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How to utilize the measuring of customer satisfaction in Värväämö

Abstract

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The present paper is an action research report attempting to evaluate the actions our case company Värväämö has taken to improve their customer satisfaction using a questionnaire handed out to their customers. The report also analyzes the factors that have an impact on customer satisfaction. Satisfied customers are the key to business success, and the best way to know what they are thinking is to request feedback, then follow up on it and interact with the customers. The ultimately goal is to get recommendations on improving the service quality and increasing customer retention.

In this report, the theoretical background reviews studies on customer satisfaction and how to improve it step by step, in accordance with John P. Kotter's model. The results are presented using a qualitative research method by means of a questionnaire, which was distributed among customers and featured multiple choice questions and one open question in the end.

In conclusion, the research reveals that the current state and service level of Värväämö can be seen as positive and customers are satisfied or very satisfied with the service. However, some improvements should be done in order to increase the level of customer satisfaction further. It is recommended that the case company should improve its service level regarding regular feedback system, increase interactions with customers, as well as implement staff training.

Key words

Customer satisfaction, Customer feedback, Interactions with customers

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Appendix 1 questionnaire used in the survey.

Appendix 2 total number and share of replies by answer to the questionnaire.

1. Introduction

The objective of this thesis is to study the actions of the company Värväämö, which is a personnel services company in construction industry. The thesis is about the phenomenon under the customer satisfaction research, how the case company manage to observe the necessity of change process in their organization and the importance of customer satisfaction. In this research Värväämö examined customer satisfaction based on a questionnaire to its customers. An empirical part is examined the actions they have done in Värväämö to purpose of to change their customer service, if needed to the direction expected and needed from their customers.

It has to be known how to build more effective and value added loyalty relationships, and ways to meet the unknown expectations and even exceed the expectations and needs of customers. Management of customer expectations is important because people often have differing perceptions. Team members should also be controlled in order to avoid damages and to get best result of work. (Moustafaev 2009).

1.1. Objectives

The study focuses into the actions of the case company; how they have identified the factors affecting their customer relationships following what kind of actions they have done on the basis of the inquire.

The main research question is:

How does the company take into account customer feedback in their business actions?

The first sub-question focuses on identifying relevant factors which are affecting customer satisfaction.

What are the main factors affecting customer satisfaction and what is included in it?

The second sub-question aims to reveal the process of customer service and the phases of customer satisfaction.

What is the process in the company and what are the phases of improving customer satisfaction?

The last sub-question describes how this process is realized:

How does the customer feedback process correspond to business goals?

1.2. The structure of the study

At the beginning of the thesis there is a review of relevant literature that continues on to an empirical part of the study. For the case company, loyal and satisfied customers are the basis of the business. Chapter 1 consists of the introduction about the objectives of the thesis continuing to the presentation of the case company and finally to the methodology and principal of the action research. Chapter 2, the theoretical framework, consists of presentations about the customer satisfaction and this chapter also includes the presentation about key performance indicators (KPIs), which is used to measure the state of the satisfaction. Chapter 3 consists of presentations about the theory of the leading change by step to step according to Kotter's Model (Kotter 2012) and a short presentation about Kurt Lewin's Change Model, and how to put the customer satisfaction into practice (Connelly 2016), and what Värväämö should take into account to increase their customer satisfaction and further increase revenue (Kotter 2012). Chapter 4 consists of findings of the actual actions taken by the company after they have studied the results and conclusions on how to put it into practice. Chapter 5 consists of the conclusions of this study.

1.3. The case company

A start up –company named Värväämö has based on in spring 2015 and it operates for a personnel services as being a laboring exchange company with full service both as rental and direct workers in the construction industry in the area of Helsinki, Tampere and Oulu. The research concentrates only on the Helsinki area. (Värväämö 2018.)

So far, Värväämö has followed the strategy in which customer relationship has considered as static, but rather they are processes moving forwards and backwards depending on the amount of satisfaction (Kotler & Keller 2012). It has to be concentrate on the customer relationship development process by enhancing potential benefits to get a deeper relationship or even a partnership from the customers with long-term profitability. It is essential to be focused on the right customers for to get strategic advantage, which is not really about only being nice to them. (Fader 2012)

1.4. Methodology

The research targets determinate what kind of research method will be used. The researcher choose the method that will be used to achieve research targets, and to make sure that the validity and the reliability are fulfilled. This research have been done as an action research aiming to study the actions that the case company has done according the answers they have got from an inquire to their customers. This action research is made as a qualitative research, which is by definition an exploratory research. It is focusing to the quality and signifigance, further it is a scientific method of observation to collect non-numerical data. It is used, because it is not known what to expect and how to define a subject. Further, there is a lack of understanding of how and why variables are affected. This kind of research is about understanding the research target, and it is asking “how/why” as mentioned above. In the qualitative one the research question is living all the time and changing its format according the actions. (Puustinen 2013, Ikävalko 2017.)

The action research process will be open-ended and continual actions. It will start with a need to have change in some actions inside the company by following through the idea and check if it works. This action research process has been selected to demonstrate the actions of the company. It has to be able to develop flexible routines and actions of continual learning and improvements inside the company. It is something that makes change by affecting the values and intentions among the personell in the company. (St.John 2017.)

Premises of action research

The action research is a process of research into the case company's practices. It is like actions that leads to positive change in the company and it's processes. With this process it can practically looked at the work of the case company to check that the processes are as they would like them to be. The whole action research process is according the name, action and mutual research between two partners, which are named by an activist and a researcher. It is practitioner-based, self-reflective and improvement-orientated work with cooperation between them. In this case the company and the cooperation person there will be an activist, the partner who acts actively to get positive change according to the feedback of their clients, and the role of the researcher is to study the actions of the company. (Van Vlient 2013.)

The case company will recognice problems that need solutions and they will work with each others to solve these problems. An other words they should be motivated to improve situations to the better direction, if needed. The role of the researcher is to see connection between happens and outcomes, and to use her ability to understand the change process. A researcher should be motivated to create fresh and new ideas for the change.

Why to use a qualitative method?

The case company was aimed to study the questionnaire filled up among their customers, and they were supposed to make changes according their targets.

In this research a researcher was supposed to study the action of the case company, how they have acted running through their process. The purpose was to discover new ideas with objects, and data was aimed to collect as a multiple choice questions and an unstructured free form. This kind of research is intimately involved and the results are subjective. Samples were in natural setting and small, the amount of it was only 20. (Ikävalko 2017)

2 Theoretical framework

Satisfied customers are crucial for the service businesses. To get knowledge about what the customers are really thinking about the company, it has to measure the customer satisfaction regularly. According to the results it will be studied how they have had success with the service and what kind of things can be changed to keep customers happy.

According Fornell (2007) satisfied and loyal customers are the great assets of the business. Companies can measure the value of their customer assets by doing research and surveys. Satisfied customers are not only economic asset, but they also represent the total value of all other company assets.

2.1 Customer satisfaction

Customer satisfaction measures how the services provided by a company meet the customer's expectations (Kotler & Keller 2012). Customer satisfaction is distinct from customer service. According to Scott (2000), *customer service is provider-defined rather than customer-defined, whereas customer satisfaction must always be defined by the customer*. Measuring customer service is important for a company, because it provides marketers and business owners with a clear image on what they should do in order to manage and improve business revenues. Customer satisfaction is the most important indicator of customer loyalty and repurchase intentions, and it also indicates how likely a customer is to use a company's services in the future. High customer satisfaction can also serve to reduce customer damage. Delays and mistakes

happen, but when customer satisfaction is high, the customer is less likely to leave the company than when customer satisfaction is low. Ensuring a high customer satisfaction is perhaps the most important tool for survival in a hard competitive business environment. (Kotler & Keller 2012).

The customer's feelings determine whether he or she is satisfied or disappointed with a service's expected and perceived performance. The customer is satisfied when the performance is as expected, but if they do not match, the customer is left dissatisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted (Kolko 2014). It is also important to make a distinction between a customer's needs and wants and ask for clarification if this two are confused, because customers define the criteria for successful service performance by their own expectations (Kotter 1990). In addition, positive employee attitudes will create stronger customer loyalty. There is a high correlation between customer and employee satisfaction and further the profitability of the company (Kotler & Keller 2012). According to Kotler and Keller, *a smart company creates a high level of employee satisfaction, which leads to higher effort, which leads to higher-quality services, which creates higher customer satisfaction, which leads to more repeat business, which leads to higher growth and profits, which leads to high owner satisfaction, which leads to more investment and so on. This virtuous circle spells profits and growth.* (Kotler & Keller 2012).

To increase the power of a brand it is important that the actions of the company be measured constantly, because the market is changing faster than the company's metrics to make real time comparisons. Key brand metrics should be measured all the time and the results of the company's business actions compared to previous ones in order to acquire information on what it requires to satisfy customers now and in the near future. (Gerson 1998; Kotler & Keller 2012). A company may run efficiently even as it loses effectiveness. When a company fails to respond to a changed market, it becomes more difficult to return to its lost market position. (Kotler & Keller 2012).

Measuring customer satisfaction

Customer satisfaction develops cumulatively and in the different situations in which customer interaction and service takes place. These interactions can be viewed either situationally or in terms of the whole history with the customer. Customer expectations and attitudes must also be taken into account. The measuring of customer satisfaction should be frequent and systematic and should always be done in customer interaction situations. When the measuring is frequent, any changes can be observed early on and reacted to. The customer should be directed to provide feedback, preferably also spontaneously in the course of the various interactions with the customer. (Löytänä & Korteso 2011.)

Challenges of measuring customer satisfaction

Challenges of measuring the customer's satisfaction include the individuality of each experience and the various factors affecting the situations, such as previous experiences and expectations the customer has that may vary considerably from customer to customer. These expectations may be conscious or unconscious. The challenge in terms of measuring satisfaction is that the quality of the service as experienced by the customer is always compared to his or her previous experiences and expectations, which may always change based on earlier experiences. (Brogowicz, Dalene & Lyth 1990).

2.2 The key performance indicators, KPIs

Key performance indicator, shortly KPI is a measurable value demonstrating us how effectively a company is achieving key business objectives. At the same time there can be used multiple key performance indicators, which are metrics meant to track and measure the company's progress over time. They are used by individuals and companies to evaluate their success at reaching critical targets, and they vary between companies and industries. (Wikipedia

2019, Pollock 2007.) According Bernard Marr with these indicators managers can measure what is important and get feedback by numbers to enable them or their stakeholders to understand the performance level of the company (Marr 2020).

Several different key performance indicators (KPIs) are measured routinely by companies. In this research customer satisfaction may be the most useful indicator. However the customer satisfaction KPI is itself consisted of several quantifiable and specific KPIs, and the number of them should be kept to a minimal. The KPIs cannot be subjective, while there needs to be a reference level for each KPI to be able to track success over time period. It is required that there is an exact definition in terms of time what is above or below the desired satisfaction level. The more KPIs would be used, the more likely it becomes that they will be in conflict with each other. (Prosci 2018.)

Net Promoter Score (NPS)

Net promoter score, shortly NPS is a measurement indicating us how many of the customers like the brand enough to recommend it to others. If there are more people that recommend the brand or the company than people who do not recommend, the state is positive, and the business is doing well. If there is an equal amount of people who promote the business as do not promote, it have to be done some work to turn this figure from neutral into the positive column. If there are more people who do not promote the business than do promote, it have to be found out why they do not promote. However, every enterprise prefers referrals as the best form of advertising, which any of them can have. When created a NPS survey it can be seen where the company's ranking figure is. (Prosci 2018.)

Customer satisfaction

Customer satisfaction is the most crucial metric for determining customer service performance. Customer satisfaction tells us what customers think about the company. The higher the score, the more satisfied they are. Giving

customers the possibility of freely sharing their feelings for example in writing can be a good way of receiving qualitative feedback on what is and what is not working for the company. Tracking this KPI is important for a business because it may not be aware of the problems and impressions, good or bad, that their customers have. Satisfaction surveys should therefore be conducted regularly at the end of a call, by email, or by using a dedicated application in order to avoid the bad publicity that comes when the customers are let unhappy. There are many ways to measure how customers feel about the brand and its services. (Prosci 2018, SurveyMonkey 2018.)

Extremely satisfied or very satisfied

The importance of satisfied customers is extremely important. When it is known why they are satisfied, it can be kept the direction on the right way. A good barometer to tell the performance of the business is the percent of customers who consider their experience with the brand as extremely or very satisfied. When customers are more likely to be loyal, they are more likely to tell others about the service, and they form a revenue base it can be built on. (SurveyMonkey 2018.)

Overall satisfaction

It is not realistic to have all the customers 100 percent satisfied all the time, but it is important that this customer satisfaction KPI should always be rising. The overall satisfaction is shown in the right direction, when the rating number is going up. It should be set the internal benchmarks so that the same customer satisfaction survey can be measured several time and compare new results against the old one. It is enough to know whether the rating is going up or not. Using this rating it can be set goals or point out problem areas, as well as make improvement to the customer satisfaction rating with the simple way, by looking at specific touchpoints to figure out what is working and what is not. (SurveyMonkey 2018.)

Brand attributes

It has to be known exactly what the customers are expecting from the company and its services. It is worth to send a brand attributes survey to customers to get know how they view the company to be able to be continued to work so that their expectations will be met or work so that the brand image will be changed. Customers are more happier and they are more likely to coming back for more, when the company's and the customer's perceptions of the attributes align. (Prosci 2018.)

Customer retention

Customer retention can be seen as the ability of a company to retain its customers over some specified period. When customers tend to return to the retention is high, as well as when they keep bying from the company or at least do not move on to another service provider. Successful customer retention involves more than good service or giving the customer what they expect. Creating new customers for the company might require exceeding customer expectations. In a competitive environment, providing a consistently high standard of customer service is what may make all the difference. Equally important is customer retention, because the ability to not only create new customers but to keep them has a direct impact on profitability. (Prosci 2018.)

Deliver the services as you committed to

It has to know what it should be aimed for and according to this to honor the service that is agreed upon and even exceed the targets. The service level is the standard when measuring the level, which have been provided in the agreement with customers. It is a group of services agreed upon as a standard that is committed to be maintained. For instance, it is promised to answer to 70% of the email that received within 1 business day. Monitoring this kind of customer service metrics is important for a producer to know if it is performed well in comparison to this predefined goal. It does not matter which

specific metrics to choose, but it is essential to respect these agreements. (Prosci 2018.)

Support costs vs revenue

It has to be found out how much are the support costs in percentage of the total revenue. Comparing the support costs in relation with the revenue will help a producer to evaluate how much the customer service represents is compared to the total revenue. It is the aim of every business to provide the highest possible quality at the lowest cost, so having the support costs tracked is normal. One possible perspective would be to divide the total support costs by the number of issues to get an idea of how much a single support cost costs the company. Customer support costs are inevitable but managing to keep them low is a sign that the agents are well trained, efficient and that staffing schedules are well adjusted: overstaffing may be good in some situations, but it also increases operational costs. (Prosci 2018.)

At the end, measuring customer satisfaction can be as easy as continuously surveying the customer contacts' satisfaction or by acquiring a business partner capable of aiding the company in creating a process of measuring customer satisfaction. This customer service KPI have to be measured over time and so it can be seen how the trend line is. If at some point they reach an unusually high percentage in the company, it might be good to investigate the reasons. (Prosci 2018.)

3. Leading the change

Today the trend in business is ever harder competition that can be seen as more terrible hazards and globalization with related technological and social trends. This all creates wonderful opportunities in rapidly changing business environment. All structures, systems, practices and culture will be change very much with volatility that continues to increase. It is a new norm to do it now, not tomorrow. That kind of development requires constant transformation process from step to step. High urgency rate helps greatly in completing all the steps of

a transformation process. In successful organizations complacency is virtually absent by looking for both problems and opportunities inside the companies. In new norm, information systems are superior, and information on customer satisfaction is being collected more accurately, more often and for more people. In this kind of rapidly changing environments the quality of customer service is in circle of every customer relationships. (Kotter 2012.)

The amount of different incomes has already changed in the last decade. There are no more monthly or quarterly basis income. Ever more employments will be run on the basis of self-employment. Own attitude and the passion to work is the key to the success. This development requires more honest reflection, listening and openness bring both bad news and negative feedback as well as interesting ideas. Among personnel there are less linear movement up a single hierarchy, but more leadership and lifelong learning. It leads to higher standards, ambitious goals and a real sense of mission and passion in employees lives. People have to keep growing and they are forced to learn, change and constantly reinvent themselves in an increasingly changing business environment and its relationship to leadership. (Kotter 2012.)

The importance of developing competent leadership is crucial, meaning people who can create and communicate visions and strategies. Leadership mostly deals with change, and therefore organizations have incentive to become more skilled at creating leaders. Without enough leaders, the vision, communication and empowerment that are at the heart of transformation will simply not happen. Organizations have to serve well enough and fast enough to satisfy customers' needs and expectations. It is crucial to create more brilliant leaders who develop their skills through lifelong learning, because that pattern of growth is increasingly being rewarded by a rapidly changing environment. Organizations will need less controlling and more risk-taking cultures. Hierarchies will be flatter, organizations less bureaucracy and people will have a greater willingness to take risks. Employees will largely manage themselves and they need coaching and encouragement and they need to be empowered. (Kotter 2012.)

3.1. The eight-stage process by John P. Kotter

Following from step to step the process of John Kotter organizations are able to reach targeted goals and by identifying nowadays stage and reflecting themselves with open mind they are able to adapt to a rapidly changing environment. (Kotter 2012).

According to Kotter it is always difficult to create a real change in a company, because usually the amount of the work is underestimated, the reality is seen far too easy and rapid, there are no willingness to do any sacrifices from many people, and the same sense of urgency is not felt. It is normal for people to have excuses why the nowadays situation is what it is, and to have reasons why the real change is not actually so largely needed, or because somebody else is perhaps against the deeper process. They will actually continue with the complacency-filled nice workplace and at this way change do never become true. Actually important decisions cannot be made without taking into account the real issues. According to Kotter there are at least eight reasons below explaining this kind of complacency. (Kotter 2012.)

Establishing a sense of urgency

To get a needed change and renewals in a company the sources of complacency should be removed or at least have their impact minimized. All the good managers have to take seriously these actions and they should work hard to reach the target. Establishing a sense of urgency usually demands quick and even risky actions that normally is associated with good leadership, that is pushing up a feeling of the urgency to make real deep changes to make success. As Kotter says, too often people are living in overmanaged and underled cultures, which are preventing the change. Good leaders take action because they believe that the personell underlead can be directed to achieve important ends. Directors are responsible to find leaders and to place them in key jobs, which is the most essential work of them. (Kotter 2012.)

It is said that normally, during good times it is not easy to make people see a need of the change, but during economic crises change is often seen to be impossible until a company's problems become large enough to generate huge losses. Therefore the role of crises is important. If it is targeted to make a change in a company the middle or lower-level managers are in circle of the unit. They will need to increase urgency and reduce complacency. (Kotter 2012.)

Most companies find it difficult to make progress in making a change, because of the lack of visible crises. The need of the change is not easy to see clear enough, and further to see how much urgency will be enough. It is impossible to put together a powerful leadership team to guide the changes. Therefore a researcher as an outsider can be helpful to recognize the need of the change. (Kotter 2012.)

Creating the guiding coalition

The industry has changed remarkably at the beginning of 1990. The issues suddenly came faster and bigger, and it is almost impossible to one person to handle this decision stream well. Because of changes in a company is difficult to accomplish, it is required a powerful force to sustain the process. One single person is never capability to manage through the change, but there is needed a strong guiding coalition to make it. (Kotter 2012.)

Usually there are a group of the human resource managers, the development and quality personnel or people of strategic planning and some other up-and-coming leaders to lead the change. People in this group has a head with passion an enthusiasm, and therefore it makes progress for a while. But gradually the possible problem becomes visible, and it force the group to do a few contributions, but they come only slowly and incrementally without strong leadership. It is not enough to have a group of people who shares a commitment of the change or a sense of problems and opportunities, but all

they need is the credibility necessary to provide strong leadership. (Kotter 2012.)

In today's ever faster-moving world, the weak committee always fails. It is not enough to inform with real-time information, which makes changes and implementation more difficult. Nowadays business environment needs a new process of decision making. A team with right membership to guide the effort has to be strong for having success. The following characteristics seem to be needed to effective guiding coalitions: position power, expertise, credibility and leadership. The leadership is particularly important. It is needed both management and leadership skills in the guiding coalition to work together in deep cooperation like teamwork style. (Kotter 2012.)

Personnel problems that can be ignored during easy times can cause serious trouble in a harder, faster-moving, globalizing economy. Therefore it is important to avoid some personal qualities or have an ability to manage the personnel carefully. When trust is present, it is possible to create real teamwork, without trust it is impossible. Also mutual understanding, caring and respect associated with trust leads on the right direction. Further the common goal is crucial to successful teamwork, and all team members have to want to achieve the same objective. It is essential to build an effective team based on trust and a common goal. According Kotter the combination of trust and a common goal shared by people with the right characteristics can make for a powerful team to make change happen. Today and in future, it will be seen many additional attempts to transform companies. (Kotter 2012). Yet *without a powerful guiding coalition, change stalls and carnage grows*. (Kotter 2012).

Developing a vision and strategy

Too often people are doing everything else than cooperate, and so they undermine the efforts. It has to be broken through all the supporting forces to maintain the status quo and to encourage the shifts to successful

transformations. This kind of approach is based on vision, which is a start of all great leadership. (Kotter 2012.)

Vision can be seen as a guideline, why this kind of future should be created, and what kind of organization people aspire to create in the long term, from 2 to 20 years. (Kotter 1990). During a change process, a good vision is presenting the route-map for change, it helps and motivates people to take action in the right direction in a remarkable and efficient ways. A clear vision and good strategies can help to disappear the inability to make decisions, and they can prevent the expensive and time-consuming clutter. It always has to be asked: is this in line with the vision? According Kotter another essential function that vision serves is to motivate people to do actions, which are not actually in their short-term self-interests. A good vision helps to concentrate on to do the necessary key actions, at the same time being hopeful and therefore motivating one. It makes clear that some sacrifices will be needed to get particular benefits and personal satisfactions. (Kotter 2012.)

The right vision helps align individuals. With clarity of vision, managers and employees can work more independently without constant linketing with a boss, and with a shared vision, it can be reached an excellent teamwork. An effective vision has to be simple. A vision is only one element in a system that also includes strategies, plans and budgets. According Kotter good visions are clear and simple enough to motivate action but flexible enough to allow initiative, and they are easy to communicate. (Kotter 2012.)

Success demands always plenty of time. A good vision demand sacrifices from some or all who are attempting in this process in order to produce a better future. If the corporate vision is not deeply rooted in the reality of service markets it will lead for disaster. Customers rarely tolerate producers who are not focused on their interests. Everyone needs to be served well. It has to be asked "how do we both reduce our expenses and increase product

quality?" Challenge is more what separates winners from losers. (Kotter 2012.)

A vision as a picture of the future involves stretching resources and capabilities. It has to be based on a clear and rational understanding of the organization, its market environment and competitive trends. In this point a strategy plays an important role. Strategy is to demonstrate how a vision can be accomplished. (Kotter 2012.)

An effective vision involves a lot of information. It is for showing the statement about desirability and it is easy to communicate. The statement does provide focus by eliminating many possibilities, pointing to things that need to change and stating a clear target. According Kotter good vision shares some characteristics: they are ambitious enough to force people out of comfortable routines, they aim at providing ever better services at lower costs, they are listening to customers and stockholders, they take advantage of fundamental trends, globalization and new technology and they are responsible. (Kotter 2012.)

Communicating the change vision

A clear vision need to be understandable and requires common goals and direction, in addition to a clear sense of what the problem is and how to solve it. One of the challenges is to get the personnel to understand and accept the new vision. The personnel may have many questions to management, requiring great deals of time and communication, which is why keeping the communication simple is important in order to avoid misunderstandings. The words and language used in messages to personnel must be chosen well and many forms of communication used, if possible. Repetition improve the effectiveness of communication while metaphors and analogies should be avoided. It is also crucial that the behavior of the management is in line with the new vision. All efforts to change the course are undermined if it seems that the key players do not share the new vision. Trust and credibility contribute

greatly to helping the personnel accept the change in vision, and any mixed signals should be avoided. If the vision is not largely accepted, the following two stages in the transformation process will be failed. (Kotter 2012.)

Empowering employees for broad-based action

Today the trend in business is to help more people to become more powerful. The change demands an environmental change, and a successful transformation needs an involvement of many people. It has to be assembled a guiding coalition at the top and helped it to develop a new direction for the company with a superior customer service. People have to work together seamlessly without strong structural silos to make the progress impossible. Structure is often a barrier in transformation, when organizational arrangements undermine a vision by disempowering people. The dangerous is that most frontline employees give up and revert back to the old ways of operating. Therefore it is important to remove structural barriers. (Kotter 2012.)

People are learned technical skills but the social skills and attitudes of them need to be made new arrangements in work. Training is needed, but it is not enough, or it may not be the right kind of, or not done at the right time. Often it is not thought through carefully enough what new behavior, attitudes and skills will be needed when big changes are happened, or the results are overwhelmed. Training can be the most challenging element in empowering employees to make the new vision to work. Both an attitude and skills training are equal important and both of them are required in this stage in a transformation. (Kotter 2012.)

Human resource systems make it in people's best interests to implement a new vision and to give some compensation. Barriers which are associated with the culture are difficult to remove completely until the performance improvements are clear. In successful transformations Human resource should help provide the leadership to change the systems to fit a new vision and

aligning systems to the visions. A person in a top management can be a product of his history and have developed into a deeply ingrained set of habits. Too many of troublesome supervisors can be a huge problem. If they are unwilling to change, the best solution can be to fire them. Easy solutions do not exist. The only solution is to use an honest dialogue. The blockers stop needed action. (Kotter 2012.)

More and more companies are finding that there is an enormous source of power to improve organizational performance, when the well communicated vision has been built with the right structure, system, training and supervisors. (Kotter 2012) .

Generating short-term wins

The personal have to be leaded, motivated, inspired and encouraged by good managers, whose success depends on the ability to motivate employees to achieve common goals. The worse mistake is to pay too much attention to short-term results. People are usually so anxious about big dreams that they do not effectively manage the current reality by putting almost no attention to short-term results and so they do not build the credibility needed to sustain their efforts over a long change project. The real change takes plenty of time. To run through a transformation effort without enough attention to short-term wins is quite risky. Realizing performance improvement within the short-term time frame turns out to be a challenge. As Kotter says: a good short-term win has at least three characteristics: it's visible, it's unambiguous and it's clearly related to the change effort. (Kotter 2012.)

Short-term wins give an opportunity to relax for a short time and celebrate the effort which is needed in reinforcement, and it gives an opportunity to test the vision against concrete conditions. Visible results make it possible to retain the support of management and these kind of wins help building necessary momentum in the case company. It has to be made sure that visible results lead to the result efforted and targeted. Leadership deals with the long term

and management with the immediate future. Short-term pressure can be useful to keep up the urgency rate. As soon as the urgency rate goes down, everything becomes much harder to accomplish. The management are required to get results. They are systematically targeting objectives and budgeting for them, further creating plans to achieve those objectives. They have to organize for implementation and then control the process to keep it on wanted track. The transformation is not only a process of leadership alone, but it is good management too. (Kotter 2012.)

Consolidating gains and producing more change

Especially in big companies, real change often takes a lot of time. Mostly the top management is aware that much more is required to complete a transformation, which have started a few years earlier. Whenever it will be interrupted before the job is done, the right momentum for the change can be lost and regression may be followed. Progress can slip quickly for with corporate culture or a fast-moving environment can cause a need for some kind of increased interdependence. Interconnections can make it difficult to change anything without changing everything. (Kotter 2012.)

How much interdependence there is can vary greatly among companies based on a number of factors. Most companies need to be faster, less costly and more customer focused, and this change happens more easily in a system of independent parts. When a setting is highly interdependent, changing something is very difficult because any changes affect nearly everything. A lot of elements have to be changed, which is not easy and takes a lot of time, further it will be required the involvement of many people. Also interdependencies can seriously complicate the change. The process can be started by putting together a team to guide the project, but finally, it will be ended up by making more changes than imagined at first. The entire effort will take more time and energy than it was initially expected. Top management attempting in a change process will get a good exercise to do something similar in the future by getting both acquired skills and will be disconnected some of the useful wires. (Kotter 2012.)

In successful transformation, the top executives concentrate on the overall effort leaving the most of the leadership of daily activities and managerial work to others. With lots of delegation of both management and leadership activities, as well as several change projects can be managed at the same time. All of the companies have unnecessary activities, which are no more current reality. But in an environment where change is established as the norm rather than the exception, the process of change can also make future reorganizing or strategic shifts easier. Changing nearly everything takes a lot of time and it needs to have first of all leadership from senior management, in addition to project management and the reduction of unnecessary activities. (Kotter 2012.)

Anchoring new approaches in the culture

After years of work, the results will be impressive, and work will be done. Before that employees are living in an overmanaged and underlead company because of the education and history. The segmented education do not teach much about organizational culture, especially its powerful influence on behavior. Shared values as less apparent are more deeply ingrained in the culture than norms of behavior. The corporate culture is challenging to change, because of it is powerful and it operates outside of people's awareness. (Kotter 2012.)

The aim of the case company is trying to get knowledge enough to check if an old set of practices will have success still today or is there something that needs to be changed. They are trying to make sure that wanted replacements will be firmly connected to company's core values. The challenge will be to graft some main values onto already well-formed cultures. Changing the old culture to new one is complicated to run. Because of shared values, they are usually hiring similar personalities into a company, and that may require to change people too. The cultural change is the last step of the transformation

process. It requires plenty of time and so much leadership from so many people that it will be real big process to the case company. (Kotter 2012.)

3.2. Change model of Kurt Lewin

A German-American psychologist Kurt Lewin (1890-1947) has developed his model consisting of three steps called unfreezing, changing and refreezing. First it has to be recognized in the organization that a change is needed, then it is time to move on toward the desired behavior and at last to anchor the new behavior to be the desired new norm and reality. This Kurt Lewin's three steps model is a basis for many other change models. (Mindtools 2019.)

Unfreezing

At the first step of this theory it is figured out an awareness of how the current level of acceptability is forcing the company to act in a particularly way. It has to make visible the old attitudes, habits, ways of thinking, people, processes and structures to see how necessary a change is for the future of the company, and this need of the change has to be understood. During the unfreezing stage communication is in the most important role to get the employees an understanding about the importance of the change, the logic behind it and how it will benefit all of them. The management have to support the process and give all the possible information about the needness of the change to get the total acceptance of change process. (Mindtools 2019.)

This first step is preparing the personell for the change. It means that the management in the case company have to visualize the fact why change is necessary and why staying in the current comfort zone is not anymore possible. (Connelly 2016.)

Changing

People can begin to move towards the change, when they understand to be unfrozen. According Lewin the change is a process where the company have

to move into the new state of being and acting. This stage is determined by the adopting of the change. In this point of the process the change becomes real. It is the time when people struggle with the new reality and live in fear and uncertainty. Therefore this one is the most challenging step of the process. At the same time people begin to learn the new ways of thinking, new behaviors and processes. The more they are prepared for the change, the easier it is to complete. The change empowers and engages people to participate in this process. (Mindtools 2019.) It takes time to share the needed information, support, training and rewarding, because people do not adapt very quickly to the new ways of working, new competencies and new things to understand. (Connelly 2018). Therefore change processes have to be carefully planned and executed. During this process employees should be reminded the reasons for the change and the benefits to them when the process has been completed.

Refreezing

This last state is called refreezing to symbolize the act of reinforcing, solidifying and stabilizing the new norm after the change process. In this stage it is time to celebrate the change, because it can be seen that change has really happened and the changed conditions are the new norm or status quo in throughout the company. (Mindtools 2019.)

According to Lewin this step of reinforcing is especially important, because now it is ensured that people do not revert back to the old ways of thinking and acting. It is time prior to the implementation of the change. In this step it is time to anchor the change into the company's culture and maintain the changed stage as the only acceptable way of thinking and acting. The new stages are usually reinforced by positive rewards, which are those that will likely be repeated, and it is to remind that the change is a constant, never-ending process. It is like a mid-level phase before the process of change starts again. (Connelly 2016.)

4. Empirical Study

This chapter will present the summary of findings of the empirical study and at the same time as an analysis the actions they have done in the case company according the results of an inquire among their customers. Analysis is followed by Kotter´s book named Leading the change.

This chapter answer to the main research question named: “How does the company take into account customer feedback in their business actions?” Further this chapter discuss the results and focuses on identifying relevant factors which are affecting customer satisfaction as “What are the main factors affecting customer satisfaction and what is included in it?” and aims to reveal the process of customer service and the phases of customer satisfaction answering the question: “What is the process in the company and what are the phases of improving customer satisfaction?” At the end of this chapter, the last sub-question describes how this process is realized asking: “How does the customer feedback process correspond to business goals?”

4.1. Analysis and discussions followed by eight-stage process

Establishing a sence of urgency

The company´s main target is to be able to listen to carefully their customers, work hard to reach the target promised to them, and getting something more than the customers have expected. According to the case company they have managed well in this task as it is presented in Figure 1. The need of the change is not easy to seen early enough and therefore all the actions has to be questioned all the time and the leaders take action to get the personell achieve planned result.

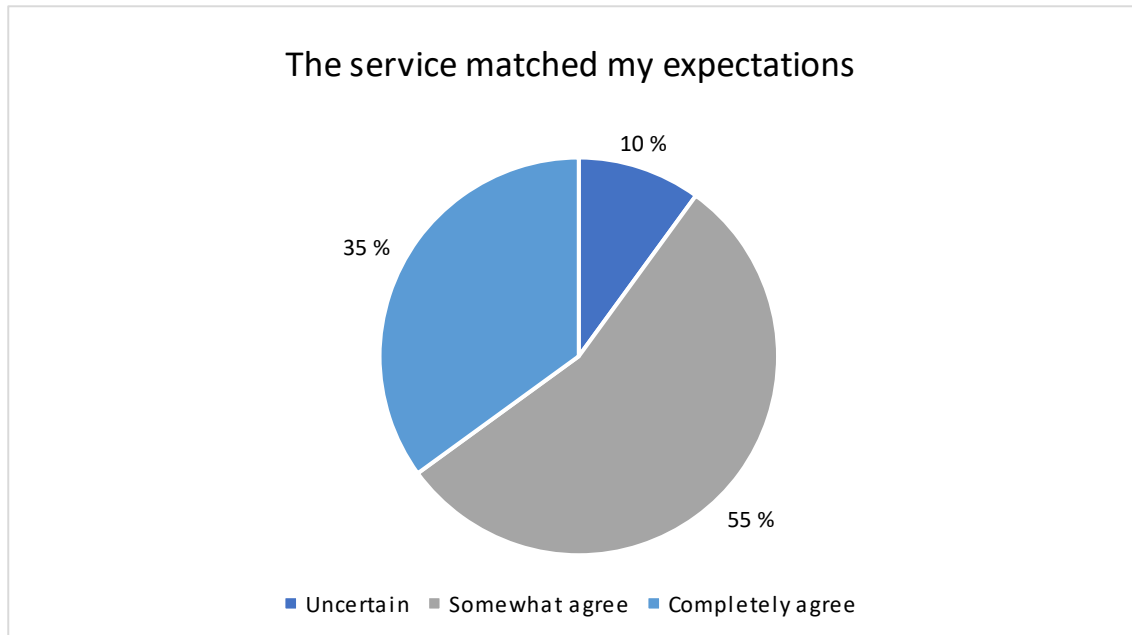


Figure 1. Results of the interviews to the first question are presented in this figure.

Creating the guiding coalition

To stay successful business needs constantly renewable process of decision making. A team with powerful force, right membership, trust, mutual understanding, respect and caring can create real teamwork and for having success. This way similarities between theory and actions can be pointed out to be in quite a line with the reality in the case company by creating satisfied customers, as it is presented in Figure 2 and 3. Although, it is suspected that perhaps only satisfied customers have been picked up to answer the inquire.

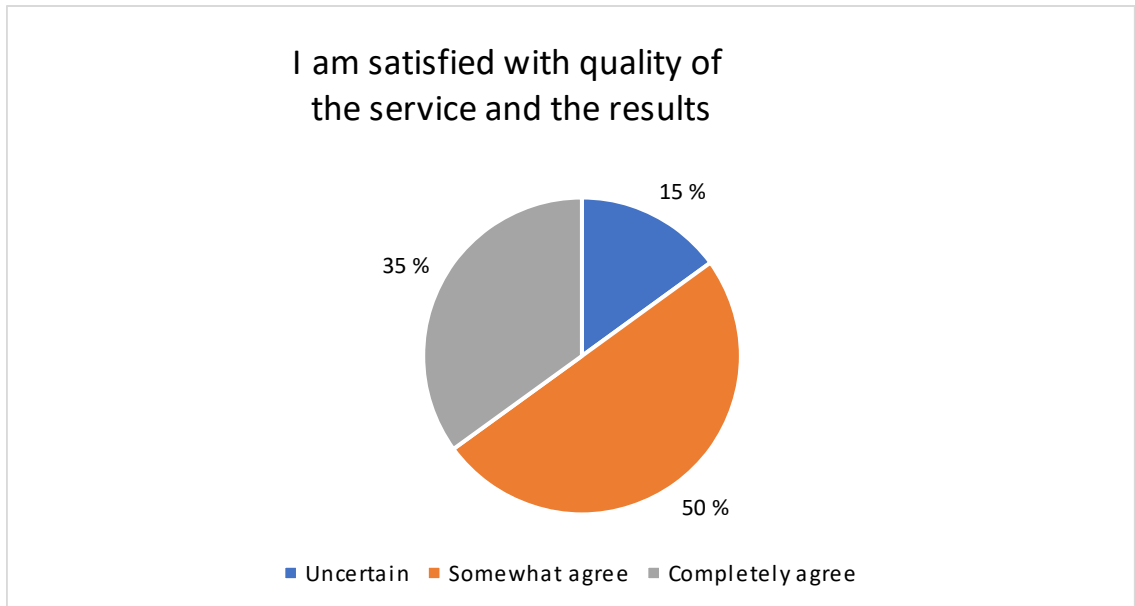


Figure 2. Results of the interviews to the second question are presented in this figure.

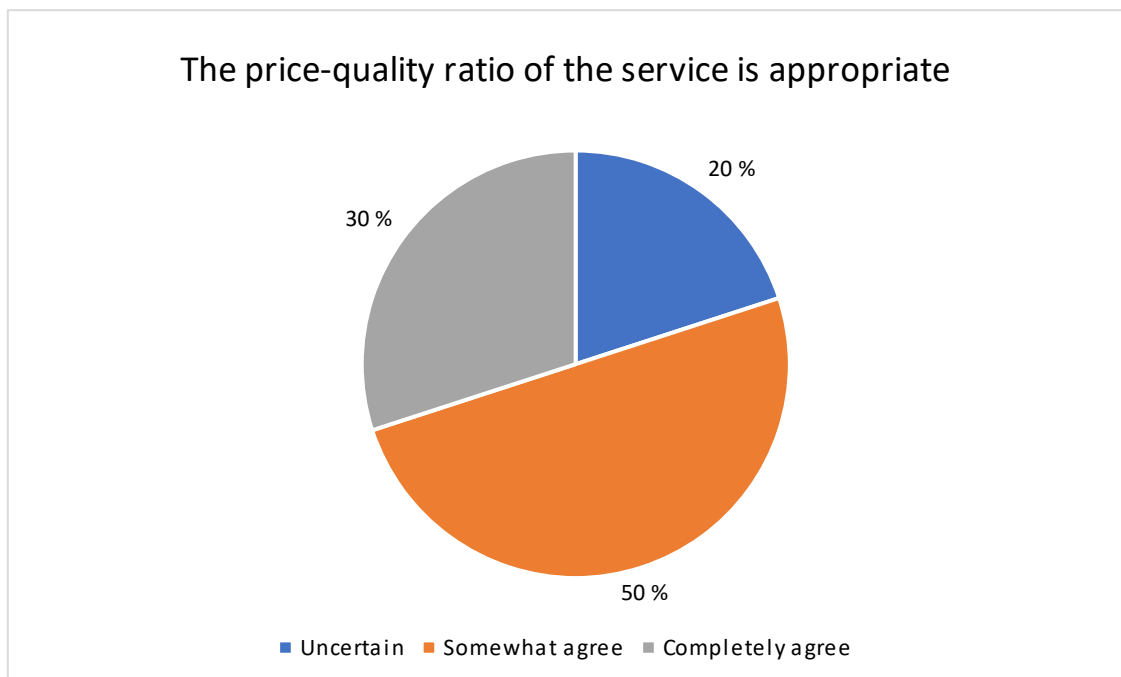


Figure 3. Results of the interviews to the third question are presented in this figure.

Developing a vision and strategy

The vision and strategy of the case company has originally developed from the experience of the leadership and management. All of them have started their career on a construction sites, which have helped them to create a good vision to motivate people to take action towards the right direction in an efficient way. They pointed out in a case company that the feedback based on an inquire tells the vision to been in line with the expectation of the customers, as it can be seen in Figure 1 above. In addition to that, good vision helps managers and employees work more independently without constant linketing with a boss. Vision and strategy seem to be clear and simple enough to motivate action but flexible enough to allow initiative and they are easy to communicate.

Communicating the change vision

The case company has pointed out the importance of keeping in mind that change is constant and that satisfaction among employees and customers has to be constantly measured. This way the company can guarantee that their vision remains understandable, and that reaching it will require common goals and a common direction in addition to a clear sense of what the current issue is and how to solve it. Furthermore, the management will have to get the personnel to understand and accept the vision. The message to be sent must be chosen carefully and many forms of communication used. The behavior of the management must be in line with the vision. Trust and credibility contribute greatly to helping the personnel accept the change in vision. As it can be seen in Figure 4, the company has managed well in communicating, because customers would recommend the company to their acquaintances and business partners.

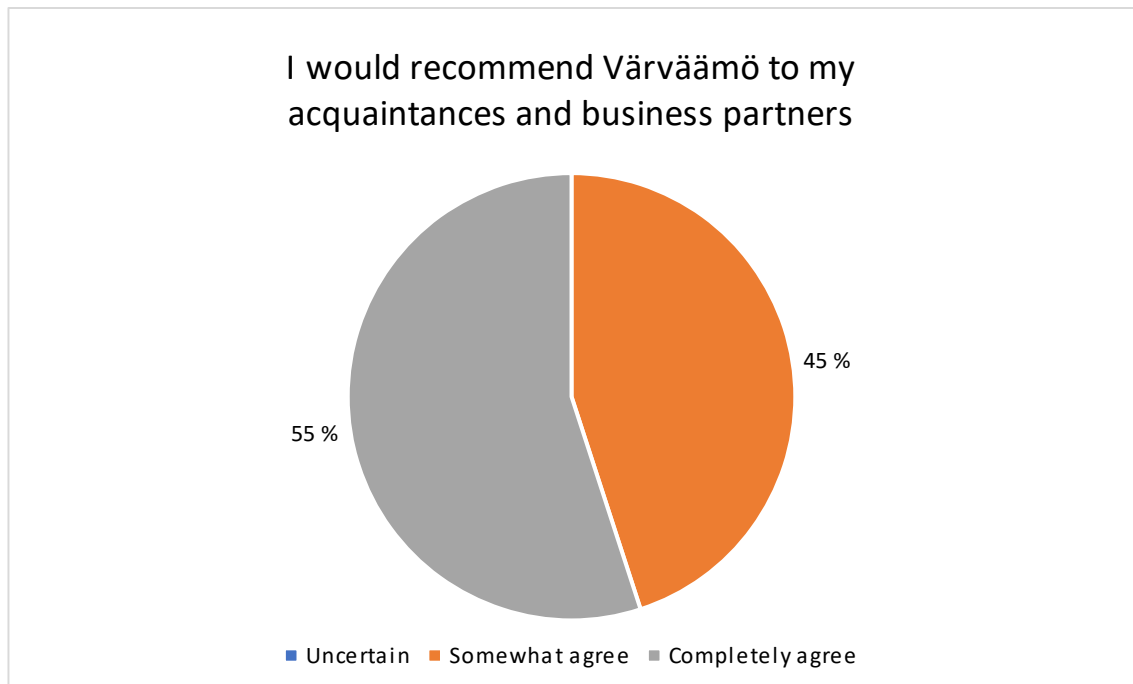


Figure 4. Results of the interviews to the fourth question are presented in this figure.

Empowering employees for broad-based action

The case company will also keep in mind the importance of removing structural barriers. New behavior, attitudes and skills are needed when large changes are implemented. It is up to Human Relations systems to assign employees to tasks that best suit their abilities, but it is equally important to acknowledge that barriers associated with organizational culture are difficult to remove completely before the improvements in performance have been realized. The case company found that they have succeeded well in assigning tasks to the right employees as the contact persons replying to the survey had had enough time to familiarize themselves with their respective customers' situations and circumstances, as it is presented in Figure 5. In this regard it was found that the service provided by the company did indeed answer the specific needs of their customers, according to the survey.

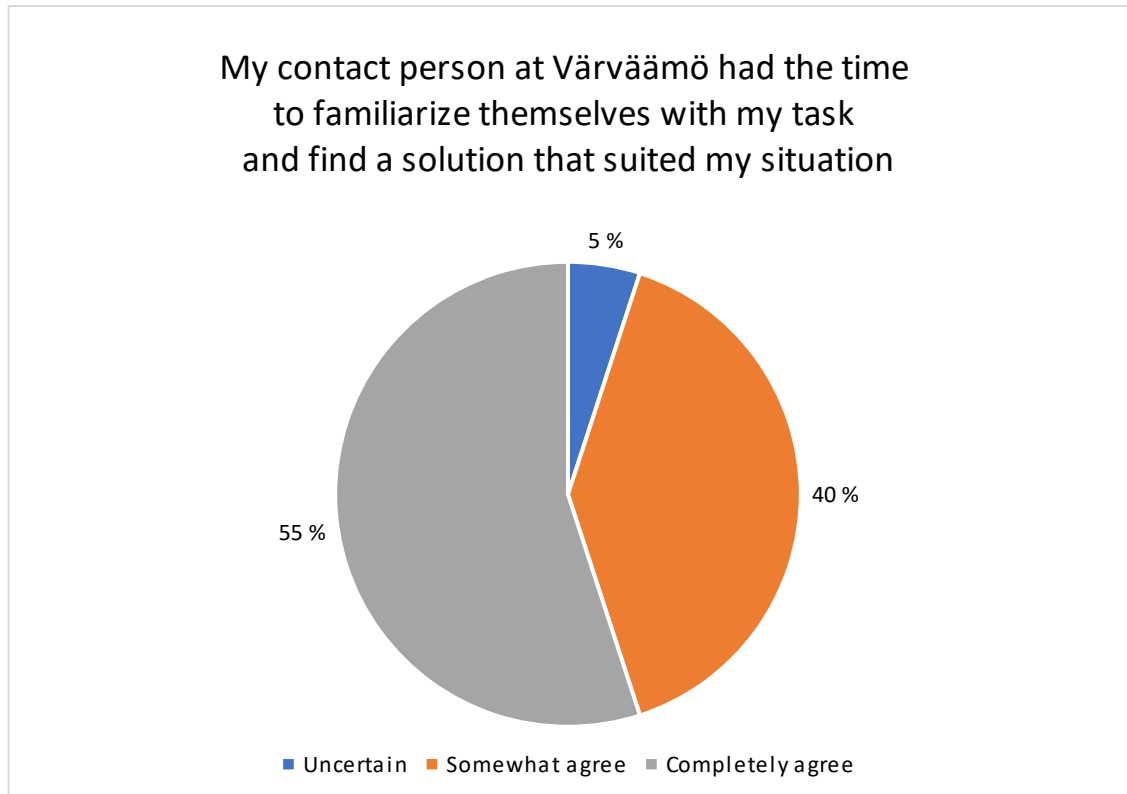


Figure 5. Results of the interviews to the fifth question are presented in this figure.

Generating short-terms wins

According to the case company they are constantly motivating employees to achieve common goals. They pay attention to short-term results by asking feedback from their customers in every mutual interaction. In this way they build the credibility needed to sustain their efforts over a long time. Because the real change takes plenty of time, the short-term pressure can be useful to keep up the urgency rate. (Figure 2)

Consolidating gains and producing more change

Real change takes a lot of time and it requires lots of delegation of both management and leadership, but also of employee activities. Little companies are more flexible in this change process. When management take part in this process they have received a good exercise to do something similar in the future. Their ability to do required connections and getting acquired skills have

been increased in the case company. According to the interviewees the case company gave useful recommendations, that they had not thought of themselves (Figure 6). Based on this survey, in the future the case company will conduct annually this kind of customer survey.

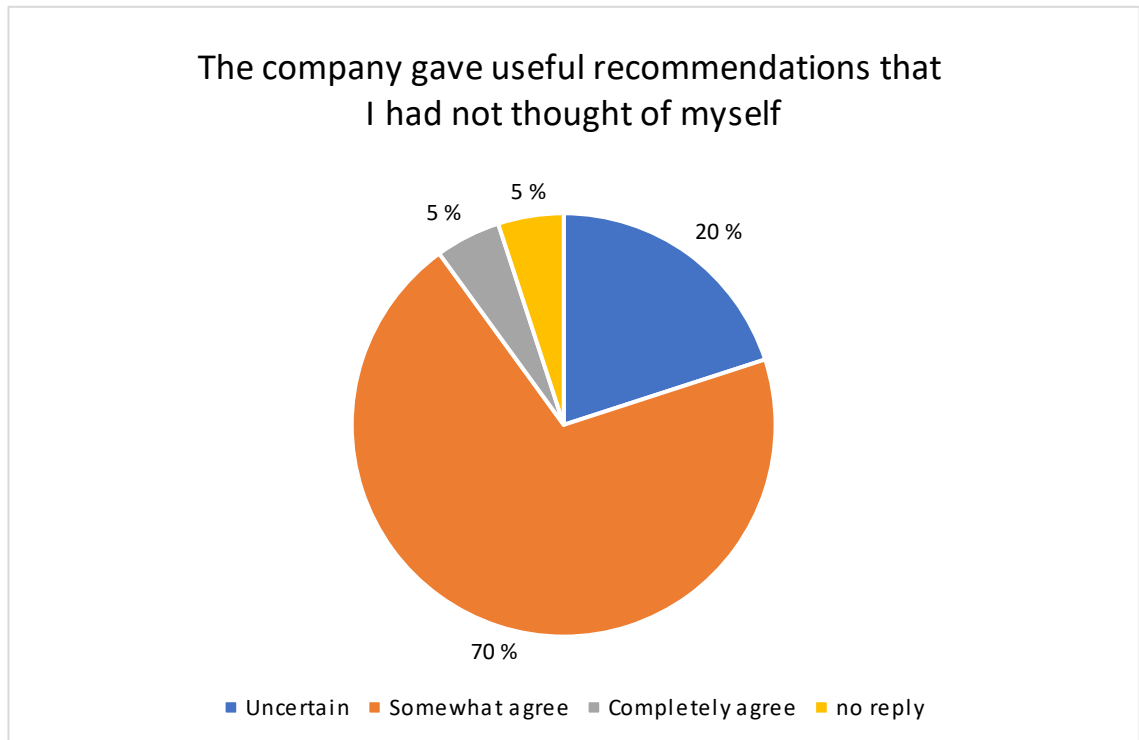


Figure 6. Results of the interviews to the sixth question are presented in this figure.

Anchoring new approaches in the culture

The case company has recently put more effort on the personal relationship and interaction with the customers by hiring more sales force being able to have more time to familiarize themselves with the task and find a solution that suited customer's situation. According to the interviews, the case company have succeeded in this improvement, as it is presented in Figure 5. Usually the corporate culture is challenging to change, because it takes time to get knowlegde enough to check if there is something that needs to be changed. And it is even more challenging to make sure that needed improvements will be strongly connected to company's core values.

5. Conclusions

Based on the survey the case company recognized that their interaction with their customers has been fairly close to their goals and the customer's answers strengthened this notion. Some details require more attention, however. According to Falksted the survey questions were well organized and credible. Inspired by the customer answers they received, the case company conducted a marketing survey and received more detailed data on their customers' thoughts and wishes. In the future the case company plans to conduct customer satisfaction survey annually.

Answers to the reseach question and the sub-questions:

Answering to the main research question: "how does the company take into account customer feedback in their business actions?" it has to point out that the company begun as a small start-up and has since steadily grown, and the entrepreneurs have not had the time to focus on systematically collecting customer feedback. As the contact person Falksted recalled: "we've just been working". The present research was their first experience with a customer satisfaction study and the company was happy to receive the feedback, stating that it was much as they had expected. Inspired by the study, they had a marketing company conduct a wider market research and plan to make a habit of annually carrying one out. The customer feedback caused a realization in the company of the importance of continually measuring customer satisfaction.

Answering to the first sub-question: "what are the main factors affecting customer satisfaction and what is included in it?" can be seen that based on the study , the most crucial factors affecting customer satisfaction are excellent customer service and the ability to really listen to the customer, both of which inspire and strengthen the customer's trust and commitment towards the company.

An answer to the second sub-question “what is the process in the company and what are the phases of improving customer satisfaction?” can be seen that the survey awakened the company to realize the importance of measuring customer satisfaction and inspired them to integrate frequently measuring it as a part of their process.

The last sub-question describes how this process is realized by asking “how does the customer feedback process correspond to business goals?” Customer satisfaction is to be requested at every interaction with customers, whether it is by phone, digitally or in person, and thereby create a model of constant feedback collection as a part of the company’s operation. The feedback enables quick reaction, which in turn has a direct effect on profits. Automation and digitalization make it possible to collect feedback inconspicuously.

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Appendix 1: questionnaire used in the survey. (in Finish and in English)

ASIAKASTYYTYVÄISYYSKYSELY – VÄRVÄÄMÖ OY / Marja-Leena Rämä

Päivämäärä: __ . __ . 2019

TAUSTAKYSYMYKSET:

Olen kirvesmies
 rakennuttaja
 työnjohtaja
 muu, mikä? _____

Olen ollut alalla 0 - 3 vuotta
 4 - 5 vuotta
 yli 5 vuotta

Löysin tiedon Värväämöstä:

Värväämön omilta nettisivuilta
 sosiaalisesta mediasta (Facebook, Instagram, LinkedIn, Twitter)
 tuttavien kautta, suosittelu
 on jo aiempaa kokemusta Värväämöstä
 muualta:,mistä? _____

Asteikko 1–4 jossa: 1=täysin eri mieltä, 2=jokseenkin eri mieltä, 3=en osaa sanoa, 4=jokseenkin samaa mieltä, 5=täysin samaa mieltä

1) Palvelu vastasi odotuksiani

1.____ 2.____ 3.____ 4.____ 5.____

2) Värväämön kontaktihenkilöllä oli riittävästi aikaa tutustua

tehtävääni ja räätälöidä tilanteeseeni sopiva ratkaisu

1.____ 2.____ 3.____ 4.____ 5.____

3) Yritys antoi lopputuloksen kannalta myönteisiä ehdotuksia,

joita en osannut odottaa

1.____ 2.____ 3.____ 4.____ 5.____

4) Olen tyytyväinen saamani palvelun laatuun ja

tehtävän lopputulokseen

1.____ 2.____ 3.____ 4.____ 5.____

5) Hinta/laatu -suhde on sopiva

1.____ 2.____ 3.____ 4.____ 5.____

6) Suosittelen Värväämää tuttavilleni ja yhteistyökumppaneilleni

1.____ 2.____ 3.____ 4.____ 5.____

Vapaa sana:

Mitä jäi erityisesti mieleen?

Kiitos kun täytit lomakkeen ja autat minua lopputyössäni

AN INQUIRE / VÄRVÄÄMÖ

Customer Satisfaction Survey

Marja-Leena Rämä

5 May 2019

BACKGROUND QUESTIONS

I am a

carpenter

contractee

foreman

other; what?

I have been in the business for

0-3 years

4-5 years

more than 5 years

I heard about Värväämö through

Värväämö's website

the social media (e.g. Facebook, Instagram, LinkedIn)

an acquaintance or friend, or was recommended

already have prior experience with Värväämö

somewhere else; where?

VÄRVÄÄMÖ'S SERVICE

Please estimate how much you agree with the following statements regarding Värväämö's service on a scale from 1 to 5 (1=completely disagree, 2=somewhat disagree, 3=uncertain, 4=somewhat agree, 5=completely agree)

1. The service matched my expectations.
2. My contact person at Värväämö had the time to familiarize themselves with my task and find a solution that suited my situation.
3. The company gave useful recommendations that I had not thought of myself.

4. I am satisfied with the quality of the service and the results.
5. The price-quality ratio of the service is appropriate.
6. I would recommend Värväämö to my acquaintances and business partners.

OPEN FEEDBACK

Was there something that specifically stuck in your mind?

Thank you for taking the time to answer my questionnaire!

Appendix 2: total number and share of replies by answer to the questionnaire.

In appendix 2 it is presented the total number and share of replies by answer to the questions to the base on the figures 1-6.

	Uncertain	Somewhat agree	Completely agree	no reply	number of replies
Figure 1	10 %	55 %	35 %		20
Figure 2	15 %	50 %	35 %		20
Figure 3	20 %	50 %	30 %		20
Figure 4	0 %	45 %	55 %		20
Figure 5	5 %	40 %	55 %		20
Figure 6	20 %	70 %	5 %	5 %	19