well by their colleagues are more likely and able to serve customers well. To put it simply, happy employees lead to happy customers. (Fischer, 2012) The social functionality of an organisation is not only a nice addition to the job, but a means to better profitability of businesses. **The interests of employees and shareholders are mutual.** (Fischer & Vainio, 2014)

To know how to most effectively work towards true service mindset, described as important for the strategic objectives, it is necessary to understand the current situation. First, this study seeks to understand what service mindset is. There is no clear definition of it in literature and at KONE service mindset has been defined as behaviours without scientific grounds. Second, this study seeks to map the current situation of service mindset at KONE and to understand what kinds of employee and leadership behaviours are linked to service mindset behaviours, and what kinds of obstacles and enablers there are.

There were several possibilities in choosing an approach. Service mindset could be researched on a company level, unit level, team level or in a service chain. The last option was deemed the best, since any person within the organisation is both a service provider and a customer, and to get the viewpoints of both the providers and customers within and outside a given team or unit, following a service chain gave a practical approach to finding people who interact with each other. KONE is a company of roughly 53 000 employees worldwide (KONE internal material), so it is likely that the biggest challenges in service mindset, or providing exceptional service, are not within teams but between them. Therefore, I deemed it beneficial to include also those interactions.

Third, this thesis seeks to understand how to move from building awareness and sensitizing to creating a change in actual behaviour. KONE has a powerful internal communications department that helps tell the company's story and direction to its employees. However, "*Understanding and planning for behaving is not behaving*" (Herrero, 2011). If communication about true service mindset has been the first wave of the ongoing service mindset initiative, this thesis seeks to give actionable recommendations for the second wave, which includes actions like highlighting success stories and leading by example. It is about creating an understanding what true service mindset means in the employee's personal work and how to support employees in behaving accordingly.

The research questions for the three objectives of this study, defining service mindset, understanding the current state, and understanding how to change behaviours, are the following:

Research question 1: What is service mindset?

Research question 2: What factors affect service mindset behaviour of the employees within an organisation?

Research questions 3: How can the identified factors be influenced?

Research question 4: In what way can behaviour be influenced within an organisation?

Research question 5: What kind of interventions support service mindset?

Both literature and empirical research are done to answer all five research questions. The study started with simultaneous literature research and in-depth interviews. The range of academic research related to the topic is considerable, so the interviews were used to guide further direction of the literature research. The goal was to find intersections of the factors that come up in the interviews as important and factors that come up in the literature research as having a measurable impact on service mindset. The literature on the service profit chain, positive psychology, motivation and change management were explored to better understand what affects service mindset and what are the best practices on promoting service mindset.

Service mindset is a subjective experience that manifests itself in more objective artefacts, like behaviours and reward systems. Thus, to reach a higher understanding of the state of the situation qualitative methods were emphasized and in-depth interviews were selected as the primary research method. The first part of the empirical research, the in-depth interviews, focused on the spare parts supply at KONE, and was conducted at Global Spares Supply (GSS) and the Finnish frontline (KEF). In addition, three more interviews served as a “control group” and were held to make the results more generalizable. The additional interviews were made within the global legal function, sourcing at Finnish supply operations and sourcing within the French frontline (KOF). The second part of the empirical research was the implementation of an intervention and exploring its effect. The results were used to answer the fifth research question. The third part of the empirical research utilised the data collected from service mindset workshops unrelated to the thesis held in November 2017.

This thesis starts with presenting the literature research. The second part focuses on the empirical research; the methods and results of the interviews, intervention and workshops. The final part is dedicated to discussion and recommendations.

2 Service mindset and related concepts

Before starting to explore what service mindset is, it is necessary to understand the concepts of mindset, behaviours and culture. According to Schein (1984: 3), “Organisational culture is the key to organisational excellence”. The definition Schein (1984: 3) gives is “Organisational culture is the *pattern of basic assumptions* that a *given group* has *invented, discovered, or developed in learning to cope* with its *problems of external adaptation and internal integration,* and that have *worked well enough to be considered valid,* and, therefore, to be *taught to new members* as the correct way to *perceive, think, and feel* in relation to those problems.” Schein (1984) considers behaviours as visible artefacts, or the first level, of culture. Values, then, are the core group belief that explains why a group exhibits those behaviours. (Schein, 1984)

In this thesis, I use the definitions that have been established at KONE as a part of the service mindset transformation initiative (see chapter 4.3 p.39 for more information), an internal change initiative. They have some theoretical background, are well aligned with Schein’s (1984) definitions and have been discussed between the stakeholders of the initiative to create a mutual understanding and aligned communication.

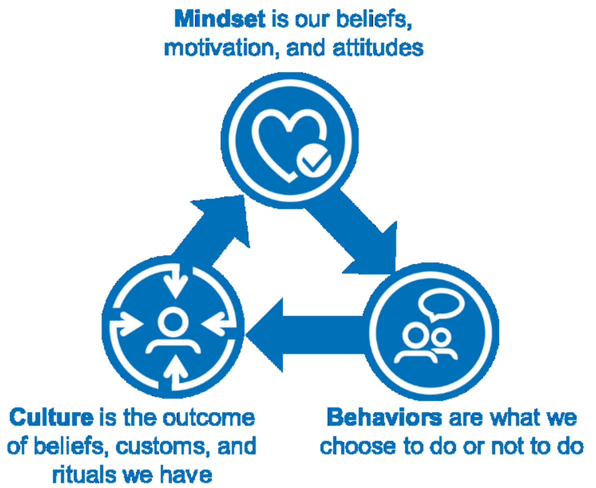

Figure 1: Relationship between mindset, behaviours, and culture. (KONE internal material)

Individual and corporate mindset is the underlying assumptions; the beliefs, motivation and attitudes that individuals in the group have. Behaviours are the visible actions, that individuals do, or do not do. Culture is “the way we do things around here” (Kotter, 1995), the behaviours that are mutually, and possibly silently, agreed upon. Mindset, behaviours and culture affect each other in the way presented in Figure 1. For example, seeing service as important is a mindset. Behaving accordingly by providing exceptional service is a behaviour. This becomes a culture, when a critical mass of employees adopts the behaviour. The culture of exceptional service in turn affects the mindset of individual employees by reinforcing the idea of service being important.

There exists no academic definition of service mindset. At KONE it has been defined through four active behaviours. These are “I care about my impact”, “I renew myself”, “I take ownership” and “I collaborate”. Each of these behaviours is linked to a KONE value, and both are presented in more detail in Figure 2. Behaviours are the visible artefacts of mindset. Values and assumptions, or mindset as I call it here, are intercorrelated with behaviours. (Schein, 1984) From an organisational perspective, it is then possible to see the change in mindset through the change in behaviours, and it is easier to explain and show the desired behaviours than the desired mindset to the employees. The more concrete the behaviours are, the easier it is for employees to understand what they mean for them. “Change your mindset towards valuing service” is not as clear a message as “align your behaviour with these key behaviours”.

Figure 2: KONE's definition of service mindset (KONE internal material)

For a change to happen, service mindset needs to be (based on Herrero, 2011; Kotter, 1995; Kotter & Schlesinger, 1979)

- **understandable**: What does it mean to me?
- **talked about**: Is this important?
- **actionable**: What can I do?
- **rewarded/recognized**: Is my behaviour noticed? Does this really matter?
- **unhindered**: Answer all the "Yes, but…" arguments

I am using behaviours, manifestations of service mindset, as the definition of service mindset (Figure 2). Mindset is difficult to observe or affect, as it is invisible and subjective. Thus, behaviours are the medium for both understanding and affecting service mindset. For this reason, it is important to understand when behavioural change occurs. The environment we live in does not support changing behaviour, since there are several cues that people follow. It is hard to start a new habit and stick to it, since the old habits are ingrained and the habit loop kicks in unconsciously. Behavioural change is more likely to occur, when there is another change in life as well. (Pink, 2012) This can be for example a change in values, physical environment, organisational climate, work related tasks or people around an individual.

Some concepts closely linked to service mindset are empathy, gratitude, well-being, empowerment and friendship. At its core is the will to help, the will to seek for opportunities to help or serve, showing empathy, treating everybody as equals and accountability. (Fischer, 2012) These will be discussed further in the literature review section.

3 Building and reinforcing service mindset and the underlying factors

“All economies are service economies.” – Vargo et al., 2008:148

Service-dominant logic sees goods as mechanisms for service provision (Lusch & Vargo, 2008). In S-D logic value is seen as value-in-use instead of value-in-exchange, as seen in goods-dominant logic, which means that value exists only when an offering is used. Value-in-exchange mediates and measures value-in-use. (Vargo et al., 2008) This is well illustrated through the MasterCard advertisement campaign, in which the goods people buy are only the means to provide a “priceless” experience, or a job to be done (Christensen et al., 2016), rather than being the end in themselves. A customer is always buying a flow of service, that may include physical goods, rather than buying the physical good itself. (Lusch & Vargo, 2008) The role of a firm is to propose and co-create value and provide service, instead of producing and distributing value. “A service system is an arrangement of resources (including people, technology, information, etc.) connected to other systems by value propositions.” (Vargo et al., 2008:149). At KONE, for example, its customers would not be buying elevators, escalators and doors but buying good people flow within their buildings together with KONE.

In S-D logic, the roles of producers of goods and services and customers are intertwined, since value is co-created in interactions. In the service systems approach, there is no distinction between producers and consumers, since they create value together. S-D logic is the foundation of value-creation in service systems. According to the study of service systems, the provision of services is reciprocal. “Service systems engage in exchange with other service systems to enhance adaptability and survivability – thus, co-creating value – for themselves and others.” (Vargo et al., 2008: 146) The service systems themselves can comprise of only one individual or a group of individuals, such as a firm. Services should not be thought of as linear chains, but rather systems. (Vargo et al., 2008)

Lusch & Vargo (2008) suggest that a new mindset is required for successfully transforming a company from goods-dominant logic to service-dominant logic. The first change is in understanding that the customer is buying a flow of service instead of buying goods, and the exchange is more about the intangibles than the tangibles. Second change in mindset is to move from consuming operand resources to creating and using operant resources, which are often intangible and can produce an effect, knowledge being an example. Wealth and sustainable competitive advantage can be achieved through investing in knowledge development and recognising the need to develop the knowledge and skills of the company’s workforce, also in low cost countries. (Lusch & Vargo, 2008; Vargo et al., 2008)

A third change in mindset is that information and treatment should be symmetric, all stakeholders should be treated similarly and should be given the same information. Within a company this can enable different units and teams, that can be internal customers and suppliers to each other, to make better and more informed choices. Symmetric treatment means essentially that one should treat people the way they would like to be treated. This includes removing artificial barriers between people. The fourth change in mindset is to move from propaganda to conversation, meaning that conversation and dialogue should be the ways to communicate instead of advocating personal, or leadership, views and perspectives. This approach emphasizes listening. (Lusch & Vargo, 2008)

Different units and teams are interdependent, which increases their potential for collective action. The creation of social ties, both individually and collectively, fosters collective action and allows for understanding where individuals fit in the bigger picture. **As specialisation increases, so does the need for relationships, since collaboration is needed to create the output.** Dividing labour to specific tasks and specialisation were ways to create efficient classic industrial organisations, but this does not work in a hyper-competitive and fast changing global environment. Division should give way for interaction. **A fifth change in mindset is to move towards relational orientation instead of a transactional one, since individuals and teams co-create value instead of simply passing on their work when having finished their part.** (Lusch & Vargo, 2008)

The final change needed in the mindset is to treat financial outcomes as feedback from customers instead of treating it as an end in itself. Maximizing profits does not work together with service-dominant logic, instead, increasing profits are a signal of how well the company is meeting customer needs. (Lusch & Vargo, 2008)

This new mindset should show throughout the whole service system (Lusch & Vargo, 2008). The rest of this literature review builds on service profit chain (SPC) thinking, and its perspectives on service (e.g. Bowen, 2008; Fischer, 2012; Heskett et al., 1997). Even if service systems are more recent academic thinking than the service profit chain (Vargo et al., 2008), I expect that the SPC gives useful insights into what happens within one service system. To better understand the human factors that are at the core of S-D logic and SPC thinking, the literature review ends with an exploration of the related fields of positive psychology, change management and motivation research.

To understand the terminology of the SPC, it is necessary to differentiate between organisational culture and organisational climate. Culture is a state of the system or a process of enactment. When analysing organisational culture the history of the organisation should be considered: how were the founders and early leaders, and what were the critical defining events. From these it should be possible to derive different sets of shared assumptions that were sparked by common experiences of success or trauma, which in turn are the culture. It can include even conflicting subcultures and there may be units that have not yet formed shared assumptions. Culture is not static, it evolves through reinforcement and disconfirmation of the assumptions. (Schein, 2000)

Climate is more about the “soft stuff”, like how people feel about the organisation or the authority system, and the involvement and commitment employees have. Climate is impacted by how employees experience or feel about the workplace, while culture is formed by cultural assumptions and the history of successes and failures. To give an example, “Creating a climate of teamwork and openness is a common goal nowadays, but it is the rare company that figures out how cultural assumptions about individualism, about managerial prerogatives, and about respect for authority based on past success may make teamwork and openness virtually impossible. The structure of the reward system in most U.S. organisations is likely to be so completely individualistic that it should be no surprise that even a well-conceived and highly motivating program of team building has minimal and only temporal results.” (Schein, 2000: 24)

3.1 Service profit chain thinking

"A field service engineer's ability to create reliability through their actions on behalf of their customers is based upon the support from their supervisors and peers." - Fischer (2012:108)

In essence, service profit chain thinking explores the linkages between employee perceptions and performance, and customer perceptions and financial performance (Pritchard & Silvestro, 2005). Heskett et al. (1997) found that satisfied customers contribute to employee satisfaction, which in turn contributes to customer satisfaction. In early SPC research the strongest relationships suggested by the data collected were between profit and customer loyalty, employee loyalty and customer loyalty, and employee satisfaction and customer satisfaction. In the service profit chain model an employee's productivity and quality of output are correlated with his or her loyalty, satisfaction and capability. These employee elements influence customer value, which is presented as the tangible or intangible results the customer received and process quality, compared to price and customer access costs. The value the customer experiences affects the correlated customer satisfaction and loyalty, revenue growth, and profitability, which in turn affect employee loyalty, satisfaction and capability. To put it simply, SPC holds that employee loyalty, employee satisfaction, employee capability, customer value, customer satisfaction, customer loyalty, revenue growth and profitability all have direct and strong relationships. (Heskett et al., 1997)

More recent research (Bowen, 2008; Bowen & Ostroff 2004 and Fischer, 2012) has sought to further understand the linkages and elements of the service profit chain. According to the literature review done by Fischer (2012:45), "organisational climate and culture have previously been found to have links to, for example, productivity and innovations, employee performance, staff turnover, service quality, and organisational effectiveness." Real competitive advantage is created by a company's internal quality, how well the dialogue functions between units and how see-through the processes are. Often the customer is another unit from the same organisation, even though it is not always seen this way. (Fischer & Vainio, 2014) Bowen (2008: 164) presented a refined version of Heskett, Slasser & Schlesinger's model explaining the various elements and their relationships (Figure 3).

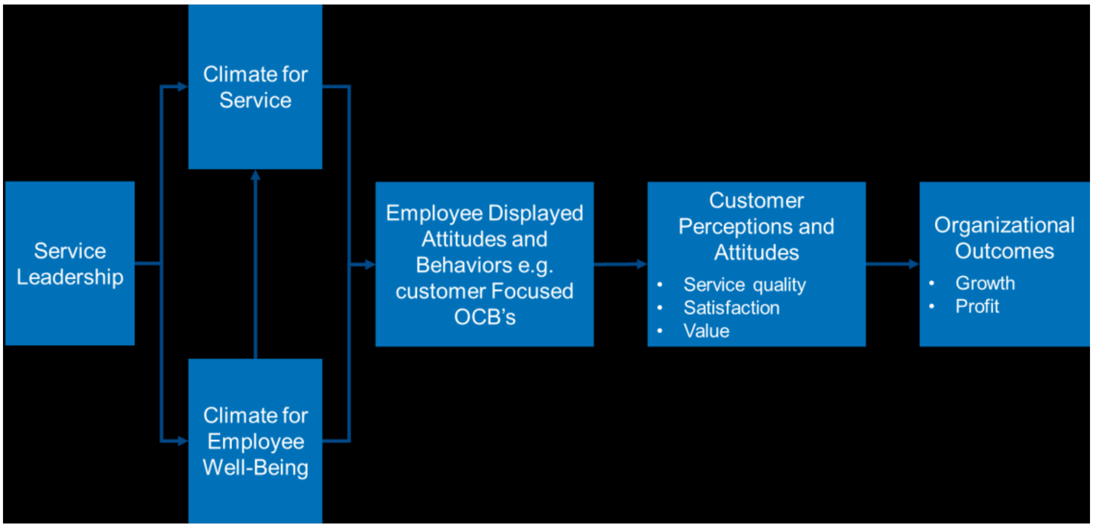

Figure 3: Bowen's linkage model, B2C context (Fischer, 2012)

In Bowen's (2008) model, service leadership defines the status of service within the company. It directly affects climate for employee well-being and climate for service, which is also affected by the climate for well-being. Those, in turn, affect how employees behave and what their attitudes are. Bowen (2008) emphasises customer focused organisational citizenship behaviour (OCB), which means that people as the citizens of an organisation think about customers first in their behaviours. In this model employee displayed attitudes and behaviours directly affect customers' perceptions and attitudes of service quality, their satisfaction and their perceived value, which leads to organisational outcomes such as growth and profits. (Bowen, 2008)

Fischer's (2012) doctoral dissertation sought to explore the linkages between the different elements of Bowen's (2008) model. For that purpose, she did a literature review to operationalize the various perspectives on service, which are presented in Table 1.

Table 1: Operationalisation of the service profit chain concepts (Fischer, 2012)

Leadership's emphasis on service	Climate for employee well-being	Climate for service, process and procedures	Employee displayed attitudes and behaviours	Customer perceptions and attitudes of service quality, satisfaction and value
- to build organisational climate that emphasizes fairness - to design HRM strategies that empower employees in customer interface - to gain superior service quality - customer orientation	**Support climate** - development opportunities - communication that affect individuals in an organisation - target setting awareness - management support on individual development - fairness - involvement - rewarding **Team climate** - openness - involvement - respect - team work - high morale - atmosphere	- recognition & rewarding - technology & support systems - training - internal quality - knowledge and skills - autonomy - inter-departmental service	**Engagement** **-** personal engagement - work engagement **Attitudes and behaviours** - attitudes - organisational citizenship behaviour - commitment - job satisfaction	- Responsiveness: willingness to help - Reliability: employee ability to perform the promised service accurately and dependably - Tangibles: product performance and characteristics - Empathy: caring, individualised attention - Assurance: employees' ability to inspire trust and confidence

Through her literature review, Fischer (2012) defined service leadership as leadership's emphasis on service, which includes building an organisational climate emphasizing fairness, designing HRM strategies to give the customer facing employees power over their decisions, gaining superior service quality and operating with a customer focus. Climate for employee well-being was defined through two sub-climates, support climate and team climate. The first means that the employees should have opportunities to develop themselves and support on individual development from the management, they should be communicated all the relevant information and their targets should be set and communicated well, and employees should be treated fairly, involved and rewarded. Team climate focuses on the team's openness, involvement in the team, respect towards each other, high morale, a good atmosphere and good team work. Climate for service is focused on the processes and procedures. These include recognition and rewarding, which should be in line with the customer and service focus. Technology and support systems should give the employees the possibility to communicate and do their tasks well. Employees should be provided training and given autonomy, and there should be good quality of service within the organisation and between departments. Employee displayed attitudes and behaviours are divided to engagement, both work and personal, and attitudes and behaviours. Commitment and job satisfaction are included in attitudes and behaviours. In this model, customer's perceptions of service quality are comprised of responsiveness, reliability, tangibles, empathy and assurance that the customers feel they receive. (Fischer, 2012)

Before Fischer's (2012) doctoral dissertation the SPC research had mostly focused on a business-to-customer (B2C) context (e.g. Pritchard & Silvestro, 2005). After operationalising Bowen's linkage model Fischer presented her own model for theory testing (Figure 4). The difference between Fischer's (2012) model for theory testing and Bowen's (2008) model is that Fischer left out the organisational outcomes, since they were not included in the scope of her dissertation. She also used different terms for the different concepts. Fischer tested her operationalisation of Bowen's model in a business-to-business (B2B) context, at a large manufacturing company. She found that the model holds also in the B2B context, but that the structure of the linkage model depends on the type of interaction between employees and customers. If the customer contact was face to face, the data supported the linkages. However, if the customer contact was done through e-mail, phone or other digital means the places of two elements in the model are reversed, workplace climate and personal engagement. (Fischer, 2012) This has a significant implication to units that are primarily in contact with the customer through e-mail or phone. This modified linkage model provided the themes, presented next, that were covered in the in-depth interviews for this thesis.

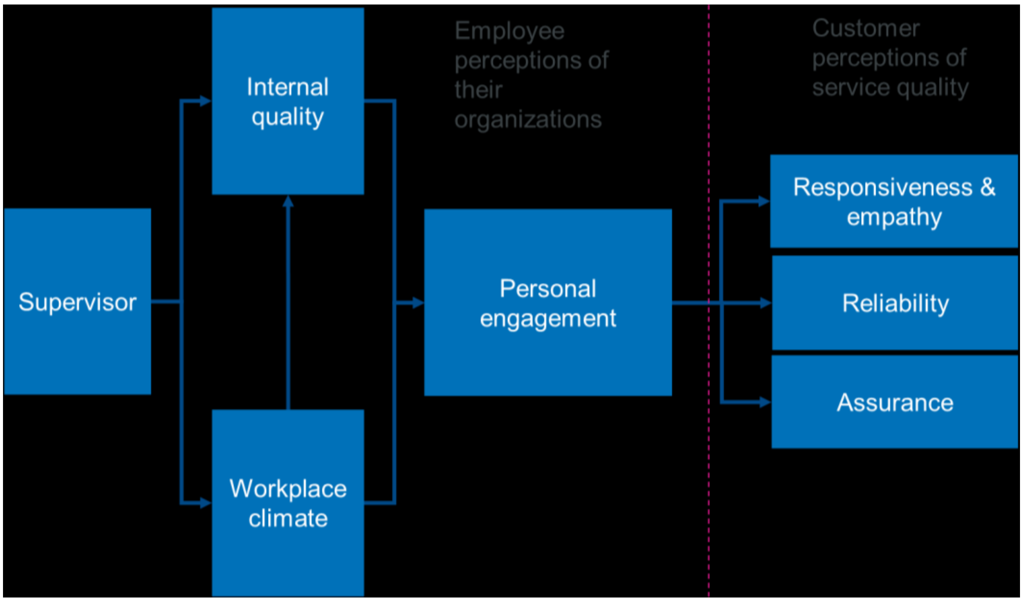

Figure 4: Fischer's linkage model for theory testing in B2B context (Fischer, 2012)

Increased productivity and profitability can be achieved through service value, which is fostered by individual experiences in interactions. (Fischer, 2012) Emotional energy of the customer service personnel is transmitted both through physical customer contact and through the phone. How a service technician experiences the colleagues' and supervisors' appreciation of him or herself and how meaningful the service technician experiences his or her work to be affects personal engagement. This in turn affects the service technician's behaviour with customers and the customers' experienced service quality. Correspondingly the experience of emotional energy created by sales managers through telephone or e-mail contact is based on how inspiring and energizing the sales manager experiences the workplace climate. How the sales manager experiences internal quality and personal engagement affects the workplace climate, and through that customer satisfaction. **One of the most important measurements of internal quality is the collaboration between different units. The quality of collaboration affects the customer experience. Everybody is responsible for customer experience, regardless on if they are in direct contact with the customers or not.** It is the job of the leaders to make sure that coordination works and that the prerequisites for collaboration exist. (Fischer & Vainio, 2014)

Since the definitions of each part of the linkage model Fischer (2012) used were modified based on the data available to her, this thesis uses the broader definition of Bowen while still using the linkages found by Fischer. It can be reasonably assumed that the linkages still exist, even within the broader definition. The strength of the links is not necessary to consider for the qualitative research in this master's thesis. In addition, according to Vargo et al. (2008) the service profit chain thinking is not current anymore, but instead service is provided through systems, in which the customers and service providers co-create value. Thus, I expect the linkages presented in Bowen's and Fischer's models to be at least partly reciprocal, since customers affect both the quality of the service they can get and the service providers as individuals. This leads me to expect that the linkage models are oversimplified versions of reality in the light of current research. However, Fischer's and Bowen's linkage models serve as a basis for literature research, interview questions and analysing the results, since I expect that even if the linkages do not present the whole picture, the themes covered present the factors affecting service mindset and thus the quality of service.

The model used for guiding the literature study of this thesis, making interview questions and analysing the results is a blend between Bowen's model operationalised by Fischer and Fischer's model that she used for theory testing. As the data was gathered specifically for this thesis, there was no need to limit the definitions based on existing data. However, Fischer's final definitions are also used, since some of them were in a language that was deemed easier to understand. The modified linkage model used and its definitions are presented in Figure 5.

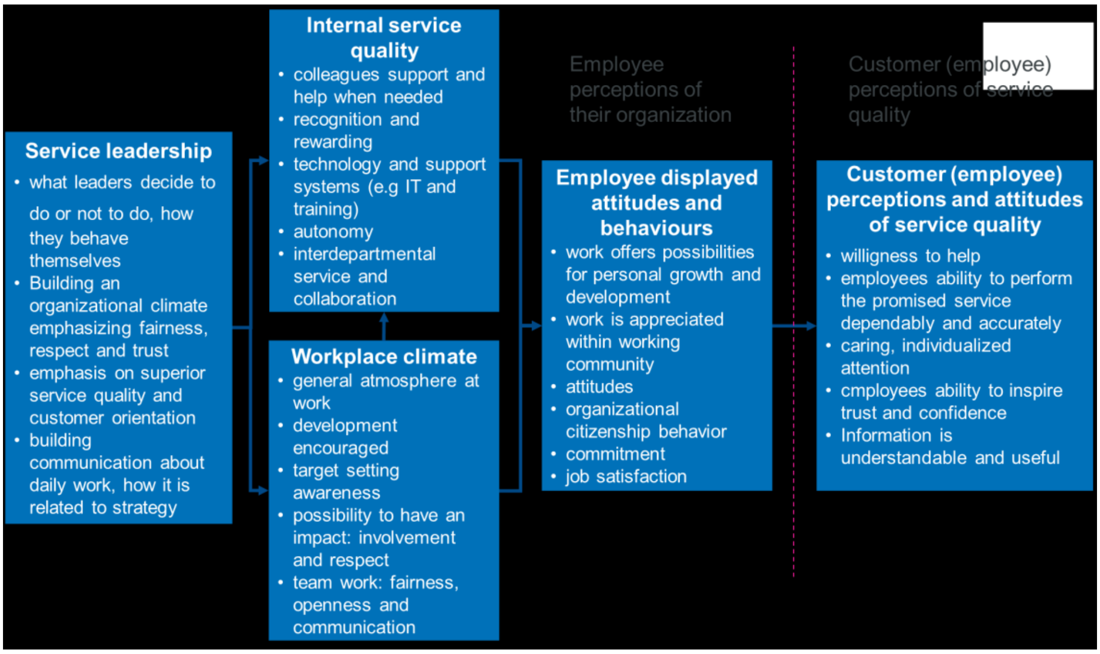

Figure 5: Modified linkage model to support the literature study, interviewing and analysis

The main difference between the two existing linkage models and the modified version (Figure 5) is that in the modified version customer is understood to be within the company, not a person outside the company. The definitions written in this model are chosen based on their subjective understandability from the lists provided by Fischer's (2012) literature review and theory building.

3.1.1 Service leadership

"If your managers don't support and take care of their people, you can't expect them to stand up with integrity and serve your customers well."
– Ken Blanchard (2001)

Blanchard (2001) assumes that 90% of Americans are honest, and 10% are not, but still most organisations have processes set up to stop the 10% rather than serving the 90%. Trust is defined as a psychological state in which a person is willing to accept vulnerability based on positive expectations of the other and expectations of the other's future behaviour (Fischer, 2012). A parallel can be drawn to organisational processes, which often are designed to control the minority of employees who will not do their best without the control, instead of designing processes to support the majority who will be worth the trust. The manager often defines the way the rest of his or her organisation acts. If the manager does not trust the direct reports, but chooses to lead with control, it is likely to lead to the direct reports acting accordingly. This means that they only do what they are told to, and do not care about supporting others. (Fischer & Vainio, 2014) Giving the employees a sense of control adds to the amount of self-discipline they have at work. (Duhigg, 2012)

Even if employees are taught new skills and ways of working, once they get back to their daily tasks, they often encounter powerful organisational resistance to the principles and practices they were just taught. Organisational change that sticks starts from individuals' attitudes and behaviours, but is not possible without deep involvement of senior leadership. (Schwartz, 2010) Leaders are the role models of an organisation, and their positively deviant behaviours encourage positivity in the whole organisation. Positive deviance refers to intentional behaviours that differ from the norm within the group in honourable ways. (Fischer, 2012)

Organisational leaders can influence a workplace culture that drives employee engagement through showing their employees that they care and value the people. (Taneja et al., 2015) Kristo Ovaska, the CEO of Smartly, one of Finland's fastest growing start-ups focusing on providing excellent customer service, has suggested, that leadership should be servant leadership (panel discussion, Jansen, Vasishth & Ovaska, 2017). It means providing a vision and actionable goals, and then becoming servant to your employees in order to help them win (Blanchard, 2001). According to Niklas Jansen, co-founder of Blinkist and person in charge of the company's culture, the way to act is not to delegate, but to elevate. According to Vishal Vasishth, co-founder of Obvious Ventures and former Chief Strategic Officer at Patagonia, posters do not do anything without managers "walking the talk." (panel discussion, Jansen, Vasishth & Ovaska, 2017) When employees feel that service quality is genuinely in the interests of the managers, high customer satisfaction can be expected. (Schneider et al., 2002)

Greenleaf (1977) agrees with Ovaska's viewpoint. According to him, the key to becoming a great leader is being servant first, leader second. Most people fall between the extremes of leader first and servant first. However, in servant leadership people should act towards each other in less coercive and more supporting ways. Authority is freely granted by the employees to the leader, in response and proportion to the servant behaviours of the leader. If a leader is servant first and leader second, it manifests itself in making meeting other people's most important needs the priority. The served growing as a person is a sign of servant leadership. (Greenleaf, 1977) The servant leader's primary focus is on the service itself instead of results. **Long-term organisational goals will be achieved only by serving the employees through facilitating their growth, development and well-being. The functional attributes of servant leaders are vision, honesty, integrity, trust, service, modelling, pioneering, appreciation of others and empowerment.** (Stone et al., 2004)

The role of a manager has traditionally been to direct, control and supervise. In servant leadership, the manager's role is seen to be that of a cheerleader, encourager, listener, and facilitator; one who provides support and encouragement to help their employees be their best. The first part of good leadership is providing a vision, goals that guide towards achieving it, and an image of what perfect operations would look like. Hierarchy is not bad for this visionary part of servant leadership, but skilled people should be involved in refining the vision. The second part of servant leadership is implementation, which is more at odds with the traditional hierarchical leadership style. Most companies traditionally operate in a pyramidal model, in which the management is at the top and the customer facing frontlines at the bottom. This creates a problem, since the pyramid puts managers on top, making their employees think that they work for their managers. This means that responsibility moves to the manager and their employees become responsive to the manager. It causes the people closest to the customers to focus their efforts on pleasing their supervisors instead of pleasing their customers, and leads to statements like "I am sorry, I cannot do that, it is against our policy". (Blanchard, 2001)

Blanchard (2001) suggests that the way to improve is inverting the pyramid. If frontlines are responsible to customers instead of their managers, they get the power to act on customer requests. In the implementation part of servant leadership, management works for their employees, not the other way around, and are responsive to their employees. Leadership starts with providing a vision, but for reaching their goals managers need their employees. Managers should listen, praise, encourage and help their employees win. (Blanchard, 2001)

Organisations are often controlled by compartmentalising and by centralising functions to achieve efficiency, but at the same time the processes become more unclear. When the employees lose sight of the bigger picture, the role of leaders gets highlighted. Then the leaders have more information about the whole, and thus better requisites for making the right decisions. The situation moves power and responsibility away from the employees themselves. (Fischer & Vainio, 2014) People start to be responsible of their work to their supervisors instead of the customers, who they are actually working for. (Blanchard, 2001; Fischer & Vainio, 2014) One of management's most important tasks is to make sure that the organisation and its processes are simple and visible enough, so that seeing the bigger picture is possible on all levels of the organisation. Simple and visible processes help individuals and units in understanding how their own actions affect customer experience. In addition, the manager must make sure, that everybody knows what is expected of them and how the work of each individual affects the achievement of common goals and realization of strategy. This can create the feeling of "getting things done" in individuals, which in turn creates positive emotions, in the end affecting customers. (Fischer & Vainio, 2014)

3.1.2 Workplace climate

Workplace climate reflects how managers and colleagues help and support each other (Fischer, 2012). Organisational, or workplace, climate is how an individual experiences the workplace, compared to organisational culture being "how things are done around here". (Schein, 2000) Workplace climate and culture are linked to, for example, productivity and innovation (Kopelman et al., 1990), employee performance, service quality, staff turnover and organisational effectiveness (Fischer, 2012). A supervisor's customer orientation is beneficial in creating a desired workplace climate in service businesses (Fischer, 2012).

Workplace climate that emphasizes fairness in how employees are treated creates a spill over effect that should be seen as a requirement for high service quality and customer satisfaction. (Bowen et al., 1999) In her study, Fischer (2012) found evidence that employee perceptions of workplace climate are even more important than their personal engagement in predicting customer perceptions of service quality, when the customer contact is not face to face.

Workplace climate is not defined only by managers, but each individual. According to Fischer & Vainio (2014) taking ownership means the ability to recognize and utilize opportunities to create good. The quiet acceptance of the workplace as is, is one of the most influential factors in dissatisfaction at work and to why the good things that everybody wants do not come to fruition. Positive deviances always start from an individual's actions, but get notably stronger from the support of even one person. Often the greatest way to make change happen is to support and strengthen already existing seeds of a new direction. It is not only leaders who make decisions, it can be everybody through the mechanism described above. (Fischer & Vainio, 2014)

Workplace climate gives signs of the support employees get from their managers, like if the manager engages employees, keeps them updated on matters affecting them and is interested in improving work arrangements (Schein, 2000). Managers create the support climate, and servant leaders should move among their people to observe how they are doing and to support them to win with customers and in being responsible (Blanchard, 2001). The support climate is a significant component in defining how employees act in customer interactions, because their perceptions are created through how they see what happens to them and around them in the organisation (Schneider, 2008).

In the SPC support climate is the first component of workplace climate, and team climate is the second. How is team climate then created? People have the tendency to take better into account those, with whom their relationship is closer, or as Duhigg (2012) calls it, with whom they have strong ties. Both the amount and quality of strong ties are important in the realization of strategy. In an organisation with a considerable number of strong ties information flows, the direction stays better the same and people work better towards common goals. They also help each other to stay in the right direction if needed. Sometimes employees approach a project in a disconnected or competitive manner. This can be due to that there is a failure to acknowledge the presence of a team or to acknowledge the lack of leadership. (Weinstein & Morton, 2015)

While studying interaction patterns of several business teams from different organisations doing tasks like strategic planning or brainstorming, Losada (1999:179) found that "the degree of connectivity of the team, measured by the number and strength of cross-correlations among time series of the participants, was an excellent predictor of team performance". He also found, that in high-performance teams, appreciation and encouragement are apparent, which is discussed in further detail in the chapter positive psychology approach. Losada (1999) suggests that higher team performance can be achieved through developing teams that are able to interact in a way that reaches a higher degree of connectivity.

The research on confirmation bias, the tendency of people to take into account evidence that supports their beliefs and ignore the rest, supports Losada's (1999) claim that appreciation and encouragement improve performance within a team. Due to the confirmation bias people are flawed as individual reasoners, but when people are together in a social group in which strong ties are abundant, good reasoning can emerge. People challenge each other's confirmation bias and because of the strong ties are ready to listen to each other. (Haidt, 2013)

Strong ties are created through positively deviant behaviours both within and between management and employees. People get energy from interactions that create or strengthen a mutual and compelling vision, interactions they can bring something meaningful to, and interactions in which the participants are fully present and progress happens. (Fischer & Vainio, 2014) The contagiousness of emotions is an important factor in creating strong ties (Fischer, 2012). Emotions are transmitted also nonverbally, through body language and facial expressions (Fischer & Vainio, 2014). This is important in the context of service profit chains, since service business research has shown that the emotions of customer service employees are transmitted to the customers. *"Research on emotional contagion has shown that exposure to an individual expressing positive or negative emotions can produce a corresponding change in the emotional state of the observer."* (Pugh, 2001:1020)

3.1.3 Internal service quality

"Asking for help is a gift to the person you ask."
- Merja Fischer

Internal service quality refers to the processes and procedures in place, like human resource management, and to the support colleagues give each other. High internal quality leads to high-performance work systems. The extent to which employees perceive they are being rewarded for delivering quality service directly affects their organisation's service quality. (Fischer, 2012) **True competitive advantage is created through a company's internal quality; how well the dialogue functions between individuals and how understandable the processes within the organisation are.** (Fischer & Vainio, 2014)

Hiring is at the core of human resource management, and according to Ovaska it is the most important part in creating organisational culture. Criteria for hiring should include how well people fit in with the organisational culture and the underlying values. Passion is more important than being extremely skilled. Culture should be codified, so that new people can understand it, the values and the principles. Time should be spent on onboarding. (panel discussion, Jansen, Vasishth & Ovaska, 2017)

Reward systems are often individualistic, for the reason of achieving individual motivation. However, individualistic reward systems can negatively influence collaboration. Schein (2000) suggests, that rewarding individuals based on their ability to collaborate can reduce the negative effects of individualistic rewards. This can be done through defining individual managerial potential as the ability to create a team, and awarding people who have created a track record of attracting others to work with them. (Schein, 2000)

Offering help without being asked to is one of the most powerful ways to grow the individual's and the company's "sisu", the courage and determination in front of adversity, and positive energy that help in surviving through tough situations. Often people would like to be helped, but are too shy to ask, since they don't want to disturb others or seem incompetent. Even if people do ask for help, it is not evident that they receive it. Work condition research in 27 EU countries has shown, that only 42% of employees get help from a colleague when asked, and the corresponding number is 37% when asked from supervisors. (Fischer & Vainio, 2014)

There is often an abundance of processes on decision-making, for example rules on who is authorized to make a decision on repairs over a certain cost level. Kristo Ovaska has said that keeping decision-making at the lowest possible level is necessary for an organisation to have effective teams. To keep people and teams aligned working towards common goals, every employee should understand the mission and purpose, and believe in them. A company's strategy comes to life through everything happening aligned with the company's purpose. (panel discussion, Jansen, Vasishth & Ovaska, 2017)

Taneja et al. (2015) identify processes and procedures that support management and retention of talented employees: offering the possibility of global mobility, training and development, well-planned rewards and recognitions, quality communication and interaction between manager and employee, and leadership and development. These are linked to how people experience the workplace, and affect employees' attitudes and behaviours.

3.1.4 Employee displayed attitudes and behaviours

This chapter is about employee displayed attitudes and behaviours and their underlying factors, like employee engagement and motivation. How engaged employees are involves how committed they are to being a part of their organisation achieving its short-term and long-term goals. Engaged employees are also more committed to transformational efforts of the organisation. Employee engagement is an essential factor in organisational culture, since it predicts how well success can be achieved through transformation. (Taneja et al., 2015) From a managerial perspective it is important to show that every person matters through providing personal attention. This promotes employee engagement through creating a personal sense of purpose. (Duhigg, 2012) According to the CEO of Synovus Financial Corporation, Jimmy Blanchard, servant leaders bring meaning to employees. He sees that when employees have a sense of meaning and are part of a team that is working for something more than their pay checks, they create a high-energy level and make great things happen. (Sendjaya & Sarros, 2002)

If you want to build a ship,

don't drum up the people to gather wood,

divide the work, and give orders.

Instead, teach them to yearn for the vast and endless sea.

- Antoine de Saint-Exupéry (as presented in Bolden, 2007)

The above is a quote by the author of The Little Prince, Antoine de Saint-Exupéry. The message it carries is that the best way to reach the desired outcome is not to order people to do different tasks, but to explain to them why it is important and desirable also for them.

KONE's mission statement used to be *"Dedicated to people flow".* According to Fischer and Vainio (2014), this mission tells the organisation, that the management at KONE and its shareholders are dedicated to creating flow at work for their organisation. The customer can understand the mission as a will to create a flexible and fluent experience when using their products. (Fischer & Vainio, 2014) The current mission statement is *"Improving the flow of urban life."* While it can be argued that the new mission is more specific and thus more compelling, it seems to be more focused on people moving in urban environments instead of the intangible flow state of people at work.

Flow is "a state in which people are so involved in an activity, that nothing else seems to matter; the experience is so enjoyable that people will continue to do it even at great cost, for the sheer sake of doing it." Flow is an important factor for innovation and well-being, and the highest intrinsic motivator. (Csikszentmihalyi, 1990)

Intrinsic motivation is the motivation that comes from within as opposed to rewards and punishments, "carrots and sticks". People have an inherent tendency to try and find novelty and challenges, to develop themselves and to learn. Even though people have intrinsic motivational tendencies, supportive conditions are required, since intrinsic motivation can be disrupted by non-supportive conditions. According to self-determination theory (SDT) competence, autonomy and relatedness are the three innate psychological needs, which when met lead to enhanced intrinsic motivation and well-being, and when unsatisfied lead to the diminished motivation and mental health. However, extrinsically motivated behaviours can also become self-determined, if individuals can influence the regulation of the actions. (Ryan & Deci, 2000)

When an individual experiences, that their work supports their identity, it creates an experience of vitality and positive emotions. These positive emotions, like joy and excitement, support the creation of new neural pathways, in other words learning. Having a stretching goal can create meaning by providing support to the individual's aspiration on developing and using his or her strengths. An individual can also create meaning in their work through being a part of doing something bigger. In this, the strategy, vision and mission of the company have an important role. (Fischer & Vainio, 2014)

Intrinsic motivation together with affective commitment create employee engagement. (Global employee engagement index, 2016) Research supports the existence of a positive relationship between employee engagement and such positive organisational outcomes as employee retention, productivity and profitability. It has been found that for companies rated higher on employee engagement also the profitability and customer satisfaction were higher, when reported thefts and accidents at the workplace were lower. (Taneja et al., 2015) Low level of engagement leads to considerable annual declines in operating income and declines in earnings growth. High level of engagement can create the opposite effect, of up to 19% annual increase in operating income and 28% increase in earnings per share. (Schwartz, 2010)

"The way most of us work isn't working. Study after study has shown that companies are experiencing a crisis in employee engagement."
- Tony Schwartz (2010)

Global Employment Engagement Index (2016) notes a compelling company culture, freedom to work and perform, exceptional leaders, and inspiring immediate managers as the four key elements of employee engagement. The study also mentions pride, confidence, enjoyment in work, challenge in the work and possibilities of development as some of the key drivers influencing employee engagement. Employee engagement, in turn, influences the willingness to go the extra mile at work and the commitment to the corporate or unit strategy (Taneja et al., 2015). **When personal engagement is high, there is an organisational culture that appreciates the individual, and the staff trusts in that decisions are made with respect towards them, people are ready to accept change even if there is no exact information on what it means for them as individuals.** (Taneja et al., 2015; Fischer & Vainio, 2014) **Telling the truth, even when it feels uncomfortable, creates a culture of trust** (Schwartz, 2010).

Personal engagement is also a term for employees' usage of varying degrees of their selves physically, cognitively and emotionally in their performance at work. People occupy different roles at work, which are normally well defined. William Kahn (1990), a professor of organisational behaviour at the Boston University and prominent researcher of personal engagement, has researched how people occupy those roles to varying degrees. According to Kahn, the more people are fully psychologically present during role performances the better their performances are and the happier they are with the roles they occupy. Kahn identified variables that explained how people adjust their psychological presence. People want to be members of groups by habiting their roles in them but do not want to be engulfed by them, and thus calibrate their self-in-role through personal engagement and personal disengagement. Kahn (1990) has divided the variables affecting adjustment of psychological presence under psychological meaningfulness, psychological safety and psychological availability, as presented in Table 2.

Table 2: Factors affecting adjustment of psychological presence (modified from Kahn, 1990)

	Psychological meaningfulness	Psychological safety	Psychological availability
Influencing factors	Task characteristics	Interpersonal relationships	Physical energy
	Role characteristics	Group and intergroup dynamics	Emotional energy
	Work interactions	Management style and process	Insecurity
		Organisational norms	Outside life

Psychological meaningfulness defines how meaningful the work an individual does is to him or her. Different sources of meaning are task characteristics, for example challenging tasks, role characteristics, which can mean that a person feels responsible for others, and work interactions, which reflects how good and important the interactions one has at work are to him or her, for example if one feels that their colleagues have become friends. Psychological safety means how at ease people feel at work; if their relationships with their colleagues and managers are good, if their team and cross-team interactions are balanced, fair and collaborative, how people feel they are supported by their managers and the processes that are in place, and how the organisational norms support individuals. Psychological availability considers the employee's life as a whole, how much physical and emotional energy they have, how much insecurity they experience, and how their life outside of work is going. (Kahn, 1990) People have a limited amount of energy and willpower to do tasks that are not intrinsically motivating, but according to Duhigg (2012) willpower can be exercised through practicing it in one context, for example going for a daily run, which then improves energy levels.

3.1.5 Customer perceptions and attitudes of service quality

Satisfied employees are less likely to leave a company, and lower turnover rate is linked to higher customer satisfaction (Heskett et al., 1994). Both the workplace climate and personal engagement of employees spill over to customers (Fischer, 2012), and the way an employee feels affects how the employee acts toward customers (Pugh, 2001). The results of Pugh's (2001) study suggested, that using emotions as a tool in an organisation should be considered for two reasons: customers expect positive emotions as a part of the service, and displayed emotions influence customer affect and thus their ratings of service quality. Service business research emphasizes the experience created by the interaction between individuals as one of the most important competitive factors. (Fischer & Vainio, 2014) However, our feelings are not a direct consequence of what we encounter, but what we think about the encounters: our thoughts affect what we experience (Seligman 2011: 167). Similarly, value is always determined by the beneficiary (Vargo et al., 2008).

Parasuraman et al. (1988) propose five measurable factors affecting customer perceptions of service quality. Those are tangibles, reliability, responsiveness, assurance and empathy. According to Pugh (2001) what customers feel affects their thoughts on an organisation and their judgements of service quality. **Honesty, mutuality, discretion, openness, ambition,**

realism, empathy, humbleness, seriousness, professional skills, pride and communication skills have been found to affect the choice of service provider (Fischer, 2012). In this study, it is assumed that the same factors are important to internal customers, or colleagues, as well, even though they might not have a choice in the service provider, their colleagues.

Bowen (2008) defines customer perceptions and attitudes of service quality, satisfaction and value through responsiveness, reliability, tangibles, empathy and assurance, the ability to inspire trust and confidence. Trust, commitment and relationship quality are significant dimensions for creating customer loyalty and retention. For example, when account managers feel that they are supported by their colleagues, the better they themselves can create trust and confidence within their customers. If employees within a company can inspire trust within their colleagues, it shows through to the end customers. (Fischer, 2012)

According to Christensen et al. (2016:56) "The focus on knowing more and more about customers has taken firms in the wrong direction.". What they mean with this is that what matters is what the customer wants to accomplish in a given situation. They call this the job to be done and claim that they always have also social and emotional dimensions. This approach is not data driven, but rather seeks to understand the customer choice through causal drivers behind the purchase. The authors claim that the effective way to boost innovation, and through it customer perceptions of service quality, is to identify where in the customers' lives there are poorly performed "jobs" and then design products, services and processes around those jobs. Designing processes around those jobs means aligning them so that there is integration across functions to support the job to be done. Finding out what the relevant job is does not come from number data, it comes from interviewing people who have recently purchased, decided not to purchase or changed their purchasing behaviour, and asking those people about the timeline of events leading up to a decision. If what is measured by the company is not in line with what customers value, the results are not comparable. (Christensen et al., 2016) The role of customers is to co-create value as opposed to using it up, and thus the employees and the end result are also affected by customers in service systems (Vargo et al., 2008).

3.2 Positive psychology approach

My hypothesis is that the literature in positive psychology can provide new approaches to S-D logic and the SPC. It is a relatively new field of research focusing on the optimal human functioning. Traditionally psychology has focused on removing "the bad", but it is not the same as "creating good". Positive psychology addresses this gap. (Seligman, 2011) The literature on positive psychology is included in this theoretical framework, since S-D logic largely builds on human behaviours, which are in the focus of positive psychology as well. In addition, positive psychology focuses on creating positive emotions, joy, interest, contentment and love. They are not just a nice addition to work days, but have proven to broaden the scope of attention, cognition and action, and build physical, intellectual, and social resources. (Fredrickson, 1998)

The new approaches, that I expect positive psychology to bring, include for example, several easily applicable interventions to improve people's personal well-being, such as keeping a gratitude journal, and holds non-conventional beliefs. An example of this is the common belief that people change through failure, that requires them to either learn new skills or act differently. However, failure and criticism which often accompanies failure can make an individual become resistant to change or make an individual helpless. Positive psychology deposits that success and finding own strengths change people more than failure. This is because when people know what they are good at, they more readily change other traits in themselves. (Seligman, 2011, p. 72)

3.2.1 Positive affect and emotional contagion

Mild and momentary positive affect can have large long-term effects.
This is characterised by "The butterfly effect: As in weather forecasting, seemingly trivial inputs—like the flap of a butterfly's wings in one location—can disproportionately determine later conditions elsewhere."
- Fredrickson & Losada (2005:680)

Even momentary positive affect can spread through emotional contagion (Pugh, 2001). The disproportion between input and effect is also evident in that an affective state can influence judgements in unrelated situations or entities, because current affective states are often used as information to make evaluative judgements (Isen et al., 1978). In a service profit chain, each individual can turn ordinary events into positive events that have positive meaning through positively deviant behaviours (Fischer, 2012). According to Ramaswamy (2011) value is created by human experiences that come from interactions. Any service company facilitates creation of this value through the interactions it provides, within or to the outside. Mutual value is expanded by both the interactions and the "productive and meaningful human experiences that result". (Ramaswamy, 2011:195)

The feeling of getting things done creates positive emotional energy in individuals, that takes their actions to the right direction. With positively deviant behaviour, like gratitude, appreciation, caring and part-taking, it is possible to improve internal quality and workplace climate. When common goals are compelling and everybody is committed, a "climate of doing" is created, which shows through to the customer. (Fischer & Vainio, 2014)

3.2.2 The broaden-and-build theory and its implications for organisations

According to Fredrickson (2004), in addition to signalling optimal functioning, positive emotions also create optimal functioning, both in the short and long term. Key positive emotions, joy, interest, contentment and love, "broaden an individual's momentary thought-action repertoire" (Fredrickson, 2004:1367). This is called the broaden-and-build theory of positive emotions, since in addition to this broadening effect positive emotions build people's enduring personal resources. These "reciprocal relations among positive emotions, broadened thinking and positive meaning suggest that, over time, the effects of positive emotions should accumulate and compound: the broadened attention and cognition triggered by earlier experiences of positive emotion should facilitate coping with adversity, and this improved coping should predict future experiences of positive emotion." (Fredrickson, 2004:1373) These create an upward spiral which, when continued, builds the resilience and improves the emotional well-being of employees. In contrast, negative emotions spark very specific action tendencies, like attack or flee, and behaviours, like avoidance. In an organisation, this can lead to dismissing opportunities to correct false impressions.

In other terms both positive thinking and actions can trigger positive feelings, and positive feelings can trigger positive thinking and actions. (Fredrickson & Losada, 2005) Positive emotions give space for discovery of innovative actions, ideas or social bonds through for example added flexibility, creativity and empathy (Fischer, 2012). These in turn create new personal resources. Positive emotions should be valued and nourished within the workplace both as an end-state and as a means for growing the employee’s resources for coping with difficult and stressful situations. (Fredrickson, 2004) In addition the health benefits created by positive emotions can save costs for an organisation. Fredrickson & Losada (2005) present research in which the health benefits have been shown through experiments. They found that induced positive affect increases immune function, and good feelings predict lower levels of cortisol, reduced inflammatory response to stress, reductions in subsequent-day physical pain, resistance to rhinoviruses and even reductions in stroke.

The thought-action tendencies created by positive emotions are to play, explore or savour and integrate. In a workplace context, this can be extremely beneficial for innovation and collaboration, since the thought-action tendencies cause unusual, flexible, creative, integrative, open to information and efficient patterns of thought, in which the attention is not narrowed but allows for seeing a bigger picture. Positive emotions also increase the acceptance of variance in thinking and acting. Positive emotions create a broad organisation that can be flexible and able to integrate diverse material. (Fredrickson, 2004) This is contrasted with organisations in which languishing, the feeling of being hollow or stuck in a rut, causes emotional distress, psychological and social impairment, and limitations in daily activities, which in turn cause costs due to lost workdays and inefficient working (Fredrickson, 2004; Fredrickson & Losada, 2005). Flourishing is, according to Seligman (2011), the opposite state of languishing, or the state of optimal well-being. An organisation can have both languishing and flourishing individuals, but flourishing can alleviate the effects of languishing (Fredrickson, 2004).

3.2.3 The link between flourishing and business outcomes

Positive meaning and positive emotions can create an upward spiral, which can lead to flourishing, which in turn improves individual and team performance. The positive to negative affect ratio is a key predictor of flourishing. This “positivity ratio” represents the amount of positivity, meaning pleasant feelings and sentiments, to negativity, meaning the unpleasant feelings and sentiments. This ratio predicts the subjective well-being of individuals, which in turn is linked to employee engagement through psychological availability as defined by Kahn (1990). (Fredrickson & Losada, 2005) The interaction patterns at different levels of team performance reflect the flourishing within the team. The highest positivity to negativity ratio and the most inquiry and advocacy can be observed within flourishing teams. (Fredrickson, 2004) The higher positivity ratio enables open and expansive emotional spaces that provide a platform for effective action (Losada, 1999).

In business teams flourishing is predicted by a positivity ratio of 3.0 or above and for teams that do not function that well the ratio is below 2.9. When the positivity ratio gets to 11.6 or higher, it does not predict flourishing in business teams anymore. Some negativity is needed in that behaviour patterns do not calcify. However, the negativity should be limited in time, connected to soluble feedback or connected to specific circumstances. Just as with negativity, there are also different types of positivity. It should be appropriate and genuine. For example, smiles that are ingenuine or disconnected from the situation lose credibility and effect. (Fredrickson & Losada, 2005)

In addition to balancing the positive and negative, Losada (1999:181) found that a dynamic balance between inquiry, defined as “a question aimed at exploring and examining a position", and advocacy, defined as "arguing in favour of the speaker's viewpoint", is needed in high-performance teams. Also, the dimension of other-self should be balanced, meaning that a team and individuals in it should be able to acknowledge their weaknesses and strengths in order to match them with the opportunities present in the external business environment. (Losada, 1999)

It has been shown, that in high performance organisations 60% of the staff thinks positively. Roughly a third are neutrals and a tenth negative. Correspondingly in low performance organisations only 20% of the staff think positively, and negative and neutral thinking style account for 40% each. Individuals' attitudes to work, their supervisors and themselves in relation with their work and colleagues really has consequences for the organisation's productivity and profitability. (Fischer & Vainio, 2014)

3.2.4 Summary on positive psychology

The positively deviant behaviour of workplace stakeholders creates positive meaning and positive emotions also in others. Positive emotions broaden both the service personnel's and customers' thinking models and enhance the ability to solve problems together. Positive emotions create new realisations and non-obvious possibilities and help in seeing the bigger picture, "seeing the wood for the trees". (Fischer & Vainio, 2014)

Positive affect of employees impacts customers, and emotions are contagious also between leaders and employees and within teams. According to Fischer (2012:32), *"it is apparent that positive emotions and positive behaviours are important building blocks for successful service businesses."* Reality affects emotions and emotions sometimes affect reality. (Seligman, 2011) For example, optimism on the success of a team can help the team to succeed. In this kind of situations realism is not beneficial, since un-warranted positivity can change the reality.

The effect of positive affect and positively deviant behaviours can be observed throughout the service profit chain. The effect of human experiences is evident in the role played by supervisors and peers in the creation of a positive workplace climate. This, in turn, affects the internal quality and employee displayed attitudes and behaviours. **The interactions that happen within positive affective states, positive climate, and positively deviant behaviours create an upward spiral of positivity and strong ties. These create positive organisational outcomes through better problem solving and collaboration, more innovation, better resilience, less sick-days, and more efficient working.**

3.3 Motivation and goal-setting theory

"Goals may cause systematic problems for organisations due to narrowed focus, unethical behaviour, increased risk-taking, decreased co-operation, and decreased intrinsic motivation. Use care when applying goals in your organisation."
- Pink (2009:50)

Motivation was already briefly discussed as a part of employee displayed attitudes and behaviours, but the topic deserves a deeper dive: every person requires some motivation to come to work and to work efficiently. Motivation is what performance and reward management try to accomplish. Organisations can motivate their employees through paying salary, offering health insurance, and throwing Christmas parties, or through non-tangible rewards like job rotation, meaningful tasks, and possibility of career advancement. One important way to motivate employees to perform at a desired level is goal setting. However, like Pink (2009) suggested in the above quote, setting effective goals that achieve their purpose is not simple due to the peculiar nature of motivation.

The way people are rewarded and how goals are set is included in the internal service quality -block of the service profit chain. According to Locke & Latham (2002), goals affect performance through four mechanisms. Firstly, they direct attention and effort towards the goal that has been set. Secondly, they lead to greater levels of effort than lower goals or no goals. Thirdly, they increase persistence, either leading to prolonged effort or intense effort when faced with a dead-line. Lastly, goals affect unconsciously through arousal, discovery and use of knowledge and strategies that help support the achievement of the goal. However, for goals to be effective, feedback needs to be provided on how well one is performing against their goals. (Locke & Latham, 2002)

The ingredients of genuine motivation are autonomy, mastery and purpose. Goals set by people themselves for themselves usually work well, or at least do not have negative effects. In contrast goals that take away autonomy, that are imposed by others, can have negative side-effects. The reason for goals being effective, but at the same time the reason for their negative effects, is the narrowing of focus. It helps concentrate the mind, but hinders the broad thinking required for innovation and creative decision making, and stops people from seeing the effects of their behaviours from the viewpoint of their unit or the whole organisation. Goal setting can, at its worst, induce unethical behaviour, since some people will choose the easiest way to achieve the target. “Taking a shortcut” is the reason to several scandals, one of the most famous examples being Enron’s high revenue goals that catalysed the company’s collapse. However, when the reward is the activity itself, there are no shortcuts. (Pink, 2012)

Goals devoted to attaining mastery tap into the intrinsic motivation to learn (Pink, 2012). A need for achievement motivates people, some more, some less (Locke & Latham, 2002; Seligman, 2011). When one says that they want to achieve a certain goal, it means that they will not be satisfied if they do not achieve the goal. How probable it is to succeed in achieving a goal also affects motivation. A moderately difficult task is best at motivating, but if the task is either very hard or easy, the level of motivation drops. However, there is evidence that the relationship is not so simple. The hardest tasks can result in the best motivation, that drops only if the task is at or above the limits of ability or there is a lack of commitment. Specific goals are better than urging to “do your best”, since then there is no ambiguity on what is expected. However, when the task is extremely complex and a specific goal is difficult to set, urging to do one’s best is better than specific goals. In this case, setting a performance goal does not work effectively, but setting for example a learning goal can work as well as performance goals with simpler tasks. (Locke & Latham, 2002)

There are two factors that affect the commitment to goals, the importance of the achievement in itself and the outcome, and self-efficacy, which means the belief that one can achieve the goal. When goals are self-set, higher self-efficacy leads to setting goals higher, allows to find better strategies to achieve goals, and makes individuals more likely to react well to feedback received. Ways to improve self-efficacy are to provide trainings, act as a role-model, and to communicate persuasively the belief that one can achieve the goal. Training on self-leadership increases self-efficacy through providing a sense of control over one’s behaviour. (Locke & Latham, 2002) For example, writing out a plan makes people more committed to it, and helps them understand where the negative impulses might come from. (Duhigg, 2012) Even assigning a difficult goal improves self-efficacy, since it tells the employee that their manager trusts that they can achieve the goal. However, participatively set goals lead to higher target levels and better performance than goals imposed by a manager. (Locke & Latham, 2002) When goals are imposed by a manager, the kinder he or she gives the instructions the more willpower the employee has for doing the task (Duhigg, 2012)

Leaders can communicate an inspiring vision and behave supportively, which increases the importance of achieving goals. (Locke & Latham, 2002) For people to be genuinely motivated, it is important for them to understand why they are doing what they are doing, what is their role in the organisation and what is the "greater good" that the organisation tries to achieve. Purpose is not only about the personal good, even though it is important to understand the "what's in it for me" as well. (Pink, 2012) Giving a purpose for the goal makes, from a motivational perspective, goals imposed by others just as effective as goals set participatively (Locke & Latham, 2002).

Intrinsic motivation can be negatively affected by adding an extrinsic reward. (Deci & al., 1999) In an organisation this can mean, for example, that the intrinsic motivation to delight colleagues by giving them praise can be tainted by offering a reward to the person who gives the most praise. Both tangible and expected extrinsic rewards that are dependent on engagement, completion, or performance significantly undermine autonomous motivation. Self-reported interest is decreased by rewards dependent on engagement and completion. Positive feedback has the potential to increase free-choice motivation and self-reported interest. (Deci & al., 1999)

However, according to Pink (2012), rewards are not inherently destructive. For example, if the goal is common or the reward removes obstacles to altruism, rewarding can increase motivation. Motivation is complex, and rewarding without understanding the science behind it poses risks. Tasks that are not inherently interesting, creative, or purposeful require extrinsic motivators, but in the opposite case extrinsic motivators need to be well though-out. **The use of extrinsic motivators, or carrots and sticks, can cause narrow thinking at the expense of the wider organisation and the long view. Extrinsic motivators can produce less of what they are supposed to produce through crowding out the effect of intrinsic motivation, or even produce more of unwanted results.** For example, adding a monetary incentive to donate blood can nullify the positive effects of the intrinsic motivation to do good and result in less blood donations. However, if the reward is for example time off to donate blood instead of a monetary reward, it can add extrinsic motivation to intrinsic motivation. (Pink, 2012)

Rewards exhibit same tendencies as addiction, they are hard to remove once given and loose efficiency over time. To get the initial effect, bigger rewards are needed. This might lead to unnecessary rewards, that do not achieve their supposed goal but cannot be taken away either, since removal would have negative effects. (Pink, 2012)

Goals are sometimes conflicting within an organisation. When personal goals are aligned with the overall goals of a company, they improve the company's performance, but when they are not, the opposite is true. (Locke & Latham, 2002) A business management anthem is "What you measure is what you'll get." This sounds simple, but it is an idea agreed on by psychologists and economists alike. To motivate employees, a good management measurement could be "how satisfied are your employees". (Ariely, 2010)

3.4 Creating change within an organisation

"If we measure just what's easy, we'll maximize just what's easy."
- Ariely (2010)

According to Ariely (2010), currently CEO performance is largely measured based on the stock price as a proxy for shareholder value. He suggests, that performance should be measured on other metrics as well that reflect the industry, situation, and mission, which might not be as easy to define and measure as the stock price is. (Ariely, 2010) However, there is much more to creating change than just changing what is measured and rewarded.

All change initiatives go through phases, that require time and cannot be skipped. Critical mistakes in any of the phases can cause the loss of already won gains. A change initiative requires a sense of urgency, that needs to be consciously created and communicated. For a companywide change to happen the CEO needs to be committed. A great enough sense of urgency has been established when roughly 75% of senior management is convinced that the current state is unacceptable and change is needed. However, the team driving change is often only a few people in the beginning and grows over time. For successful change, the team needs to be powerful in terms of their titles, experience, relationships and reputation. The team should include a strong business line manager, having only people from strategic planning or human resources is not enough. (Kotter, 1995)

A compelling vision needs to be created for the change, it should appeal to employees, customers and other stakeholders alike, and it should be easy to communicate. This kind of vision should be possible to communicate in less than five minutes, after which people should show understanding and interest in the change. The vision should be communicated repeatedly, and all actions of top management should be aligned. Otherwise the communication efforts are waisted. The communication should be incorporated to routines, like performance discussions and budgeting. The actions people take are a more powerful form of communication than newsletters and articles. Obstacles should be removed, for example narrow job descriptions can make it difficult to see the impact one has on customers, or old performance measurements are not compatible with the change, forcing people to choose between self-interest and what is asked from them. The appraisal systems should also account for short term wins, like giving a bonus to employees who have successfully embraced change. These short-term wins help keep motivation up in long term change initiatives. (Kotter, 1995)

Change initiatives are feared, because they create uncertainty and require new ways of working. When something is going to be changed, there is also going to be resistance. Different individuals and groups can react in unexpected ways and assessments should be made in anticipation of the resistance and for planning how to overcome it. The most common reasons for resistance are the fear of losing something valuable, like an interesting task or a benefit, a misunderstanding of what is changed and what the change implies, a belief that the change is not good for the organisation, and a low ability to embrace change. A lack of trust is often behind these reasons. A belief that the change is not good is often caused by asymmetric information, for example management being unwilling to share information that could negatively affect stock prices can cause the employees not understanding the rationale behind the change and thus resisting it. If there is difference in the information that groups have it can lead to different analysis of the situation and thus resistance to change. Managers might assume that they have all the needed information to make a decision and that those affected have the needed information to understand why, when neither is true. The low tolerance for change is often caused by low self-efficacy, meaning that the people do not trust that they will be able to develop the skills needed after change. Other reasons to resist change include the unwillingness to admit that prior decisions were not right, peer pressure from colleagues, or seeing a supervisor or manager resisting the change. (Kotter & Schlesinger, 1979)

Change takes a long time to stick, and thus the completion of a change initiative should not be announced too soon. Attention should be paid to who gets hired or promoted and what is in the corporate educational programs. For a change to stick, it should become a part of the organisational culture. This requires for all new appointments to top management to be consistent with the change, and demonstrating the financial or other returns from the change project. (Kotter, 1995)

There are several ways to overcome resistance to change. Educating and communicating are powerful tools before the change to lower fears that people might have. Giving potential resisters the possibility to participate, for example by listening to their advice, in the design and implementation of change makes them not only more willing to comply to the change but even committed to it. Direct managers have also a big role in overcoming resistance. Through giving their support by training, explaining, listening, and providing emotional support they can erase the fears and alleviate the psychological pressure employees have. Manipulation, like giving only very specific information, and co-optation, like giving something desirable as a part of the change, can also work in overcoming resistance. However, manipulation and co-optation have drawbacks, since if people feel like they are not treated fairly, they are lied to or in any way manipulated, they are likely to become strong resisters of change. Explicit and implicit coercion are also tactics used by managers. However, people do not like being forced to change, so the reaction to coercion is likely to be very negative. (Kotter & Schlesinger, 1797)

Edgar Schein, an expert on organisational culture, has said that every time he has been able to help an organisation understand what it wants to be in the future, and to recognize realistically the current state, change starts to happen by itself. (Fischer & Vainio, 2014) Old ways are often unconsciously executed, and habits die slowly. This can make changing the mindset challenging, especially when it includes changing the way of doing things not only within an organisation but across its value-creation networks. (Lusch & Vargo, 2008)

Creating change happens, according to Herrero (2011) through communication and behaviour. Ways to influence change include communicating the wanted change and the rationale, training, workshops, utilising social diffusion, listing the wanted behaviours (learning from each other, for example, is not a behaviour, but never answering e-mail when in a meeting is), defining a small set of non-negotiable behaviours which are reinforced through rewards and recognition, champions and stories of success. (Herrero, 2011) Consistency in communication and behaviours, and leadership showing commitment all play an important role in getting employees committed to the change. (Duhigg, 2012) **It is a**

common idea that mindset or attitudes should be changed before behaviour can, but in reality behaviours can change mindsets and attitudes as well. (Herrero, 2011)

Much of human behaviour, even decision making and evaluative judgement, is primarily or entirely handled by automatic processes. People often make a judgement first, before consciously deliberating on it. This leads to people thinking that the decision or judgement they made was based on a rational evaluation, even if it was made through a fast and automatic process. (Haidt, 2013)

According to Duhigg (2012) creating behavioural change in an organisation is about changing routines. Duhigg tells his readers what Paul O'Neill, the CEO of Alcoa who started a successful change of routines within his company, told him: "I knew I had to transform Alcoa, but you can't *order* people to change. That's not how the brain works. So, I decided I was going to start by focusing on one thing. If I could start disrupting the habits around one thing, it would spread throughout the entire company." (Duhigg, 2012: 100) For O'Neill this "one thing" was safety, and Duhigg calls these kinds of habits that can start a process that, over time, transform the whole culture, keystone habits. An important trait of keystone habits is that they need to be something that everybody agrees upon as important.

Using keystone habits to create change removes the need to get everything right, and puts the focus on identifying key priorities and using them as powerful levers. Creating small wins is a part of how keystone habits can create widespread change. Another is the "spill-over" effect, for example, when encouraging employees to share their ideas around a keystone habit, they are likely to start sharing their ideas also regarding other organisational routines or processes. (Duhigg, 2012) A few well-chosen behaviours have the ability to impact the organisation, when they are spread and reinforced. (Herrero, 2011)

Duhigg (2012) presents the cue - routine -reward cycle as a way to explain habits. In the Alcoa case this cycle could be, for example, the occurrence of an injury serves as a cue, which triggers the routine of fixing the cause, and, since there is a will to reinforce this non-negotiable behaviour, leads to a promotion that serves as the reward. To create a habit, it is important that the cue is in place, in organisations this often means that rewarding, promoting and firing happen accordingly. One way of creating change is through setting goals in line with the desired end state. When reinforcing the effect of goals, their purpose should be kept in mind by rewarding or celebrating the desired outcomes, like saved lives, instead of rewarding achieving the targets, like bringing down the number of accidents. New habits should be placed in between old ones, so that they feel more familiar. (Duhigg, 2012)

Coughlan et al. (2007) suggest that prototyping can be used for changing behaviour. Our environments provide us clues that trigger established behaviour, but tangible and visible representations of new behaviours can serve as a clue for triggering new behaviours. They can serve as both encouragement and reminders. The researchers found that prototypes are highly effective tools for creating organisational change. Even though prototypes are normally made for testing new innovations, the testing itself can be a useful activity to create change. (Coughlan et al., 2007)

Herrero (2011) claims that all failed attempts to change behaviours inside a firm's large population have something in common. The root cause, according to Herrero, is the failure to understand the differences between two separate worlds, that of communication and that of behaviour. This misunderstanding leads to people expecting behavioural change to follow from an information or communication cascade, even though the two concepts are from different "worlds". The cascading information flows "down" through different communication methods, like e-mails, posters, newsletters or video. Formal interactions take place in this "world 1" of communication. For example, a communication campaign can be expected to reach 1000 employees and the assumption is then, that the 1000 employees have been influenced. However, it is difficult to prove that the communication campaign has achieved its job to be done, evoking action within the employees. Some employees have payed attention, some of them have paid enough of attention to understand, from those some have considered doing something and only a small proportion has actually done something. (Herrero, 2011)

To give an example, KONE's employee survey, Pulse, is distributed once a year to KONE employees, and it is focused on finding out how well KONE is doing in its strategic aim of being a great place to work. One of the questions is "Are the values communicated clearly". (KONE internal material) The answer to this does not tell much, since it does not answer the question if an employee understands what the values mean to him or her in his or her own work and if the employee has been influenced by the message. Frequent and widespread communication can even have the opposite effect of what it is hoped to achieve, a saturation of the channels, causing the recipients to disregard the message. It can become something that has been communicated so many times already, that the recipient feels like they already have done their job regarding the message. So, even if according to the KPIs, everybody within the group of recipients has gone through the training, the actual effect of the training can be considerably low. (Herrero, 2011)

Communication should be supported by reinforcing behaviours through recognizing, rewarding and communicating them. Undesirable behaviours should be punished, otherwise they become acceptable. Behaviours are copied by others, and hence spread through the proximity and connectivity of the individuals. According to Herrero (2011) being a friend or a friend of a friend, someone similar, someone you trust or a peer, has more influence on behaviour than official communication. Through imitation it is possible to reach a new organisational culture, "how we do things around here", even though it would not be clear what triggered the change. (Herrero, 2011)

Creating quality connections and change always starts from individuals (Fischer & Vainio, 2014), and behaviours spread through social networks, which are often very different from organisation charts. Strong ties are the most effective, but also weak ties are needed to spread habits throughout an organisation. (Duhigg, 2012) Communication is most effective when it focuses on the key individuals with the widest range of social connectivity. Behaviours don't spread top-down, even though managers play an important part as role models, nor do they spread bottom-up, but rather multi-centric, through the key opinion leaders. Herrero (2011:65) claims that "the pull power of a few must be worth dozens of workshops with partially awake delegates".

This does not mean that communication would not be important for awareness and sensitization, but it should be remembered that motivating people is different from providing them with rational and emotional appeal to act. The expectations of what can be achieved with the communication should be correct. A change management program is often measured by the number of workshops or participants, which can lead to the activities of holding workshops and reaching people to take over from the message itself. (Herrero, 2011)

The Finnish philosopher Esa Saarinen emphasises, that creating change is about thinking real thoughts and experiencing real feelings. These are something that cannot just be communicated.

Intuition, or affect or feeling, has primacy over thinking in four ways. It emerged first in human evolution, it develops first in the human lifecycle, it comes first, even if only by milliseconds, when humans make judgements and it has more power over human behaviour than thinking. (Haidt, 2013) Especially the two latter ways of primacy are noteworthy in creating organisational change: people are not rational in their decision-making, for example when they ponder if to embrace change or not. Even if emotion is removed, according to Haidt (2013: 284), “the result is not hyper-rational behaviour, it is a disastrous inability to narrow down the choices and then choose among them.” In short, our intuitions and feelings affect our decision and actions, and are necessary for us to be able to make decisions.

3.5 Summary

The theoretical scope of this thesis is extensive, and it would be possible to write several dissertations on the abovementioned topics. The breadth at which the topics have been discussed came from what I expect to be useful from a practical perspective to improve service mindset within a company. Next, a summary on how the topics are linked is presented.

Service-dominant logic was the first topic to be explored while researching service mindset, since it is a way of thinking. However, there is not much research on S-D logic, and the closely linked study of service systems and SPC provided further insights to the role of acting in a service minded way in value creation. According to SPC customer perceptions and attitudes are affected by interactions with the service provider’s employees. How the employees behave, in turn, is largely affected by internal service quality. Workplace climate then affects how internal services perform and how internal service quality is perceived. Leadership focus on service plays a role in the creation of both the workplace climate and internal service quality. This creates a value chain that start from the leaders, moves through the tangible and intangible environment at the workplace to employee attitudes, to customers and finally through profits to the shareholders. (Heskett et al., 1994)

Customer value is created by employees, but exceptional performance of the company can only be achieved if the employees are satisfied. Positive psychology provides insights to what affects employee satisfaction and Fredrickson’s (2004) broaden and build theory explains the impact of positively deviant behaviours between employees and between employee and customer. Motivation is closely linked to positive psychology, but not only a part of it. Motivation research and goal setting theory explain the effects of intrinsic and extrinsic motivation and rewards on employee performance.

It is useful to understand the relationships between different dimensions presented in the service profit chain and what affects its creators, the people in the service chain, in order to be able to identify what to change in the status quo. However, if there is no knowledge about how to create change, the information can only help through a part of the change. This is where habits and change management come into the picture.

4 Materials and methods

In this study, I am taking the subjectivist view, assuming that social phenomena like management culture and workplace climate, are constructed from the perceptions and consequent actions of individuals in an organisation. According to this view the social phenomena are continuously evolving trough social interactions. Social interaction between service providers and customers produce customer service, meaning that customer service or its quality is never a constant but linked to the interaction between two people. Culture is viewed as something that that the organisation is at a given moment as a result of continuous individual or group behaviours. According to the subjectivist view, social interactions and physical factors, like the office layout, create culture through the interpretation of employees. (Saunders et al., 2009)

I am studying the situation of service mindset at KONE to understand its reality and the reality behind the visible manifestations. This is associated with social constructionism, the view that reality is socially constructed. This is aligned with the interpretivist philosophy according to which subjective meanings that situations and surroundings hold for individuals motivate the individuals' actions. In practice this means that two different people can experience the same situation in radically different ways, which in turn can affect their actions differently. (Saunders et al., 2009)

Business situations are unique functions of the circumstances in which individuals interact at a specific time. The data that I focus on are the perceptions and attitudes of employees. I am seeking to consider the differences between humans as social actors, how employees interpret their social roles together with the meaning they give to those roles. It can be argued that this interpretivist approach is appropriate in organisational behaviour, which this study is largely about. (Saunders et al., 2009)

In interpretivism data collection techniques that are most often used have small sample sizes and utilise qualitative in-depth investigations, like in-depth interviews. My concern in the empirical research is to understand and explain what the current state of service mindset is at KONE and what are the underlying factors affecting it. (Saunders et al., 2009)

I am adopting a "theory building" approach, grounded theory, a combination of induction and deduction. I am seeking to build theory on how service mindset can be built within a company. It is an interpretive and creative process, in which I am trying to predict and explain behaviour. My data collection started without the formation of a theoretical framework, even though it is using an adoption of an existing theoretical framework, the service profit chain (Fischer, 2012), for guiding the research questions. Aligned with this approach I am collecting interview data and considering it at a conceptual level to give conclusions and recommendations which include theoretical insights. (Saunders et al., 2009)

My previous work experience at KOF, the French frontline, and at GSS, the global spares supply, has provided me with an understanding of how the spare parts supply functions. At KOF my work tasks included handling spare part queries from the field personnel and communicating them to GSS. At GSS, then, I handled some of the queries coming from different frontlines concerning escalator spare parts. In addition, I gained and understanding of different teams within GSS and their main responsibilities. I expect that having seen both sides of the internal service chain, that of the frontlines and that of GSS, gave me better grounds to make subjective judgements on the information that the interviewees provided me.

However, this approach poses a significant risk of observer bias, since it leaves much room for making subjective choices. According to Haidt (2013) moral reasoning happens only after an automatic process initiated by intuition has already lead the individual to reach a judgement or conclusion. I expect that since the problem statement is so loosely defined, it is even necessary to use intuition to reach any kind of conclusions. However, this forces the reader to use caution when studying the results, and especially what has been left out.

Triangulation is the use of different methodologies in the study of one phenomenon and is a method used in organisational studies. Having multiple viewpoints makes the results of a study more likely accurate and less likely the artefact of the chosen methodology. (Jick, 1979) The empirical research uses a mixed-model research, interviews, intervention and data collected from workshops (Saunders et al., 2009). The interviews are held first, after which the workshops are held, and finally the intervention. However, none of the interviewees had participated in a workshop before the interviews. The empirical phase focuses on thematic interviews and their qualitative analysis, and the data from workshops is gathered mainly to support the first. The data collection and analysis is qualitative in nature, but also quantitative analysis is used. For analysing the interviews the number of times a given theme comes up is counted to be able to give more focus to the most common issues. For the intervention, qualitative and quantitative analysis is done based on a survey distributed after the intervention, in order to give recommendations on the continuation and further testing of the intervention.

The first part of the empirical research is a case study of the current state of service mindset. A single case study is chosen, since to my knowledge there is no prior research about the service profit chain and its dimensions within a B2B manufacturing and service company, in which colleagues are considered as the customers. However, three individuals from outside of the chosen group, the supply chain of spare parts, are chosen to serve as a control group. If similar considerations arise from their answers, the generalisability of the study can be considered slightly higher.

A short action research is conducted on an intervention to support service mindset (Saunders et al., 2009). The intervention is done at GSS Hyvinkää, after which a subjective questionnaire about how participants feel about the potential of the intervention is distributed. The goal is to find out if the intervention has potential to create change, in order to start understanding how to improve service mindset.

The last part of the empirical research uses secondary data gathered from service mindset workshops (Saunders & al., 2009). This part of the empirical research is presented in chapter 4.3 Workshops (p. 39).

4.1 Interviews

The goal of the interviews was to identify behaviours, processes, habits, mindsets and cultural issues that affect service mindset. Interviews are based on the themes in Fischer's linkage model as defined in the literature study, but the linkages are not given much attention for two reasons. Firstly, through the qualitative, instead of quantitative, nature of this thesis it would not be possible to prove any linkages. Secondly, research on service systems has at least partly replaced the service profit chain thinking, which signifies that the linkages should be more complex than theorised by the SPC literature (Lusch & Vargo, 2008). The subjective thoughts of the interviewees on the linkages are gathered and used, together with theory, to build a model on service mindset.

4.1.1 Selecting the research sample

The research focuses on the service chain of the spare parts supply. It was selected to be studied due to two reasons: the interest indicated by a manager at an integral part of the supply chain, Global Spares Supply (GSS), and my personal work experience at GSS which provided me with a basic understanding of the functioning of the spare parts supply. This understanding helped in seeing the context in which a major part of the interviewees work.

For being able to gain insights into both sides of interactions the people to be interviewed were selected either from the same chain of command or from interacting teams. First, I identified a team, order management and support, as a key team affecting perceptions of the service quality that GSS provides. After that a few key people were selected from the Finnish frontline, KEF, by the thesis advisor, who previously worked at KEF. The management team at GSS provided support according to my requests in identifying people to be interviewed within GSS, and the people identified at KEF helped me identify the other interviewees from KEF. My requests were that the people to be interviewed would be average performers and somehow connected to each other, and that there would be people in different positions and levels of hierarchy. A complete list of the positions of the interviewees is provided in Appendix 1 together with information on the interviewees and the duration, date and place of the interview. In total, there were 16 interviewees, 7 people from GSS, 6 people from KEF and 3 other people. They represent people with different tenures (2-33 years) at KONE, ethnicities, locations, age groups (recently graduated – close to retirement) and gender (8 women, 8 men). The positions of the interviewees are presented in Figure 6. The figure also presents a simplified version of the relationships between the interviewees.

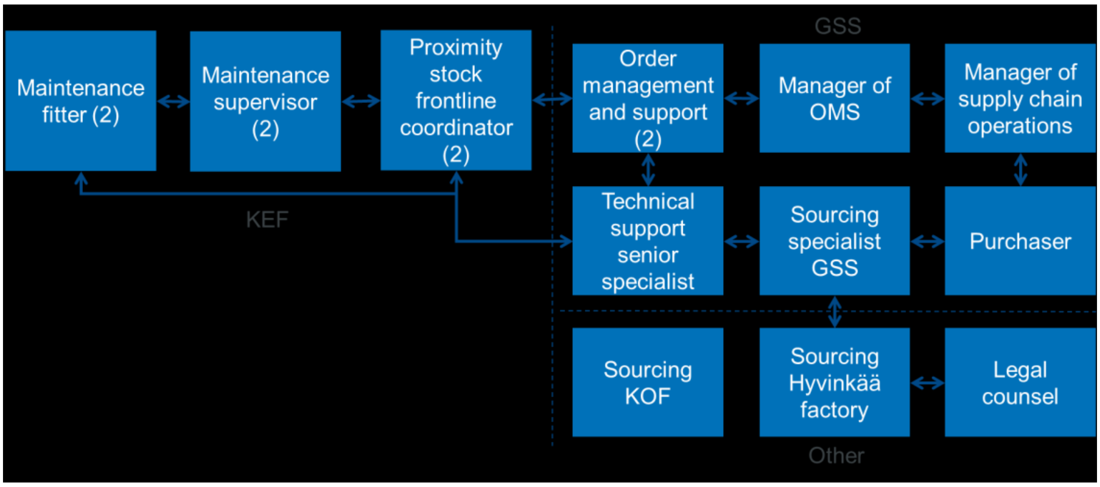

Figure 6: The positions and formal relationships between the interviewees

The spare parts requests start from the people on the field who have a need for a part. They then ask either their supervisors or directly the proximity stock team for assistance, who then turn to GSS. Within GSS the order management and support team is the primary point of contact, who then require support from both the supply operations and the technical side.

The other three interviewees are not in the spare parts supply chain, but are still sometimes in contact with the other interviewees, except for the interviewee in the French frontline (KOF), who did not have any points of contact with the other interviewees.

4.1.2 Interview structure

In thematic interviews the interviewer knows that the interviewees have experienced the situation that is explored. The interviewer or other researchers have previously examined the important parts of the phenomenon to be researched, like processes. Based on the prior analysis the interviewer has come to certain conclusions on the factors affecting the phenomenon and their effects, and made an interview structure based on the analysis. Finally, in the interview itself the focus is on the interviewees' subjective experiences of the situations that the interviewer has analysed. (Hirsjärvi & Hurme, 2001)

While covering the different themes of the linkage model, the aim of the interview structure was to create a conversation in which the interviewee would feel comfortable and heard. Therefore, the structure of the interview was not strict and followed the flow of the conversation, as is done in semi-structured thematic interviews (Hirsjärvi & Hurme, 2001). When moving from one set of questions to the next the rationale behind the set of questions was explained. The complete interview structure is presented in Appendix 2, together with the rationales explained to interviewees.

All the interviews started with presenting the context: the interviewer herself, the purpose of the study and the concept of service mindset. The interviewees were also told about the confidentiality and anonymity of the interviews so that the interviewees would be as free as possible to state their true opinions.

The first questions of the interviews were designed to give the interviewer an understanding of the context in which the interviewee operates; the most important tasks at work and the kinds of interactions the employee has with other KONE employees. The second set of questions served to help the participant in understanding the context of further questions. The questions were how service mindset, defined as the will to delight others, shows in the actions of the employee him- or herself or others at KONE, and what the employee thinks could re-enforce these kinds of behaviour.

The next questions were designed to give the interviewee the freedom to lead the discussion towards what they saw as important without too much guidance from the interviewer. The interviewees were asked to describe situations in which they were offered help, in which they received help or in which they were unable to provide help. The order of these questions was changed between interviews, so that it would not affect the results. This part of the interviews always included follow-up questions to find the underlying reasons certain behaviours occurred and to understand the values of the interviewees. These questions provided information on all the dimensions of the service profit chain, but were focused on workplace climate and internal service quality.

Workplace climate was further explored through the next questions directly on the topic. They covered the atmosphere and its change, alignment within and between teams, the feeling of being supported, openness, respect, and support on individual development.

Next topic covered the next dimension of the service profit chain, employee displayed attitudes and the underlying aspects of their behaviour. People were asked to describe their personal engagement at work, which was followed by questions trying to find out the underlying values; why they see their work as important, how they see themselves as a part of the organisation, how they feel about their tasks and when they felt they had succeeded.

Finally, the topic of leadership was covered through discussing the immediate manager's involvement and values. If the interviewee was in a managerial position, they were asked directly about their values and involvement as servant leaders.

The topic of customer perceptions and attitudes of service quality was not discussed per se, since in this research the employees are seen as customers of their leaders, internal services and their colleagues. Customer perceptions and attitudes were hence a topic discussed in different parts of the interview from both the point of the service provider, the leader or employee, and the customer, the interviewee him- or herself.

4.1.3 Data analysis

The interviews were transcribed word by word, but different ways of talking were not added to the transcription. This study does not go as far as interpreting tones of voice, since it was not found important for the objective of the interviews, finding different definitions and influencing factors of service mindset. The transcripts were coded in the ATLAS.ti software using 8 different codes, presented in Table 3. The number of coded passages is included to give a sense of the size of the material.

Table 3: Definitions of the codes used for analysing interview data

Code	Definition	Passages coded
1. Defining service mindset	Statements that give an example of a specific behaviour matching the KONE definition of service mindset. Used for defining service mindset and creating a list of specific service mindset behaviours.	99
2. Enforcing service mindset	Statements that provide an example of how specific service mindset behaviours can be directly influenced.	4
3. Unwanted behaviours	Statements that give an example of specific behaviour that contrasts service mindset behaviours.	29
4. Enabler	Statements that describe behaviour or external factors that affect service mindset behaviour positively.	167
5. Enforcing enablers	Statements that describe how enablers can be affected positively.	55
6. Hindrance	Statements that describe behaviour or external factors that affect service mindset negatively.	189
7. Removing hindrances	Statements that describe how hindrances can be affected to get less of them.	43
8. Customers or colleagues	Statements that describe the interviewees perceptions of their work's recipients' role as either customers or colleagues.	13

Thematic analysis is used to identify, analyse, and report themes within data (Braun & Clarke, 2006). The method was used to analyse the interview data. In this analysis method, the first step is to notice and look for meaningful statements and potential issues of interest. The analysis is an iterative process between the whole data set, coded data passages, and the written analysis (Braun & Clarke, 2006). The first set of different codes was chosen in line with the research questions. Code 1 corresponds to RQ1, what is service mindset, and serves to create a list of service mindset behaviours observed at KONE. The codes 4 and 6 correspond to RQ2 on factors affecting service mindset behaviour within an organisation. Codes 5 and 7 reflect RQ3, influencing the identified factors. It is important to note that the difference between the two is subjective, since if the relationships between affecting factors and service mindset is direct or indirect has not been studied in detail and was judged by the interviewer based on her knowledge of the theory. Finally, code 2 is related to RQ4, how behaviour can be influenced. Codes 5 and 7 reflect also RQ5 on interventions to influence service mindset. However, the division between the codes and the research questions in not definitive, since the definition of service mindset used so far is comprised of behaviours and all the codes somehow reflect behaviours, as do the research questions.

The rest of the codes were added due to specific reasons. Code 3 serves to identify the clashing behaviours, that might need corrective action. They are not directly influencing service mindset behaviours, but are negatively influencing the total service mindset. Hence, they should be considered as hindrances to be removed. Code 8 was added to help in tying the literature on SPC, which does not focus on internal customers or colleagues, to the empirical research which is on the internal relationships within a company.

The coded passages were then copied to excel and given a theme, that was seen best suited for the passage and had been discussed within the definition of service mindset or the literature review. These themes became the second set of codes. This second coding was done to gather together all the different passages that were closely linked to each other and to see how many times a certain issue was mentioned. The interviewees' statements were also coded with the interviewee's team's name, GSS, KEF, legal, sourcing and KOF, to be able to compare the different units. While writing the results section some of the themes were combined and some separated into two, in line with the iterative process of thematic analysis in which writing is an integral part of the analysis, not something done after the analysis (Braun & Clarke, 2006).

Based on the thematic analysis described above, the final list of themes was; I care about my impact, I take initiative, I take ownership, I renew myself, I collaborate, information sharing, internal service quality, knowing whom to contact, seeing the bigger picture, sense of purpose, reward systems, motivation, trust, using common sense, personal engagement, service mindset, physical space, self-leadership, strong ties, supervisor behaviours, leadership, support climate, team climate, and workplace climate. This list that arose from identifying themes that several interviewees mentioned includes the service mindset behaviours as defined by KONE and concepts that can be found from the service profit chain literature, that the interviewees mentioned. The final list of themes was grouped so that it included the team the interviewee who gave the statement works in, and the code (Table 3) that was given to the statement in the first round of analysis.

The process of analysing the interview data is described in figure 7. The figure presents a simplified process, as does the description above, since the process in reality was not so straight-forward and involved more smaller rounds of iteration, including single changes in the codes and the themes.

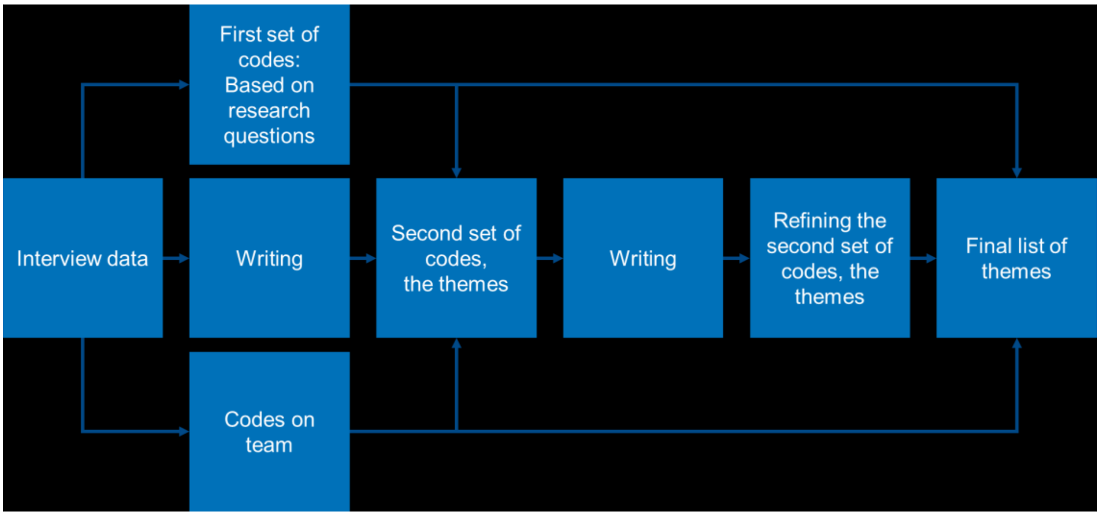

Figure 7: The process of analysing the interview data

4.2 Intervention

An intervention was conducted in order to be able to give an actionable recommendation to the case company. Organising a lunch lottery to improve collaboration was chosen as the intervention through the following four step process:

1. What is a re-occurring subject in the interviews?
2. How does theory suggest that this subject should be approached?
3. Are there benchmark interventions to be found that fit the identified theoretical approach?
4. Is the benchmark intervention applicable within the limitations of this thesis?

From the interviews, it emerged that people work in silos and have trouble with seeing the big picture, and it is highly beneficial to understand other people's jobs in order to know whom to contact for assistance. In addition, knowing people personally was seen as a way to improve the quality of collaboration. Several other subjects were re-occurring as well, but collaboration was chosen as the subject due to it being one of the key issues in management literature and its relationship to several of the theoretical aspects presented earlier in this thesis.

According to the KONE definition of service mindset, "I collaborate" is a key behaviour. From a theoretical perspective, the strength of ties between people predicts how well they take each other into account, and both the amount and quality of strong ties influence the realisation of strategy. Strong ties improve information flow and help employees to work in the same direction. (Fischer, 2012) The collaboration between different units is an important indicator of internal service quality, which in turn affects customer experience. In addition, it can be argued that one of management's most important tasks is to ensure the visibility of the bigger picture on all levels of the organisation. (Fischer & Vainio, 2014)

At Smartly.io the lunch lottery is an intervention that the company has kept alive since the number of employees started to rise, and the employees are happy with it. Within the start-up ecosystem of Aalto University, the concept is also in use, enabling entrepreneurs and like-minded people to meet each other. In addition, organising a lunch table to meet new people was suggested as an intervention for improving collaboration at a workshop on service mindset.

Lunch lottery is a simple and cost-efficient intervention to organise, and was doable within the limitations of this thesis. Lunch lottery requires informing people and creating interest in participating, signing up, dividing people into pairs or groups, and then giving them the responsibility to organise lunch together. Because of the time limitations of this study, it was not possible to prove measurable effects of the chosen intervention, which if found, would be in the long term instead of the short term. However, it is reasonable to assume that if people eat lunch together and take the time to talk, they will 1) learn about each other, which helps in seeing the bigger picture and knowing whom to contact, and 2) start creating ties across units. This, in turn, creates the desired positive effects that address the challenges identified in the interviews.

An initial proof of concept was acquired through organising "a table for facilitating collaboration". The instructions for the participants were to go sit at the designated table, if arriving to lunch alone. The table was full on the first day, Tuesday, so it was decided to keep the table for one more day after each day the table was full. In the end the table stayed until Friday. The comments on the intervention were positive, which further affected the decision to implement lunch lottery as the intervention.

The lunch lottery at GSS Hyvinkää was presented as an intervention to improve collaboration and the intervention was made a part of the service mindset initiative. From the roughly 80 people at GSS Hyvinkää 30 signed up for the lottery, of which a maximum of 28 people went for lunch either in pairs or groups of three people. Since measuring the actual effect was not possible within the time limitations of this thesis, a feedback form (see Appendix 3) was provided to the participants, to gather subjective thoughts on the reaction to the concept.

The feedback form had two questions using a 5-point numeric rating scale, in which the numbers should reflect the perceptions of the respondents and only the end categories were labelled (Saunders et al., 2009). The first question was "How did you feel about the experience?", where 1 reflected "I would not participate again" and 5 "I will definitely participate again." This question was supported by the second question asking for the rational for the rating given. The third question was "Did you find the experience useful?", where 1 reflected "not at all" and 5 "I already got something out of this and I think this has potential". It was supported by the fourth question asking for the rational. A fifth and optional question was "Do you have any improvement ideas?".

4.3 Workshops

As a part of the ongoing service mindset transformation initiative at KONE the service mindset week was organised. During it recognition boards and thank you -cards were introduced to participating offices. Those enable people to give praise to their colleagues that have shown service mindset, either publicly (the boards) or privately (the cards). An important part of the week were service mindset workshops, which were held to support people in finding behaviours they could change to be more service minded, and thus support their colleagues and customers better. Each workshop was targeted at a specific team or unit, and some were organised in collaboration with different units. Materials and support were provided to each individual running a workshop. During them the concept of service mindset and how it relates to the overall strategy at KONE were explained. After that the participants were divided into groups, to come up with what actions they could take under each of the four service mindset behaviours, which are I care about my impact, I renew myself, I take ownership, and I collaborate. Depending on the person organising the workshop, the groups worked either on one behaviour each or all groups on two behaviours. The instructions were to come up with actions relevant to people's own jobs and specific enough to be directly actionable. For example, I collaborate is not a specific action, but keeping the status in Skype on green when not in a meeting is.

In the end of each workshop all the participants went through their ideas together and held a discussion on the topics. I was present in two of the workshops, and at least in those the discussion was of high quality. People seemed interested in the topic and generally gave good feedback on the workshop.

Data was gathered from six workshops in total, and consisted of the workshop notes made by the person responsible for the workshop. The notes were on the perceptions of the workshop participants on the service mindset behaviours that the participants discussed in groups and wrote on flip boards. Four of the workshops were held in different units in Keilaniemi, one was held at KEF and one at GSS Hyvinkää. More workshops were held afterwards, but since the different units at KONE have autonomy in deciding on holding a workshop like this, there was no information available on which units had held workshops and thus no way to gather data on those workshops. In this thesis, the secondary data from the six known workshops was used to support the findings from the interviews.

The data in the workshop notes was already gathered under each of the four service mindset behaviours. I combined statements from the different workshops that were similar, and left out the statements that were not directly actionable behaviours.

5 Results

In this chapter the results from the interviews, intervention and workshops are presented. This chapter includes only results from the interviews, and does not consider the results from a theory perspective, which is taken into account in chapter 6. The order of the subchapters is not based on any model, but came from the iterative thematic analysis, in which writing is a part of doing the analysis (Braun & Clarke, 2006). The aim was to gather data together so that it would be possible to compare to the literature study part of this thesis. The order is not representative of the final model, but gathers together similar statements, that were then given a topic. Because of the qualitative nature of the study and the two-way linkages between several of the concepts, it was not possible to define exact boundaries between the themes.

5.1 Results from the employee interviews on service mindset, its current state and factors affecting it

"We are customers to each other." – interviewee from KEF

The above quote was a reflection on the relationship between all the people who interact. However, mostly people did not see their team members or others from the same unit as customers. At GSS people mostly agreed that frontlines are their customers, and that frontlines see themselves as customers of GSS. However, 2 people said that they talk about their customers as frontlines and one person said that frontlines are their colleagues. At KEF, it depends on the position of the person. For some, the people on the field are their customers, and for others they are the people outside KONE who use KONE products. This was agreed upon at the French frontline. In the rest of this results section I am going to refer to people in a different unit as customers, people in the same unit as colleagues, people in the same team as team members and people outside KONE as end-customers.

One of the service mindset behaviours as defined by KONE is "I care about my impact". There were three example behaviours that explain what this concretely means: moving a task forward immediately after having finished it, doing certain tasks that are not within the scope of the job description since customers are the priority, and handling requests fasts and in a friendly manner. The behaviours listed under the definition of "I care about my impact" were seeing the link between own actions and the customer, which will be discussed under the theme of seeing the bigger picture, I always try to help, and I listen actively, that will be discussed as a part of the theme "collaboration". The service mindset behaviours as defined by KONE are not mutually

"We all work in complementary projects, so if you don't do well your work, it affects the person who is supposed to follow your work or take the consequences of what you have done. It is very important to have a mentality that when you are doing your job you are giving a service to the other person. You always want to give the best service, because you expect to get the best from others. It is a question of habit, it's a question of preference, cause we are humans. In the end of the day we can be professional, but the human factor plays a big role in it." – one interviewee

exclusive nor collectively exhaustive, nor are the themes used in this chapter. This is due to the several possibilities of organising these themes into different entities. The themes are discussed so that there is as little as possible overlap and that they would be useful for the reader.

5.1.1 Interviewees' definitions of service mindset

Definitions of service mindset provided through the interviews include authenticity, flexibility, politeness, being present, attentive listening and understanding. From the interviews, it also arose that generally people have a will to help. They see it as self-explanatory that when they are asked for help they give it. The differences are in prioritisation, if the customer requests or your colleagues' requests come first. Some people also feel that it is more important to prioritise their own work over helping others and some people feel like helping colleagues should be the first priority.

As stated, the internal service quality depends on the person giving the service. This, in turn, is affected by the service mindset the person has. At GSS, a positive attitude towards solving problems and towards getting things done were noted as positive mindsets. Also, getting a feeling of success from someone doing a good job in one's team, seeing that the process works, or being able to serve the customer well can be seen as mindsets that improve service quality. Being able to serve the customer well influences the whole team's happiness, at least for some teams. One interviewee mentioned, that their team's mindset could be better, since they tend to forget about the customer and do not collaborate so well with other teams, and a person from another team mentioned, that not all the colleagues have a service mindset. There was one suggestion, made by several people, on how to create a better service mindset; to see customers more in order to understand the problems they face.

At KEF helping team mates and colleagues was seen as self-evident, even though the interviewees mentioned that not all colleagues act the same way. Serving the customer well was also at KEF seen as something that makes the whole team happy. Being able to help team mates and colleagues was also seen as a source of happiness. Good customer service was defined by one employee as being truly present, listening attentively, and creating a safe feeling to the other. In my opinion this could be applied to all interactions.

5.1.2 Internal service quality

Internal processes were not in the focus of this thesis, but since they affect employees' ability to provide service and show service mindset, the comments on processes are included. The theoretical perspective is considered in chapter 6, but in this chapter only the results from the interviews are included. For example, having a well-thought out induction, a buddy to support at work, and documented work instructions are internal processes that work well at least in the order management and support team at GSS. To keep every team up to date on customer requests, there is a rule to put everything into a collaboration tool, SEB Issue Tool. However, the processes, like induction, are not in place in other units, even though they could be useful, and some do not always work as they are supposed to. For example, GSS has a short answering time target, but when the issue is about competitor parts, they will not get an answer from the competitor in time. There is no process in place for how to contact competitors, and it is tacit information that when something is needed from competitors it is necessary to call. Another example is that urgent cases that are put into SEB Issue Tool are not always reacted to within two or three days. One reason for this can be, that people feel like they have too little human resources at GSS. For example, the personnel has not increased in some teams, even though the sales are increasing year by year. People have so much work, that everything gets done, but as an interviewee stated, the situation is not sustainable.

One interviewee at GSS said, that they receive good quality service from their colleagues. Another, in contrast, said that if they have to ask their colleagues to do something for them, the issue gets delayed. There are issues also when processes move from one person to the next. For example, when a frontline's request to open a new item in Minerva, the platform from which spare parts are bought, is moved to the data team, the person sending the information has to remember to add the need to open the item for the frontline immediately. If the person sending information to the data team does not remember to request the opening of the item for the frontline that requested it, the frontline is not able to buy the item. Sometimes GSS processes are inflexible, and require the customer to do more work. The lack of flexibility was also commented on as frustrating within KEF. However, it can be seen as a necessity for efficient handling of cases, but at the same time it makes the service quality worse and creates a loss of time on the customer side.

"The problems we have with GSS do not come from the customer service people, but from the support they receive from other teams at GSS." – interviewee from KEF

The main customers of GSS are the frontlines, for example KEF, and according to the interviewees from the frontlines, the service quality they receive from GSS has improved, but several people are still unhappy. According to interviewees at KEF, the order management and support team at GSS is good at its work, but that the service quality depends on other teams within GSS. This viewpoint was supported by the interviewees at GSS, who held the opinion that the further away they were from their customers, the frontlines, the more they lost the sense of urgency. People who are not in direct contact with GSS did not differentiate between different teams. One process improvement that made a big difference and is a likely cause for the improved spare parts service quality, is the creation of the spare parts team at KEF. The interviewees unanimously agreed on that the frontline spare parts team does a good job.

An improvement suggestion was to create an induction package for other teams as well, which would include what tools and what rights the person needs to do their job, and enable the person taking up a new role to have all the needed rights and tools from the start. Another improvement suggestion was to put all the information on an equipment under its serial number, since now the information is scattered.

As digitalisation is reaching also the elevator and escalator business, there is a need for a support process. According to the interviews it seems that support for technological issues has been created reactively instead of proactively, and is lacking behind, which is evident in it being extremely slow. Another example of reactive behaviour is that the number of maintenance supervisors was lifted only after a "burn-out boom" and the personal well-being at GSS was brought to focus only after several burn-outs.

There are also some ways of working that do not support the employees. Subcontractors do not get the same access rights to internal tools and are not invited to all events, as per company protocol. This puts people in different positions and negatively affects the workplace climate and personal engagement. The SEB Issue Tool is seen as blunt, and takes away a personal touch, making the service experience worse. The data team from GSS was moved to India, and the issue came up as problematic in several interviews with both GSS and KEF respectively. The service quality and speed got worse, affecting the whole service chain. However, no matter how good the processes and practices in place are, the service quality depends on the person doing the job, as stated by the interviewees.

> *"KONE is going through a modernisation for the company itself. All the changes that are ongoing, the re-structuring if the frontlines etc. People understood that we are a people's company. We rely really a lot on individuals and their capacity of bringing new ideas and new things to the company. The company has changed, especially concerning the company tools, the way we work is all digital now, it's social media within the company. It is easy to accept for some people, bit more difficult for others. But we are on a good way. We will become one day the Google of Finland. Google is cool." – one interviewee*

Overall change was seen as good. People thought that KONE is moving to the right direction, and even if some changes were not seen as good people had faith that they will be fixed at some point in time. People also thought that they are ready to accept change, as long as the rational is explained to them.

5.1.3 Management style and service leadership

Across units and teams there were differences in the level that the teams were self-organizing, but whenever they were, the interviewees were happy about it. However, at KEF the coaching style of managers was seen as both negative and positive, since sometimes the interviewees would just have wanted the answer instead of more questions. They felt happy about what they themselves could decide on and less content with what they could not influence.

In line with what the employees said, several managers mentioned the self-organising style, and one manager at GSS mentioned the coaching leadership style. The rationale for these choices was that the teams cannot depend on one person only, since they need to function also without specific individuals.

People across all units felt that they are allowed to use their own best judgement to some extent. For example, if a request comes through a wrong channel, it was seen as important to handle the case outside of the normal process and guide to the right channel for further inquiries. Another example was to not ask for permission from the manager, even if according to the process it should be asked, when the case was self-evident.

Across all units, it was agreed that a manager should support his or her team in both their tasks and decision making, help to prioritise, enable, treat everybody equally and be fair. Single comments included being of service, being physically present, leading by example, never complaining and inspiring. The interviewees agreed on that managers should give direction both for the team and for personal development, for example by identifying individual and team strengths, helping people to use them and building them, and by explaining what strategy means in each individual's work. In addition, several people mentioned that empathy is a key skill for managers. Related to it, people agreed that a manager's task is to take care of an employee's well-being at work, and some people went further to say that the manager should also take into account an individual’s well-being at home. This could be done simply by asking and by being available.

There were almost no negative comments about direct managers or one level above, but after that people felt disconnected. The longer the organisational distance grew, the less trust there was. The interviewee from the French frontline, KOF, went on to note that there is low hierarchy at KONE, in the sense that everybody is able to contact directly the person they need to talk to instead of going through their direct manager. The few negative remarks that arose were the difficulty of finding time together. Employees would like to be able to talk with their managers more and managers would like to spend more time with their employees. There were individual differences in how much people felt they needed the support of their manager and how available their manager was across all teams. The most negative comment about a manager was that an interviewee felt like the direct manager was not on the employee’s side, and there were some instances in the past in which the manager had not shared all relevant information with the employee.

5.1.4 Collaboration

Collaboration is a theme on which the different units agreed. Collaboration within teams works well, but collaboration between teams is often problematic. People prefer to collaborate face to face and find either face to face contact or phone calls the most effective ways of collaboration as opposed to e-mails. People also feel that it is easier to work with people they know from before, and that on a personal level, how you behave defines how people behave towards you. The hindrances of collaboration are mostly time constraints and conflicting targets and KPIs that are measured to decide on bonuses. The enablers of good collaboration are physical proximity and having a shared cause to work for. Using KONE values and the “winning with customers” statement are effective for finding common ground. However, people wish that the KPIs and bonuses would be more aligned to make collaboration easier. People found it useful that the product development and factory are in Finland, since then it is easier for them to contact those, and thought it beneficial for Chinese frontline to have a part of GSS in China.

Even small changes in physical proximity can have positive or negative effects. For example, sitting close by enables people to hear what others are working on and makes it easy to ask for help. Moving to a different floor with another team can stop the contact between two teams, and being on different sides of one floor can move collaboration from being face to face to happening through Skype or e-mail.

However, there were some differences between the units. At GSS not knowing who is the right person to contact was emphasized, when at KEF this was not as important a problem. At KEF, there seemed to be a better sense of working together, but the individual characters seemed to play a bigger role in collaboration than at GSS. At KEF people understood others’ job better than at GSS, where this was a big issue.

Good collaboration was seen as never passing the responsibility on to the other person but instead always helping and if not able to then at least giving instructions or guiding to another person. Always giving an update on what is happening in the process was seen as crucial, even when nothing new had happened. People should always at least listen, try to make themselves available and react in some way, even if it is to say that they are too busy at the moment. Empathy is not only a key skill for managers, but a key skill for collaboration. Ways to support collaboration were to explain why something is needed, and to talk face to face.

"In my own job I try to react to requests fast and to acknowledge people and their requests. At least to acknowledge that I have noticed this, get back to them and from the start be in active contact with the person who has requested something. Afterwards I try to ask if what I did was enough, if it is ok or if they need more, and if it was useful. From people I have worked more with I can ask for more feedback, if the service has been fast enough, good quality and what kind of input they need. I also try to think already before the task that what would be the wanted outcome, so that I am doing the right thing from the start." – one interviewee

People work in silos, which creates trouble in the hand over. This, in turn, could be improved by organizing cross-team meetings or events in which all the stakeholders would come together to solve an issue by looking at the whole process. For example, the Rush meetings, held in different units to discuss common issues and attended by managers, could be mandatory for people from elevator, escalator and doors. People should be encouraged to spend more time together, for example through changing the seating from time to time so they would talk to new people, and should be treated equally disregarding the contract type, for example by inviting everybody to all events. Also, giving people responsibility from start to end with certain processes could help, or clarifying the tasks that each person is responsible for. Currently there are some grey areas, in which no one feels that handling the case is their responsibility. Collaboration could be improved by seeing the bigger picture, through management visiting the field and by giving more credit to what the people on the field have to say. Collaboration should always be two way, so the customers, or frontlines, should also be willing to give input.

5.1.5 Trust

Across all units, the interviewees agreed that they trust that at least their close co-workers do their best, and that they have to trust people in order to be able to do their jobs. Success comes from gaining the trust of internal customers. However, people did not always trust that when they collaborated with different teams or units they would do their part as well as needed. People found collaboration sometimes difficult, since they felt like if they shared the information the recipient would use it to achieve his or her own targets creating problems to the person. Individual comments about trust included that people feel that they are trusted, and that field personnel feel that they are not trusted. Both at GSS and at KEF there were individual comments that others cannot be trusted to do their jobs well enough. Ways to improve trust include helping, supporting and not punishing for mistakes.

There were differences in the level of trust within units. One example from GSS is that one interviewee said that answering Pulse, KONE's employee survey, or other surveys honestly is not an option, when another said that they always answer Pulse honestly. Some people stated that they do not dare to say their honest opinion to their manager on all issues. Even though there were no externals, meaning people who work at KONE through a subcontractor, in the interview sample, people said that externals are afraid of making mistakes and do not trust their authority figures enough to be able to voice their concerns. The only thought of how to overcome these hindrances was to listen to people's concerns and react to them well, and through the positive reactions, creating more trust.

5.1.6 Feedback

People's thoughts across the functions were similar on the theme of feedback. People receive feedback, but they would like to receive more. People also mostly said that they give feedback, even to their managers. Feedback can be divided into praise and constructive feedback. Praise was seen as most influential when it came directly from the customer or colleague and when it was authentic and for the right reasons. Giving constant positive feedback can even have negative effects. It seems like constructive feedback is mostly given when somebody does a mistake, and not so much on what to do better next time when the issue has already gone well. However, people would like to receive both positive and constructive feedback more. Enablers of giving feedback are having possibility to do it, and receiving feedback self.

The hindrances with feedback were that people feel that giving feedback is difficult, that people don't have time to give feedback, and that there is no direct link with the customer after the person has done their part. Giving feedback can be difficult, because people feel uncomfortable or because they don't know how to give constructive feedback without hurting the others' feelings.

Practical recommendations that arose were to promote giving feedback, giving feedback across all levels as opposed to giving feedback top down, giving feedback directly and sharing feedback that has been given by customers or colleagues.

5.1.7 Information sharing and communication

Information sharing was widely discussed in the interviews. The most important point was always keeping the customer or end-customer informed. At KEF, the field personnel's ability to inform the end customers on the progress of maintenance has improved through new signs provided by KONE that the field personnel can place at their sights. Also, GSS sharing information was seen as crucial both at KEF and GSS. The employees at GSS should always inform that a request has been noted, inform on its progress and inform an estimate of how long it will take when there is no progress. The different units also agreed on that information is shared more openly than before. However, there are still people who withhold their information to make themselves irreplaceable.

Informing others when a mistake has been made, even if it does not affect you personally anymore, is important in order to improve processes. People have ideas and readily share them, and teach others when they can. There is a great amount of information, but it is not always clear where to find it from or how to turn tacit information into explicit information and make it available to everyone.

There is missing communication especially between units but also teams, at least partly due to employees not understanding that the other unit or team is also affected. There is also no information sharing between frontlines in different countries, even though it could be useful to learning from different best practices and challenging situations. In addition to missing communication, there is too much communication in terms of e-mails and meetings that repeat what has already been discussed. On the other hand, sometimes e-mails are only replied to the sender and not all, so that the others miss the information that the subject has gone forward. Another example of not sending mail to all relevant people is when the same e-mail, or request, goes to several people separately, and then several people react when there would have been the need for only one to do so.

5.1.8 Seeing the bigger picture

“It was not my job, but seeing the bigger picture, it was my time to step out of my position to help someone in need. If this person wasn't desperate, this person wouldn't call. It is important, that we all know what our jobs are, but then we shouldn't hesitate on helping even if it is not our task to do so.” – an interviewee

Being able to see the bigger picture helps in collaboration, but it also helps in understanding how one’s work affects others, and finally the end-customer, bringing meaning to the work people do. This arose from the interviews, and, although similar, the theoretical considerations will be discussed in chapter 6. According to the interviewees at GSS, seeing the bigger picture is a lot about prioritization. When a case is urgent, it gets handled first and fast. However, all requests should be handled right away, if possible. Seeing the bigger picture is especially important in guiding decision making on what to do first, when there is more work to do than there is time.

Seeing the bigger picture helps also in improving the processes. If people understand how their work affects the next person’s, they can design what they do accordingly, and if people understand the processes that take place before an issue comes to them, they can suggest improvements.

The different units agreed on the importance of understanding the customer, meaning the person who receives the result of one’s work. It was mentioned, that all the work people do is a service to another, and that people should step in the place of the customer and think about what they would need. The actions people take go further than the next person, and affect finally the end-customer, which is something that people tend to forget. Seeing the bigger picture is also important in order to make decisions when there are conflicting targets that people work to reach, but people often do not understand the other’s viewpoint. However, at KEF the issue of not being able to understand the customer was raised. Sometimes people use language, that the customer does not understand, or answer in a way that answers the customer’s question but not what the customer actually wanted to know. For example, field personnel might ask about a freight document, and then receive it, but what they would have actually wanted to know is when the shipment is there. However, they might not be used to reading freight documents, and thus not find the answer they were looking for.

Interviewees at GSS also see this problem, and would like to get more customer insights to them from the frontlines. People assume that the next person knows what they know, especially if the fact is obvious to them, but it is not necessarily the case. The communication should be two way, not just information flow as requested down the service chain, but also information back upwards to GSS. Interviewees from KEF also wished that the rational for all decisions would be explained.

Hindrances to seeing the bigger picture are for example time constraints. Managers whose responsibility it should be to oversee the bigger picture, might not have time for other than solving the day to day issues. Also, when time is scarce, people tend to make quick decisions instead of considering the bigger picture first. For example, when expediting deliveries, it might sometimes be faster for the customer to wait for the part through the normal process, since it reduces the likelihood of error, than to try and get the part delivered directly.

There is also a lack of will to see the bigger picture. Managers tend to think that they understand the process well enough to make decisions, but those decisions can backfire as significant negative effects. For example, both people at GSS and KEF mentioned the data team having been moved to India, and how it had very negative effects to the work that people at GSS do and the service that frontlines get. Another example is how the work that people on the field do is not understood well by others than direct managers and their supervisors. Maintenance fitters like to gather together in the mornings to have a coffee, but get negative feedback from it because it looks bad to the end-customer that there are several KONE cars on one parking lot. However, their job is lonely, so they see it as important for their motivation to have some time together. It also helps in strengthening ties between them, which improves collaboration, and allows for discussing their maintenance projects together which sometimes leads to breakthroughs with difficult cases. Maintenance fitters have also a different opinion of the clothes they wear. They would like to be able to wear shorts during hot months and would not like to wear the safety helmet all the time. According to them the reason is in how it looks to the end-customer, as opposed to safety. Employees should be more important than end-customers.

Positives, that people mentioned, include the new strategy, that has helped to keep the end-customer in mind. Automation frees up time to provide good quality service instead of doing the absolute minimum, and there are still several processes that could be automated. Another possibility that was mentioned was bringing in more human resources. More cross functional team work would help in breaking the silos, of which the must do projects were a positive example (must do projects were a part of the previous strategy and included collaboration across units). In addition, teams presenting themselves to each other supports the understanding of what all goes into making a process, such as spare part delivery, happen. Several people suggested that decision makers should visit frontlines and that people from frontlines should visit GSS. For breaking the silos, it could help to include different stakeholders already in the processes, like templates. For example, sourcing in different units need to collaborate, but sometimes they forget about each other. Thus, it would be beneficial to include all the affected departments in contract templates.

"Our actions towards the frontlines will ultimately impact the end customers. I see a lot of people don't realize that their actions don't just stop at this frontline level, it goes much further than that." – interviewee at GSS

In summary, being able to see the bigger picture helps in remembering the final common goal, providing good service and good products to the end-customer. The different units agreed on the importance of seeing the bigger picture, but faced differing hindrances. For GSS the problem was more that they are far away from the customer, so they have a harder time to see their problems. For KEF, the main hindrance was, that they felt like their voice was not heard. However, both agreed on that working together between the two units, instead of GSS working for but away from KEF, would improve the situation.

5.1.9 Influencing behaviours through vision, goal-setting and self-leadership

Everybody felt that their work was important and aligned with KONE strategy when they thought about it, but how this feeling translates into every day work is unclear. At GSS the sense of purpose and urgency get lost, since the distance to the end customer is long. However, they have implemented ways to improve on this, for example sharing success stories. Also, seeing the concrete effects of the job done is beneficial, for example seeing concrete savings. However, there is still work to be done. There seems to be a lack of information after a person has completed a task, like filling in the Pulse survey, and then they feel like nothing happened. At KEF, supporting colleagues was seen as providing purpose in addition to serving customers. However, their sense of purpose was negatively affected by the feeling that they are not in charge of the work they do, since they get orders from people that have not done the job they do and do not have a say in it. A deviation from the similar viewpoints of different units was that the person interviewed at KOF thought that KONE is very good at creating a sense of purpose. The interviewee had also more positive opinions about being able to see the bigger picture.

Even if people do understand the bigger picture, they might not act accordingly. At KONE reward systems are used to encourage people to act in a way that profits the company, for example KPIs and performance targets are used to measure people and to award bonuses. The common message that all the interviewees had was that the current KPIs and bonuses are a hindrance to collaboration, and stop employees from doing what is best for the company in general. Several people at KEF said that the targets make people check if something is in their bonus cards, and if not, they don't do it. There were individuals who thought that people work towards common goals, but mostly interviewees shared the thought that within teams, people work towards common goals, but between teams the differences in targets stop them from doing so. Several people across units also stated that there are individual differences on which targets people work towards the most, personal bonus targets or common targets, and how much people let the personal bonus targets affect the actions they take. One interviewee said that there are too many targets, taking up too much energy and dividing the focus.

Currently the KPIs and bonuses are seen as an effective way to affect employee behaviour. However, it seems that the current bonuses have negative effects, since they are contradictory and sometimes seen as unfair. Several interviewees suggested that less but more common targets would work better. At GSS there is an initiative to change what is measured from team level process performance to measuring the whole process flow. One interviewee went further to suggest that the bonuses would depend on how well the whole process goes from sales to manufacturing, to installing and to getting the maintenance contract. Other practical recommendations were to share targets with all the teams, and involve all the stakeholders of a process in target setting.

People from both KEF and GSS shared the concern that there are aspects that are not measured, and even if they are supposed to be a part of performance evaluations, they are not. An exception was a team at GSS, in which there is an award for the most friendly, positive and helpful person of the year. Ways to deal with conflicting targets that interviewees said they are using, were to bring up KONE values or the mutual benefit.

Self-leadership was briefly mentioned in several interviews, even though it was not in the questions. It was seen as an important skill in customer service, since both for field personnel and GSS order management and support, the end-customers and customers are normally in touch only when there is a problem, so they are likely to be in a bad mood to begin with. Thus, it is important to come to work prepared for the negative and sometimes personal comments, and to be able to not take those comments personally or be affected by them.

People are under pressure, so it is important to be able to renew energy and balance all the requests. One interviewee said that all the time he spends at the office he is in meetings. This is an extreme case that requires good prioritization, but also in other cases people need to be able to lead themselves on prioritization. Ways to improve self-leadership were the KONE learning course on self-leadership, organising a lecture on self-leadership and knowing oneself, for example knowing what gives you energy, like visiting the field if possible or working from home.

5.1.10 Taking ownership

Taking ownership requires self-leadership. The “I take ownership” definition of service mindset translated into practical actions by the people interviewed. It was seen as important throughout the functions to take ownership of an issue so that the customer or end-customer does not have to get back on the issue anymore. Admitting to mistakes and learning from them was also important, as was honesty. If a mistake has been made, taking responsibility for it even if it was not strictly one’s fault can help others to understand what happened and the team to move forward. In addition, proactivity and ensuring that after having done one’s own part the issue moves forward were seen as components of taking ownership. The main points are taking ownership or responsibility of an issue even when it does not fall under one’s job description, and making sure that people know whose responsibility a certain task is. One interviewee noted that he feels engaged at work because he feels responsible for making things matter.

Problems arise when people can’t have an impact on the issue, and because there is not ownership of a whole process. People tend to focus on what is in their job description and without ownership the process might not work optimally. Sometimes people do not take preventive action, but tackle the problem only when it has already become a major issue, there were examples of this happening at KEF, GSS and KOF. Ways to improve were to promote transparency and anticipation, to improve processes and collaboration tools, to measure processes instead of individual tasks and to work in cross-functional teams.

One significant hindrance to taking ownership is how much energy it takes. Trying to take ownership of an issue that one cannot directly influence is exhausting. However, at GSS and KEF people are open to new ideas and willing to change. At least at GSS people are given the opportunity to test their ideas, and if they work, then the idea is adopted. However, being able to influence an issue requires knowing the right person to contact.

Knowing whom to contact seems to be a big issue at GSS. At KEF, the maintenance personnel have a book from which they can see the expertise each people have. At GSS, people know whom to contact within their teams but not outside. KONE is a big company, and the further away an issue is from each person's responsibilities, the harder it is for them to know the right person. However, for example in the legal function, the team has made a clear presentation of each member's main responsibilities to aid in finding the right person. Within GSS order management and support, effort has been made to get to know other teams through inviting them to present what they do. Issues arise from the constantly changing responsibilities individuals have. Not knowing whom to contact can result in not doing anything at all to the issue, or to significant waste of time. Even if people would know the right team, individuals work on so specific tasks, that it is not enough to know just the right team to contact. Showing the relationships between units and their responsibilities would support in knowing whom to contact.

5.1.11 Personal engagement

According to people in all the interviewed units knowing people personally is beneficial in several ways. It helps in collaboration, gives a feeling of being supported and boosts personal motivation. People contact persons that they already know easier than persons that they don't know, prefer face to face contact, and trust people they have seen performing well in the past. At GSS, KEF and KOF people had close relationships with their colleagues, considering some of them friends. At KEF, personal relationships seemed to be even more important than at GSS. According to the interviewees the quality of relationship defines how well collaboration works, and good relationships were seen as a necessity in order to get help. After-work activities were seen as a good way to bond with the team members, as was time spent together, even when talking about work related issues.

Across the units, people agreed on that it is motivating to see a pleased customer or end-customer, and that work needs to be the right level of challenging, not too hard or too easy. Otherwise the comments on motivating factors were individual. A manager who listens, using personal strengths or professional skills, making a list of tasks to accomplish during the day, solving problems and autonomy were mentioned. Two managers also mentioned that they try to identify their teams' strengths and promote them. At GSS people reported a higher level of autonomy than at KEF, where the interviewees said that if they are being micro-managed their motivation drops.

"Everyone is working towards providing good service to the frontline, good quality of work and timeliness. In the end of the day it's what's going to give us all the happiness in the team." – interviewee at GSS

At GSS issues with motivation were mainly related to contract types. Even if GSS tries to treat people similarly, the differences in contract types come with certain limitations. For example, when the Pulse survey comes out motivation drops. Especially at GSS and KOF people found recognizing good work important and even more powerful than monetary rewards. At KEF, some people felt that if the praise is not accompanied with monetary rewards at least sometimes, it loses its power.

”I am at least once a day completely lost, there are always new challenges. Routines are routines, but challenges are what keep me going.” – interviewee from KEF

Factors limiting motivation arise from the tasks becoming too easy. When a person has been in the same position for longer, the feelings of learning and succeeding get less frequent. However, there are always not inherently motivating tasks that need to be done. To combat this there is the possibility to influence one’s own career development for example through job rotation.

Across units the interviewees stated that they feel good at work and that they enjoy what they do. At GSS people stated that they enjoy solving problems, improving ways of working and learning, and challenging tasks, and at KEF people said that that the people around them are important. At Hyvinkää sourcing, KOF and the legal function the interviewees agreed, and added the importance of being able to see the bigger picture and the effect their work has. As with other themes, the interviewee at KOF was more positive than others. Individual comments included getting appreciation for a job well done, and that feeling relaxed enables to do a better job.

The conflicting personal and team targets and tight human resources were the main hindrances to personal engagement. At KEF, the result orientation was high-lighted as something negatively influencing engagement, since it judges people by numbers from the previous quarter and constantly adds pressure to perform even better, instead of taking a longer-term view. According to the interviewees, a quarter is too short of a time to evaluate performance in the elevators and escalator business. To improve personal engagement, individuals suggested that personal engagement needs to be built by the person him- or herself, and supported by dividing special tasks and smaller projects between people to bring new challenges to work. People are also engaged in the sense that they care what happens around them at work, and thus explaining the rationales for changes is important.

5.1.12 Personal development

“When I meet a deadline or a KPI it’s good, it's important to me, but also the chance to take on new challenges or difficult tasks, and when I learn new things.” – interviewee from GSS, when asked about what motivates them

The interviewees generally enjoyed learning new skills and finding new time saving ways of working. Making mistakes was seen as an opportunity to learn through reflection, instead of something to fear. Across all units, people saw teaching their colleagues and suggesting ways to improve as important work. Understanding where to improve, being trained by colleagues, acting based on feedback and learning by doing were practical behaviours to renew oneself. Sharing new ways of working was seen as important. To improve learning, people suggested having personal and measured learning goals, giving the chance to work on improvement projects for those interested, and going through examples of both bad and excellent performance. Hindrances were that sometimes the needed training is not provided, that there are no current opportunities to change to a new role, and that tacit information is hard to share. People saw face to face training and contact as the most effective ways to learn. These results are in line with theory, which will be discussed together with the presented interview findings in chapter 6.

5.1.13 Physical space and workplace climate

The interviewees felt strongly about the physical spaces, even though they were not directly asked about nearly each interviewee mentioned the physical space. There were a few positive comments on it, stating that the workspaces are good and comfortable and that the recent changes have been positive, but mostly the comments were on the negative side or ideas on how to improve. People thought that while having had some positive effects the layout change at GSS had negative effects for collaboration. Operations got physically further away from the technical side, and this stopped people from automatically seeing or hearing each other anymore. People at GSS reported that the open office layout decreases their ability to concentrate and that there are not enough quiet spaces. At KEF Haaga the layout change moved manufacturing to a different floor with maintenance supervisors, practically ending their communication. However, the maintenance supervisors sit now closer to each other, which has improved their collaboration. Another way, that the physical spaces are creating separation in the frontlines is that elevators, escalators and doors each have their own spaces. One concrete action to take could be to have people with fixed seats to change seats periodically, so they would get to know new people. The interviewees also said that having options to work from different spaces is positive, but at the same time having people in the same bigger space, or at least same country, is good for collaboration.

"Here, everybody feels safe."
– interviewee at GSS

At GSS the workplace climate was seen as positive, relaxed and open. People thought that compared to other units the workplace climate at GSS was positively deviant. They also agreed that a positive atmosphere is necessary and that the atmosphere at work is transmitted to the customer, and vice versa, and that tensions show in the work individuals do. Individuals found GSS to be co-operative, supportive and low on hierarchy. Just like at GSS, at KEF there is a history of burn-outs, and both organisations have taken measures to better account for individuals' well-being. Across all units, the interviewees agreed that making mistakes is permitted, and afterwards they are handled. At KEF people felt like the workplace climate is good, that they can be themselves at work, that the climate has become more open and that there is less hierarchy.

Negative effects to the workplace climate arise at GSS from the nature of the work they do, the operations side deals mostly with problems. The amount of work has made the climate more chaotic and frantic, leading to people becoming irritable and nervous. On the other hand, the workplace climate is negatively affected by individuals complaining or getting into bad mood, for example because of having to deal with bureaucracy, especially in France. Even one or two individuals can affect the workplace climate negatively by repeatedly complaining about the same issues or by dodging their responsibilities. On the contrary, nothing happening despite frequent complaints, can affect the climate negatively. At GSS people felt that there are no cliques, but at KEF there are, and they affect the climate negatively.

Both at GSS and at KEF customer and end customer feedback was seen as affecting the general climate. Common events are good at improving the climate, and flexibility is important. Just the focus on keeping the climate positive can improve it. The interviewees felt that a smaller team can create a better workplace climate more easily. GSS has grown rapidly, which has affected the workplace climate negatively, and an interviewee in KEF felt that the corporation is so big that it feels cold. Another issue that the size of the company brings is that there are different cultures, that sometimes clash. Even between Keilaniemi and Hyvinkää there is an alleged cultural difference. To improve the coherence of the different cultures, KONE's strategy, winning with customers, was seen as having potential in bringing people together.

The interviewees across all units had the most agreement on the theme of support climate. It was generally seen as good, the interviewees trusted that people receive help when they need it, at least the managers do, and at least when asked from team members. People are generally friendly and supportive, but if they have too much on their desks the support climate gets worse. The support people get also depends on the person they ask, since some people are less eager to help and some simply too busy with their work. People thought that the support climate is created by reciprocal relationships, the support one gives defines what kind of support one receives. A good way of supporting was to never ignore a request, but to explain when one will be able to help, if not right away. It was also mentioned several times that good support does not always mean agreeing to help every time, since sometimes helping would mean not having enough time to do something that people had already promised to do. The main hindrance were the tight human resources. Support climate was seen as an important issue, since people reported feeling more relaxed just by the knowledge that if they need support, they will get it.

The team climate was also seen as good across all teams. However, the differing contract types affected it negatively when the team had several subcontracted people. There were also some smaller groups within teams, which was seen as a strongly negative factor.

5.2 Perceptions of the intervention

The survey on lunch lottery was sent out to all 28 participants in lunch lottery (see Appendix 3), out of whom 22 responded. Their responses are illustrated in Figures 8 and 9, in which the count number represent how many participants gave a specific rating. The two different columns represent the group sizes that participants had lunch in, either in a group of three or a group of two, named one on one. On the measure of perceptions about the intervention (question "How did you feel about the experience?", end points of the scale "I would not participate again" to "I will definitely participate again") the scores were slightly higher than on the measure of experienced usefulness and potential (questions "Did you find the experience useful?" end points of the scale "not at

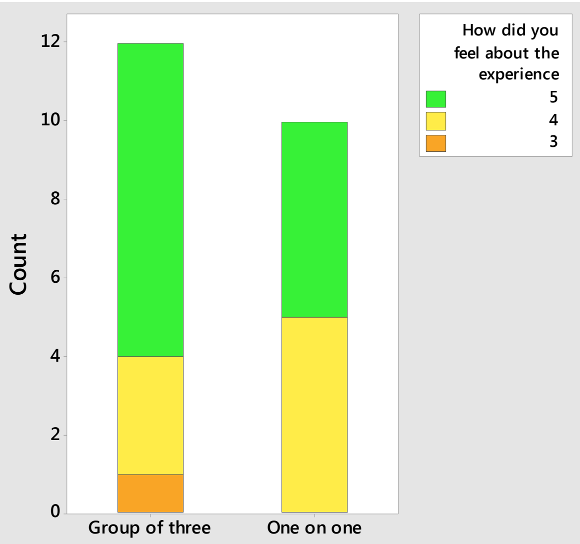

Figure 8: Perceptions of the experience by group size

all" to "I already got something out of this and I think this has potential"). There is a connection between individuals' ratings of perceptions and experienced usefulness, with no difference being bigger than 1 point on the five-point measurement scale. The average of the rating for "How did you feel about the experience" was 4,5 and for "Did you find the experience useful" the corresponding number was 4,2. Due to the small sample size and the subjective nature of the numeric rating scale, the intragroup and intergroup differences or the correlation between the two factors are not explored further.

From the quantitative and qualitative data, it can be concluded, that the lunch lottery showed potential both in people willing to participate in it and being useful. The limitation of this implementation was in that the intervention was limited to one unit. The rationales given for lower scores were mostly due to already knowing the people that were allotted together, even though they were part of different teams. If the intervention would be done between units, the likelihood of the participants knowing each other from before would drop, and the potential benefits could be higher, since the base level of knowledge of the other individual would be lower.

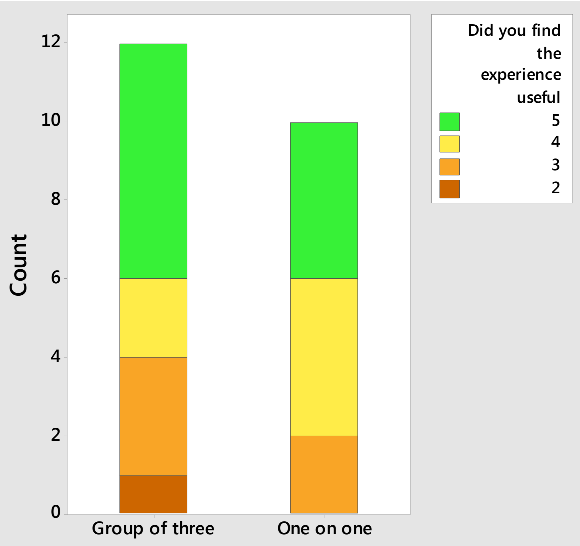

Figure 9: Perceived usefulness and potential by group size

The improvement ideas showed enthusiasm for the concept. There were suggestions to widen the concept to include walks, coffee, or after-work sessions and even suggestions for other ways to create new ties, like changing the seating at GSS, which is fixed, at specified time intervals. There were wishes to ensure that the pairing of people would be better planned to make sure that the allotted pairs or groups do not know each other from before, the group size would be bigger, and that an option to choose "either one-on-one or group" would be added. Another improvement idea was to get more support from top management, which could in practice mean showing commitment to the intervention through for example subsidising lunch lottery lunches. The suggested frequency for lunch lottery was once a quarter.

5.3 Results from workshops

In total 6 workshops that I could get information on were organised in Finland during the service mindset week. The people who ran the workshops sent their notes of the results to me. I went through the notes combining similar ideas and leaving out ideas that were on a more conceptual level. The results, presented in Table 4, were lists of actions each person can take to improve their service mindset. The most ideas came under the "I collaborate" behaviour.

Table 4: Concrete service mindset behaviours

Service mindset behaviours			
I care about my impact	I renew myself	I take ownership	I collaborate
Understanding what creates an impact and focus efforts on these - map all your initiatives to our strategy and if there is no fit, consider discontinuing	Copy with pride	Instead of saying no, try to point to another person or provide alternative	Prepare meetings / presentations together to ensure it's a shared point of view
Getting things done - respond to queries timely and professionally	Actively ask for feedback and learn from it	Do not blame mister somebody	More face to face meetings or pick up the phone
Being present in body and mind, not behind computer in meetings	Strive to see the bigger picture	If you come across a problem, you own it	Don't cc too many people in e-mails
Walk the talk. Deliver what you promised and promise what you can deliver.	Feedback from everybody, not only top down	Think about when to educate or train and when to just do it	Listen actively
Keep calendar updated	Look for opportunities to learn customer's point of view	When a new idea comes up, put it in your calendar	Constructive conflict can be good
Explain why, why, why	Identify strengths and development areas	Mentoring	Team coffees
Share ideas and knowledge		Recognize your colleagues for service mindset	Keep everyone updated even if there's no news
Think about the recipient's point of view			Cinnamon buns + thank you + include partners in team meetings
			Keep Skype green when possible to prompt people to contact you
			Get to know your colleagues, e.g. book a lunch
			Manage expectations
			Share what you are working on

The first service mindset behaviour as defined by KONE is “I care about my impact”. The concrete behaviours that came up emphasise empathy. Participants in the workshops thought that caring about one’s impact is closely linked to understanding the viewpoint of others and supporting them in understanding one’s one standing. The second behaviour defined by KONE is “I renew myself”. The participants mentioned behaviours that show humility, admitting that one cannot know everything and that colleagues might know better. The behaviours also included being active in seeking opportunities to develop oneself and in identifying personal development areas.

Third behaviour, “I take ownership”, was seen as something requiring taking responsibility and taking initiative. It also included going beyond one’s own job description in order to work for the best of the company as a whole. The behaviour “I collaborate” included both skilled communicating in terms of knowing what to communicate and to whom, and actively socializing to better know colleagues. The concrete behaviours also emphasized being present and showing empathy.

5.4 Synthesis of the results of the empirical research

“We have to maybe design better tools and ways to communicate, maybe more ownership of cases. Promoting positive examples of teamwork has worked well, or else just make people spend more time together, so they understand the next person's problem.” – Robert Jenks, manager of Operations at GSS

All in all, the results from the interviews, the workshops and the intervention indicate, that service mindset is seen as an integral part of people’s work and that the recent efforts by KONE have been noticed. However, there is still work to be done. Service mindset is, by definition, a way of thinking. Supporting people in understanding that what is required of them is not additional work but rather a new way of prioritising and deciding what to do. As the human resources are tight, no additional tasks are possible. Seeing the bigger picture, as found in the literature study, and utilising automation, as suggested by interviewees, should be in focus. When people are better able to see the bigger picture they can focus their efforts on what really matters, and overcome differences caused by targets that are not supportive of each other. Automation, then, could be used for freeing up people’s time and for empowering them to have an impact. KONE is a big corporation, and within it an individual can lose him or herself. Seeing the bigger picture supports the feeling of a sense of purpose, and vice versa.

A common vision, or sense of purpose, was seen as a factor that drives or should drive all behaviour, prioritization, and choices. Understanding the effects of one’s actions in the bigger picture was seen as important. People’s behaviours should be supportive and considerate. Answering to requests of colleagues timely and professionally is key, even though the response would be directing to another person or to explain why one cannot help right away. Explaining the rationale for decisions or requests was something that supports collaboration and engagement.

Even though none of the workshops from which information was gathered was held in the same unit in which the interviewees were working, the suggestions from the interviews were similar to those from the workshops. Almost all the suggestions that arose from the workshops were also suggested in the interviews. The workshops were more focused on personal concrete actions, when the interviews gave space for discussing on a larger scale.

Feedback was handled in both. It should not only come from top down, but from all directions. The importance of strong ties for collaboration was also noted, and spending more time together was seen as important. The intervention, lunch lottery, was seen as a good intervention to support collaboration and seeing the bigger picture.

No discrepancies were found between people's thoughts from the interviews, intervention and workshops. One interesting point from the workshops was that constructing conflict can be good. In the interviews, workplace climate was negatively affected by conflicts, but in the interviews the type of conflict was not differentiated. However, it seemed that the person interviewed from the French frontline had a more positive view on KONE's culture. This might be due to either personal differences or cultural differences between Finland and France.

The relationships between the identified 25 themes (see p.37) are complex. They are presented in the discussion section in Figure 10, since they are not only based on the interviews but theory as well. Based on the interviews I would say that an environment of trust and equality is a requirement for personal engagement and motivation, which in turn affects the workplace climate. Decisions are guided by targets, meaning the internal processes, but if the employee decides to draw in the shared sense of purpose, or the vision, they can affect the choices made by their peers.

The role of supervisors is important in creating an environment of trust and equality. The sense of purpose, then, comes more from how well people see the bigger picture. Collaboration is a key issue, and is also affected by seeing the bigger picture and the tight human resources. Going back to workplace climate, collaboration also depends on the climate of trust at work. To put the relationships as simply as possible, workplace climate and employee displayed attitudes and behaviours affect each other, and affect the customers directly. The other themes discussed, leadership, internal processes and physical workplace, and internal service quality, then affect the workplace climate and personal engagement, and, through those, customer value.

6 Discussion

While writing this thesis, I came to realise, that **service mindset is close to the antecedents for successful change**, as described in theory (Kotter, 1995; Kotter & Schlesinger, 1979). While keeping in mind that reaching a state in which service mindset is at a high level within company employees is a change requiring effort to be achieved, once achieved it can be used as a tool to drive through other changes within an organisation. People are more willing to change, if they see a compelling vision (Fischer, 2012), understand what it means for them (Kotter & Schlesinger, 1979), are empowered to act on the vision (Kotter, 1995), experience and exhibit trust (Kotter & Schlesinger, 1979), are included in the decision-making and planning process (Kotter & Schlesinger, 1979), are engaged (Taneja et al., 2015) and are supported by their managers (Kotter & Schlesinger, 1979). Promoting service mindset includes promoting the abovementioned antecedents of successful change.

To me it seems that people at KONE are already very service minded, or at least they want to be. However, problems arise mainly from organisational processes and procedures, and possibly from not understanding what service mindset means in their context. From the interviews, it arose that for people who work further away from the end customers it is difficult to see the effect of their work, so it is hard for some to understand what is the best way to act in a service minded way. For people, closer to the end customers, especially the field personnel, the biggest issue seems to be a lack of trust in the corporation in general and not being involved in decision-making. The organisational processes and procedures that would need improvement are the equal treatment of all employees regardless the contract type, the contradictory KPIs and bonus cards, the siloed nature of work, the asymmetric information and the decision power being top down, as in the pyramid of hierarchy described by Blanchard (2001; chapter 3.1.1 in this thesis). Next, the research questions and their answers are discussed.

6.1 Service mindset, what affects it and how to influence the affecting factors

The first research question was *"what is service mindset?"*. **Definitions provided through the interviews include authenticity, flexibility, politeness, being present, attentive listening and understanding.** Based on S-D logic (Heskett & al., 1994) and the interview results, it is a mindset of:

1) *doing things for and with another party,*
2) *seeing work as a process of serving rather than creating goods,*
3) *treating intangibles as a primary result instead of tangibles,*
4) *seeing people as the primary resource of a company,*
5) *making all information common within a company unless there is a compelling reason not to do so,*
6) *making decisions and implementing changes through conversation rather than imposing,*
7) *seeing exchange with suppliers and customers as relational instead of transactional, and*
8) *treating financial performance as an indicator of firm performance rather than a goal in itself.*

In other words, service mindset is not an additional task, but a shift in thinking. It emphasises the role of employees as the primary resource of a company and thus as the ones who follow through on the value propositions that a company makes. Service mindset also promotes the view that every stakeholder in an organisation is critical for its success; suppliers, customers, employees and leadership alike. ***Service mindset can be defined as the will to follow through on value propositions, through employees working together with their colleagues supported by their managers, being responsible to the customers, and creating an atmosphere in which a sense of a greater purpose and equality of all stakeholders guide action.*** This means that trust and, as its counterpart, dependable behaviour, are key in achieving the kind of collaboration that delivering on promises requires in a modern workplace.

The second research question was "*what factors affect service mindset behaviour of the employees within an organisation?"*. The service profit chain and service systems theory provided a theoretical background to value creation for customers. The closest link to customer perceptions of service quality is between the workplace climate and customers or the employee displayed attitudes and behaviours and customers (Fischer, 2012). However, value is always co-created with customers (Lusch & Vargo, 2008). How customers experience service, largely depends on the behaviours of employees, which in turn are guided by their mindset and the organisational processes and procedures. The following discussion also addresses the third research question, "*how can the identified factors be influenced?"*.

In Figure 10 I present a model to which I have gathered the themes that arose from my interviews and present my own hypothesis of how different themes affect each other and finally customer value. The topics of the boxes in the model should cover all factors affecting service mindset, while the themes listed under the topics merely present the rest of the themes that came up in the interviews, not a complete list of all possible affecting factors under those topics. KONE's original definition of service mindset is marked with cursive in the Figure 10. Service mindset itself is a part of employee mindset and employee displayed attitudes and behaviours, not a stand-alone component in the model. The system presented in my model starts from having a shared sense of purpose, that should guide all decisions and actions. While mainly created by top management, the employees should also be able to participate in the process.

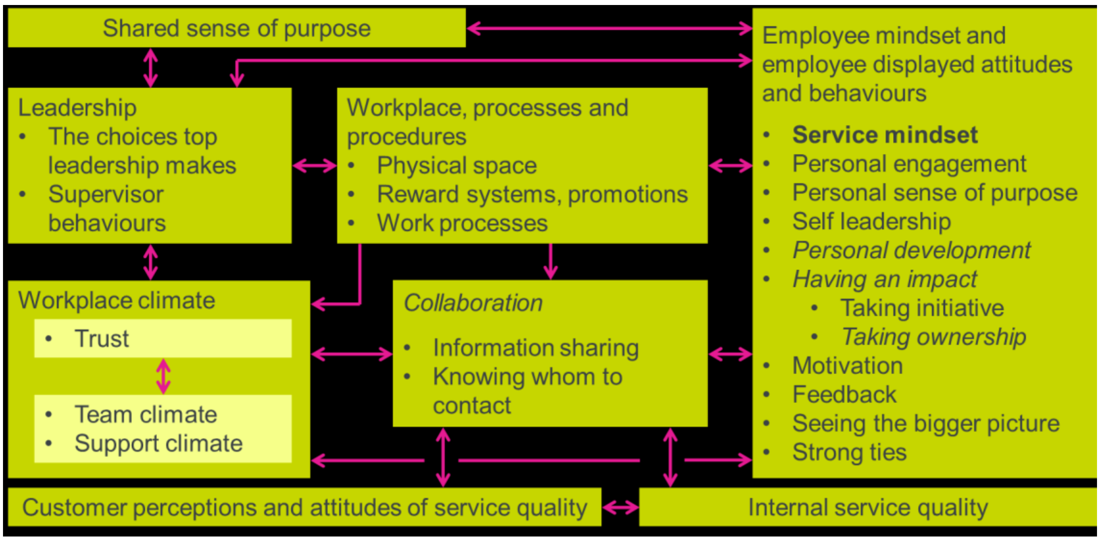

Figure 10: Model on factors affecting service mindset and their relationships. Service mindset behaviours as defined by KONE are marked on cursive.

Leaders and managers are often responsible for the chosen physical workspace, and the processes and procedures in place. Through their behaviours, they also act as role models and strongly influence workplace climate. It is about how well people trust each other, how well a team functions together and how well employees are supported in their work and personal development. Workplace, processes and procedures are what should enable the employees to perform at their best, and thus should also be affected by the employees, which is not always the case.

Employee mindset and employee displayed attitudes and behaviours are the manifestations of their underlying mindset and values. They are affected by, and should affect, all the other components in the model. Employee mindset and employee displayed attitudes and behaviours, workplace climate, and workplace, processes and procedures affect the quality of collaboration. I expect that the mediator between all the other components and customer and employee perceptions and attitudes of service quality is collaboration. The reasons are that value is always created through interaction (Lusch & Vargo, 2008), collaboration between units is an important measurement of internal quality, and quality of collaboration directly affects customer experience (Fischer & Vainio, 2014).

In the original SPC model, internal service quality included workplace processes and procedures. However, I expect that those are only affecting factors of internal service quality, that is created through the collaboration people within an organisation have. Thus, I see internal service quality, meaning the employee perceptions and attitudes of service quality, as a similar outcome of the service system as customer perceptions and attitudes of service quality. In the end, we are all customers to each other.

6.1.1 Shared sense of purpose

Firstly, there needs to be a shared sense of purpose, like S-D logic suggests. It seems that at KONE this has been done well, service is seen as an important part of KONE strategy across the units, and several people stated that serving the customers well is their priority. However, there is some confusion about the new strategy and how it is supposed to lead to the desired outcome of being an excellent service provider. Also, some processes, like staffing and rewarding, are not in line with KONE's strategic goals, which creates confusion and frustration. The shared sense of purpose is both created by and affects leaders, management and employees alike. However, it is the task of the leaders to create a shared sense of purpose. Leaders communicating an inspiring vision and behaving supportively increases the importance of achieving goals (Locke & Latham, 2002). Furthermore, the choices that leaders make affect the workplace climate and the physical workplace, processes and procedures.

A shared sense of purpose does not guide only the state of an organisation as is, but is required for creating change. When an organisation understands where it wants to be in the future and realistically evaluates the current state, change starts to happen (Fischer & Vainio, 2014). In a global organisation that has grown through acquisitions different ways of working are found in different locations. To overcome the differences a shared sense of purpose and values are required.

6.1.2 Leadership

Service leadership reflects leadership's emphasis on service, which includes **building an organisational climate emphasizing fairness and trust, and designing HRM strategies to give the customer facing employees power over their decisions** (Fischer, 2012). Top leadership should show their support for any change initiative they want to accomplish, not only through communication but also through actions. Even if the actions leaders take are not visible to most at the company, their behaviours are seen by people in their surroundings, who then are likely to copy those behaviours. This way the leadership behaviours support also the behaviours of those who are in no contact with the leaders. Furthermore, if leadership exhibits behaviour or makes procedural decisions that are not in line with what they talk about, they seriously undermine all change efforts. A simple advice here is walk the talk. **For example, the CEO and business line managers doing something remarkable that gets the attention of those present and indicates service mindset, is a powerful tool to improve service mindset.**

To achieve efficiency, organisations are often compartmentalised and people have very specific tasks. If employees cannot see the bigger picture, the role of leaders who have more information gets highlighted. This moves power and responsibility away from the employees themselves. (Fischer & Vainio, 2014) Employees start to be responsible to their supervisors instead of customers. (Blanchard, 2001) **One of management's most important tasks is to make sure that the organisation and its processes are simple and visible enough, so that seeing the bigger picture is possible on all levels of the organisation**. (Fischer & Vainio, 2014) Only this way it is possible for individuals to see how their actions affect customers and thus be responsible to the customers.

Managers tend to think that they understand the process well enough in order to make decisions, but those decisions can backfire as significant negative effects, if the managers did not have all the necessary facts to make informed decisions. Managers also tend to think that those affected have the needed information to understand the decision, when in fact they often do not. (Kotter & Schlesinger, 1979) Based on the results, at KONE the management is not gathering all relevant information to make informed decisions, and that there is a lack of will to communicate the bigger picture. For example, both people at GSS and KEF mentioned the data team having been moved to India, and how it had very negative effects to the work that people at GSS do and the service that frontlines get. The negative reactions that people had and even the negative outcomes could have been avoided, if the management had involved the people affected in the planning or implementation processes, or at least explained clearly the rationale for the decision. The same lack of information sharing can be seen in how the new strategy is communicated. As is, it is creating unnecessary fears and doubts in employees who do not know how the new strategy program will affect their work. **A good culture would include always communicating the rationales behind decisions and, whenever possible, involving stakeholders in the planning process.** In addition to being supported by theory, this was a wish stated by the interviewees at KEF and GSS.

A supportive, honest and fair supervisor, being able to take on new challenges, and having control over the work one does were found as crucial for motivation, which is in line with motivational theories and servant leadership theory. For employees to be able to focus on their work and not be afraid of mistakes or trying out new ideas, they need to feel that their supervisor is on their side. A supervisor should also be physically present, even when not directly needed. Several interviewees stated, that they feel better at work when they know that they can reach their direct manager when needed, and according to Kahn (1990) the management style is a component of psychological safety, which influences psychological presence. When employees are psychologically present, they are able to perform better. **The**

mental support from having a possibility of seeking advice, can be crucial for an employee's psychological presence. The role of the supervisor is to give direction, explain why and support with how. A supervisor should support their employees through asking how they are doing and inquiring if they need any help.

The kind of leadership methods that should be promoted is not a straightforward question. From the interviews, it arose that some people liked the coaching approach and some would have liked to receive more specific guidance. I expect that this is a question of personal preference, and that managers should be able to evaluate the situation and the style of the person requiring guidance and based on the evaluation decide which approach to take. However, like one manager said in the interviews, the team needs to be able to function even when the manager is not there, and thus should have the skills to come to conclusions on their own as well.

6.1.3 Workplace, processes and procedures

The physical environment affects people's work. It was found that for collaboration physical proximity is important, since people prefer face to face contact. Even the simple fact of who people sit together with affects the interactions they have. For example, GSS moved to a bigger space less than two years ago, and this shifted interaction between the supply chain operations and technical side at least partly from face to face contact and overhearing what others are doing to communicating through digital tools. Similarly, at KEF Haaga, moving the people to two different floors instead of one reportedly cut off all interaction with the people on different floors.

According to an interview with Johanna Kiesiläinen-Riihelä (interview conducted for a different project, autumn 2016), work space and change management specialist at Senaatti Kiinteistöt, which owns all the Finnish state's properties, the trend now is towards activity based working. This refers to the division of work space between different smaller spaces dedicated for different kinds of work. According to my own observations the implementation of activity based working at KONE is only partial and varies highly between different locations. I believe that a full implementation of activity based working would support employees in finding the space to fully focus. Open offices are detrimental to the ability to focus, but the high real-estate prices do not allow for individual offices, at least not in all locations (Kaufman, 2014; Newsec, 2016). Activity based working provides a solution through offering employees the freedom to choose the space they work in according to the level of focus they need, silent spaces for focusing intensely and social spaces for keeping the benefits in collaboration that open offices provide. The importance of the physical work spaces is also supported by Pugh (2001), who states that busy and crowded environments may cause stress, which in turn affects the customer experience through emotional contagion.

Processes at the workplace should be designed around the customers' jobs to be done, meaning that there should be integration across functions so that the goal of all processes is the fulfilment of customers' value propositions. Finding out what the relevant job is comes from interviewing people who have recently purchased, decided not to purchase or changed their purchasing behaviour, and asking those people about the timeline of events leading up to a decision. (Christensen et al., 2016) At KONE this approach is used at least in service design, but could be implemented in KONE technological innovation (KTI) as well, and even in internal services like the legal function or spare parts supply. Processes include technology and support systems, that should give the employees the possibility to communicate and do their tasks well, and **personal development, that should include training on both work tasks and self-leadership**. In addition, **processes should be designed to give employees autonomy**. (Fischer, 2012)

Processes should be designed so that the decision-making power is with the customer facing employees. Only this way employees can be responsible to the customers instead of their supervisors. (Blanchard, 2001) Autonomy is one of the innate psychological needs, which when met lead to enhanced intrinsic motivation and well-being (Ryan & Deci, 2000). Autonomy was mentioned in the interviews as well as a motivating factor. This supports the notion of giving more decision-making power to the employees. What I am suggesting is to give decision making power to employees and teams in issues that affect only them, for example if it is ok to work overtime or from home. **When issues affect more people, there should be a process to enable all stakeholders to affect the issue, and bring forward their suggestions and concerns.**

According to change management theory (e.g. Kotter & Schlesinger, 1979), if service mindset truly is in the interest of the management, the processes need to align. Job descriptions, hiring and promoting should be aligned with what the organisation wants to achieve, service minded employees and satisfied customers. Who is promoted and who is hired should never clash with service mindset. In my opinion the current lists of leadership and employee behaviours are too long to be useful in recruitment. There is evidence that humans can keep in their mind around seven categories at once, meaning that a list of leadership behaviours of over seven behaviours is difficult for an average person to make use of in normal situations, like recruitment or performance evaluations (Miller, 1959). **The criteria for hiring managers and employees should include the key behaviours of service mindset, and not each and every desirable quality.** Managerial potential aligned with service mindset could be defined as the ability to create a team, and having created a track record of attracting others to work with one. (Schein, 2000) The job descriptions themselves should include serving colleagues and employees. Otherwise a strong negative signal is sent on the importance of service mindset.

When personal goals, recognition, and rewarding are aligned with the company's goals, they improve performance (Locke & Latham, 2002). "What you measure is what you get" sounds simple, but it is an idea agreed on by psychologists and economists alike. **To motivate employees, a good management measurement could be "how satisfied are your employees".** (Ariely, 2010) To send a signal of the importance of service mindset, employees should be awarded for it. For example, in the order management and support team at GSS there is an award for the most helpful, positive and friendly person of the year. **If what is measured by the company is not in line with what customers value, the results are not comparable.** (Christensen et al., 2016)

The KPIs and bonuses should not clash between different units and teams, as they do now, according to the interviews. This leads to worsened collaboration (Schein, 2000). The next examples are simplified versions put together from the accounts of several interviewees. It is understandable that there is a KPI for keeping inventory levels low, but at the same time a KPI for keeping delivery times short. This should be obvious to teams handling customer service, supply chains and inventory, so that they can still come to mutual understanding on how to do. Problems arise if the different people are awarded bonuses or are in other ways rewarded so that self-interest drives them to focus on their personal KPIs so much, that the mutual interest of providing good service to customers at reasonable prices becomes secondary. Especially for people in sales a major part of their compensation often comes from sales bonuses. If those bonuses encourage salespeople to try and sell full replacements instead of modernisations, it causes problems due to several reasons. Firstly, focusing sales on few big individual projects rather than several smaller projects can have negative effects on the overall performance of sales. Secondly, trying to sell bigger than needed projects often causes the loss of the sale, which results in getting equipment modernised by a competitor to the service pool of the company, which in turn creates unnecessary costs and unsatisfied customers for the maintenance business. On the other hand, KPIs like how many customer queries a customer service agent can handle in one day is not a good KPI, since it negatively affects how much effort a customer service agent can put to one query, and is at odds with service mindset. However, the number of customer queries handled should still be measured to plan for the estimated workload, it just should not be a basis for rewarding the employees.

Having only mutual KPIs is not motivating, since then people do not have the power to affect the bonuses they get themselves. This suggests, that the KPIs and bonuses should be designed in a way that some of them, for example 50%, depend on personal KPIs and the other 50% depend on mutual KPIs, for example how well a process goes from starting to sell an elevator to having that elevator in KONE service pool. Secondly, work processes should also be designed so that they support in achieving service mindset. For example, people should have enough time to be able to go the extra mile for the customer, and they should be encouraged to step out of their own work definition when they see it as important for the greater good.

Self-set goals and participatively set goals lead to setting them higher and better performance than when goals are imposed (Locke & Latham, 2012). A possibility for goal-setting is the objectives and key results (OKR) method, in which ambitious objectives are set together and measurable key results are selected to support those objectives. The OKRs are shared between different units and should be visible to everybody in the company, together with past performance. The OKR method supports in aligning individual work with the company objectives. The idea is, that key results are set so high, that it is unlikely for an individual to reach all of them, and performance is measured on a zero to one scale. It is important to note that OKRs should not be the grounds for evaluating employee performance. (Klau, 2012)

A new procedure to affect chosen improvement areas is to introduce a small questionnaire, minipulse, sent out once a week or once a month. If for example giving constructive feedback is chosen as the improvement area, the minipulse could comprise of questions like “how many times did you give constructive feedback this week”, “how many times did you receive constructive feedback this week”, and “would you have liked to receive more constructive feedback”. This kind of approach is in use at Google, with good results. (Bock, 2015)

6.1.4 Workplace climate

Workplace climate includes two sub-climates, support climate and team climate. The first means that employees should have opportunities to develop themselves and support on individual development from the management, they should be communicated all the relevant information and their targets should be set and communicated well, and employees should be treated fairly, involved and rewarded (Bowen et al., 1999; Fischer, 2012). Team climate focuses on the team’s openness, involvement in the team, respect towards each other, high morale, a good atmosphere and good team work. (Fischer, 2012) I added trust as a third subtheme to workplace climate, since I believe that it is a necessity for creating a good support and team climate and directly affects employee behaviours and collaboration. The importance of trust is also highlighted in Fischer's (2012) doctoral dissertation.

The theory perspective of emotions affecting others at work and the customers (see chapter 3.1.2 or Pugh, 2001) was supported by the interviews. A positive atmosphere was seen necessary for performing well at work, and transmitted to the customer, and vice versa. Tensions at the workplace show in the work individuals do. Respect between individuals and quality interactions help innovations and productivity to thrive. If the behaviours and attitudes of employees reflect cynicism, individual competition and cliques, innovation and productivity suffer (Fischer, 2012). Personal ties and trust between people are important for creating a good workplace climate. People tend to take better into account those, with whom they have strong ties. In addition to improving team climate this improves collaboration also outside the team. The connectivity within a team is a predictor of team performance.

According to Lusch & Vargo (2008), in the modern workplace different units and teams are interdependent, which came up also in the interviews. This both requires and allows for seeing the bigger picture. Social ties support collaboration, and seeing the bigger picture. Increasing specialisation has had also a negative effect through creating silos and hindering seeing the bigger picture. However, at the same time increasing specialisation requires more collaboration between individuals to create the final service. Individuals and teams co-create value instead of simply passing on their work when having finished their part. Good relationships are increasingly important in order to support people to perform at their best: increasing specialisation requires an increase in the amount of quality relationships.

One interviewee summed up the above by saying that *"We all work in complementary projects, so if you don't do well your work, it affects the person who is supposed to follow your work or take the consequences of what you have done. It is very important to have a mentality that when you are doing your job you are giving a service to the other person. You always want to give the best service, because you expect to get the best from others."*

6.1.5 Collaboration

Good collaboration is a key requirement for company success. Collaboration is affected by how well people are working towards common goals and how well they are able to see the bigger picture. Collaboration requires an ability and will to share information and to know whom to contact, and an understanding of the people involved. Trust and cohesion improve collaboration, and can be affected by mutual rites and rituals (Haidt, 2013). An example of these in KONE context could be playing football together every Thursday. Collaboration can also be improved within a group level. Some ways to do this are creating an honesty code, that creates a safe space to directly ask the other to be straight without the risk of getting offended (Schwartz, 2010), or job shadowing and kaizen workshops in collaboration between units. There are also several ways to improve collaboration, that any individual can implement as their own habits and promote within the groups they belong to. Some examples are participating actively in discussions, offering suggestions and committing to the decisions made in meetings, or setting a clear agenda before the meeting and focusing on key issues (Schwartz, 2010). These suggestions came up also in the workshops.

In the past, information sharing has suffered from a will to make oneself irreplaceable. This mindset seems to have changed, and people have become more open. However, organisational silos are problematic for collaboration, and information sharing, between units. At KONE there are silos between different units, like KTI and GSS, business lines, mainly new equipment business and service business, and the different equipment types, meaning escalators, elevators and doors. There are also other artificial barriers, like the secrecy of some information. I suggest that when thinking about if something should be shared or not, the right question is not to ask "can I share this", but "why should I not share this".

Interviewees at GSS found their distance from their customers, the frontlines to be a problem in their collaboration with the frontlines. They would like to get more customer insights and better understanding of who their customers are, for example through visiting frontlines or field people coming to visit them. People assume that the next person knows what they know, especially if the fact is obvious to them, but it is not necessarily the case. The relevance of the work people do suffers, if the customer's experiences are not shared. The communication should be two way, not just information flow as requested down the service chain, but also information back upwards to GSS. People do not automatically understand each other, and the customers, or frontlines, should share information co-operatively and as early as possible.

Not knowing whom to contact on certain issues was a re-occurring challenge in the interviews. To improve this, I suggest encouraging making new contacts, for example through changing seating and supporting free-time activities. Also, the tested intervention, lunch lottery, can be efficient. Other more process related ways to improve knowing whom to contact is to make sure that relevant information is available, continuously updated, and easy to find within internal channels.

6.1.6 Employee displayed attitudes and behaviours

Employee behaviours are affected by their personal engagement, which includes well-being at work and, through psychological availability, also the well-being in the outside life (Kahn, 1990). Based on the interviews the pressure employees experience affects their service mindset. Currently it seems that people have to concentrate on getting their tasks done instead of being able to focus on doing their tasks well. This is due to the tight human resources. How well people are able to cope with pressure is, in part, affected by how strong their personal sense of purpose is. For different people it comes from different factors. At KEF, in addition to serving customers, supporting colleagues was seen as providing purpose. I believe that this is a mindset that should be promoted even in other units.

How close employees are to customers affects how well they are able to understand customer needs and often also how well they are able to understand the bigger picture in which the company operates. In the interviews being able to see the bigger picture was seen as important to motivate and to help make decisions.

When people are stressed, they are likely to experience negative emotions, which spark very specific action tendencies, like attack or flee, and behaviours, like avoidance (Fredrickson & Losada, 2005). This can directly affect service mindset behaviours, since avoidance is an opposite behaviour from caring about one's impact, taking ownership and renewal.

Positive emotions are more than just a nice to have, they also increase for example flexibility, creativity, empathy and coping, and allow for seeing the bigger picture. (Fredrickson, 2004, other benefits were discussed in chapter 3.1.4.) These, in turn, are qualities that are sought after when hiring and promoting employees. In addition, positive emotions have proven health benefits: increased immune function, lower levels of cortisol, reduced inflammatory response to stress, reductions in subsequent-day physical pain, resistance to rhinoviruses and even reductions in stroke (Fredrickson & Losada, 2005). These health benefits translate to lower medical expenses and fewer lost work days due to illnesses. I suggest that people who are able to create positive emotions around them would be awarded as well, like in the order management and support team the most positive employee of the year is already awarded.

Employee well-being is partly the result of a cycle between positive emotions, that lead to broadened thinking, which leads to coping with adversity, which in turn leads to future experiences of positive emotions. The opposite is true for negative emotions. Since the workplace climate, including support climate, team climate and trust, affects the emotions people experience, there is a link between workplace climate and employee well-being, but also between employee well-being and customer perceptions of service quality. Emotions are contagious, and if service is given by a person who is experiencing positive emotions, also the customer perceptions are affected (Pugh, 2001).

Our feelings affect us and those around us (Fischer, 2012; Seligman, 2011). Therefore, it is important to be able to manage one's own feelings. Some ways to do that are (Schwartz, 2010):

- taking a walk whenever feeling frustrated, which helps in relaxing and thinking clearly,
- taking a deep breath to think how to respond collaboratively before reacting to something negative in the environment, and
- asking about the energy level of a colleague, since raising awareness helps in controlling energy levels.

It is also important to be able to manage one's own workload and energy levels. When people are able to understand how their energy is influenced by their own choices, they can create or learn new strategies to manage their own energy. For example, setting clear times for when to do specific tasks creates routines, that are automatic and no longer require will power. Examples of other energy saving routines are to shut down the inbox for a certain timeslot in order to concentrate on complex tasks or to take a break at a specified time each day. (Schwartz, 2010)

Time is a limited resource, so getting more done requires efficient working, which in turn requires energy. The ability to let go of work is a requirement for recharging. I suggest, that to avoid the feeling of having to be constantly available, each team should set their own time limits within which the team members are not expected to respond to e-mails from one-another.

Feedback is an enabler for personal development, while learning is an intrinsic motivator. Generally, people felt like they do not receive enough feedback and acknowledged that they could themselves give more, even though the level of feedback was at an acceptable level. Positive feedback is easier to give than constructive, and it is also received more often. Receiving feedback is more important to people who have recently entered the workforce than to people who are more experienced. Practices to promote are highlighting successes, and sharing stories of situations in which the customer and employee perceptions of service quality did not meet. It can happen that the employee feels like they did a good job and the customer feels they received bad service. This is often due to a misunderstanding in what the customer wants or insufficient communication. One established way of giving feedback are the personal development discussions, held twice a year. To support service mindset those should include the topic, and provide a natural place for the manager to ask for feedback from the employees.

Self-efficacy, which supports in finding better strategies to achieve goals and makes people more open to feedback, can also be improved. Trainings, acting as a role-model, and communicating a belief in that one can achieve their goals, all improve self-efficacy. Training to do a new task directly improves self-efficacy, and training on self-leadership increases self-efficacy through providing a sense of control over own behaviour. Communicating the belief that one can achieve high goals can be done through assigning them. (Locke & Latham, 2002) I suggest to provide courses on self-leadership to all people at KONE, also in order to improve their coping strategies with pressure and negative input from customers. A course on self-leadership could also include training willpower, since people have a limited amount of it for tasks that are not intrinsically motivating, but it can be exercised through practicing it in one context (Duhigg, 2012). Another option instead of holding courses is to create a Yammer thread in which inspiring videos like TED talks are shared and monthly tasks, like writing a gratitude journal for a month or other positive psychology interventions, are given (Seligman, 2012).

Self-efficacy is also supported when one is able to use their strengths at work. Two managers mentioned in the interviews that they try to identify their teams' strengths and promote them, and identifying strengths was mentioned as an enabler of renewing oneself in the workshops. Being able to identify and use one's own strengths changes people more than learning from failures (Seligman 2012). Also, collaboration benefits from people knowing their strengths and using them. When strengths and weaknesses are identified, people can better be matched with the opportunities present within work (Losada, 1999). Managers could be given training on the importance of identifying strengths within their teams, how to do it, and how to use the information.

As motivational theories (e.g. Deci et al., 1999) suggest, interviewees agreed on that it is motivating to see a pleased customer or end-customer. Motivational theories also suggest that work needs to be the right level of challenging (Locke & Latham, 2002), not too hard or too easy, which was agreed on by the interviewees as well. The rest of the individual comments on motivation also fit the theoretical view. A manager who listens (Locke & Latham, 2002), using personal strengths or professional skills (Seligman, 2012), making a list of tasks to accomplish during the day (Seligman, 2012), solving problems (Duhigg, 2012) and autonomy (Duhigg, 2012) were mentioned by the interviewees. A disturbing finding was that at KEF people reported low levels of autonomy, and felt like being micro-managed negatively affects their motivation. More autonomy should be given, and through it, trust shown. What you measure is what you get, but also what you give reflects what you get and vice versa.

Motivation is affected by how fair people experience the workplace to be. At GSS and KEF people who do the same job equally well have different salaries and rights. I suggest that when in salary negotiations the effect of unequal pay on motivation, and through the affected behaviours on workplace climate, would be taken into account. I also suggest that when possible, like with the possibility to answer the Pulse survey, people would be treated equally, regardless the contract type. A different way to create equality and support personal motivation and psychological availability would be to stop hiring people as subcontractors when the job they are hired to do is permanent instead of a fixed term position. None of my interviewees was able to state a reason to why this is currently done, and none came up in the literature review either.

KONE has both team and unit specific and common to all ways for recognizing people, like the Bravo award that can be monetary or non-monetary. It is in line with motivational theories that good work is recognized and the rationales are shared. Several of the interviewees across all units mentioned the Bravo award. However, people had differing views on non-monetary recognition. Some thought that being recognised for good work is important and even more powerful than monetary rewards that are not shared with all and often do not come directly after the action. Some people felt that if praise is never accompanied with monetary rewards, it loses its power. I suggest to promote giving non-monetary rewards, and to balance them with monetary rewards when the individual's contribution has been significant. All rewards should be given as directly as possible after the action that is rewarded.

Another way of looking at motivation, instead of autonomy, mastery and purpose as presented in the chapter on motivation, are the four core needs of people. They are physical health, emotional well-being, mental clarity and spiritual significance. When these core needs are met, people can bring more of themselves to work each day. Spiritual significance defined as "feeling of serving a mission beyond generating profit" can be seen as purpose. Mental clarity refers to "the ability to focus intensely, prioritize and think creatively". (Schwartz, 2010)

The relationship between physical health and work performance is straight-forward, physically healthy people have more energy for work. This supports the creation of different health initiatives, such as forming sports teams or creating a competition on walking up the stairs. A sense of purpose has already been discussed in depth, but is not as straight-forward as physical health. Different people see purpose in different ways. For some people the purpose of their work can be creating great customer experiences, but for some it can be to develop themselves as professionals. It is important to understand the individual differences instead of assuming a one-size fits all -model in reward management for example. I suggest that taking individual purpose up as a topic in personal development discussions would be beneficial in helping individuals remember why they do what they do and helping the managers to motivate their employees accordingly. Another intervention for increasing significance, suggested by Schwartz (2010), is to provide employees paid time off to volunteer at non-profits and to provide volunteer opportunities. This is supported by the fact that compensated engagement is falling while uncompensated effort is increasing - volunteering gives energy to people in a way that paid work does not (Pink, 2012).

The definition of mental clarity has three components which are all linked together, since the ability to focus is influenced by the ability to prioritise, and is needed for being able to think creatively. These are my assumptions, and there are likely more complex links between the three. However, the ability to prioritise can be influenced through helping in seeing the bigger picture: if an employee understands the consequences of their actions it is easier for him or her to make decisions on what is most important. Another way to improve prioritisation is to think about two or three most important tasks for the next day after having left work, and then the next morning reserving uninterrupted time for focusing on those priorities before doing anything else (Schwartz, 2010).

6.1.7 Customer perceptions and attitudes of service quality

Factors affecting customer perceptions of service quality are tangibles, reliability, responsiveness, assurance, empathy, honesty, mutuality, discretion, openness, ambition, realism, humbleness, seriousness, professional skills, pride, communication skills, reliability, the ability to inspire confidence, commitment, relationship quality and trust (Parasuraman et al., 1988; Pugh, 2001; Fischer, 2012; Bowen, 2008). According to the interviews, customers are price sensitive, but only to a certain extent. They also value high quality tangibles, reliability, communication skills, openness, honesty and trust. In addition, high relationship quality and the trust that comes with it were seen as requirements for being able to sell products and services.

Simple ways to affect customer perceptions were openness about an issue, for example being able to tell that there has been a mistake. As stated by an interviewee, "honesty forgives". Telling the truth, even when it feels uncomfortable, creates a culture of trust (Schwartz, 2010). This is true also within an organisation and internal customers. In addition, the trust that colleagues show to each other is visible to the end customers.

Unclear communication was seen as an important paint point, for customers and field personnel alike. For creating a good experience to the customer, it is important to be able to understand that the customer does not have the same information as a technical expert, and that the technical expert should have all the information that the customer has stated when reporting a problem. Sharing the information on progress clearly, also when there is no progress, is important.

6.1.8 Internal service quality

There should be good quality of service within the organisation and between departments (Fischer, 2012). If the customer facing employees do not receive excellent service from their colleagues, it is not possible for them to provide excellent service to customers. Currently at KONE tight human resources, abundance of different KPIs and very specific job descriptions cause people to focus solely on their own tasks. This can be good for efficiency within a team, but in the bigger picture the internal service quality suffers. People focus too much on their described tasks and do not take responsibility outside their tasks, even when it would lead to a better result in the bigger picture.

Otherwise internal service quality, meaning the employee perceptions and attitudes of service quality, is similar to customer perceptions and attitudes of service quality. Both employees and customers are people in the end and their perceptions of service quality are affected by similar factors.

6.2 Influencing employee behaviour in order to change organisational culture

The discussion so far has focused on influencing very specific behaviours. In this chapter influencing behaviour is discussed on a higher level, not focusing on specific actions but influencing behaviour in general, and through it culture.

The fourth research question was "*in what way can behaviour be influenced within an organisation?".* It is not possible to tackle each and every behaviour, so it is key to focus on creating a shared understanding of what is required, empowering people to act accordingly, and designing processes that allow for and encourage the wanted behaviour.

Making people more service minded is complex: mindset is not directly visible, but manifests itself through culture and behaviours. Improving service mindset requires people to commit, and the support of the surrounding organisation. Little by little, behaviours as the manifestations of mindset start to spread, and change starts to spread at a faster pace. Once people change their mindset, it shows in their every-day behaviours, and finally it affects the organisational outcomes, such as growth and profits (Bowen, 2008).

Generally, changing behaviour can be divided to two different factors, communication and action. Action refers to how processes are designed and how well people behave in line with the wanted behavioural change. Communication refers to how well a vision is communicated and how understandable and actionable the communicated behaviours are. Communication is extremely important, and should be continuous. However, frequent and widespread communication can even have the opposite effect of what it is meant to achieve. Too much repetition can cause the recipients to disregard the message. It can become something that has been communicated so many times, that the recipient feels like they already have done their job regarding the message. So, even if according to the KPIs, everybody within the group of recipients has received the message or gone through a training, the actual effect of the message or training can be considerably low. I suggest that communication is embedded in already existing processes and discussions and that the communication through official news channels like the intranet and e-mailing has highly variable and personal content. (Herrero, 2011)

Schwartz (2010) tells a story about the cultural change at Sony Pictures. According to him, the process of change started from the top executives willing to embrace change themselves as the first adopters. In practice, this was done through interviewing people with whom they interacted, including not only workers in their own organisation but also other industry stakeholders and the families. The goal of the interviews was to find how the executives' own leadership behaviours affect the energy of their direct reports. One concrete action that came out of this was establishing a habit of recognizing employees for their good work through notes and phone calls, in order to demonstrate appreciation and to stop the employees from trying to read their manager and worrying about his thoughts. Another concrete action was to create a habit to help in being more direct, since aversion of conflicts can create uncertainty and anxiety. (Schwartz, 2010) This could also be done at higher management levels at KONE. Since behaviours spread through people copying them (Herrero, 2011; Pink, 2012), management showing effort to change their behaviour and behaving in a manner that positively affects the energy of the employees has the potential to create widespread positive change within an organisation.

6.3 Possible interventions to influence service mindset and be conducted throughout a company

The last research question was, *"what could be an intervention to build service mindset?"* The chosen intervention, lunch lottery, showed potential to support in seeing the bigger picture and to create new ties across a unit. Therefore, I suggest that the intervention is tested further through re-organising it within GSS Hyvinkää. Based on the findings, I also suggest that in the future lunch lottery will be tested more widely, for example in new units and locations and between units in one location.

Other ideas that arose during the thesis process included positive psychology interventions, like keeping a gratitude journal. It is a journal written daily, in which the person keeping it writes three things that made him or her grateful during that day. There is evidence that keeping a gratitude journal improves sleep and reduces the symptoms of illness. (Seligman, 2012) In the literature review knowing one's own strengths was found as improving the work one does (e.g. Fischer & Vainio, 2014). For this purpose, it could be beneficial to do the VIA character strengths test that is available online for free (Seligman, 2012).

Doing a process map would support in seeing the bigger picture, if done in collaboration between different teams. The mapping could be done for example in a workshop, during which all the people from one unit would come together to go through cases in which several teams within the unit have been involved.

6.4 Practical implications

This thesis has presented several practical actions to take in order to improve service mindset. In this chapter I am gathering together the most important ones based on the emphasis given by the interviewees to the issue. This chapter does not present new information, it collects together the practical implications otherwise scattered around this thesis within chapters 3, 5 and 6.

According to both interviews and theory, collaboration is key. In my own model collaboration is the mediator between customer perceptions and attitudes of service quality, internal service quality and other factors in the service system. Making new contacts within an organisation improves collaboration, and practical suggestions are to change seating when it is fixed, create spaces where meeting new people is possible and supporting free-time activities like sports teams. In addition, lunch lottery was seen as having potential for improving collaboration.

When forming teams, the individual members' abilities to create strong ties between each other should be considered to ensure high quality collaboration. The quality of collaboration between teams can be improved through increasing the time employees from different teams spend together and through improving their understanding of each others' work. Also, visiting the frontlines and communicating with end customers are ways to improve collaboration within a company, through giving the employees a better understanding of customers' problems and what the company is working for. At least people with decision-making power should visit frontlines in order to see the customers and the employees that the decision makers are supposed to serve.

Practical implications for changing processes to create a more service minded organisational culture are making information available, treating people equally and rethinking the KPIs and bonuses. Information on who is working on what and what each job includes and what access rights each job requires should be available on the intranet. All information should be shared openly, to create a culture of trust and to avoid overlapping work. The right question to ask is "is there a reason why I should not share this?" The equal treatment of employees refers to removing all artificial differences between company employees and subcontracted employees, like the possibility to answer the Pulse survey or access to the internal job offerings site, or the subventions to lunches in company cafeterias.

Non-monetary rewards can be used as an effective way to reward directly after an employee has done something significant, and there should be no barriers to giving monetary rewards directly after positively deviant performance. The KPIs and related bonuses should be designed so, that they are not in any way hindering collaboration. One option is to reward individuals on their ability to collaborate, or their ability to create a positive atmosphere. Additional options are to have less but more common goals, or to have shared goals for a process that spans across several units.

Processes can also be improved through providing a channel to all employees for voicing their ideas. This requires giving time to employees to work on their improvement ideas. Even collaboration can be improved through providing the possibility to work together with employees from different units on mutually beneficial improvement ideas.

To improve organisational learning, giving feedback should be promoted. Special attention should be given to giving constructive feedback, and it could be supported through providing simple exercises on giving constructive feedback. Other ways to increase feedback are sharing customer feedback and both successes and failures, encouraging giving feedback also top down, providing channels to ask for feedback, and promoting sharing insights more widely between different frontlines.

For personal growth, courses on self-leadership could be given, and they could include training willpower. A more resource efficient way to provide training on self-leadership would be to share quality content, like TED talks, on the company intranet, together with positive psychology exercises. Self-efficacy can be grown through providing job specific trainings, employees acting as role models to each other, and managers communicating trust to their direct reports. In personal development discussions, the personal purpose of work should be taken up as a topic in order to motivate employees, and personal and high learning goals should be set and afterwards monitored.

Finally, in order to empower customer-facing employees to provide excellent service, decision-making power should be given to them when possible, instead of taking it further away from them. Employees should be responsible to customers, not their supervisors, and managers should be responsible to their employees.

6.5 Contributions and limitations of this thesis

From an academic perspective, the greatest contribution of this study is the provision of a definition of service mindset. Identifying and addressing the factors affecting service mindset provides a way for organisations to approach service mindset from a practical perspective grounded in theory. This is also something, that has not been done before. In addition, this research has combined several different disciplines, mainly S-D logic, SPC, positive psychology and change management. The combination of human centric disciplines to support in management of corporations can prove to be valuable for companies. I believe that the idea of service mindset as an antecedent for successful change is useful for modern service oriented organisations.

The limitations of this study are in its generalizability, since the number of interviewees (n=16) and people participating in the workshop (n ~ 300) and intervention (n=28) was low. The study is largely based on interviews, in which the personal mood and character of both the interviewer and interviewees are likely to affect the results. It is also possible that the people who are selected for interviews are not representative of the general workforce. These limitations are tackled through interviewing different people at different times and being as objective as possible in the selection of the interviewees. In analysing the results more focus was given on themes that arose from several people and from different units. In addition, using triangulation improves the accuracy of the study, since it gives different viewpoints on the same phenomenon (Jick, 1979).

The chosen research strategy has its limitations. Grounded theory is by nature “messy”. I have limited prior experience of conducting academic research, and grounded theory done well requires experience. (Suddaby, 2006) However, the final goal of this thesis is to help the organisation, KONE, in improving their service mindset and I believe that the approach taken is the best suited for the purpose.

The limitations of a case study, particularly an embedded one, are in that the results are not generalizable. (Saunders et al., 2009) This means that before the implementation of my recommendations, careful consideration should be used. Action research could be done to decide on the continuum, for the lunch lottery intervention as well as other recommendations. For example, testing out the recommendations in one unit before rolling them out within the whole company is advisable. Also, cultural considerations should be taken into account in a global company, since the study was largely done in Finland.

The reliability of this study is limited, since the participants’ moods when answering the questions can affect the answers. The participants might also be unwilling to answer the questions truthfully, which I will try to counter by giving them a “safe space”: showing empathy and keeping individual answers confidential between myself and the participant. The study is also highly subjective, since my own values are likely to affect how I interpret the data gathered. I, as an observer, can also create error through the way I choose to ask questions and interact with the interviewees. I am trying to combat these issues in reliability through bringing as much transparency to the sense-making of the data that I can and through a planned interview structure.

There is also a threat of logic leaps and false assumptions. The size of the risk depends on how well the research sample is identified, how the data is collected and analysed and how the conclusions are developed (Saunders et al., 2009). Here I try to choose the research sample through actively seeking people who are neither the best nor the worst and representative of employees with different tenures and positions, and to utilise existing theory in guiding my interview questions, data analysis and conclusions.

7 Suggestions for future research and final remarks

Since this thesis is the first attempt at defining service mindset, I hope that further research will be conducted on the validity of the definition provided. While doing this thesis, I came across several topics that I would have liked to include in this thesis but was unable to due to the scope of a master's thesis. To support employees in their choice making, it would be beneficial to know, if employees serving their colleagues first, or employees serving their customers first has better end-results for the customers. Another possible topic would be to do action research on positive psychology interventions within a unit to see if the workplace climate and personal engagement improve. A third possible research topic would be the effect of trust within an organisation on its customers.

I believe this thesis has provided good grounds for improving service mindset. For those readers who are still wondering what they can do, in Table 5 examples for actions for each service mindset behaviour, and for personal level, team level and supervisor level, are listed. What one chooses to do is not important, but it is important that one chooses to do something. The only way of creating change is by acting, not by planning and communicating. True service mindset is comprised of real thoughts, not fake smiles. Everything we do or choose not to do sends a signal to those around us, and by taking actions we are not changing only ourselves but changing those around us. Everyone should assess their own mindset, and if it is not about serving their peers, colleagues and direct reports, something needs to be changed.

I have come to believe that to create service mindset there needs to be a common and compelling vision. Then, the processes and procedures need to be planned accordingly together with all stakeholders. All artificial barriers, such as status within the company or type of contract, should be removed: information should be shared openly and everybody should be treated equally. Employees should be the priority, not the customers. Only if employees are satisfied and have responsibility to the customers can they behave in a service minded way. To make this possible, employees should be trusted. Then, trust can also be expected from employees. If this view of how to create a service minded organisation holds true, remains to be seen, but I would give it a shot.

Table 5: Concrete behaviours for personal, team and supervisor level

Service mindset behaviour	I care about my impact	I renew myself	I take ownership	I collaborate
Personal	Next time you need help from others explain what you are going to use their help for	Think about a person you served and ask them if they got what they needed, learn from the feedback you get	Next time you see a problem don't just let it be but take ownership of the issue and see through that it is solved	Think about how the work you did today affected others in your organisation
Team	Hold a team meeting/ lunch/ coffee in which you discuss how your work affects each other	Invite a person from another unit to come tell about their work	If there is an issue that requires longer time assign a person to be responsible for the whole process	Participate in / organise lunch lottery in your unit
Supervisors	Ask your direct reports to give you feedback	Think about three behaviours that could indicate your commitment to improving service mindset and do them	Ask your direct reports how you could help them and if there is anything they need	Think about the targets and goals your team has with the supervisors of other teams and look for those that could have a negative effect on collaboration.

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Appendices

The appendices section includes four appendices. First is a list of interviewees presenting their positions, tenures, approximated ages and sex, and the date, duration and place of the interview. Second is the interview structure for the thematic interviews, third is the lunch lottery feedback form, and fourth is the list of interventions and service mindset behaviours mentioned in this thesis.

Appendix 1: List of interviewees

Interviewee attributes
Male & Female: 8 & 8 interviewees

Age: 5 under the age of 35, 11 over the age of 35 (ages were approximated, not asked)

Tenure at KONE: 2, 3, 3, 10, 19, 25, 31 and 33 years in different positions, of whom 2 people had been the whole time within the same unit and 6 people in different units. 2, 4, 6, 9, 25 and 30 years in the current and first position at KONE. For 2 people, there is no data.

First language: 11 Finnish, 5 other

Interview 1:
Senior Sourcing Specialist, Supply Operations Finland Sourcing, Hyvinkää
Helsinki 4.10.2017, 35min

Additional information: Interview conducted in Finnish. Served as a control group interview and for testing the interview structure. Interview structure was modified after this interview. Was selected because the interviewers strong tie with the interviewee.

Interview 2:
Proximity Stock Frontline Coordinator, KEF Spare Parts Supply
Haaga, 5.10.2017, 44min

Additional information: Interview conducted in Finnish. Was selected due to the important position in the spare parts supply as a connecting point between KEF and GSS and being in a managerial position.

Interview 3:
Technical Support Engineer, GSS European Customer Service
Hyvinkää, 10.10.2017, 53min

Additional information: Interview conducted in English. Was selected as the representative of the order management and support team because of having worked closely with KEF in the previous position in the maintenance field support team.

Interview 4:
Senior Customer Service Officer, GSS European Customer Service
Hyvinkää, 10.10.2017, 83min

Additional information: Interview conducted in Finnish. Was selected as a team member in the order management and support team.

Interview 5:
Supply Chain Operations Director, GSS Global Operations
Hyvinkää, 11.10.2017, 58min

Additional information: Interview conducted in English. Was selected as the manager of the operations team at GSS.

Interview 6:
Customer Service Manager, GSS European Customer Service
Hyvinkää, 11.10.2017, 57min

Additional information: Interview conducted in Finnish. Was selected as the manager of the order management and support team and direct report to the operations manager.

Interview 7:
Proximity Stock Frontline Coordinator, KEF Spare Parts Supply
Tampere, 12.10.2017, 1h 11min

Additional information: Interview conducted in Finnish. Was selected due to the important position in the spare parts supply as a connecting point between KEF and GSS and as a direct report to Tiina Salonen.

Interview 8:
Maintenance Supervisor, Tampere / Maintenance and small repairs
Tampere, 12.10.2017, 58min

Additional information: Interview conducted in Finnish. Was selected as a maintenance supervisor from a different geographical area than other selected maintenance supervisor and fitters and due to close contact with Olli-Pekka Ahti.

Interview 9:
Maintenance Supervisor, Espoo, KEF1
Haaga, 17.10.2017, 51min

Additional information: Interview conducted in Finnish. Was selected as a maintenance supervisor for the maintenance fitters to be interviewed and close contact with the proximity stock frontline coordinators.

Interview 10:
Responsable achats sous-traitance, subcontracting sourcing, KOF, Nice
Skype, Espoo-Paris, 17.10.2017, 52min

Additional information: Interview conducted in English. Served as a control group interview. Was selected because the interviewers strong tie with the interviewee and because of position in a different frontline, KONE France.

Interview 11:
Maintenance fitter, Espoo, KEF1
Also, trouble-shooter, Helsinki city centre, was present and took part in the interview.
Kirkkonummi, 18.10.2017, 1h 28min

Additional information: Interview conducted in Finnish. Was selected because of availability, recommendation from direct manager and being a union representative.

Interview 12:
Maintenance fitter, Espoo, KEF1
Kirkkonummi, 18.10.2017, 1h 18min

Additional information: Interview conducted in Finnish. Was selected because of availability and recommendation from direct manager, and being in the same team with the other service fitter interviewed.

Interview 13:
Legal counsel, legal affairs, Keilaniemi
Helsinki 19.10.2017, 38min

Additional information: Interview conducted in Finnish. Served as a control group interview. Was selected because the interviewer’s strong tie with the interviewee and because of position in a different internal service organisation, the global legal function.

Interview 14:
Sourcing Specialist, Direct Materials, KSO – GSS Team, Hyvinkää
Hyvinkää 26.10.2017, 1h 19min

Additional information: Interview conducted in English. Was selected as a representative of the sourcing team, that was identified as an important collaborator with the first selected order management and support team.

Interview 15:
Technical support senior specialist, GSS MFS Elevator mechanics, Hyvinkää
Hyvinkää 26.10.2017, 1h 23min

Additional information: Interview conducted in Finnish. Was selected as representative of the maintenance field support team, that was identified as an important collaborator with the first selected order management and support team and the Finnish frontline.

Interview 16:
Purchaser, GSS material management
Hyvinkää, 15.11.2017, 38min

Additional information: Interview conducted in English. Was selected as a representative of the materials management team, that was identified as an important collaborator with the first selected order management and support team.

Appendix 2: Interview structure

This is the interview structure. The bolded questions have been added during the interview process, when it was noticed that they were re-occurring themes of potential interest.

Presentation of the context.

I am Laura, a student of industrial engineering and management from Aalto University. I am currently working on my master's thesis with Anna Tiri, on service mindset. Service mindset is in no way limited to people in direct contact with end customers, but can be present also between employees. Service mindset at KONE is defined through active behaviours, which are: caring about one's impact, renewing oneself, taking responsibility and collaboration.

In this interview the idea is to look at different interaction between you and other KONE employees, and together think about how those went. In addition, the idea is to think about other factors affecting good collaboration, mainly the employee's own engagement at work, the atmosphere surrounding her, and her supervisor's work. The result of this thesis will be factors affecting service mindset. You will not be mentioned by name in the results.

Questions about the job and the interactions the employee has. The goal is to give the interviewer an understanding of the context.

First, I would like to understand your job better.

- Could you please describe your most important tasks at work?
- What kinds of interactions do you have with other KONE employees?
    - Directly related to your tasks and otherwise?
    - With who, and with who the most?

Questions that lead to understand better what the interview is about. The idea is to help the interviewee to understand better the concept and to understand the employee's experience of service mindset in their work.

Let's next talk about service mindset in general.

- How do you think that service mindset, meaning the will to delight others, has shown in the actions of you or others at work?
    - If hard to understand the concept, question about own good experience of receiving service.
    - What could help re-enforce this kind of behaviour?

Questions, in which individual situations are explored. The goal is to find specific reasons that enable or hinder service mindset.

Next, we are going to focus on individual situations in more detail.

- Describe a situation, in which you needed help or support from another KONE employee. Who did you turn to and what happened?
    - Was there something you were especially happy about? Why?
    - could something have gone better? Why?
    - Could you have behaved differently in the situation? If you could have, what stopped you from doing so?
- Describe a situation when another KONE employee turned to you for help or support. Who was that person and what happened?

  - Was there something you were especially happy about in your own behaviour?
  - Was there something you were especially happy about in the actions of the one asking for support?
  - What could have gone better? Why do you think that this didn't happen?
- When you encountered situations in which you were asked for help, but you couldn't provide it, why did it happen and what did you do?
- Do you get questions about Thyssen spare parts? I have heard that the frontline is not happy with the process. Can you tell a little more about it?

Questions concerning the workplace climate. The goal is to find climate specific questions that can either support or hinder service mindset.

The workplace climate has proven impact on employee's service mindset and it also shows to the end customer. That's why I am asking the following,

- How would you describe the general atmosphere at work?
  - Do you feel like you work towards common goals, within and outside your team?
  - Do you trust that if you need help or support you get it?
  - **Do you feel like it is ok to make mistakes?**
  - Do you trust that others will do their jobs well enough?
  - **Do you think you get enough of feedback at work? How often do you get it?**
  - **Do you give feedback?**
  - **Do you think that the atmosphere has changed during the time that you have been at KONE? How, and why do you think this has happened?**

Questions concerning your personal engagement at work. The goal is to find factors affecting personal engagement, that can either support or hinder service mindset.

Also, your personal engagement has been proven to affect both your own behaviour and that of others.

- How would you describe your personal engagement at work?
  - What do you think makes your work important?
  - Do you think that your own work is connected to KONE strategy?
  - Do you feel that your tasks are not too challenging or too easy for you?
  - Describe a situation when you felt like you had succeeded really well in your job?

Questions concerning the supervisors or managers work. The aim is to find factors that affect service mindset.

The role of your supervisor or manager plays an important part in creating service mindset.

- Could you tell me in which kinds of situations you are in contact with you manager?
- What is your manager's most important task in your opinion?

Questions to managers.

- What do you feel like is your most important task?
- How do you try to support your team?

Appendix 3: Lunch lottery feedback form

The lunch lottery feedback form was distributed to the participants of lunch lottery. They were asked to answer it to support this thesis and to decide on the future of the concept. Out of 30 participants in the lunch lottery at least one did not go, leaving the maximum number of respondents to 29. The final number of respondents was 22. In the below screen capture of the form mandatory questions are marked with an asterisk (*).

Lunch lottery feedback

This anonymous questionnaire is for Laura's thesis and is going to be used also in deciding the future of the lunch lottery concept.

Did you go to lunch one on one or in a group of three *

- One on one
- Group of three

How did you feel about the experience? *

	1	2	3	4	5	
I would not participate again	○	○	○	○	○	I will definitely participate again

Why did you give the above answer? *

Long answer text

Did you find the experience useful? *

	1	2	3	4	5	
Not at all	○	○	○	○	○	I already got something out of this and I think this has potential

Why did you give the above answer? *

Long answer text

Do you have some improvement ideas?

Long answer text