LEAN MANAGEMENT AND DESIGN THINKING TOOLS: STRIVING FOR EXCELLENCE AND MINIMAL STRESS AT A LOGISTICS COMPANY

Organizational Development within Company X, Turku unit

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ABSTRACT

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Title	Lean johtaminen ja palvelumuotoilun työkalut: Työyhteisön tehokkuuden parantaminen ja stressin vähentäminen logistiikka-alan yrityksessä	
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TIIVISTELMÄ

Tutkimuksen tavoitteena oli kehittää logistiikka-alan yritykselle uusia toimintatapoja, jotka auttavat sitä luomaan huipputuottavan organisaation ja samalla parantamaan toiminnanjohtamista, sisäistä viestintää ja hyvinvointia Lean johtamisen ja palvelumuotoilun työkalujen avulla. Pyrkimyksenä oli rakentaa jatkuvan kehittymisen kulttuuri ja tarjota innostavat puitteet työnteolle. Tutkimuksen toimeksiantajana toimi kuljetusalan yritys X, jonka tarjontaan kuuluu logistiikkapalveluiden tarjoaminen paikallisesti yli 15 Euroopan maassa.

Tarkoituksena oli ratkaista, että miten johtoryhmä yhdessä työntekijöiden kanssa pystyy luomaan menestyvän organisaation ja miten tuottavuutta, liikevaihtoa, yhteisön toimivuutta ja hyvinvointia voidaan parantaa. Teoreettisessa viitekehyksessä esitetään Double Diamond prosessikehys, joka sisältää jatkuvan kehittymisen toimintamallin. Sen toiminnot perustuvat neljään elementtiin: Löydä ja määrittele (divergenssi ajattelu) sekä kehitä ja toteuta (konvergenssi ajattelu).

Kyseessä on laadullinen tutkimus, joka toteutettiin kahden erillisen teemahaastattelun avulla. Metodeina toimivat de Bonon kuusi ajatteluhattua, jonka avulla kartoitettiin yrityksen nykytila sekä Kaplan & Nortonin tasapainotettu tuloskorttimittaristo, jossa yrityksen johtoryhmä määritti strategiset tavoitteet. Tutkimus osoitti, että työntekijöiden ja työnantajan intressit eivät täysin kohtaa, ja parantaakseen työympäristön mielekkyyttä tulevassa, tulee yrityksen ottaa käyttöön tutkimuksessa esiteltyjä toimintatapoja. Tällä tavoin yrityksen olisi mahdollista parantaa yhteisön hyvinvointia, kannattavuutta ja tuottavuutta.

Avainsanat Kehittyvä organisaatio, Palvelumuotoilun työkalut, Lean-ajattelu, Tasapainotettu mittaristo, Kuusi ajatteluhattua

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ABSTRACT

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Author	Mia Mäki	**Year** 2020
Subject	Lean Management and Design Thinking Tools: Striving for Excellence and Minimal Stress at a Logistics Company	
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ABSTRACT

The aim of the study was to create ways for a logistic company, operating in Turku, to build a highly productive and flourishing organization, and to improve its operations management, internal communication and wellbeing in a fast-paced environment, with the help of Lean management and design thinking tools. The goal was to build a culture of continuous improvement and to offer enthusiastic settings for the work. The commissioner of this research, company X offers cross-border logistics services and local expertise in over 15 countries within Europe.

The key objective of the study was to adjudge how managers and employees in unison, can create a successful organization, and how productivity, turnover, community's functionality and wellbeing can be improved through Lean management and design thinking tools. The theoretical framework presents the concept of continuous improvement, with focus on Design Council's Double Diamond. Its functions are based on four elements: Discover and define (divergent thinking) and develop and deliver (convergent thinking).

This study is a qualitative study conducted through two separate theme interviews: De Bono's six thinking hats as a method to map the company's current state, and Kaplan and Norton's balanced scorecard to link the company's strategy and vision as a part of daily operations. The study showed that the interests of the employees and the employer do not fully meet, and in order to improve the meaningfulness of the work in the future, the company should implement the methods and tools presented in this research. This would also help to improve the community's well-being, profitability and productivity.

Keywords Organizational Development, Service Design Thinking Tools, Lean Thinking, Balanced Scorecard, Six Thinking Hats

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1 INTRODUCTION AND THE PURPOSE OF THE STUDY

The aim of this Master's degree in Business Administration and Entrepreneurship study is to develop a solution for a logistic company that struggles with time management and an increase of chronic unhappiness among the employees. The goal is to create a culture of success and help company X's employees to find effective ways and solutions to develop the performance and grow revenues. This can be done by implementing Lean management tools and by helping to build a better internal business service design, which benefits the community towards improving their internal communication, employees' work wellbeing and productivity. The most important goal is to generate conditions that allow innovation, including culture change, skills and a blooming mind-set.

As an outcome, this study offers solutions to the management and employees to do their daily work more efficiently and less stressfully, which could eventually help the teams striving for better results. During the process, possible challenges will be tackled and new opportunities will be explored. In collaboration with the work community, insights and visions will be shaped to fit company X's business design and strategy. Efficiency and skills often develop naturally, and unnoticed when people find joy from their job.

1.1 The Commissioner – Company X

Company X, established in 1906, is a Dutch transportation company, whose goal is to create unconventional logistic products and services to its customers and industry. They also provide and develop intelligent systems and processes, which are continuously innovated to stay ahead of the curve and to solve the latest challenges in the logistic industry. X is one of the largest Mega-trailer operator in Europe with 1100 trucks and over 3400 Mega-Huckepack trailer fleet and multimodal network. In transportations, X combines shipments by road, rail and short-sea to build the best multimodal solution for the clients' cargo. (Company X 2020a.)

A big part of X's philosophy is to pursue the mega trends and closely follow up the constantly changing world in which we live and work. X wants to be the market leader and take initiative, discover new territories and be a front-runner in the logistic industry. To succeed in this, the company creates new adaptable logistic products aimed at solving different kinds of logistic challenges, often in collaboration with its customers. The down-to-earth mentality combined with a co-creating mind-set is a foundation for continuous innovation that characterizes X as a company. (Company X 2020a.)

As a whole, X handles approx. 3400 loads per day and has a strong local presence in 15 countries and 33 locations. In total, the company employs 2400 employees, from which 1000 are drivers, 1100 work in the office and 300 in the warehouses. In addition, each local office has their sales and customer service representatives working to build long lasting customer relationships. Furthermore, thanks to the company's local presence, X knows the culture and speaks the language perfectly, something that the customers consider a huge advantage. (Company X 2020a.)

The targeted clients for X are industrial organizations and manufacturers who have import or export loads and cross-border logistics in Pan-European area. The biggest clientele is the automotive industry. Other important industries are fast-moving consumer goods (FMCG) & electronics, healthcare & hygiene, paper & packaging, food & drink, entertainment industry (event logistics) and industrial materials. (Company X 2020a.)

1.2 The Topic and Objective of the Research

This topic is important to the author because she experience every day how 14 people, including herself, are struggling to finalize their daily tasks within the time agreed. Working in an international logistic company is extremely challenging and often very stressful, where calm and easy days are an exception. A typical working day can be easily summarized as organized chaos. The aim for this study is to generally increase the company's time management, internal communication and personal wellbeing by decreasing the level of stress and balancing the workload. Lean management and service design tools can assist in reaching these targets. This topic was chosen to help the company motivate the employees to strive for excellence more effectively, but in a less stressful way.

The purpose of this study is to develop a solution for a logistic company, and help its employees to find ways to work more effectively via Lean management and design thinking. The management and employees of company X would benefit from this study firstly by improving their time management and reforming the ways of internal communication to avoid mistakes, such as duplicating, from happening. Secondly, to convince the work society that a better wellbeing of the employees will lead to an increase of productivity and professionalism. Finally, this study wants to offer ways to solve problems arising in the workplace and innovatively develop and generate new competence within the community.

1.3 The Model of the Thesis and Research Questions

The background and motivation of the study came from the researcher's own work experience. The amount of work in progress increases occasionally by an unreasonable amount. The work itself is varied and rewarding, but at times strenuous. The study explored the possibilities for streamlining the work processes, ways to reduce stress and thereby ways to increase well-being at work, without forgetting productivity. The aim of the study was to find ways to cut waste out of the process, thus gaining more time for productive work, to improve internal communication within the company, and ways to link the company's strategic goals into day-to-day work. Lean management and service design tools are presented as means.

This study has a holistic approach. It is a practice-based thesis and simultaneously a workplace development assignment that aims for developing, providing instructions, efficiently organizing and improving practical activities.

Research question 1: How can employees' productivity, turnover, community's functionality and work wellbeing be improved through Lean management and design thinking in a logistic company?
Research question 2: What are the ways and tools to improve working conditions, quality of the work, management and personnel's attitudes towards long-lasting positive change?
Research question 3: Why is continuous learning and developing of the performance vital for the work community, and how to do it in practice?
Research question 4: How can managers and employees together create a successful organization?

1.4 Theoretical Framework – The Double-Diamond

The Double Diamond from Design Council (also known as the framework for innovation) was chosen as a theoretical frame of reference for this thesis. It is a great framework for innovation, and a clear tool that helps organizations visualize current challenges from social, economic and environmental point of views. The Double Diamond holds the main principles to consider when organizations want to redesign or change their working culture and to achieve long-lasting and compelling positive change. The Double Diamond explains the process in two parts and enables to research the challenge more deeply and to take focused actions towards wanted outcome. (Design Council 2020.)

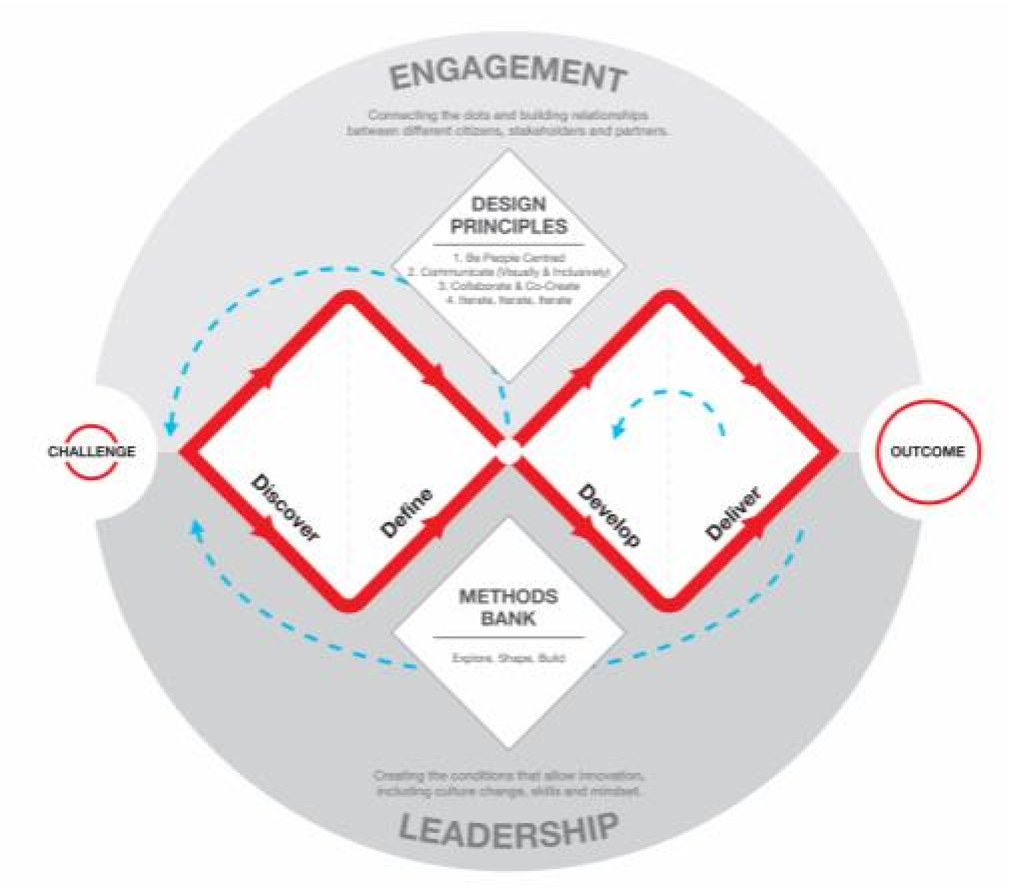

Figure 1. Design Council's framework for innovation (Design Council website 2020).

The two diamonds have four different actions: Discover and define (divergent thinking) and develop and deliver (convergent thinking). The first diamond is a tool for understanding and discovering. Here it is important to have discussions and interviews with the employees and management and define the challenge with the help of the gathered information. (Design council 2020.)

The second diamond stands for study, where tools and solutions can be tested into the problems defined in the first diamond. In the final delivery phase, inefficient findings can be rejected, and the good ones can be implemented for daily use. The Double Diamond is not a linear process, but an ongoing method that helps finding developing items on the way, then go back to the beginning, and start the process again. This can help the company to constantly improve its services. (Design Council 2020.)

The Double Diamond framework draws the core foundation that includes four main ideas that developers can use to help the work society:

- **People matter the most.** Try to understand the service users, their needs, strengths and ambitions
- **Communicate visually and in a comprehensive way.** Make sure people understand both the problem and the new ideas inclusively
- **Collaborate and co-create.** Work together as a group and try innovating new solutions together
- **Iterate continuously.** To find the possible errors in the early phase, it is necessary to iterate the process in the beginning, during and after finishing testing alternative solutions. This is the most important part of the process. Continuous checking helps to avoid risks and to give assurance to the good ideas. (Design Council 2020.)

The design process methods can be divided into three areas that are explore, shape and build. Each one of these methods helps people to divide the process into smaller pieces and to conclude successful outcomes. Explore stands for detecting the challenges, needs and possible opportunities. Shaping stands for testing, finding insights and new visions. Finally, the team can build new ways to carry out the work and grow their expertise with the new findings. (Design Council 2020.)

Most importantly it is essential to associate and support people to be part of the new solution. “Leadership is needed to encourage innovation, build skills and capability, and provide permission for experimentation and learning. Strong leadership also allows projects to be open and agile, showing results along the way and being able to change.” (Design Council 2020.) To build a great and successful culture, engagement and relationship building is as essential as creating new ideas.

2 LEAN MANAGEMENT CONCEPT AND TOOLS

The main principle of Lean philosophy is simple, yet functional: improvement is not created by running harder, but by walking a shorter distance. Lean includes both a mind-set and tools to increase competitiveness and productivity, leaving more time to focus on customers. Lean thinking creates a new kind of operating culture in which everyone is authorized to develop the work specifically for the customer. Organizations must learn to develop everyday work on regular basis because of the operating environment is constantly changing. In lean thinking, problems should not be seen as a bad thing, because they are solvable. (Oinonen 2016, 10.)

2.1 Definition of Lean

Lean management as a concept may sound easy, but in practice it has many dimensions and it requires a lot of effort and support from the whole community to success. Lean stands for continuous improvement, changing the way of thinking and behavior, and most of all, it is a management philosophy that thrives for efficiency. “The focus of Lean is to achieve a flow of materials, information or customers that delivers exactly what customers want, in exact quantities, exactly when needed, exactly where required and at the lowest possible cost” (Slack 2016, 499).

2.2 History of Lean Philosophy

Lean thinking was born in Japan of necessity. After the Second World War, Japan was not equally developed with the Western countries, especially compared to USA, and they were lacking raw materials and liquidity. The country was struggling to get back on its feet many years after the war and the geographical location made it expensive to import goods and raw materials from abroad. To be more specific, Lean concept’s roots origin in the manufacturing industry. It was first time used in the Toyota Motor Corporation, a Japanese high-volume car manufacturer. Under the circumstances and the shortage of resources, Toyota was paying extra attention to value and efficiency. They developed ‘just-in-time’ production system and ‘flow efficiency’, which were the company’s two key pillars. (Modig & Åhlström 2015, 67-69.)

In Lean process, it is important to start from the very beginning and focus on doing the ‘right thing’ and to fulfil and meet the customers’ needs. At Toyota Motor Corporation, they could not afford assuming the market trends, but they had to know what type of products the clients desired, what the expected delivery time was and how many products the clients needed. To succeed in this flow process, they had to have a close customer relationship and a ‘pull system’ in order to avoid unnecessary storage and inventory. Successful product flow is dependent on continual information flow between the provider and the end-client. Effectively working product flow needs internal communication and right components constantly throughout the whole process. The idea is to add value to the product or service on every step during the production process. Every person working with the process has a place and duty that takes the process forward. (Modig & Åhlström 2015, 70-72.)

Toyota's success story has continued ever since 1930's and the company has been consistently able to produce reasonable priced, high-quality products by applying Lean methods, thanks to which it has earned its dominant market share gains till today. In 1990, three authors named Womack, Jones and Roos introduced Toyota's achievements to the manufacturing world in their book The Machine that Changed the World. This fuelled Toyota's sales, and other automotive industries, especially in the United States started adopting Lean thinking, and Toyota Production system (TPS) aspects in their manufacturing. Afterwards the interest towards Lean thinking started to spread widely as many other industries and even service operations started applying Lean methods in their environments. To name a few, today fields such as "healthcare, government, research organizations, food service, education, construction, information technology, non-profit organizations, financial services, and law enforcement" use Lean principles to improve their processes rapidly. (Karen & Osterling 2007, 4-6.)

2.3 **Kaizen – Continuous Improvement**

Kaizen is known as one of the main concepts of Lean management. The word Kaizen is Japanese and means improvement. When Kaizen methods are being used effectively, it can change the whole organization's culture; improve its core performance, the environment and finally, the company's position in the marketplace. This means making small-scale gradual progress and applying different improvement tools every day. Martin and Osterling (2007, vii) explain how some modern organizations struggle to apply Kaizen due to the complicated organizational structures, including workforces' varying needs and skill levels, goals, understanding and priorities, combined with multitasking, unclear roles and responsibilities, and firefighting with daily workloads.

Kaizen methods can bring in significant advantages in the environments, where the processes do not involve actual products, such as offices, service industry and technical environments. Martin and Osterling describe the situation accurately: "In environments where the "product" is difficult to see, the workforce is often disconnected from both internal and external customers, measurement has not been the norm, and significant waste exists" (Karen & Osterling 2007, 3).

2.4 8 Wastes of Lean Process

One important factor in Lean process is so called waste elimination. Everything that does not bring value to the product or the process is considered as a waste. In production, this means that the manufacturer only produces exactly what is requested and in minimum time, so that there are no productions stops or waiting in any part of the supply-chain for the machine or the people. Every step on the way, from the order until the product and transportation, must be calculated to function the most effective way possible. Lean philosophy recommends keeping the inventory as low as possible, as it ties up big amount of capital and tells about slow production flow. Supply chain inside the company needs to be functional too, for example, people should not have to move too far away when they are collecting raw materials or parts – this is a waste of time. Sitting plan in the offices should be considered as well, so that the right people are located logically, to make the workflow smooth as possible. As Toyota showed us ahead, rest of the companies should follow their good Lean management example, when it comes to delivering products that are top quality. Reducing the amount of mistakes is on everybody's responsible and possible faults made during the production chain should never reach the end-client. (Modig & Åhlström 2015, 73-74.)

Lean organizations value their actions from the customers' perspectives, like asking question 'is the customer willing to pay for this?' So from end users (here customer) point of view, all non-value-adding activities should be seen as a waste and therefore to be eliminated from the process. Unfortunately, it is always not that straightforward: "A lean enterprise understands that some activities are necessary non-value-adding, as they are essential to properly operate the business." (Karen & Osterling 2007, 7.) Such activities are for example: Human resources, invoicing, IT, legal, finance etc.

By reducing non-value-adding activities organizations can improve their processes and increase value-adding activities such as faster delivery, better quality and freed capacity, which in turn generates raised customer satisfaction and loyalty, greater market shares and reduced expenses. Other positive "side-effects" are improved interpersonal relationships, decreased frustration among the workforce and safer working environments. These effects create positive working environment, which attracts and engages talented work force that again fuels further business growth. (Karen & Osterling 2007, 8.)

SHIFTING THE FOCUS OF IMPROVEMENT ACTIVITIES		
Type of Activity	**Lean Approach**	**Traditional Approach**
Unnecessary non-value-adding	1st Priority - Eliminate	Often unrecognized, hidden, or accepted as it is
Necessary non-value-adding	2nd Priority – Challenge and reduce	Accepted as required
Value-adding	3rd Priority – Optimize as necessary	Top improvement priority, primary focus

Figure 2: Lean versus traditional non-value-adding and value-adding activities (Karen & Osterling 2007, 8).

The smooth progress of the workflow is the goal that is pursued in Lean management. The three biggest enemies of fluency are variation, overload and waste (mura, muri or muda[1] in Japanese), all which cause work overload and burnouts. They represent unproductive activities that should be prevented, to achieve the operational goals. **Variation** (also known as imbalance and inconsistency) is the most important factor, because it is the root cause for the other two negative factors. In expert work, imbalance means, for example, differences in the skills of people, variations in the workload on different days, firefighting or variations due to the organization's own habits, such as busy seasons (e.g. beginning of a month). Variation is noticeable by measuring the times it takes to complete or wait for a job. (Torkkola 2015, 22-23.)

Overload is a burden that can strain a device, system or human. Continuous overloading of staff causes sick leaves and reduces the ability to innovate and learn new things, thus preventing better ways of doing work. In expert work, employees are an integral part of the work process and people’s well-being has a direct link to the flawlessness and development of the work. Therefore, a high-quality work environment for people is a significant factor in the realization of organizational efficiency. **Overload** can be measured by comparing the ratio of incoming workload to completion rate, i.e. utilization rate. Rising it by more than 80% increases the amount of work in progress and the overload exponentially. (Torkkola 2015, 25.)

Waste is a non-value-making activity for which the customer is not willing to pay. Wastes are typically classified into seven categories:

1. **Overproduction:** This is the most severe form of waste, thus it causes other problems and increases more waste. Overproduction means that too much work is done too soon or just in case. It directly leads to longer delivery times, handling or transfer of unnecessary matters. In service operations, overproduction means, for example, unnecessary measurement or meetings to which many people are invited, and the

[1] Other translations for *mura, muri or muda* are: unreasonable, impossible, not in the power of the person, too difficult, by force, compulsion (Torkkola 2015, 22).

necessity of the meetings are not questioned. Incorrect prioritization can also lead to overproduction.

2. **Inventory or work in progress:** in office environment this includes all the tasks that have been left unfinished (e.g. emails, projects or reports).
3. **Waiting:** this means that the work is waiting for its author, or the customer is waiting for service. When a task is transferred from one person to another, it often has to wait its turn in line for processing. It is typical for office environments, that decisions are waiting approvals or additional information either from the colleagues or from the customer.
4. **Unnecessary motion:** which in office work can mean, for example, entering data manually from one system to another, or using several applications (moving from one application to another). This waste can include sorting and searching for information. In addition, a poor layout of the office space increases unnecessary movement from one place to another.
5. **Transportation:** in office work, this means transferring information or work from one person or department to another, rather than trying to minimize the number of people needed per task. A top-down organizational structure often means the transfer of a task between departments. If the work requires a lot of communication between different experts, they should be placed as close to each other as possible, regardless of the organizational structure.
6. **Mistakes and rework:** this is also called failure demand. When the customer is not satisfied with the service they have received, the work is returned to the desk, in which case the task practically takes up twice the time and capacity. The same happens within the work chain: if the previous work step has provided incorrect or missing information, the next work step will have either to correct the error or return the work. In addition, interruptions, disruptions or misunderstandings also cause rework. Errors cause cumulative variation in the work chain forward. Therefore, flawlessness at the beginning of the work chain is essential.
7. **Over processing:** if you do not know what the customer really wants, extra things may be done during the process that are of no use to anyone, such as reports, extra inspections and even entire work steps. This waste includes doing things in large batches instead of organizing the work into smaller entities. This form of waste may occur when not enough real work is available or a sufficient level of quality of work is not jointly agreed. The experts incline to use their time to endless fine-tuning. (Torkkola 2015, 25-27.)

The original Toyota Productions System (TPS) only included the seven aforementioned type of wastes. Today, the 8th waste has also been widely used and recognized. It is important that the waste elimination becomes a part of daily work in organizations, and the teams continuously seek for potential source of waste and keep improving their processes.

8. **Wasted potential of people (skills):** this waste typically occurs when the organizations isolate management teams from employees.

> Management level workers usually concentrate on planning, controlling, innovating and organizing, while employees' tasks are simply to execute the work and to follow orders. It becomes harder to improve the internal processes, if the company does not engage the workers and hear their expertise and knowledge. Often the frontline workers are the most qualified to identify problems and thinking new solutions for them. (Skhmot 2017.)

An effective tool to visualize the macro-level processes are value stream maps that enables identifying the possible wastes on each step, and help to reveal potential opportunities for improvement. These maps offer the basis or foundation for the desired state. Value stream maps expose the flows for information, or product and the timeline for the process. The mapping visually reveals the possible breaks in the process (i.e. queues or other delays) and the biggest bottlenecks. The benefits of value stream mapping are getting a blueprint of the process flow, illustrating the states for improvement and it helps to specify an action plan for implementation of the found improvements. (Karen & Osterling 2007, 12-20.)

2.5 Actions to be Taken – Making Operational Improvements Stick

Making changes in operational field is not easy. Normally operations involve the biggest group of employees and the most expanded variation of different skill levels. Offices are scattered across dozens of sites around the world and each unit has specialized in different products or services and try to follow the guidelines of the corporate culture. Each unit has their own pressure from the local regulators, customers and competitors. All the above-mentioned factors bring disorder for the improvement programs and efforts to design and maintain new operational changes. To make these new ideas how to improve the current business stick, leaders should choose a softer approach. In the beginning of the process, it is important to create an enthusiastic atmosphere, where employees feel inspired. In this phase, senior leaders pinpoint the key goals and start to build an image and foundation for the upcoming changes. Sometimes companies forget how much of an improvement is possible. (Fine, Hansen & Roggenhofer 2008.)

Companies who want to improve their performance and to meet their goals need to focus on their technical changes, organizational processes, existing structures, and the employees' mind-sets. Aforementioned is the hardest part. People often identify strongly to their roles and see each other's as rivals. Especially the company veterans who have been working in the company already for many years, doing their job as they want or as they used to do, often may show resistance or annoyance for the new models and ideas. This requires actions from the management, such as coaching, identification of individual abilities and skills of having difficult conversations. These negotiations must take place before implementing new technical or structural operational-improvement changes. (Fine et al. 2008.)

Well-coordinated implementation helps organizations to achieve bigger and more sustainable results. Instead of launching the new projects company-wide for all employees, companies should start the transformation with one or two departments at the time and ensure employees understand, and can performance completely as desired, before moving on to other units. Doing implementation in this order and involving management level in the beginning will help to avoid general confusion. (Fine et al. 2008.)

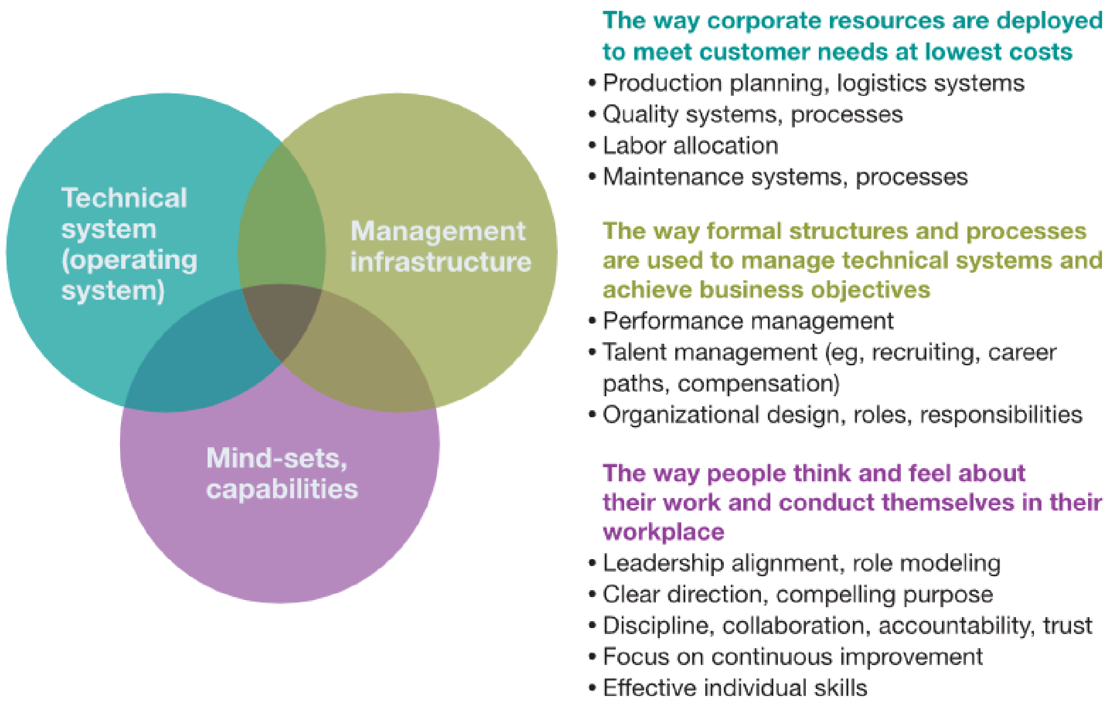

Figure 3. Successful enterprises take a balanced approach during the design and implementation of performance-improvement programs (Fine et al. 2008).

Changing or accepting new ways of working is often challenging and people easily slip back to their old habits. Lean leaders should show an example for their teams by their own actions. Fine et al. (2008) list six habits that Lean leaders can pursue to model wanted mind-sets and behavior for their employees:

1. Focusing on operating processes: By using visible activities (e.g. Conducting CEO level shop floor visits and Q&As) to indicate the influence of process and to encourage employees to make standardization a habit.
2. Root cause problem solving: Managers should not give immediate answers or solutions to problems. Asked questions are valuable teaching opportunities to challenge the team to do problem based learning.

3. Clear performance expectations: Having ongoing transparent dialogues together with the employees to track productivity and to discuss potential improvement ideas.
4. Aligned leadership: This means creating open and collaborative environment where process improvements do not stop at functional boundaries.
5. A sense of purpose: Connecting day-to-day work with tangible real life examples. This increases the feeling of meaningfulness and gives motivation, when you see the actual outcome.
6. Support for people: Managers should empower, recognize and demonstrate how valuable source of customer value the front-line workers are. Employees should also be encouraged to make important decisions by themselves.

3 DESIGN THINKING

Design thinking is a widely used approach to design and develop services, products, experiences, strategies, spaces and architecture. Main principles of design thinking is problem solving. Design thinking encourages us to think divergently, and think about the choices that have not existed before and apply those. It is also important to think analytically, where we pull apart the given problem and solve one piece of it, and finally be apply to assembly it back together in the end. Design thinking means thinking the integrated and holistic way. A classic tension, that is typical for design thinking is the tension between desirability (what meets the needs of people that we might be designing for), feasibility (what can we do with technology to make that possible) and finally viability (what makes sustainable and profitable business solutions). Any workable idea has to result from these three factors. (Brown 2014.)

Brown (2014) explains that when the design starts with the idea of focusing on people, it very rapidly moves to the idea of learning through making things. Going from speculating and thinking of what to build, to building in order to think. Prototyping often speeds up the innovation process. The faster ideas accomplish, the faster they get to the real world. This way companies can learn faster what works and what does not, and speeding up the prototyping can create an enormous advantage. He gives an example how design is shifting from being principally about how do we encourage the people to consume more to thinking how do we create meaningful inclusive experiences that we can build value from. In historical terms the 19th century really being about industrial economy, the 20th century being the consumer economy and the 21st century being the creator economy. He emphasizes the difference between the creator and creative economy: The creative economy is about the fact that there are certain places and parts in the world, and aspects of the economy that leads the creative people to want to participate in, while creator economy allows us all to participate in, often through very small kind of creative acts. This gives the platform to how important it is to find ways of collaborating and be creative how to create collaboration. Brown mentions fear as the biggest discouraging factor when it comes to collaboration: fearful situations block our creativeness, so it is important to build environments where people feel free to take risks and be playful, where they are willing to explore without the fear of failure. Organizations that want innovations to be part of their continued lifeblood should think about how to build time and spaces for their employees to be creative, meet and share ideas. The most important principle of design thinking according to Brown is ‘asking the right question’. The destination, the organizations reach in creative process often depends on the place where they start. It is important to define, what is the business model, company culture and they ways of communication and telling stories? These are all things where companies can apply design thinking too.

3.1 **Six Thinking Hats**

Six thinking hats is a business management and design-thinking tool, developed by Edward de Bono in 1985. Even the method is almost 40 years old; it still serves its purpose due to the timeless concept and approach. The purpose of this method is to help a design teams to understand the effects of decisions from six different viewpoints through the six thinking hats that are color-coded. Large corporations such as IBM, Du Pont, AT&T, Prudential, British Airways and Ericsson among many others have been using de Bono's method for years to improve their daily businesses. The key benefits of the tool according to the clients are:

- Its simplicity to use and implement
- Empowering and encouraging teamwork
- Enhancing quality of thinking
- Improvements in cross-cultural interactions
- Its availability worldwide and not being dependent on others
- Can be used at all levels in any organization
- Capability to modify behavior without attacking it and has been found to reducing conflicts (Edward de Bono 2020.)

Six thinking hats method is a concept that forces people to think one thing at a time, instead of trying to put all point of views such as emotions, information, creativity, hope and logic in work at the same time. The reason why this method brings out fruitful results is its capability to switch off the usual way of thinking and to help people to think variously about the matter in hand. (De Bono 1999, xi-xii.)

A good example of the parallel thinking is the de Bono's example of a house, where four people are standing around a house, each having a different view. They are arguing about what is the correct view of the house based on what they see. By using parallel thinking, all four need to walk around the house and see all four sides before they start to discuss about the house. Taking into consideration also all the opposite views they can now have discussion that is more constructive, and the subject gets explored fully. (De Bono 1999, 4.)

The method challenges to think instead of 'what is', 'what can be'. When using this tool, categorizing people on what they are good at, should be avoided. All six thinking hats are modes of behavior and some people might prefer one mode more than the other, but the point is that everybody takes turns to think and bring insights from all perspectives together, at the same time (parallel thinking). The tool has also proved to be very time saving, because the argument and responds are not needed; only parallel thinking where the outcome is the result. In normal argument situation, two opinions are against each other and they are argued about. With parallel thinking, the two (or more) outlooks are laid out alongside each other. Eventually if a decision is required, it can be made between the remaining options. Another benefit of the tool is its neutral and objective exploration of a subject. The key to success here is to remove the ego. In the United States, they have even suggested to use the six thinking hats during jury deliberations in the court. (De Bono 1999, 6-11.)

3.1.1 The White Hat – Facts and Figures

The white hat is like a blank paper – neutral, objective and free of emotions. Here are presented only the facts and information. When using the white hat, the focus is exclusively on information. Questions like, what information does the team have and what is still missing? What are the right questions to get the right information, and how to proceed? There are two different types of facts: hard facts that can be proved correct and soft facts, such as opinions and feelings. It is important to not show your own feelings here (that is considered as a red hat thinking), but only feelings that have been reported or observed. It is also important to narrow down the amount of information and focus the discussion to get the right kind of a data. The main purpose of the white hat thinking is to keep it practical and frame the information properly. White hat thinking stands for discipline, direction and indicates neutrality. (De Bono 1999, 25-46.)

3.1.2 The Red Hat – Emotions and Feelings

The next hat is the red hat, which is almost the exact opposite of the aforementioned white hat thinking. Red hat thinking is only for feelings, intuition and emotions. This gives the opportunity for the people to express freely how they think about the subject. It has been found very useful especially in the cultures, where showing your honest opinion can be seen defensive towards the managers (e.g. Japanese culture). When using the red hat thinking it is also important to receive answers from everyone attending the meeting. If someone does not have any special opinions or feelings, they can use answers such as ‘neutral’, ‘undecided’, ‘confused’ or ‘mixed feelings’. In case someone says mixed feelings, would be good to ask for clarification, that what feelings go into the mix. The reason why it is very important to go through the feelings aspect is to avoid the feelings to disturb all the thinking in a hidden way. If the suppressed feelings cannot be expressed, they will lurk in the background. (De Bono 1999, 47-51.)

The hardest part of the red hat thinking is resisting the temptation of giving justification or ask for logical explanation to the emotions, this is unnecessary for red hat thinking. For instance, if some says they do not like the proposal, they should only express the fact that they do not like it, no need to explain why. The red hat enables the group to delve into the feelings of the other group members and to hear their honest views of the topic. (De Bono 1999, 68-71.)

3.1.3 The Black Hat – Cautious and Carefulness

The black hat is probably the most used and important hat. This hat stands for caution, carefulness and even for survival. Black hat thinking avoids us doing things that might be dangerous, unprofitable, polluting or even illegal. The hat can also been seen as the basis of Western civilization due to its element of critical thinking. Critical thinking goes hand in hand with argument, where typically contradictory and negative points are stated. During the meetings, it is very important to pay attention that the thinking does not degenerate into an argument. Black hat thinking is critical about points that might not be in line with the resources, policy, strategy, ethics, values and so on. It also protects us not to waste time, money and energy on wrong things. The benefit of six thinking method is that it gives a limited time to think cautious and give critical points. Outside the black hat thinking, other things are focused, and the process does not only concentrate on negative aspects, which is typical for most of the meetings. For example, in a case where 95% of the statements are good and 5% needs improvement, people often get stuck criticizing the small 5% minority that is imperfect. (De Bono 1999, 73-75.)

One of the most important functions of the black hat is the risk assessment. It is also important to notice, that there is a difference between academic thinking and ‘real-world’ thinking. Academic thinking describes, gives analyses and explanations. In comparison, real-world thinking has the action element that involves also the operational side. Due to this, risk assessment and management needs to be thought also from the real-world aspect to see how it might influence the process in the future. The team should ask questions such as: what will happen if we implement this action? Are there enough resources? How will our clients and competitors react? What are the potential problems we might face? What will happen to our profitability? (De Bono 1999, 83.)

As indicated earlier in this chapter, black hat is an excellent tool and one of the most important hat. However, like many supreme things, there is a risk it can be abused and overused. People often find it easier to be critical than being constructive. While using the six thinking hats method, people will learn the benefits of the tool and build skills in other five hats that may not come as naturally as the black hat thinking in the beginning. The most importantly, black hat thinking draws our attention to matters that need our attention. (De Bono 1999, 86-88.)

3.1.4 The Yellow Hat – Positive and Constructive Thinking

Yellow hat stands for optimism, benefits and seeking out the value of the ideas. It is also important to find ways how to put the idea into practice. The yellow hat can give a great value for the thinking process – some ideas may pop out to become game changers at this point. People often forget that being positive is a choice. This hat forces people to inspire and look at the sunny side of the idea and its benefits. Along with a positive assessment comes curiosity, pleasure, looking into to the future, greed and a boost to make things happen. Many people are naturally positive-minded and almost everybody is positive when it comes to his or her own idea, especially if they see something in it for themselves (self-interest). (De Bono 1999, 91-94.)

Yellow hat thinking can also be seen as a constructive or reactive thinking. Proposals are made to improve the ideas and the processes. The ideas do not need to be new ideas, but to offer a way to get things done, by being effective and generating alternative approaches towards the problem, that also permits visions and dreams. Key word here is effectiveness. (De Bono 1999, 103-114.)

3.1.5 The Green Hat – Creative Ideas and New Concepts

Green thinking hat is for creativity, new possibilities and ideas. Creativity is the key component of thinking. People who never considered themselves as creative persons, will now give their creative effort due it is expected from them under the given time. This hat requires actions: 'what do you think of this idea? 'We could do this or that'. Green hat's purpose is to offer new fresh ideas to improve the current situation and its aim is to change things for better. This hat also is the most important hat, when talking about actual results and possible developments. Provocation is a powerful support action for green thinking hat. Creative thinking sometimes needs a trigger, for instance ideas that are deliberately illogical, in addition to provoke new ideas. In many cases, creative thinking cannot be forced and sometimes there are no new ideas. It is important not to judge the group because of this; the most important thing is that the effort has been made. (De Bono 1999, 115-118.)

The brain is built for judgement, criticism and recognition. That is why creative thinking can be seen challenging and frightening, because of its controversy to the natural habits of recognition. People in general want to feel secure (especially about their opinions). Creative thinking steps out the comfort zone and involves provocation, exploration and risk taking. Modern thinking culture relies mainly in processing of available information, such as mathematics, data, statistics, language and logic. All of the above-mentioned processing systems are dependent on the words, symbols and relationships provided by perception. Creative thinking, also known as lateral thinking offers alternatives to the already established patterns. Lateral thinking also commits attitudes, movement (forward effect), steps and techniques. (De Bono 1999, 119-124.)

De Bono (1999, 129-130) encourages teams also to use random provocation to give fast forward moving value to the thinking process. He uses the ‘po’[2] (provocative operations) method to provoke new ideas. He gives following examples of the po-thinking:

- Po: cars should have square shaped wheels
- Po: executives should promote themselves
- Po: a polluting factory should be located downstream of itself

The last mentioned example has actually led to the idea of changing the legislation so that any new factory built alongside a river, needs to have its water intake downstream of its own output to be the first one to notice possible contamination. So to say, po-questions force us to think alternatives, we would not normally consider as options. Provocation does not always have to be illogical or absurd. Serious ideas, that people would normally dismiss as a black hat thinking, can be used instead as a provocation under green hat thinking.

3.1.6 The Blue Hat – Thinking about Thinking

The last hat is blue that stands for overview, defining the subjects and overall control – like the conductor of the orchestra. When using the blue hat in the beginning of the thinking session, it draws a guideline and purpose for the process, will define the problem or situation and lays out the achievable targets. During the meeting it is blue hat’s task to keep the discipline, ensure people stay on track and to announce which hat will be used and when. Normally, the facilitator or chairperson of the meeting carries out blue hat role and this is a permanent role. In the end of the meeting, blue hat’s task is to ask for the summary, conclusion or outcome of the thinking process. These can be the action steps for the future or if necessary, topics for the next session. (De Bono 1999, 147-148.)

Blue hat does not involve into the topic itself, but mainly finds ways how to explore the subject and symbolizes the overall control of the situation. Facilitator’s (blue hat) task is to ask the right questions, help the group to define the problem, decide which hat will be in use and keep the focus. The best way to maintain the focus is to ask defining questions and give frames to the topic. There are two types of questions: fishing questions and shooting questions. Fishing questions are like putting bait on a hook and wait what is the catch. Shooting questions can be used to verify some points and answers are always ‘yes’ or ‘no’. (De Bono 1999, 149-155.) Finally, even the blue hat task is assigned for one person; other participants are allowed to offer blue hat comments and suggestions as well (De Bono 1999, 172).

[2] “The word po may also be regarded as arising from such words as hy*po*thesis, sup*po*se, *po*ssible and even *po*etry.” (De Bono 1999, 129).

3.1.7 How to Use the Six Thinking Hats

A good example of the six thinking hats method is to consider it as a map-making type of process, where the 'terrain' is first explored and noted, next possible routes are observed and finally the right path is chosen. Map-making and following the navigation requires structure. Each hat on the way will guide the group towards the destination like a compass. (De Bono 1999, 151-152.) In real life, there might be some overlapping among the different hats, as yellow and green hat have some similarities, same as white and red hat thinking, where facts and opinions can be mixed. It is not dangerous to mix the hats, but it is important to make conscious efforts to stay on the given matter. (De Bono 1999, 168-169.)

During the meeting, it is vital to keep the discipline. It is important to remember that the hats should not be used to express what someone wants to say, but instead the hats will indicate the direction in which to think. To avoid the conversation sliding back to argument mode, the facilitator's task is to make sure people keep focus on the given hat color during the time. To keep the conversation as effective as possible and to prevent aimless waffle, the facilitator should also set a short time to keep group members focused. De Bono suggests starting and ending the meetings with the 'blue hat' thinking – like the book covers. (De Bono 1999, 19-21.)

Blue hat in the beginning of the session	**Blue hat in the end of the session**
Why we are here?	What we have achieved?
What are we thinking about?	
What we want to achieve?	
Where we want to end up?	

Figure 4: Blue hat thinking in the beginning and the end of the thinking session (De Bono 1985, 19-21).

In general, the biggest enemy of thinking process is complexity that often leads to confusion. The six thinking hats makes the process clearer, more enjoyable and thereupon more effective. It is not surprising, that by using the six thinking hat tool the solutions normally born by themselves as the process ends. The process is similar to any thinking that includes comparing between pros, cons, feelings and facts, except that it covers all the aspects one by one very thoroughly and systematically. Finally, all the decisions are in reality 'red hat decisions'. After all, final decisions are nine times out of ten emotional. This method works the best way, if everybody in the organization is familiar with the rules of the process, and it has become a common way of working. In the beginning, it may feel a bit awkward and funny to use the hats, but when people get used to it, it becomes a natural and fast way of getting quick answers for gaining progress. (De Bono 1999, 174-177.)

4 WORK WELLBEING AND EFFICIENCY

According to the Confederation of Finnish Industries (Elinkeinoelämän keskusliitto) work wellbeing consists of good management, meaningful tasks, rewarding of work, trust and good communication, development of competence, safe and healthy working environment. Things that affect working ability are for example health state, functional capacity, professional competence, attitudes and motivation, and factors related to work conditions. Well-being at work, promoting work ability and strengthening work resource factors are an important part of the company's management and supervisory work. (Elinkeinoelämän keskusliitto 2020.)

4.1 Realizing the Problem – Avoiding Burnouts and Chronic Unhappiness

Torkkola (2015, 19-20) describes well a normal everyday situation at the office: People working individually, everybody staring at their computer screens, writing emails and making phone calls. These people love the freedom and variety of their work, but on the other hand, daily workload is too heavy, internal communication is not functioning and everybody does little bit of everything. At the same time management, level requires employees make, as much savings as they can, and clients demand lower prices and more service.

Many companies and managers try to optimize the human capital, by multiteaming employees to work with several projects at the same time. It is considered to add efficiency and brainpower inside the departments, especially in the knowledge work. This situation is not sustainable though, hence people have their personal maximum capacity they can offer. When employees are pushed to the limit and signs of burnout start to appear, also efficiency level and productivity will drop. (Mortensen & Gardner 2017, 60.)

Things that stand in the way of a company's success and ways that destroy staff productivity are following: No flexibility is given and personal needs are not considered. Leisure time, social relationships and any activities that are not work-related are neglected. Focus is constantly on work and impossible goals and schedules are set for the staff. Overtime arises, and people are given unreasonable and dull tasks, which do not motivate them. Also creating a culture of competition in the workplace, eroding trust between individuals and not having an open communication are easy ways to kill the productivity of the work community. (Työterveyslaitos 2014.)

According to the calculations made by the Finnish Institute of Occupational Health, distress at work costs 41 billion euros annually in Finland. This astronomically high amount consists of early retirement, sick leaves, work-related accidents, and inadequate labour productivity caused, among other things, by coming to work when being sick. Sick leaves costs companies because companies only make profits when people are at work doing work. In addition to this, there is also a so-called hidden cost called presenteeism, and it is of the same order of magnitude as sick leave. Presenteeism arises when people have sore backs, a mild flu, feeling tiredness or suffering from some mental health problems. (Työterveyslaitos 2014.)

Fortunately, there are ways to prove that well-being at work can improve a company's performance. Ahonen (2014), a professor at the Finnish Institute of Occupational Health, identifies three ways in which company management should take into account to advance its employees' well-being:

1. By adding flexibility
2. By increasing the meaningfulness of the work
3. Business management should be more involved in making measures to promote well-being at work. (Työterveyslaitos 2014.)

4.2 Personnel is the Company's Biggest Asset

The importance of employees is emphasized in the companies that have chosen the Lean approach. How to implement the basic working practices most effectively is explained in this chapter: Work that requires special attention for the safety of the personnel or for the environment also needs high discipline, which is followed by everyone in all matters. It is also important that either it was the management level or blue-collar worker job, everybody has a good knowledge of different areas of the job, and they have flexibility to switch or change their personal job tasks if needed and move fluently from one sub-area to another. (Slack 2016, 504-505.)

Lean companies usually stand for equality when it comes to personnel politics and salary payment terms. The personnel are also offered equal opportunity for development and building their personal skill sets. This also gives autonomy and the power for employees to intervene in situations where problems arise, whether it is part of production or service provision, basically, whatever is needed to support the process flow. In general, total people involvement is part of the daily work: Everyone is expected and encouraged to take more responsibility and to use their talent in creative way. The staff is given the power to take part in decision making, like creating budgets, solving problems, planning and operations management or even for recruiting new employees. As important as delivering goods or services on time and cost efficiently, is the quality of working life. Lean philosophy tends to offer the best possible working environment for its employees, where they have well working facilities, possibilities to influence in decision-making and secured employment contracts. By given the chance to use individual creativity has showed to improve staff's motivation and quality of work too. (Slack 2016, 504-505.)

What then makes a good leader and how leadership is earned? Viirkorpi (2007) explains that a good leadership is built on three different factors: these are organizational sources of power, interactive influencing and personal factors. **Organizational sources of power** is a position in the management hierarchy, power to reward and give sanctions, managing resources, i.e. creating dependencies, central role and irreplaceability, and built alliances. **Interactive influencing** means constructive and equal treatment of others, reliability and capability to foresight, an appropriate relationship between dominance and the presentation of control, clarifying situation assessments that alleviates uncertainty in the community and skills to develop new solutions. A good leader is encouraging and attitude towards work and employees is rewarding. **A good leader's personal qualities** include sense of proportionality and balance, expertise, credibility, persuasion skills, self-confidence, energetic approach, determination, perseverance, tolerance for uncertainty, moral acceptability, idealism that corresponds to prevailing perceptions of a good leadership. In addition, the reputation and personal charisma of the leader are also important.

Viirkorpi (2007) defines the factors that affect an individual's ability to do and grow their skills in the work life. This consists of four different topics. First one is **work ability**, which includes the physical and psychological conditions to do the work. The next point is **taking responsibility** that comprise motivation, initiatives and commitment. Third comes **expertise** that means knowledge and competence, ability to solve problems and to develop solutions. The last factor is **achievements** such as diligence, urgency, skills to use tools, organizational and community skills. All the aforementioned qualities will grow and develop over time and everybody has the opportunity to get better and become an expert on their field.

4.3 A Highly Productive Organization

To learn how to make organizations highly productive we first need to understand the possible problems and obstacles that are blocking the way. Often the most common reasons that slow down organizational development are the immature organizational culture and slow bureaucracy, when even the smallest improvement ideas can become distressing and people do not want to take the initiative to make changes. In this case, the organizational culture does not support the idea of renewal of the organization. Sometimes the management unconsciously prevents the organizational development by underestimating the suggestions coming from the work community, thus they do not see a clear link between the proposals and increased results and business performance. (Kesti 2014, 66-67.)

Kesti (2014, 67) gives an example, where the employees asked for a possibility to have a coffee break together with the colleagues once per day. The management shoot down the idea and saw it more necessary to invest into a new IT-software. It would have been more profitable to allow one informal coffee break, where employees could have shared thoughts and ideas, and grow the feeling of togetherness. Without these informal breaks, everybody had to struggle with their own problems, repeatedly correct the same errors and seek for the same information, which would have been easily solved by having discussions with the peers. The low atmosphere and lack of cooperation at the work place eventually increased the amount of unnecessary work and caused waste to the working process.

Another obstacle is a situation where the management does not see the staff development activities as a potential investment target, but only as another cost, that needs to be kept to the minimum. Development activities not only include training and time, but also external procurement such as ergonomic tools and improved information systems. All kinds of development require investments: internally as a use of working time and externally in the form of service purchases. Possible conflicts between the employees and the management also increase the stress level and decrease the creativity and willingness to make innovations and give ideas. When employees seek to avoid conflicting situations and open communication with the management, many important development issues remain unaddressed. (Kesti 2014, 67.)

After facing many neglecting experiences and having many negative feelings, employees may start to resist even the positive changes. When making changes in the companies it is essential to have a good interactive communication between the supervisors and peers. This is the best way to build the trust and confidence for the future and increase the group spirit. When the employees feel that they are not being told everything and things are kept as a secret, they start blaming the internal communication. As said, open communication should be automatically part of the daily work life. Development measures must be embedded in the organization's operating methods, otherwise they will not last long and remain detached. Continuous development actions will not become a permanent way of working unless they are systematically linked to the company's HR (human resource) practices and working methods, or if the reward system does not support the desired development. Similar issues will occur if the development personifies in only a few individuals. (Kesti 2014, 67-68.)

Building trust gradually takes time and can be lost quickly with treatment that is perceived as unfair. When human success factors are utilized and developed successfully, companies can refine their intangible capital and have better risk anticipation capabilities to gain more opportunities. Productivity, innovations and competitiveness are created in the group, when the staff experiences cohesion and feels appreciated. Also, the given goals will be identified as common challenges for the group, instead of as an individual burden. (Kesti 2014, 68.)

People have a different kind of performance scale: someone’s 80% efficiency can be less than another’s 50% performance. Human factors are complex and organizations are intelligent systems including individuals intertwined in their life situation in relation to each other. Doing the right things can do better with much less efficiency than doing the wrong things with high efficiency; doing actions that bring quality, requires an understanding of the whole, in which case the right things are done thoughtfully to produce the best results. (Kesti 2014, 72.)

The development of human resources can improve a company's financial competitiveness. It therefore appears that intangible human capital is also a factor of production, as it is human resources. However, traditional business analysis methods do not explain how human resources affect business results. Several case studies have found a link between staff development, cost savings and business results. There are also several studies, that show no evidence or the result is the opposite. The lack of having a truthful and logical model of the link between human resources and finances can complicate management’s decision-making even further. (Kesti 2014, 12-13.)

Productivity refers to the ratio of input to output. Productivity is thus improved either by producing more with the same input or by producing the same with a smaller input. Productivity refers to the ratio of input to output. Productivity and operating capacity are interrelated: if operating capacity can be increased with the same input, then productivity will increase. Unfortunately, companies often seek to improve productivity by reducing human resources, which leads to cuts in operating capacity or increased variable costs when missing capacity has to be replaced by purchasing services. Only if human resources are underused, productivity can be improved by reducing resources, because the output will not decrease. The risk of staff reductions is that the cuts will reduce the performance and motivation of the remaining staff, leaving a reduction in output even if, in principle, the number of staff is sufficient. (Kesti 2014, 12-13.)

The quality of working life can be improved, for example, by increasing the opportunities for staff to influence their own work. Each work community group is its own entity, which should support the collective improvement of the quality of working life. This includes the activities of supervisors, a common operating culture and various processes. In general, these three organizational capabilities form the basis of quality of working life. By purposefully implementing the jointly agreed improvements, a change in both well-being at work and productivity, will be achieved. This improves the smoothness of work, which reduces quality errors and increases effective working time. Efficient working hours, in turn, increase business capacity without increasing personnel costs, and this way improves the company's productivity. Improving the quality of working life has a positive effect on keeping the people and it supports employees’ work wellbeing. (Kesti 2014, 17.)

Figure 5: Development in cause-effect relationships of human factors (Kesti 2014, 73).

4.4 Balanced Scorecard by Kaplan and Norton

Balanced scorecard is an effective framework and a strategic performance management system, invented by Robert Kaplan and David Norton in the early nineties, that connects a company’s financial indicators with performance measures for customers, internal processes, and improvement actions and innovations. Scorecard also translates company’s strategic objectives into a meaningful set of performance measures. This management system motivates teams and units to breakthrough improvements in many demanding areas such as product, process, customer and market development. All the scorecard’s measures are linked into an organization’s strategic objectives. This limits down the number of critical indicators and this way helps managers to keep the focus on strategic vision. As traditional financial statements always show the results from the past, the balanced scorecard functions give additional value to organizations by reflecting a company’s current and future success factors. (Kaplan & Norton 1993.)

The balanced scorecard outlines the main points for the organization’s efforts, communicates and defines the priorities to supervisors, employees, investors and even to the customers. The scorecard starts with the preparation and is suitable for any business unit that has its own customers, production facilities, distribution channels and financial performance measures. Next, the senior management level has a workshop and studies the background materials, such as the organization’s mission, vision, strategy and other internal material. In some cases, it might even be considered to interview the most important shareholders to hear about their targets related to the financial performance of the company, and key customers to learn about their expectations regarding the performance of the supplier. After studying all the background material, the top management team will together undergo the scorecard development process by linking measurements to the strategy. (Kaplan & Norton 1993.)

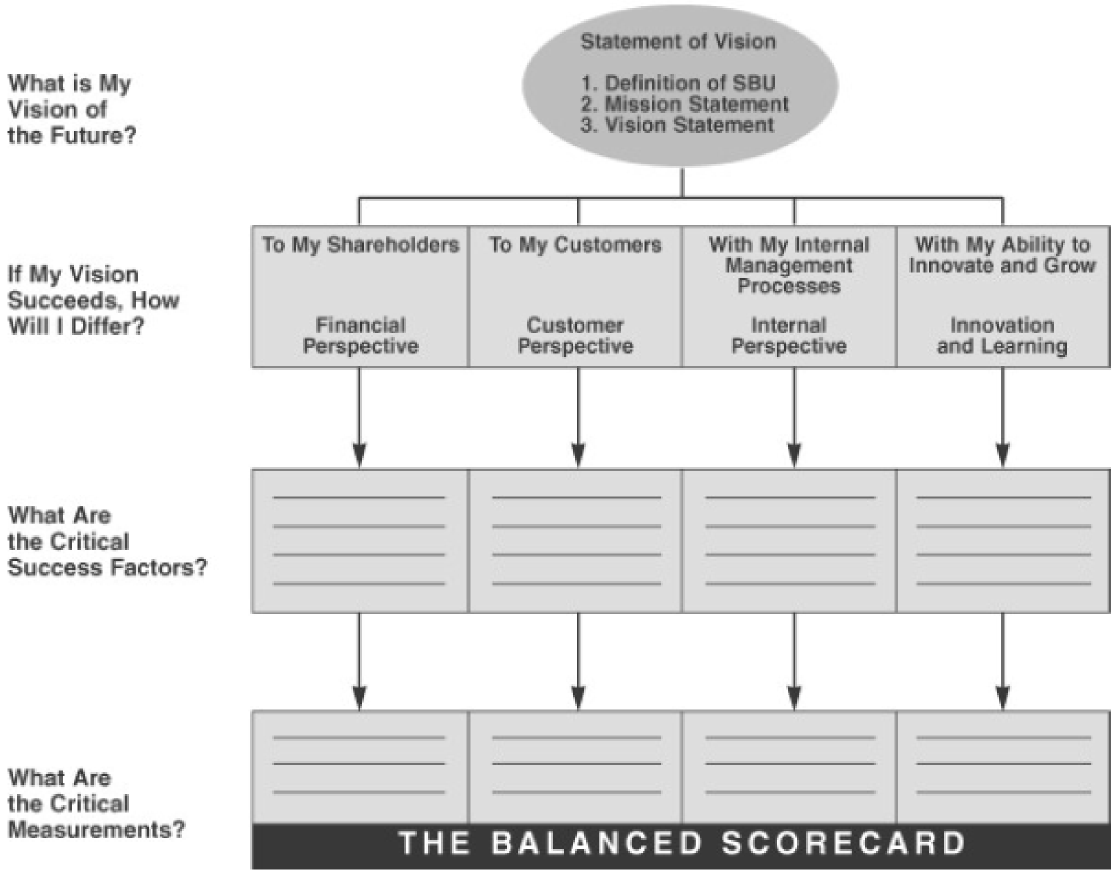

Figure 6: Begin by Linking Measurements to Strategy (Kaplan & Norton 1993).

At this point, the group then moves from the mission and strategy statement to answer the question, "if I succeed with my vision and strategy, how will my performance differ for shareholders; for customers; for internal business processes; for my ability to innovate, grow, and improve" (Kaplan & Norton 1993).

During the workshop(s), the executive team defines the final consensus on the vision, objectives and measurements to be developed further, and expands the targets for each measure on the scorecard. The purpose is to identify initiative action programs that will eventually lead to achieve the wanted targets. It is important for the group to make an implementation plan, including the ways to communicate the scorecard to the employees, make sure the scorecard will be integrated as a part of the management philosophy and finally to build an information system that supports the scorecard. Implementation phase incorporates linking the measures into to databases and already existing information systems, communicates the balanced scorecard throughout the business unit and organization, and finally facilitates the development of second-level metrics for decentralized units. Eventually the usage of the balanced scorecard will lead exclusively new executive information system that ties together top-level business unit metrics down to shop floor. This enables developing site-specific operational measures to follow. After the scorecard has been implemented as a part of the company's operations, the management team should have quarterly meetings where they review the results and afterwards communicate and discuss the outcomes together with each department. The balance scorecard should be revisited annually as part of the organization's strategic planning, goal setting, action plan identification, KPIs (key performance indicators) monitoring and resource allocation processes. (Kaplan & Norton 1993.)

The balanced scorecard includes four different perspectives and across these four perspectives, a company can define its action plans and KPIs. The first perspective is financial. This includes for example ways to make money, deliver profit and grow revenue – in general, it means defining the financial goals. The next perspective is the internal business processes. Here it is important to think, what are the areas where the company is good at internally? What are the key areas we need to focus to be able to deliver our customers and ultimately be able to deliver financial results? Here a company should focus on marketing, product development, relationships with partners, or whatever the key goals might be, that gives it the competitive advance. (Bernard Marr 2019.)

The third perspective is about learning and growth. It includes three key elements such as human capital (e.g. employees, their skills, recruitment, staff engagement, etc.), organizational capital (e.g. organizational culture, the leadership, the structure of the business, etc.) and information capital (e.g. data and data flows, data systems, IT infrastructure, etc.). The last perspective is about customers. What are the segments we want to be targeting? Are there new products or services that will be launched and overall what are the priorities around customers and markets? Together these four perspectives are the enablers of any business. These four aforementioned perspectives are not mandatory, but they are intuitive and essential for any commercial business, where a company wants to deliver the best possible products or services for the customers and be internally efficient. It is possible to add the fifth or sixth perspective into the scorecard. They can be for example technological, community, social responsible or environmental performance perspectives. (Bernard Marr 2019.)

In balanced scorecard implementation, it is important to have a relationship between all the perspectives. It is cause and effect relationship where the company invests in its enablers, which then support its internal processes, which then helps to deliver to the customers, who would then help deliver financial performance. After defining the balanced scorecard, a company should create a commercial strategy map, where all the perspectives are layered, and next goals are identified and linked together. After the goals are set, an action plan should be made, where the company decides the actions to be done to deliver their strategy, and finally to which metrics they should use to monitor the delivery of their strategy. With all these functions, companies can collect data, have regular reports and dashboards that will help to track the process. (Bernard Marr 2019.)

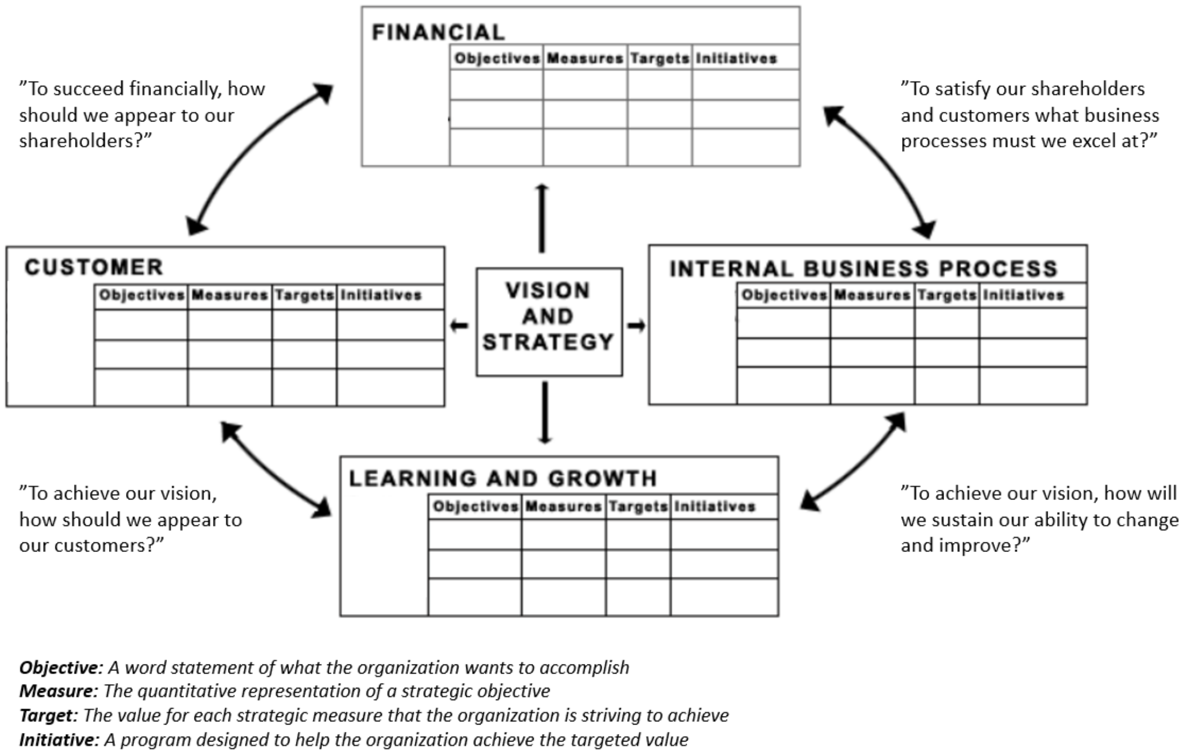

Figure 7: The Balanced Scorecard: Translating Vision and Strategy into Four Perspectives (Kaplan & Norton 2002).

Balanced scorecard as a tool enables organizations to understand, where to focus to achieve improvements and organizational effectiveness. It sets long-term goals and both, internal and external perspectives have been taken into account. It helps managers to find ways to implement continuous growth and to see the big ideas for future breakthrough performance. The balanced scorecard is a key tool to open discussion regarding the company’s focal points and it draws the attention to main questions that are “how do we become our customers’ most valued supplier? How do we become more externally focused? What is our division’s competitive advantage? What is its competitive vulnerability?” By using the balanced scorecard, organizations can dive deeper under the surface and find the real actions that will link their daily operations into their strategy and vision. (Kaplan & Norton 1993.)

To succeed, it is very important that the organization’s strategy is understood and accomplished by everyone. All the operational activities must be aligned around the company’s strategic goals and the strategy needs to be introduced and translated into terms, which are easy for everyone to follow, and keep focus on where the company is heading. Balanced scorecard enables to eliminate these barriers, unlock the strategy and translate the abovementioned issues into practice. To improve the dynamics of the executive management team, and to ensure the objectives set in the balanced scorecard succeed, it might be useful to add functional specialist into the management group to enable cross-functional, focused and integrated team. This could for example mean adding someone from the operational or marketing team, depending on the strategic approach. (Kaplan & Norton 2001.)

5 EMPIRICAL STUDY AND METHODOLOGICAL CHOICES

5.1 Research Methods

One of the chosen research methods for this study is de Bono's Six Thinking Hats. The reason why this method will be applied to gather data is its capability to encourage parallel and full spectrum thinking. It also helps to separate ego from performance and teaches critical thinking. This method should be used when the context and users are known, and frame insights exists to generate new concepts and solutions. The optimal number of participants is 4-8 people. Here is the guideline how to use this method:

- White hat – Presents the facts
- Green hat – Generates ideas on how the issue should be handled
- Yellow hat – Evaluates the ideas
- Black hat – Makes a list of the drawbacks
- Red hat – Collects the feelings about alternatives
- Blue hat – Summarizes and finishes the meeting or the outcome

(Curedale 2013, 354.)

The second method used in this thesis was the Balanced Scorecard by Norton and Kaplan. It is a great method, especially for organizations that are looking for ways to intensify their business or are facing challenges. As the commissioner company X is in need for both, the tool helps to clarify the company's strategic goals as a part of the daily work. During the history, multiple studies have proved that the organizations, who were early adapters of BSC method, successfully executed their strategies and achieved good results in such a short time. All the companies already had all the capabilities for succeeding in their breakthrough results: same group of employees, already existing facilities and in mostly the same products and services. (Kaplan & Norton 2001.)

5.2 Research Approach and Data Collection

This study utilizes qualitative research methods. A study conducted by using a qualitative research method looks at the meanings of things that are interpersonal and social. Meanings occur as relationships and the entities they form. Meanings of the entities, in turn, manifest themselves as events originating from and ending in people, such as ways of working, thoughts, goals, and structures of society. Due to the nature of the qualitative research method and the interest in information, the research emphasizes three aspects of the research subject. These are the context, the intention and the process of the phenomenon. (Vilkka 2005, 97-99.)

The context means that the researcher has a clear and descriptive picture of the matter, for example social, cultural, historical or professional contexts of the subject or phenomenon being studied. This requires describing the environment in which a phenomenon or thing occurs, such as time, place or social network. Intentional consideration means that the researcher observes in the research situation the motives or intentions associated with the subject's expression or action. A process related to a qualitative research method refers to the relationship between the research schedule and the production conditions of the research material and the researcher's understanding of the subject under study. The research schedule is relevant to how deep it is possible for the researcher to get into the matter or phenomenon under investigation. (Vilkka 2005, 99.)

As this was a working life development project, two separate focus group interviews were selected as a meaningful way to gather material for the research. A typical focus group interview is a situation where 6-8 people are invited based on their knowledge and expertise, and those invited can be expected to have the power and influence on the matter under consideration, and the ability to bring out change in their environment. A goal for the group has been set in advance, and it can be for example a need for developing new ideas, revealing demands and attitudes, or other kinds of developing activities. The group has an external facilitator or chairman, and the interview situation normally lasts up to an hour. As a supportive material for the data collection, it is possible to use tools such as videotaping or recorder in the situation. (Vilkka 2005, 102.)

The first group included four persons, who are responsible of daily customer service and operation planning activities. The second focus group was three persons, who are responsible for the local management activities. Due to the small size of the organization, the focus groups were quite small. Both of the interviews were conducted in a modified way, due to the special situation caused by pandemic COVID-19. During the quarantine, most of the local team’s employees worked in a home office and this forced people to adapt the use of remote tools. Fortunately, current technology allows us to have good conditions for homework and the same goes for gathering research material and conducting interviews.

The assignment for the first group was to define the current working situation at company X, Turku office from the employees’ perspective. The focus was to think how the office works. How is the atmosphere at the office? What should we change to be more attractive workplace and ways to increase work wellbeing? The interview was implemented online by using Microsoft Teams.

The second part of the empirical study, the traditional balanced scorecard was built in cooperation with the management team of company X. The meeting included three persons and was conducted via skype teleconference call, in the duration of one hour. The group had been informed one week before when the actual meeting took place, so they could prepare themselves in advance. The time window for the objectives mentioned in the balanced scorecard were set for the next 12 months.

6 DISCOVER – CURRENT SITUATION

The current ‘work environment’ situation was defined by using a hybrid version of de Bono’s six thinking hats method. In normal circumstances the data collection would have been held at the office as a brain storming kind of a situation, but due to the COVID-19 pandemic, a little creativity was needed, which led to use Microsoft (MS) Teams as a digital platform for the idea creation session. Participants were given two days’ time to fill in their thoughts regarding the current atmosphere at the office. The survey was MS Excel based table, where each hat had its own color-coded box. The group was narrowed down into four people that are all members of company X customer service representative team.

6.1 Facts, Figures, Feelings and Benefits

First the group defined the facts about the current situation regarding working environment at company X as follows: Currently we have an office that consists of 14 people in total. This includes two separate teams – network team (business as usual) and local cell unit (development activities), plus the sales and management team. Work is done in two shifts from 8:00 till 16:00, and 10:00 till 18:00. The office space is one big open office room and one separate smaller room for sales manager. Due to this, the noise level is time to time quite high, when people are talking on the phone or with each other. The study group suggested, that it would be more beneficial if the big group would be divided into smaller groups in separate spaces, and having the management located detached from the frontline workers, as their presence was felt sometimes too pressuring or stressing. The office is located in a central area of Turku, with good commuting options and free parking provided by the company for those who are in need. The quality of work is fast-paced and sometimes working days can be long and stressful. Target goal at the moment is to achieve minimum 800 transportations on a monthly basis, and since the beginning of this year, Turku office started locally training customer service representatives with sales activities (CS commercialization project). Related to this project ‘the new sales team’ has bi-weekly meetings with the managers where they follow up the progress of the increased sales activities.

Next, the target group was asked about their feelings regarding the current situation at the office. The overriding feeling was frustration. Team members described the group spirit between each other as good, but the ‘nothing is enough’ mentality from the management side was seen as pressuring and pushy. Many people sometimes felt stressed about their job and pointed out that appreciation for the work done is not expressed enough by management. Moreover, when it was expressed, a need for improvement was called for which somehow negated the commendation. Team members also felt frustration about the fact that customer service duties are not seen as a real work, but rather as a mandatory by-product, and they felt that the management wants to transition to full on sales and main initiative on commercial activities for everybody. The group also felt that there is more focus on blaming other people instead of finding ways to solve issues together, and they felt that the manager should control his emotional outbursts better, and to control his frustration towards the employees. The amount of work was seen burdening and team members were afraid that they cannot deliver as good customer service as they hoped for, due to the amount of many tasks. This again made them feel inadequate and they were hoping it would not reflect to the end customers. Luckily, people felt empowered by the fact that everyone supports each other inside the team when needed, and also felt getting support from their team leader.

The third part of the thinking process was to think of positive aspects and benefits. The group found the work in a logistic company rewarding learning wise, thus it covers so many areas of business life, such as customer service, operational planning, sales, budgeting and following the targets. In addition, international team locally and interactions with colleagues from other offices were seen as an interesting and positive aspect. The work itself is as well international with majority of the clients coming outside of Finland. Provided working tools were seen in a positive light. This includes the IT-systems, having two screens per person, adjustable tables that enable ergonomic working position, good metric systems to follow the key performance indicators (KPIs) and finally the chance to work remotely. Provided occupational healthcare and dental care benefits in the private sector were praised. The occupational healthcare unit is located in the building next door, which makes it easily accessible and convenient. X also provides it employees travelling insurance that covers work and free time travelling. The company also provides annual Smartum culture and sport coupons for each employee. Team members appreciated the existing chances for professional progression within the company. Delivering good customer service, getting new sales, making profit and building long lasting relationships with the clients brought the team a great joy.

6.2 Cautions, Negative factors and Creative Solutions

In the final part of the thinking session, the group was asked to point out issues, cautions and negative thinking, and afterwards to find solutions to fix them. It came pretty clear that everybody felt that in the organization there was no discussion culture at the workplace, all decisions were always made from top to down, and people had a feeling that the management was unwilling to hear what they had to say, and the company lacked a certain kind of democracy and opportunities to influence on things. A lot of time is wasted due to unnecessary hustle and micro managing. It turned out that the management and employees valued different things: when management valued the increase of sales, improving earnings and revenue, and reducing labor costs, not only did the employees also give value for good results but also community, a good work atmosphere, and team accomplishments. Because the valuation and importance of things do not meet, this creates friction between individuals. The group also agreed that the induction of new employees is superficial and incomplete, which leads to uncertainty and unclear roles. Employees also do not know much about each other's work tasks, which makes it difficult to rotate tasks and do work when a colleague is ill or on vacation. The group felt that the managers do not listen and believe, when told that there is already much to do.

What frustrated the employees the most was that they felt there was a lack of trust in the office and they were constantly pushed to find more clients and engage in commercial activities. They were afraid that the quality of their work might decrease, when they do not have the time to finish all the new given assignments on top of their old job. When working in a constant rush there is higher chance for mistakes and this can show as a negative performance to the clients, and increase the amount of waste in the work process. Due to the cumulatively growing amount of work tasks, the workdays are often long and there is bigger risk of burnouts for the reason that the time to recover from work remains short. The group also criticized the fact that all major briefings and meetings take place on Friday afternoons, right before the weekend.

The group also found many ways to upgrade and develop the current situation. They said that improving internal communication by involving employees more in decision-making and listening their opinions would create mutual trust and increase innovativeness. Employees hoped for a genuine presence, appreciation, emotional intelligence and recognition for a job well done. Also adding knowledge about other departments' tasks by cross working between the teams was seen as an advantage. Employees emphasized the importance of creating time to succeed in the given work tasks. A solution to work more focused and effectively could be introducing and applying Lean management concept and tools to everyday work. To be able to concentrate better, they suggested having an office with more rooms, thereby to be able to decrease the voice-level and providing people headsets or earphones, so that they could type with two hands while writing notes. Finally yet importantly, the open internal communication was seen as the most important factor in improving the work atmosphere.

6.3 Overview of the Thinking Session

Like de Bono (1999) accentuated, especially in the Western societies, people tend to argument, and it is easier to think critically than concentrate on the benefits and things that are working well. It is also more natural to think about things that are wrong, when comparing the current state to the ideal future environment. This was also the case in this study, as black hat thinking produced the most responses and the giving of answers became more natural than during the other hats. All things considered, everybody agreed and appreciated that the employer provides good benefits and safety factors, when it comes to facilities, healthcare, work travelling, rewarding (other than monetary), location and working tools. However, the group was not satisfied with the people management side and they felt there is a lot to do to improve in order to build the mutual trust and connection. The main concerns were the lack of internal communication, pressuring atmosphere and the quality of job orientation, especially regarding the new employees.

The abovementioned conditions were not seen motivating from the staff's point of view and the interview revealed that the work atmosphere should be more people-centered in order to be successful. For example, sharing a workload and responsibilities among several people, and investing in teamwork, company X can improve the sense of community. The current atmosphere is rigid and does not allow work to be fun. In reality, however, it is clear that one must be able to enjoy the work, thus it reflects in everything they do, all the way to the customer.

The research responses and the group's reflections provided a good platform and overview on the current situation, from where the company can start developing things towards the right direction. There were no right or wrong answers during the thinking session, but all opinions were equally relevant and helped mapping the current situation.

7 DEFINE – COMMITMENT OF THE MANAGEMENT LEVEL

7.1 Company X – Strategy, Mission and Vision 2020

X Group are professional players in international logistics and logistic related activities. A family owned and valued company, it ensures a long-term future by creating value for customers and involvement of employees by empowering entrepreneurship within its organization. Its leaders and partners excel in responsiveness in order to achieve operational, commercial and financial goals. (Demeyer 2020.)

Company X will consist of a coherent portfolio of professional self-managed Business Units. With the right capacity of own multimodal equipment it aims to take a dominant position in clearly defined European markets. By deploying collaborative networks and partnerships, it wants to offer logistical solutions as a controller of customers' logistics chain. With the development of logistic related activities, the Company aims to maximize group synergies. (Demeyer 2020.)

7.2 Next Generation Logistics and Project 2020

Company X is closely following the mega trends and especially the trends affecting the logistic industry. The world around is changing fast and it is possible to already see technical and technological changes entering all business fields. In logistic industry, this means for example self-driving vehicles, artificial intelligence and data connectivity. Company X wants to adjust in this new reality and take the initiative to discover new areas to do business and become a front-runner. To stay up to date with the latest industry trends, the company has established internal program called 'Next Generation Logistics'. (Company X Intranet n.a.)

This program is built on following four pillars:
- Professionals to lead: "Investment in a business attitude, joint training programs and leadership skills. Cultivating a workplace where you can get the best out of yourself."
- Business systems to perform: "Making our systems ready for the future, enhancing business intelligence and a 'first time right' attitude."
- Products to deliver: Selecting and developing existing and new products, markets and technologies for future differentiation and customer value creation."
- Communities to build: "Strengthening existing relations, internal and external, and creating new partnerships to keep on building business and stimulate joint innovations." (Company X Intranet n.a.)

Company X is preparing for the next big step called Process2020. This is part of the X group's strategical renewal process and the aim is to become more efficient and effective for the future, deliver business systems to perform, and change the existing and outdated business IT-systems, that do not meet current and future standards. Principally, the lack of flexibility, interactions with other systems and customer focus caused X group to take serious action towards finding new IT-systems. Globis was chosen as the new software provider and its applications are expected to improve everyday work life in all company X departments, making the daily work more efficient, offering better quality and support the ‘first time right’ principle. The new software will also benefit company’s customers and suppliers by providing a faster and aligned service. (Company X Intranet 2017.) The tool was named Pulse and employees will soon have access to the new applications Pulse Business and Pulse Finance. The intention is to further enlarge the Pulse application family in the future. (Company X Intranet 2020.)

In 2019, company X made an outlook to year 2020. Growing uncertainty was predicted due to a global geopolitical and economic situation. The biggest threat of the future was associated to decreasing volumes of the automotive industry volumes, as it represents the largest client segment of company X, and Brexit and its negative impact on the cost structure related to custom clearance activities and increasing ICT (information and communications technology) related costs. No one could foresee even bigger threat coming, which was the COVID-19 pandemic. Luckily the company operations and cross-border logistics are 75% based on intermodal and multimodal solutions. This allowed the company to proceed with its transportations better compared to the competitors, as drivers did not need to cross borders, due to the combination of modalities: road, rail and short-sea. (Company X 2020b, 5.)

Innovation, continuous improvement and entrepreneurial approach through co-creation are part of Company X DNA. This has enabled X to be on the markets over 100 years and to become a lead logistics provider across Europe, operating daily more than 3400 MEGA Huckepack trailers. X Group strives to meet the highest standards in the field of transportation and logistics, and works constantly to challenge current formats and to push the industry forward. (Company X 2020b, 6-7.)

7.3 Balanced Scorecard and Strategic Priorities of Company X, Turku Unit

FINANCIAL		
Objectives	Measures	Targets (KPIs)
To make 30.000 € profit per employee per year	Cross margin minus indirect costs, divided by the amount of employees	The ultimate target is to grow the profit up to 100.000€ per person annually
Succeeding in budgeted turnover and profit	A SAP-based tool that will be replaced in the future by a Microsoft-based Power BI tool	Annual budget currently: 20 million €, with 12% profit margin
Revenue growth and improved asset utilization	- The amount of new shipments, clients and margins - Cost structure	- An increase in turnover of 3-5 million euros per year and to improve shareholder value - Find new revenue sources - Improve customer value
INTERNAL BUSINESS PROCESSES		
Objectives	Measures	Targets (KPIs)
Process 2020 implementation	To enhance the admin work processes by leaving unnecessary intermediate steps in the process. Unproductive functions are being eliminated	Improving work efficiency from the current 50% up to 100%
Implementing track & trace function for the customers	Customers can follow up their shipments and monitor the progress of the delivery themselves, which improves customer satisfaction and transparency	To make the system operational during 2020-2021
- Development of local cell operations and provision of new services (e.g. expansion of Italian markets) - Operational excellence	- Return on investment and achieving critical mass (amount of shipments and turnover) - Product Leadership on the market area	Once the business has grown enough, it can be consolidated into the business model permanently
LEARNING AND GROWTH		
Objectives	Measures	Targets (KPIs)
Hybrid customer service representatives (CS commercialization project)	Sales training and bi-weekly follow up by the management group	To grow a team of 5 persons, that are responsible of gaining more sales and customer service activities
- Management trainings - Climate for action	The aim of training and developing a skillful and local management team	- Conducting trainings and leading growing group sizes - Achieving yield requirements
Increasing the number of staff locally	Dependent on the economic situation and educational opportunities	Engage motivated employees
CUSTOMERS		
Objectives	Measures	Targets (KPIs)
Increasing of commercial visibility (having more direct customer contacts)	The amount of customer visits and telephone or skype conferences	- Cold and warm calls to the clients 2h-3hours/person/day - Building the brand/image
Social media marketing	Weekly activity on Facebook and LinkedIn	New followers and customer contacts
Define and find the right customer segments	To fit company X's products (mainly FTL and MEGA-trailer customers)	Closing more sales and getting new customers and more shipments from the already existing clients

8 DEVELOP – ACTION PLAN

To succeed in the strategic goals that have been set together with the local management team, it is essential to make an action plan how to execute these objectives and link the strategy as a part of daily operations. It has been showed in the past that those companies who figured out the ways to execute their strategy in practice have succeeded better and multiplied their profits, compared to those companies that have not. The strategy implementation is more important than the strategy itself. Until today, Company X, Turku unit has linked its performance mainly around the annual budget, and all operative decisions have been made considering the turnover and profits, based on the historical data. The most important action is to embed the company's strategy and vision in people's minds and to introduce the balanced scorecard to the teams. As they will begin to work consistently toward the strategic goals set, it can almost certainly be said that the company will achieve its target numbers easily and as a by-product, many other internal matters and ways of working will improve too. The management team should use the balanced scorecard as an organizational framework for everything they do.

The financial goals in the X's scorecard can be achieved if the other three areas (internal business processes, learning and growth and customers) are successfully implemented. The easiest source of income is the already existing customers, who are already familiar with X's services. If they expand their order volume, the company will be able to increase its turnover and profits. In addition, the threshold to approach an existing customer is significantly lower, versus contacting a very new customer, as the relationship has already been built and the parties are then familiar to each other. This makes it easier for the customer service representatives to approach the clients as they have already existing daily contact with the current clients. This would also benefit the company's objective, when it comes to the customer service commercialization project, which the management team launched earlier this year. A reasonable goal for the first year would be, for example, to increase the order volumes of existing customers by 7-10%. As many of the clients, are industrial producers, they often have transportations to many countries, which have been divided between many logistical operators. Sometimes the clients have even more destinations that was previously known, and the client most likely was not aware, we can give them service to these destinations. Due to this, it is crucial that the customer service team members interview the clients few times per year to have the latest update regarding the clients' needs and keep reminding the clients about company X service portfolio.

Now the biggest focus is for the Process2020, when it comes to internal business processes. The implementation of a new IT-software is expected to be very lean and to boost the ways of doing business by eliminating waste from the processes that exists today. It is extremely important that the transition phase and training for the new IT software will begin on time and in centralized manner, so that everyone has a good knowledge about the usage before it is deployed. The key-user or someone who has been well-trained to use the programs should conduct the local training. After the new programs are up and running, it is also important to teach the customers how to use the Track&Trace tool.

Commercially, the next big action will be developing local activities that have the biggest potential to grow revenue, i.e. multimodal tools and increasing sales on Italian markets. This requires spreading the awareness of our services to the clients, and to deliver the best possible service to ensure we can consolidate our position in the Italian markets.

One of the most visible objectives from the learning and growth perspective is the aim to build hybrid teams, where everyone is capable and expected to do sales activities. This process is called CS commercialization project and it has been launched already by training all customer service team members to do the cold calls and sales. The COVID-19 pandemic situation has already decreased the amount of transportation throughout the company. Therefore, additional sales are needed to enable the company to cope financially with these difficult times, and to be able to make up for the lost revenue. This is an acceptable way to act, but the company should internally prepare people better for the future job change, and motivate them little by little to change their approach to work. It cannot be assumed that the change will happen overnight. Having the sales training alone is not enough to make people salespersons. It requires the right kind of mind-set, a motivating work environment and time to internalize a new role. Management's task is to build space and time for the employees to do the sales work. The role is gradually built and the process must be given time to develop. It is particularly important that the management set an example by their own actions by showing that sales actions are everyone's job, and not only the front-line workers can be held responsible to create new sales.

The long-term goal is to increase the number of employees in the local office and thereby grow the business. It is vital that the company invests in the continuous training of its employees in the future, and to ensure that intensive training is carried out for the new employees, which provides a good foundation for doing the job. It is true that people learn by doing, but it is the responsibility of the company to ensure that the employees have a good basic knowledge before they start working independently. Some of the employees, whom already have been working closer to a year with the company feel like they are missing some basic knowledge about the work, especially if they do not have previous experience on logistic industry. Job orientation has a huge impact for work efficiency and well-being of the employees. The management cannot assume people to know all necessary things without previous experience from the industry. When every day is a stressful and constant struggle to get the work done, the motivation towards the work decreases, as there is a feeling of inadequacy.

The fourth perspective issued in the balanced scorecard is customers. To be able to deliver what has been promised, and to find ways to solve customer’s problems are the key factors for customer satisfaction. Even though the company is constantly seeking for new customers, it is fundamentally important to do their best efforts to keep the current clients. This is also one of the best and cheapest ways of doing marketing, as the clients speak with each other and share their experiences. To find the best new potential clients, the company should implement a marketing research regarding customer segmentation, and to define new potential industries. The best way to do social media marketing is to post new articles and news continuously to keep the accounts active.

As the strategy should be communicated to the staff, shareholders and customers as well, it would be beneficial for the company to start actively translating their strategic objectives by using all media, i.e. intranet, meetings, correspondence, and yet their social media marketing channels. This would help to reinforce the organizational alignment what comes delivering the strategy. Company X, Turku unit has a local marketing assistant and she could start making short weekly posts to the company X Nordics Facebook and LinkedIn sites with reference to the balanced scorecard. The marketing value would be even more powerful if the posts included staff interviews and pictures of people doing their daily work. To give a boost and to motivate the staff, the leadership team could also link a compensation program to the balanced scorecard. If the team exceeds the set goals, they could be rewarded with monetary bonuses.

9 DELIVER – SERVICE DESIGN FOR COMPANY X

During the research, it became clear that the needs and desires of the employees and the management did not meet. The employees felt that they had been driven into a corner and there was no room for discussion. The most important factors for the employees were good internal communication, appreciation from the done work, and performing their own work as great as possible, and thereby to be able to maintain customer relationships and to increase customer satisfaction. Management, on the other hand, wanted to add sales responsibilities outside the current sales team by training all customer service representatives to do the sales. This would of course bring added value to the company and improved results, but according to the six thinking hats survey it had decreased the workplace satisfaction among the employees. The reasons for this included a lack of time, which killed the motivation, as well as the fact that the matter was not discussed with the employees in advance, but the decision was made quickly and top-down.

The study also showed that the six thinking hats method is a quick way to gather good data and delve deep into a topic. In the future, this method can be utilized in internal company meetings. The concept of six thinking hats was easy to understand and the answers came as if by themselves. Benefit of the method is, what is also typical for design thinking, that ideas born new ideas. Group answers helped to structure one's own thoughts and generate new perspectives that one might not thought of alone. In the future, the use of balanced scorecard will also bring benefits to the company if its use is continued and developed over time. The tool was not familiar to the management, but despite that, they managed to put together a set of metrics from where it is good to start the journey towards achieving strategic goals. In the future, it is recommended to monitor the targets defined in the scorecard once a quarter, and it can be updated as information accumulates, to better reflect the company's strategy.

In conclusion, the company still has a lot to improve in its current operations. The preconditions for even more successful business operations already exist, but there are still areas of improvement to be done, to unleash the full potential of the personnel. Suggestions for future development include building better dialogue between management and employees. It would be important for the staff to be invited in decision-making, and give them the opportunity to influence on matters concerning themselves. One idea for the future is to further streamline the process. In operational work, it would be good to make a precise description of where most of the time is spent during the working day, and to find out how much wastes exist in the current information flow and work processes. An excellent tool and topic for further research is a creation of value stream map. It is a powerful and honest tool that shows all the critical points of the operational work, especially from those areas that create the worst delays and bottlenecks during the processes.

10 CONCLUSION

When the company succeeds in increasing well-being at work, it will have a positive influence on people's career lengths and staff permanence. The better the human resources are taken into account within the company, the more it also attracts new skilled staff. Work takes up the majority of the time in life, which is why it should be enjoyable. For this reason, work should always be a win-win-win situation that benefits everyone: the employer, the employee and the customer. The aim was to conduct emancipatory research and results, which allows the focus groups and the reader to increase their understanding of the subjects, and to provide a toolbox, new perspectives and ways to conduct the work at company X or in any company.

To build a flourishing and attractive business environment, company X needs to focus on three different areas, which are the operating systems, management infrastructure and building the mind-sets and capabilities. These aforementioned factors include the production planning, labor allocation and logistics systems; performance and talent management, organizational service design, roles and responsibilities; leadership alignment, focus on continuous improvement, discipline and collaboration. The building of a successful business starts from recruitment. Management's task is to find the right people for the job, build rewarding career paths and give recognition and compensation. People feel their work is empowering when there is a compelling purpose, clear goals and direction, mutual trust between the employer and employees and well-defined processes.

Global phenomena and mega-trends also affect the logistics industry and in order to survive in an ever-changing environment, the basics need to be in order, and the company needs to be attractive in order to find the best talent in the job market. The COVID-19 pandemic, which began in early 2020, hit the transport sector hard, which has further increased the pressure to survive in the logistics sector, as competition for customers between carriers is growing and the market is undergoing a constant transformation.

The results of this study made it known that the interests of employees and the employer did not currently fully meet, and in order to improve the meaningfulness of the work environment in the future, the company must introduce the methods of Lean and design thinking tools presented in this study to the work community. The targets and metrics set in the balanced scorecard are recommended to follow up on a quarterly basis and the objectives should be translated and discussed together. Once the organization has defined new policies and procedures that satisfy everyone, it is possible to aim higher, move faster and excel!

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Appendix 1

INTRODUCTION TO SIX THINKING HATS METHOD

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Six Thinking Hats Introduction

14.5.2020

Introducing Six Thinking Hats Method

Six thinking hats is a business management and design-thinking tool, developed by Edward de Bono in 1985. The purpose of this method is to help teams to understand the effects of decisions from six different viewpoints through the six thinking hats that are color-coded. Large corporations such as IBM, Du Pont, AT&T, Prudential, British Airways and Ericsson among many others have been using de Bono's method for years to improve their daily businesses. The key benefits of the tool according to the clients are:

- Its simplicity to use and implement
- Empowering and encouraging teamwork
- Enhancing quality of thinking
- Improvements in cross-cultural interactions
- Its availability worldwide and not being dependent on others
- Can be used at all levels in any organization
- Capability to modify behavior without attacking it and has been found to reducing conflicts (Edward de Bono 2020.)

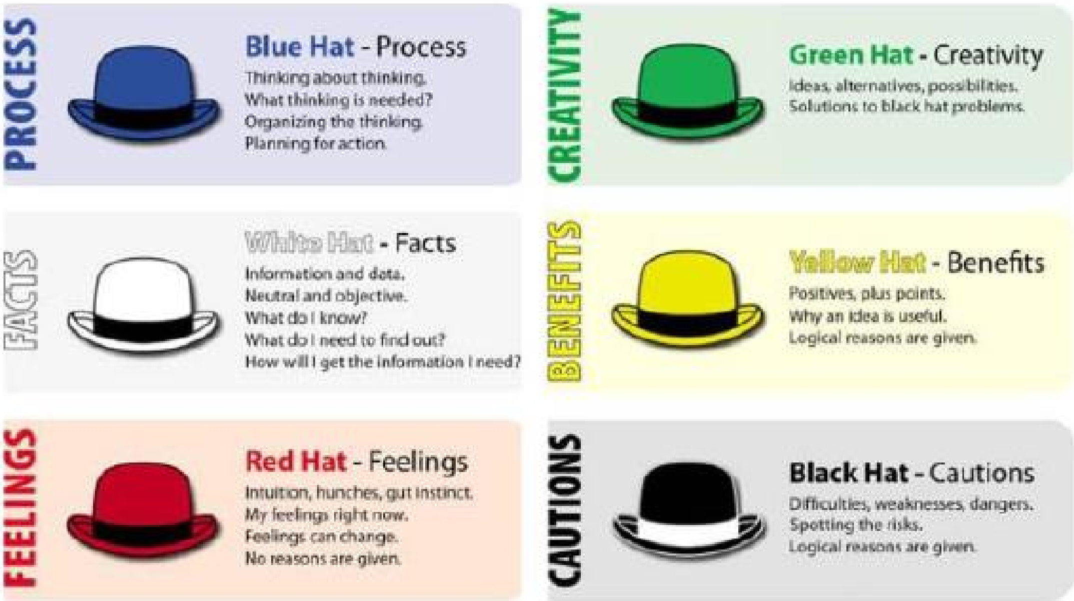
Six thinking hats method is a concept that forces people to think one thing at a time, instead of trying to put all point of views such as emotions, information, creativity, hope and logic in work at the same time. The reason why this method brings out fruitful results is its capability to switch off the usual way of thinking and to help people to think variously about the matter in hand. (De Bono 1999.)

A good example of the parallel thinking is the de Bono's example of a house, where four people are standing around a house, each having a different view. They are arguing about what is the correct view of the house based on what they see. By using parallel thinking, all four need to walk around the house and see all four sides before they start to discuss about the house. Taking into consideration also all the opposite views they can now have discussion that is more constructive and the subject being explored fully. (De Bono 1999.)

The method challenges to think instead of 'what is', 'what can be'.

Every problem contains within itself the seeds of its own solution. – Stanley Arnold

In this picture below, all the six functions have been shortly explained to give the idea, what is each hat's purpose:



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Appendix 1

BALANCED SCORECARD TEMPLATE FOR COMPANY X

22.5.2020

Balanced Scorecard and Strategic Priorities of Company X, Turku Unit

STRATEGIC PRIORITIES
The aim for company X is to take a dominant position in clearly defined European markets by deploying collaborative networks, partnerships and professional self-managed business units. X Group wants to offer logistical solutions as a controller of customers' logistics chain. With the development of logistic related activities, the company aims to maximize group synergies by involving employees and by empowering entrepreneurship within its organization, in order to achieve operational, commercial and financial goals.

To succeed financially, how should we appear to our shareholders?

FINANCIAL		
Objectives	Measures	Targets

To satisfy our shareholders and customers what business processes must we excel at?

INTERNAL BUSINESS PROCESSES		
Objectives	Measures	Targets

To achieve our vision, how will we sustain our ability to change and improve?

LEARNING AND GROWTH		
Objectives	Measures	Targets

To achieve our vision, how should we appear to our customers?

CUSTOMERS		
Objectives	Measures	Targets