



Better bosses at Sanoma – rethinking the management feedback process

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Contemporary organizations are facing various new challenges in the fast-changing business environment. Efficiency and regeneration needed require understanding and development of the employees, especially those leading the performance of others within the organization. The purpose of the thesis is to develop leadership feedback practices to enhance leadership, that ensures positive employee experience, and regeneration needed to support the growth and efficiency of Sanoma Media Finland. The aim is to co-create a customer-centric 360-degree management feedback questionnaire and development ideas for the feedback process.

The theoretical framework is derived from the service- and customer-dominant logic, the concept of employee experience, and various leadership studies and frameworks, for example servant leadership. From the theories, ten essential manager qualities were identified by the author. The development was done with a customer-centric service design approach following the Double diamond model and utilizing service design methods and tools: Manager interviews were conducted, reported and the data analyzed. User stories were created, and various workshop methods applied, feedback themes co-created and prototypes tested with Sanoma managers, employees, and HR representatives.

The customer-centric service solution co-created, emphasizes the manager's needs and identifies their three roles at work: a role model and representative of the company, facilitator of teamwork, and enabler of employee's success. Hence, the 360-degree feedback questionnaire co-created includes 38 items, that lead to the assessment of those three managerial roles. Development ideas for the feedback process collected include consideration of transparent and effective communication, timing, and accountability issues connected to the feedback system. The feedback process model created seeks to diminish the defects of the process identified by the research and to enhance management development. Ultimately, the objective is to upgrade the well-being and employee experience of all employees.

Keywords: Leadership, management, 360-degree feedback, customer-centricity, service design

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Sanoman paremmat pomot – palvelumuotoilun kehityskohteena palautejärjestelmä

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Nopeasti muuttuva liiketoimintaympäristö asettaa nykyorganisaatioille monimutkaisia haasteita. Yrityksiltä vaaditaan tehokkuutta ja kykyä uudistua, mikä edellyttää työntekijöiden ymmärtämistä ja kehittämistä. Keskeisessä asemassa ovat esimiehet, jotka johtavat työtä. Opinnäytetyön tarkoituksena on kehittää esimiesten palautekäytäntöjä, parantaa esimiestyötä ja johtajuutta, jotka edesauttavat positiivista työntekijäkokemusta ja tukevat uudistumista, kasvua ja tehokkuutta mediatyhtiö Sanoma Media Finlandissa. Tavoitteena on yhteiskehittää asiakaskeinen 360-asteen esimiesten palautekysely ja kerätä ideoita koko palauteprosessin kehittämiseksi.

Opinnäytetyön teoreettinen viitekehys on johdettu palvelukeskeisen ja asiakaskeisen arvonluonnin logiikoista, työntekijäkokemuksen käsitteestä sekä useista johtajuustutkimuksista ja -viitekehyksistä, esimerkkinä palveleva johtajuus. Viitekehyksistä oli löydettävissä kymmenen keskeistä hyvän johtajuuden ominaisuutta. Kehitystyötä ohjasi palvelumuotoilun asiakaskeinen lähestymistapa sekä tuplatimanttimalli. Käytössä oli useita palvelumuotoilun menetelmiä ja työkaluja: esimiehet haastateltiin, haastattelut raportoitiin ja analysoitiin. Kerätystä datasta luotuja käyttäjätarinoita hyödynnettiin yhteiskehittämisen työpajassa, jossa määriteltiin palautteen keskeisimmät teemat. Lopuksi kyselyn prototyypppejä testattiin. Mukana kehitystyössä oli esimiehiä, työntekijöitä ja HR:n edustajia.

Asiakaskeinen palveluratkaisu, lopullinen kyselylomake, korostaa esimiesten omia kehitystarpeita ja identifioi kolme esimiehen roolia: esimies roolimallina ja yrityksen edustajana, esimies yhteistyön fasilitoijana ja esimies työntekijän menestyksen mahdollistajana. Lopullinen 360-asteen palautekyselylomake sisältää 38 kohtaa, jotka edesauttavat näiden kolmen esimiehen roolin arviointia. Palauteprosessia koskevat kehitysideat korostavat palautejärjestelmään liittyvän viestinnän ja ajoituksen merkitystä sekä prosessin vastuullisuuskysymyksiä. Luotu palauteprosessimalli minimoi tutkimustyön paljastamia palautejärjestelmän heikkouksia ja tehostaa johtamisen kehittämistä. Lopullinen tavoite on parantaa yrityksen kaikkien työntekijöiden hyvinvointia ja työntekijäkokemusta.

Asiasanat: Johtajuus, esimiestyö, 360-asteen palaute, asiakaskeisyys, palvelumuotoilu

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1 Introduction

In this introduction chapter the importance of this thesis' topic – management quality and its enhancement – and its connection to today's business environment is first established. Second, the case company Sanoma Media Finland is introduced, and the development challenge discussed. Third, the purpose of the thesis and key concepts are defined. Last, the structure of the thesis is reviewed.

1.1 Management quality, employee experience and competitive advantage

Contemporary companies are facing various new challenges in the fast-changing business environment affected by digitalization, global pandemic, and altering customer behavior. Efficiency and regeneration are needed, and it is essential to organizations to ensure optimal performance. This requires not only knowing one's service customers and an understanding of their customer experience but also an understanding of the people performing those services, i.e. employees and the complex network they form within the organization. The success of the company is closely tied to its peoples' employee experience and ability to perform, research shows (Plaskoff 2017, 137; IBM & Globoforce 2016, 9; Tucker 2020, 184). Furthermore, the importance of the manager's influence on the employee experience, engagement, and retention has been established. Thus, organizations' investments in management quality and its development do not only affect overall well-being at work but enhances competitive advantages.

For many organizations management development programs are already customary: managers are offered training and feedback on their performance. But are these actions effective and can their impact be seen in the employee experience – and ultimately, on the company performance? Are the management and leadership qualities and skills being developed and appraised adequate? Are the leader and support the needs of the employees being met?

Furthermore, many competent managers seeks independently to enhance their performance and develop leadership skills further but might find the company practices, values, or norms not supporting those aspirations. Therefore, it is vital to ask: Do the managers get feedback on development issues they feel are essential in their work and personal development? Are the development opportunities, i.e. company's internal services, otherwise best suited for the internal customer, the manager? Might there be another way, not yet been discovered and used, that would better help the managers enhance their leadership skills and further the employee experience?

Customer-centricity and customer experience have been emphasized by modern day marketers this century. The service design approach has offered a human-centric mindset, methods, and tools to nourish that experience in innovative ways. The notion of employee experience brings a similar approach available to organizations and their human resource units offering internal services to employees. Yet, service design is relatively new to the HR field and its development projects.

As the Sanoma strategy introduced next proves, the role and impact of managers on employees and their experience of their work are seen more and more important. The disruption of the COVID-19 pandemic, remote work and distancing, has put pressure especially on employees holding management positions. The rules of leading a team have changed, and the support of superiors is needed more than ever, the company pulse survey reveals. But what is essentially needed by the employees? This can only be found out by asking and getting feedback.

Interestingly, a circle of synergy occurs: feedback and opportunities to develop and grow are also important factors of good employee experience (IBM & Globoforce 2016, 6-7). Hence, the development of the management feedback program benefits all: the employee, manager, and ultimately the company by enhancing its competitive advantages.

Next, the case company is introduced, the purpose and research questions of this thesis are reviewed, key concepts defined, and the structure of the thesis introduced.

1.2 Overview of the case company and the development challenge

In this chapter the case company Sanoma Media Finland (SMF) is introduced in detailed. The leading multi-channel media company SMF is part of Sanoma, a Finnish media and learning company, that employs 3900 people in ten countries including Finland, Holland, Sweden, and Poland. 1804 of them work for SMF. A recent acquisition of a Spanish learning company will lift the number of Sanoma employees by several hundreds.

Last year (2019) SMF's revenue was 576,8 million euros. Sanoma's total revenue was 900 million euros. SMF runs newspapers like Helsingin Sanomat, the largest daily newspaper in the Nordic countries, Aamulehti and Ilta-Sanomat, numerous magazines and owns several tv and radio channels, e.g. Nelonen. Sanoma Kids publishes Aku Ankka the Finnish Donald Duck. Overall SMF's media portfolio reaches 97 % of all Finns weekly. During couple last years SMF has expanded to event organizing.

Sanoma's history reaches to year 1889 and Sanoma Media Finland has been operating with its current name and form since 2014. Digitalization and demographic change – the new way younger generations consume media – have been the biggest challenges Sanoma and SMF has

encountered in the fast-changing ecosystem. This issue is tackled in the recent strategy for the years 2019–23.

Sanoma and SMF have created growth by acquisitions and selling some parts of the business that has been most vulnerable to the declining of print advertising. The changing ecosystem has required Sanoma and SMF to reorganize the company several times during recent years, which has meant extensive changes in work conditions and lay-offs. This and the COVID-19 pandemic of 2020 have created challenges to the employees and management.

Due to the changes in the business environment, the latest strategy includes three main topics: growth, efficiency, and regeneration. Part of the regeneration SMF leaders see a promise of a better workplace, which includes reformed training programs and 360-degree evaluation for management aka good bosses program, which is the topic of this report. This thesis forms one part of this development project that seeks to enhance employee experience through strengthening of leadership and management work at the company.

1.3 Purpose and aim of the thesis

The purpose of the thesis is to develop leadership feedback practices to enhance leadership, that ensures positive employee experience, and regeneration needed to support the growth and efficiency in the fast-changing environment. The aim is to co-create a customer-centric 360-degree management feedback questionnaire and development ideas for the feedback process at Sanoma Media Finland.

The following research questions have guided the development process:

- How to apply service- and customer-dominant logics in internal human resources unit (and leadership practices) to gain positive employee experience?
- What are the essential leadership qualities to be enhanced according to the most recent conceptualizations and studies?
- How do the managers perceive their work and present HR services related to managerial work?
- What are the themes of feedback that would help the company managers to develop?

This thesis aspires to prove the usefulness and suitability of service design (SD) approach to HR development projects by using SD tools and methods to understand the internal customers, i.e. managers, their development and feedback needs, and co-creating a human resource service solution: a customer-centric 360-degree feedback questionnaire and ideas for the feedback process. The adequacy and feasibility of the service solution is enhanced with the SD approach. In addition, the inclusivity of the SD approach enhances also the company managers' and employees' engagement to the feedback process and commitment to

development. It helps managers adapt to change, i.e. the new service solution, by involving the managers early on during the development process.

The development is done with customer-centric service design approach following the Double diamond process model and utilizing several service design methods and co-creational tools. More specifically, the development challenge of HR is approached with a focus on the managers as well as other employees, i.e. the internal customers of the company (Maleyeff 2006, 674). Service design offers a whole new mindset and tools for HR units to view their services. Customer-centricity has been the talk of the contemporary marketers, and the notions of internal customer and employee experience offer similar approaches for businesses seeking to engage the best people and enhance efficiency. Moreover, what should be noted, there is a link between the satisfaction of internal customer and external customer (Grace and Iacono 2015, 560).

In addition to the concept of employee experience, the theoretical framework for the development work is derived from the service-dominant logic, customer-dominant logic, and various leadership studies and frameworks, e.g. servant leadership. The framework synthesized from these theories emphasizes human-centricity and paves way for the service design approach used in the development process.

The development process of this thesis has been first focused on learning who the Sanoma managers are, and what are the challenges they face in their leader roles, how they perceive HR services, and what are the themes of feedback they hope to receive and how to develop. Second, co-creation of new service solutions was done with different stakeholders, i.e. managers, employees and HR representatives. The outcome of the development process is a suggestion for new 360-degree management feedback questionnaire, ideas and a model for the feedback process.

1.4 Key concepts

In this subchapter the key concepts of the thesis are introduced and defined briefly.

360-degree feedback is an employee's performance evaluation process that covers a total circle of perspectives: the assessment is done by the employee's supervisor, peers, subordinate, and in some occasions customers, etc., also self-appraisal is included. The employee is rated by others anonymously with common parameters, that have been previously determined. (Day, Fleenor, Atwater, Sturm, McKee 2014, 71; Sengupta & Sengupta 2018, 52). The process' developmental goals are employee self-knowledge and behavioral change (Day 2000, 588).

Employee experience (EX) in this thesis is understood to be the employee's holistic perceptions and feelings of the relationship and interaction with the employer. These perceptions are affected also by the non-work related life of the employee. EX includes several perspectives: emotional, cognitive, political, social, economic, and physical. This definition mainly adapted from Plaskoff covers elements included in more narrower definitions. (Plaskoff 2017, 137-138.) For example, Dery & Sebastian connect EX to "the work complexity and behavioral norms that influence employees' ability to create value" (2017, 1). Additionally, including the employees life out of work in EX connects the definition to the customer-dominant logic and it's view on customer experience. Employee experience can be viewed to be an internal customer's experience (Tucker 2020, 183).

Manager is a person responsible for other people's work and management. Managers and management are needed to companies to perform (Day 2007, x, 390).

Management and **leadership** are considered and used as synonyms in the thesis. Even though there is a custom to separate the definitions (Antonakis, Cianciolo & Sternberg 2018, 5; Day 2000, 582; Mellanen & Mellanen 2020, 141), the researcher found the division did not serve the thesis' purposes and was not justifiable in this context. Kaehler and Grunedei see the division artificial, pointing that there cannot be management without goal-oriented influence on people or pointing the direction – or leadership without planning, organizing, and controlling (2019, 13; see also Ahmad & Loch 2020, 1). Management in an organization is steering influence on market, production and resource operations. It covers people issues and non-people issues. Management is used by various organizational actors through constitutive or strategic management or operational management with the objective of reaching the unit's goals. "Managing" the unit is same as "leading" it. (Kaehler & Grunedei 2019, 22.)

Service design aims to find "unmet needs and desires" and cover them with "innovative design solutions" and seeks to find balance between people, context, technology and business (Curedale 2013, 14, 17). Service design is a customer- and user-centered mindset and interdisciplinary approach to that combines different methods and tools from various disciplines (Stickdorn & Schneider 2012, 29; Stickdorn, Lawrence, Hormess & Schneider 2018, 20-21). Service design is connected to design thinking, the words are used as synonyms. For Curedale service design means the field and practice and design thinking is the approach (2013, 2, 28-29).

1.5 Structure of the thesis

In this subchapter the structure of the thesis is described. First the knowledge base is explained in detail: Chapter 2 starts with discussion of the two dominant logics of business research: service-dominant logic (SDL) and customer-dominant logic (CDL). Next the relevant leadership theories are being discussed starting from charismatic leadership framework and

continuing with transformational and servant leadership frameworks. Additionally, other leadership studies are reviewed as well as the needs of the employees from the superiors. The framework of employee experience is introduced next. In the synthesis part the previous theories are merged to a functional framework for the purpose of this thesis.

Chapter 3 starts with the introduction and discussion of three different service design process models followed by the development work of the thesis and closer inspection of relevant service design tools and methods used. The development and research process is described following the Double diamond model of service design process. The development and research process concentrates on the three first stages of the Double diamond: Discover, Define and Develop. The last phase, Delivery, is discussed only briefly. The Discover stage centers around initial and contextual interviews and desktop research, i.e. data collection and analysis. Creating users stories and designing a virtual workshop is in the core of the Define stage. The Development stage includes co-creational workshop, analyzing research data, prototyping, testing and finally delivering the development and research process outcomes and findings.

In chapter 4 the results and outcomes of the different steps during the Double diamond development process are discussed in detail. At the end of the chapter the final service solution developed is introduced. Chapter 5 summarizes the research done, answers the research questions, evaluates the thesis process also from a critical perspective, and discusses the next steps after the development project and summarizes other takeaways.

2 Business logics, leadership & employee experience promoting human-centricity

In this chapter first the two dominant logics of business research, the service-dominant logic (SDL) and customer-dominant logic (CDL), are reviewed to give tools for theoretical framework and back up the research. The dominant logics focus on external services, but there are references, even though not all specifically defined, to internal services as well. After the business logics the theories and frameworks of management, leadership and employee experience are reviewed. The last subchapter summarized these concepts to one theoretical framework that is used to frame the thesis development process.

2.1 Service-dominant logic

With the world changing rapidly towards the end of the century in late 1900s, the discipline of marketing had gone through several changes too. In the early 1900s the study of marketing, with foundation in economics, had a scope on distribution and exchange of goods and manufacturing products (Vargo & Lusch, 2004, 1; 2017). Scholars with the prevailing goods-dominant logic saw goods as end products with value embedded (Lusch & Vargo 2014, 79) and services as inferior to goods, defined by less favorable qualities: intangible, heterogenous,

inseparable and perishable (Vargo & Lusch 2017). With the rise of service industry Lusch and Vargo introduced in 2004 *Evolving to a new dominant logic for marketing* in the *Journal of Marketing*. The new logic was better suited for the modern world of marketing and put the service provision and not the goods in center of the economic exchange. The authors describe it later identifying and combining existing ideas rather than being radically new (Vargo & Lusch 2017). The new perspective took a closer look at intangible resources, the co-creation of value and relationships in exchange (Vargo & Lusch, 2004, 1).

Due to discussions within the scientific community Lusch and Vargo's service-dominant logic (SDL) has evolved with modifications and additions during the years and it continues to evolve (2008; 2016; 2017). However, its basis is on four principle axioms, i.e. foundational premises that foster six sub principles (2014, 54). Later on, a fifth axiom was introduced (Vargo & Lusch 2016). SDL key terms include *service*, *actor*, *resource*, and *value*. *Actor* can be defined as independent agent with purpose and capability to act. Structures, such as norms and attitudes, can restrict the actions of actors. Lusch and Vargo stress that structure and agency are in motion at the same time and cannot be separated. Also, actors are bound to each other and the surrounding society and affected by time in the form of unique pasts, that have influence on actors' beliefs and values (2014, 56). *Service*, according to Lusch and Vargo, is the application of resources so that another actor or oneself benefits. Service can be directly provided to an actor, e.g. a facial. Or service can be provided indirectly through a good, for example car as a service for personal transportation. The good serves as a distribution system or appliance for the service. Service can also be provided indirectly through a currency, i.e. money or social currency. Money equals right to future service when social capital obligates for future service (2014, 56-57). They separate *service*, in singular, being a process and superordinate to word *services*, in plural, which refers to units of output (Vargo & Lusch 2017).

Lusch and Vargo state *resource* to be anything that an actor can use for support, mostly for value creation. They distinguish operand resources and operant resources. The previous have potential to be resources and provides benefit if another resource acts on them. The latter refers to resources that have the ability to act on potential resources for benefit. Operant resources, like human skills and abilities, are mostly intangible and dynamic (2014, 56-57). The both resources are connected to each other, for example a hairdresser (operant resource) needs scissors, chair and hair (operand resources) to create benefit for customer. Last of the foundational concepts, *value*, is, as Lusch and Vargo state, simply put a benefit: an increase of wellbeing of an actor, an experimental outcome (2014, 57; 2017).

According to Lusch and Vargo's service-dominant logic "service is the fundamental basis of exchange", which is the axiom one of original four. Service is considered to be an application of operant resources, meaning knowledge and physical skills, by actor on operand or operant

resources for the benefit of another actor – a process. The actors' goal is to enhance their system viability by developing and applying these resources and exchanging their application with other actors. This is needed since skills and knowledge are not equally distributed among people and they might need different skills that they possess. When actors concentrate in specific skill, they will be able to benefit from learning and scaling advantages. This type of specialization makes exchange compulsory: human actors need each other to serve each other to ensure satisfactory quality of life. Therefore, it is essential to different actors to recognize what it is that they are offering, i.e. what is their specialized service offering that gives them advantage when exchanging with other actors. (Lusch & Vargo 2014, 58.)

The second foundational premise derives from the first axiom. It states that “indirect exchange masks the fundamental basis of exchange”, since the society hardly operates on service-for-service exchange. Instead, Lusch and Vargo argue, there is indirect exchange of expertise that is conducted by money as a medium of exchange. This money represents right for future services. Inside a company occurs many service exchanges that are masked and indirect, especially to outside, and the company can be viewed as construction of micro specialized actors. These actors serving the whole are getting paid by the company, not the outside service beneficiary. This nature of the indirect exchange can have unfortunate effect on the employees, who can miss the logic and their own involvement in the service-for-service exchange with the outside actor (2014, 15, 58-60). Even though Lusch and Vargo don't use the term internal service, it is what they are referring to. According to Lusch and Vargo, the industrial revolution and aim for economic efficiency has led to big institutions and actors, i.e. employees, who no longer interact directly with the actors, i.e. ultimate beneficiaries, they are serving. Employees who lose the connection to ultimate beneficiaries of the organization, i.e. customers, start to focus on the output, the goods, or miss the purpose of their service provision. Employees performing inside the organization have internal beneficiaries, which form a service chain. However, the actors participating in the chain do not pay each other but might communicate, which can be seen as one form of reciprocal exchange (2014, 61-62). All employees can be seen as internal service providers and beneficiaries since they use their skills and knowledge in the benefit of the firm and each other (Vargo & Lusch 2017).

Goods have a specific role in SDL. They are distribution system for service provision, states the third foundational premise that derives from the first axiom of Lusch and Vargo. Goods have an important part in economic exchange, but they are not the fundamental components of it as it was seen in the previously popular goods-dominant logic. The goods have two roles in the service exchange: goods as service appliances and goods as transporter of knowledge and skills (2014, 61-64). The previous would be the scissors used by a hairdresser and the latter hairspray one buys home. It contains the service, skills and knowledge, of a hair industry lab and its employees.

Competitive advantage can be reached with operant resources, i.e. knowledge and skills, is the idea of the fourth foundational premise that derives from the first axiom. Lusch and Vargo point that even though operand resources are important they can only be utilized through use of suitable operant resources. Actors may create totally new markets by innovating new ways to use existing resources and new resources (2014, 64-65). Later the premise was modified to “operant resources are the fundamental source of strategic benefit” to lose the competitive overtone of the term “advantage” (Vargo & Lusch 2016). The fifth foundational premise of Lusch and Vargo that derives from the first axiom states that “all economies are service economies”. By economy they mean both eras and economies, macro-specializations characterized by specific knowledge and skills, i.e. hunter-gatherer, agricultural, industrial, and information. This means all businesses are service businesses, despite the official classifications of economic exchange national level that still divide businesses by the manufactured end product or intangible services (2014, 66-67).

Next Lusch and Vargo discuss value, especially how it is created and shifts the focus from firms towards the customers. With the second axiom they Vargo state that “the customer is always co-creator of value”. Meaning the customer is an actor who brings own thoughts, needs and beliefs to service exchange, which leads to the seventh foundational premise of the service-dominant logic, “the enterprise can only offer value proposition”. These premises mean that value is not embedded in tangible or intangible offering, i.e. value-in-exchange, but it exists only when offering is being used (value-in-use) and benefits an actor, who is the ultimate judge of the value. Companies can only invite actors to engage with them for benefit and should concentrate on how the offering helps the beneficiaries fulfill their “jobs to be done” (2004, 11; 2014, 68-73). Later Vargo and Lusch (2016) updated these premises to further describe the value creation process. The idea of multiple actors was introduced: “value is co-created by multiple actors, always including the beneficiary” and “Actors cannot deliver value but can participate in the creation and offering of value proposition” (Vargo & Lusch 2016).

In addition to service-dominant logic’s views Grace and Iacono argue that also internal customers are important value creators, i.e. resource integrators, and value beneficiaries in the value co-creation process (2015, 560-561). They define internal customers as “*individuals who act on behalf of the firm, such as board members, executives, managers and employees, and who directly benefit (through financial and socio-psychological value) from their contributions to the firm's value co-creation process*”. Since employees spend more time with the company and are more bound to it than external customers, the company’s value proposition is more essential in the context of internal customer (Grace & Iacono 2015, 561).

Additionally, the value-creation process continues by the beneficiary actor over time after the purchase of an offering as well as does the marketing and delivery processes. This leads

straight to the eight foundational premise that derives from the second axiom and states that “a service-centered view is inherently customer oriented and relational” (Lusch & Vargo 2014, 72), later “customer” was replaced with “beneficiary” (Vargo & Lusch 2016). Lusch and Vargo have adopted the generic actor and relationship-based actor-to-actor framework (A2A), rather than discussing firms as merely producers and customers as consumers of the value (2014, 70). During the years the emphasis on actor rather than customer has grown (Vargo & Lusch 2016). Each actor in the A2A network is aiming to enhance the viability and wellness of their own relevant system. The system is defined by the actor and can include oneself and set of resources or other actors, like team, family or whole community, that can be drawn on for support. For an actor such as a busy employee with a family, this might mean using money (right for service) to pay for microwaveable meals to feed kids after long day at work. The value of the easy meal is only co-created with other actors and resources. Therefore, Lusch and Vargo argue that value is co-created and human actors are always part of network of other human actors. Ultimately the co-creation of value is a process of an actor that includes three components: developing and using knowledge and skills, service exchange and resource integration. This aims to better the viability of the actor’s system in question. By system viability Lusch and Vargo mean more than mere well-being, the system’s ability to adapt, be resilient and flexible. (Lusch & Vargo 2014, 70-71.)

With the second axiom Lusch and Vargo state that “the customer is always co-creator of value” (2014, 68). Meaning the customer is an actor who brings own thoughts and values to service exchange and enterprises can only offer value propositions.

There is a boarder view of service exchange: “all social and economic actors are resource integrators” Lusch and Vargo state in their third axiom and add: actors in exchange are both service providers and beneficiaries co-creating value. Resource integration means creating resources by combining market, private and public resources. Private resources are being exchanged in social networks and can be hand me down books or a career advice from acquaintance or favors (2014, 74-75). This wider view implies that value is co-created in complex situations that combine different actors’ circumstances, resources, ideologies, etc. Toy used with friend or while watching tv has different value. Families eating cereals can have all sorts of resources and actors connected to the meal from stay at home dads to school programs for underprivileged. These actors are combining resources from many different actors to achieve something bigger (2014, 76-77).

In axiom four Lusch and Vargo state that value is always uniquely and phenomenologically determined by the beneficiary. This means that value is experimental. Compare a visit to museum alone or with family, the art is the same, experience not. This also connects back to the seventh foundational premise: enterprises can only make value propositions (2014, 78).

After a decade since the SDL was introduced Vargo and Lusch visited the discipline of sociology and found institutional approach to benefit the logic. They define institution to be an individual “rule”, i.e. practice, law, norm, and “institutional arrangements”, i.e. interconnected institutions that take part in activity and value co-creating process (2016). Or: *“Institutions are the humanly devised rules, norms, and beliefs that enable and constrain action and make social life at least somewhat predictable and meaningful (Scott, 2008), what North (1990) calls “rules of the game””(Vargo & Lusch 2017).*

The new fifth axiom and eleventh foundational premise states: “value cocreation is coordinated through actor-generated institutions and institutional arrangements” (2016; 2017). It implies that the world of human exchange systems and in which SDL and marketing scholar operate is far more complex than Vargo and Lusch originally defined: the service provision, value co-creation and realization happens not in isolation but in networks (2016; 2017). It has become evident that the institutions and institutional arrangements are the foundational facilitators when value is co-created in markets (Vargo & Lusch 2016).

SDL and the case company

When analyzing the case company through the SDL framework and with key terms, a complex network of actors and services surface. With the support of Grace and Iacono’s views of internal customers as important resource integrators, value creators and beneficiaries, SDL can be used to study internal services, the exchanges happening within the case company (2015, 560-561). Actors, independent agents with purpose and ability to act, are all the employees of the case company from individual team members, team leaders and HR representatives to the top teams executives, who all are restricted by company norms and attitudes (Lusch & Vargo 2014, 56). All these actors are both service providers and beneficiaries, meaning: a manager provides managerial service to subordinates, who provide service by doing their job. All benefit at least by getting paid but also by ways discussed later. Norms and attitudes are being communicated through various ways and levels, for example what is emphasized in management training or what topics are being asked when appraising employee performance or what are the company values and strategies.

Service, the application of resources in the benefit of others or oneself, is happening between all actors of the case company according to the SDL axiom one. Especially so when noted the second foundational premise of SDL and that service can be provided indirectly through currency (Lusch & Vargo 2014, 56-58). From this perspective one can argue that all employees of the case company getting salary for their labor input are engaged in service exchange. Additionally, complex service chains have been formed inside the company to enhance system viability. For example, the team leader applies their operant resources, leadership skills, to guide team members to benefit all the actors: company, employee and oneself. The system

viability the manager seeks to improve can consist of team performance and meeting objectives or smooth own workday. Possessing leadership skills or expertise in HR field can also be seen as an examples of specialization, a specialized service offering, that according to Lusch and Vargo makes exchange compulsory (2014, 58-59). With good guidance the employee gets the work required done more easily, the team leader enjoys the smooth performance of the team and the company benefits in declining costs. According to Lusch and Vargo this communication can be seen as reciprocal exchange and all participants internal beneficiaries (2014, 61-62; Vargo & Lusch 2017).

The HR services, such as management training or 360-degree feedback process, are also service that benefit several actors, i.e. the manager attending, the subordinates and superiors of the case company. At a micro level, from a opposite view, a subordinate giving feedback to a manager can be seen as a feature of exchange, a service offering, and an example of a micro specialization. It can also be described as service for service exchange, that has the potential to enhance both actors system viability: feedback is a resource to the manager whose leadership skills (operant resource) can better in the benefit of the employee, who's employee experience enhances. Couple questions arise: What other resources managers integrate when enhancing their system viability? What private resources they possess?

From another perspective the HR actions can be seen as resources, that an actor, a manager, can use for support in creating value such as a better employee experience (Lusch & Vargo 2014, 56-57). The resource perspective is emphasized when managers are seen as resource integrators in the value co-creation process. The manager pursues to better the viability of their system, for example team performance and the tasks and objectives assigned to the team (Lusch & Vargo 2014, 70-71). Other resources case company managers can use are for example education, professional literature, peer and superior support or even lunch café offerings.

The importance of enhancing leadership skills and behavior within the company and the justification of this thesis can be found in the fourth foundational premise: "operant resources are the fundamental source of strategic benefit" (Vargo & Lusch 2016). The second axiom "the customer is always co-creator of value" and the seventh foundational premise of SDL "the enterprise can only offer value proposition" suggest that the value of service offered by the case company HR, e.g. leadership training and 360-degree feedback program, or an individual manager, guidance to subordinate, is ultimately interpreted by the beneficiary, i.e. the manager and the subordinate. Since the service chain has complex, simultaneous, voluminous, reciprocal and circling exchanges, one can argue that some of the value is judged also by the HR, the manager and ultimately the organization. Due to the complexity of SDL and the organizational service chain, the exchange discussed in this thesis is narrowed down

to the ones happening between the HR, a manager and a subordinate and the managers superior. Ultimately, the value of HR service or leadership service is co-created, since according to updated SDL “actors cannot deliver value but can participate in the creation and offering of value proposition“ (Vargo & Lusch 2016).

The formation of value is even more complex according to Lusch and Vargo’s fourth axiom: value is always uniquely and phenomenologically determined by the beneficiary and it is experimental (2014, 78). For example, for the 360-degree feedback program this means various things. The case company can propose the value of the feedback being in self-knowledge and growth offered to managers, but a manager suffering from burn out symptoms, having a sick child home, and receiving the feedback at the end of the busiest day of the week in loud open office can interpret the feedback to be discouraging and proof of distrust in the organization. According to Dube this phenomenological service experience can be seen emerging from the *lifeworld* of the manager aka internal customer (2020, 7). This holistic view includes different aspects of managers life, for example, different services not connected to service being experienced. In this case the experience of the feedback service can be affected by the childcare services used by the manager and their strict health policies in bringing in sick children.

Goods in the case company’s HR context and the scope of this thesis are for example leadership books that transport knowledge and skills and feedback questionnaire as a service appliance (Lusch & Vargo 2014, 61-64). The institutional approach of SDL has very much to do with all the norms, rules, etc. connected to managerial and HR practices, values and communication within the case company. For example, what are the desired qualities of case company managers and how are they communicated? These institutional aspects affect the co-creation of value of leadership and management service as well as of HR service. With the fifth axiom and the eleventh foundational premise Vargo and Lusch admit that the case company is not as closed system but operates in complex world of networks (2016; 2017). Hence, there is a need for whole other theoretical framework for the purpose of this thesis.

2.2 Customer-dominant logic puts the customer in the spotlight

In this chapter the customer-dominant logic and its essential components – customer logic, customer ecosystem, customer experience, and value formation – will be introduced and determined.

From the discussion around Lusch and Vargo’s service-dominant logic (2004; 2008; Heinonen & Strandvik 2015, 473; 2018, 3; Voima, Heinonen & Strandvik 2010, 2) rose a new perspective that claimed the previous logics, as SDL, being provider-dominant and suggested value creation should be further studied from the value-in-use viewpoint including customer’s context and experience of service. Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström,

and Andersson (2010, 531) argued that the customer-dominant logic (CDL) they introduced would provide companies better understanding of the role of the company in customers' lives, which should be the basis of company's marketing and business logic. Even though the service-dominant logic sees customers actively co-creating value, their role is merely that of a partner. There should be more holistic understanding of customer's life, in which service is embedded Heinonen et al. argue (2010, 533). Customer's life includes customer's contexts, activities, practices and experiences. The CDL as an approach fits when viewing different perspectives: individual customer or groups of customers, i.e. users, beneficiaries and followers, in business or non-commercial settings (Heinonen & Strandvik 2018, 2).

Customer-dominant logic positions customer – not the service, service provider, interaction, nor system – in the center as the main stakeholder (Heinonen et al. 2010, 534; Heinonen & Strandvik 2015, 473). This perspective differentiates the logic from other business logics and has companies asking what customers are using their services for and what they hope to accomplish. In-depth insights learned will help companies create business and service offerings, that will address and support customer's processes. However, the service offering, in which ever form, is not in the center, but customer's life and tasks (Heinonen et al. 2010, 534-535).

Contrast to SDL's idea of generic actors (Lusch & Vargo 2014, 70), Heinonen and Strandvik see it essential to the CDL focus to identify and differentiate the customer and the provider not focus on how the service system is arranged, even though occasionally they are intertwined. Also, customers have different roles, as the actor, payer, user or decision maker, and the roles can be integrated and are dependent on the situation (Voima, Heinonen, Strandvik, Mickelsson and Arantola-Hattab 2011; Heinonen & Strandvik 2015, 473; 2018, 4). In the core of CDL is customer's logic and the way company's offering is being embedded in their life or business. By *customer logic* Heinonen and Strandvik mean the sensemaking and reasoning processes of the customer that is done to achieve objectives and complete tasks (2015, 475; 2018, 4).

The challenge of the company is to understand the logic, which is connected to customers actions, resources, objectives, etc. (Heinonen & Strandvik 2015, 477; 2018, 7).

Customer's life includes many other things than the service offering of a particular company, which additionally is not only consumed and used but integrated in customer's evolving experience beyond the service process, i.e. service is not used in vacuum but in complex context. This context includes related activities and experiences but also such that are not related but still effect the service and how value occurs. Therefore, the company must focus on managing internal and external actions that support the activities of customers (Heinonen et al. 2010, 534-535). Additionally, customers actions are based on their objectives,

endeavors, dreams, visions and they are subjected to avoidance or change aspirations (Heinonen & Strandvik 2018, 4).

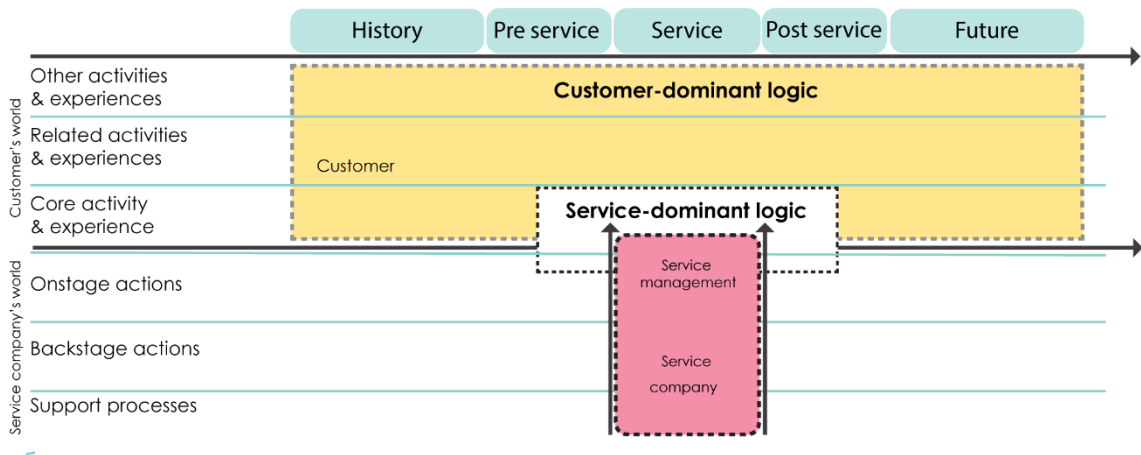


Figure 1 CDL contrasted with SDL, adapted from Heinonen et al. (2010, 534-535).

Heinonen et al. have a new view to value creation and argue that emergence of value only happens, when a customer uses a service and it becomes embedded in the customer's context – including experiences, practices, and activities – together with the activities of the service company (2010, 537) (figure 1).

The perspective has similarities with Vargo and Lusch's later addition of institutional approach to SDL (2016). However, after modifications to the service-dominant logic Heinonen and Strandvik saw it affected by systems thinking and the focus being in service processes inside systems of service and business networks (2018, 3). Heinonen and Strandvik use the term *customer ecosystem* to describe the context of the activities of the customer driven by the customer's logic. The context includes all actors affecting a specific service, which can mean other businesses in the same field or other customers (2018, 4, 5). For Dube this is called the *lifeworld* of the customer (2020, 7).

Customer-dominant logic develops service-dominant logic's concept of value-in-use further. In fact, CDL discusses *value formation* to emphasize the process nature of value that cannot be planned ahead (Heinonen & Strandvik 2015, 478; 2018, 4). Heinonen and Strandvik emphasize that both the customer and the provider have their own connected value formation processes (2015, 477). Heinonen et al. point that most often the emergence of (customer's) value happens outside of company's radar not inside the visibility line

traditionally reserved for customer in a service blueprint. Instead the emergence of value occurs in customer's processes and ecosystem, everyday life for human customers, and business, if a company is in question. The lack of visibility is due to three aspects, of which time is the first. Value of goods and services is experienced already before the service process and continues to be experienced during and after it (2010, 539; Heinonen & Strandvik 2018, 5).

Second, Heinonen et al. see the verb "use" too narrow to describe the complex value emergence process, and therefore define it to include both the process of the activity and the outcome. Also, customer's non-interactive processes and mental activity are included, as evaluating the concrete or intangible outcomes of the service process. Value-in-use does not only refer to the service, goods, or goal achieved. But also, for example potential goals that could be achieved or pure sensation possessing the good or acquiring the service. The third aspect of Heinonen et al. derives from social construction theory and adds a collective customer level. They argue that the context is dynamic and depends on the role, position and interaction of the customer within a social structure. The evaluation of the value cannot be done by sole individual, since one is always part of intersubjective context affected by collective social forces. However, in service co-creation and value evaluation the needs, values, and habits of an individual have an important role. (Heinonen et al 2010, 539-540.)

Customer experience is a concept that has interested scholars in this century and the definition of the term has been debated. Heinonen et al. argue that from the customer-dominant logic point of view the orchestration of these experiences are done by customers themselves. Experiences also originate within customers activities and it might be something else than the service provider intended. Customer experience does not only include the direct interactions of customer and the company but extends beyond (2010, 541; Heinonen & Strandvik 2018, 7).

Voima, Heinonen, Strandvik, Mickelsson and Arantola-Hattab (2001) argue that it is the customer experience that has the value embedded in. Heinonen et al. point further, that customer experience is not merely an episode of purchase but part of ongoing life, which as whole has effect on how customer experiences value (figure 2). There are experience patterns, of which some are routine and occurs often, some are more unique and rarer (2010, 542). For example, value of a leadership training day is not only in the participating the training event but also when discussing the training with friends before or later.

Additionally, Heinonen et al. conclude that service experience is boarder than merely a perception process and it includes activity and reflection of the customer. There are cognitive actions, understanding and feelings, emerging in customer's mind. Heinonen et al. emphasize the importance of companies to understand "how customers create their own

experiences and the problems and opportunities they are facing” and that instead of “customer-company interaction” they should concentrate to “customer’s activities and different consumption contexts” (2010, 542).

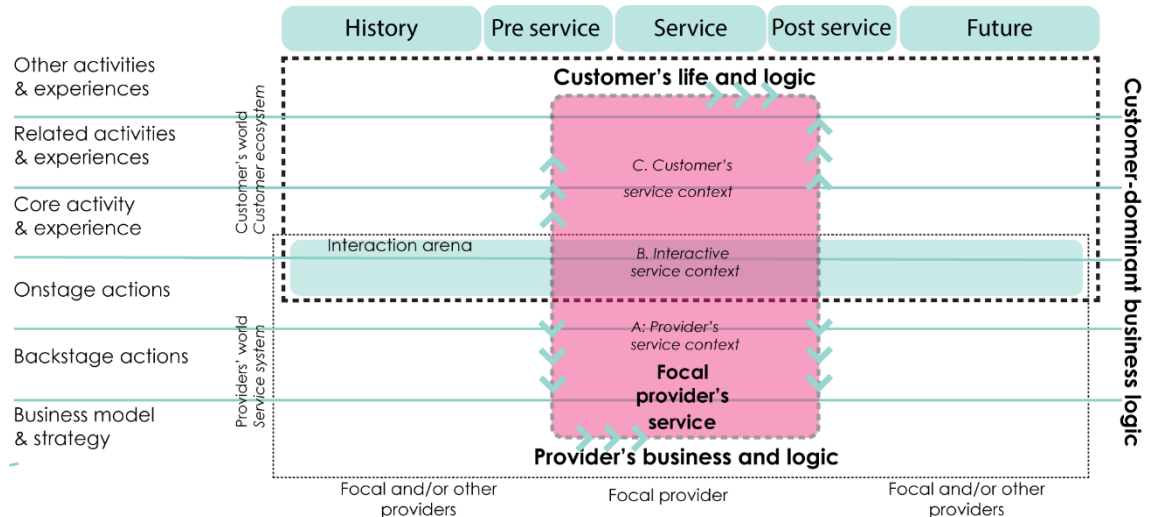


Figure 2 Customer-dominant logic of service by Heinonen & Strandvik (2015, 476).

In practice CDL means to companies, according to Heinonen et al., that there is “potential, unrealized value of service” that could be revealed by finding out more of the customer’s processes and contexts. Ultimately, what physical and mental input they need to sustain the processes. This – and identifying in which part of the process the company can take part – should be the initial step, not the product or service as such. This can be achieved through ethnographical studies of in-depth and applying the outcome when designing the service. The service has a base on customer’s goals, not on what the offering can do. (Heinonen et al 2010, 545.) Customer has the number one role in business (Heinonen & Strandvik 2018, 3).

Even though, CDL is originally a marketing and business perspective its concentration is in service (Heinonen & Strandvik 2015, 477). CDL considers a customer in a holistic way and recognizes customer to have subjective logic – that derives from the customer’s context consciously or unconsciously – when thinking, feeling, acting and reacting (Heinonen & Strandvik 2018, 7).

In CDL the research is interested in usage and application of service elements by the customers in their life or organization (Heinonen & Strandvik 2015, 475-476). Heinonen & Strandvik state that there is a need for diverse research approaches for understanding customers. The key questions relate to the role of qualitative and quantitative studies in

facilitating providers' understanding of customer logic and how effective studies should be designed. (Heinonen & Strandvik 2018, 9.)

CDL and the case company

Viewing the case company through the customer-dominant logic framework, the role of the internal customer becomes more important. Example of internal customers the case company has are the managers as the internal customers of HR services, the employees, i.e. subordinates of the managers offering management service and guidance to help the team members to succeed in their own aspirations, i.e. getting jobs done. The CDL suggests that there should be more holistic understanding of managers and subordinates lives than just the work context (Heinonen et al. 2010, 533).

Since the CDL considers the internal customers of HR, the managers, the main stakeholders, their goals, aspirations and support needs became the primary interest. CDL also allows discussing the internal customer from a viewpoint of different roles, i.e. employee, team leader, subordinate, etc. or just plainly as the customer and beneficiary of a feedback process or management training. It simplifies the complex service network of SDL and helps discuss the development of specific service. The ideas of customer logic and ecosystem invites the case company HR to study and understand the sensemaking and reasoning processes the company managers use to achieve their objectives and their context also beyond work (Heinonen and Strandvik 2015, 475; 2018, 4). More simply put CDL suggests, that the HR must understand who the diverse managers really are, what are their aspirations, experiences, practices and activities. What are the managers' worlds, contexts, beyond the case company world? (Heinonen et al. 2010, 542.) From the CDL perspective enhancing the viability of a system can refer to not only work life but manager's everyday life overall, for example aspiration to reduce stress and foster happiness.

Most importantly, the CDL's notion of "potential, unrealized value of service" that could be revealed by finding out more of the internal customer's, i.e. manager's, processes and contexts suggests that there could be a need and place for all new customer-centric HR service one has yet to imagine (Heinonen et al 2010, 545). Simply put, by studying and gaining more in-sights of the case company managers, new service needs could surface, which could be met with innovative service concepts of HR.

CDL states another important factor affecting service development of case company. It should be noted that the value emergence of an internal service, for example management feedback process, starts before the service process and continues beyond. This suggests that when thinking and developing HR services, a far wider timeline than just the actual service provision should be considered (Heinonen et al. 2010, 539; Heinonen & Strandvik 2018, 5).

From the discussion of this chapter a following deduction can be made: CDL offers more purposeful framework for the thesis development project, since it has a focus on the internal customer and their needs and more practical approach compare to SDL concentration in the whole system per se. However, one needs the SDL for its many important premises such as the idea of service as “the fundamental basis of exchange”, the concept of A2A, and the idea of different actors’ specialized service offerings and need to recognize them (Lusch & Vargo 2014, 58).

2.3 Management and leadership

In this chapter leadership and management, manager’s tasks and the importance of managers to businesses will be discussed. The definition of management, managers and leadership will be narrowed.

According to Day until the 1970s the scholars were not interested in the quality of leadership. It was not thought to matter to organizational performance. However later evidence suggests otherwise, hence leadership has ever since interested both scholars of various disciplines and practitioners in business world. The interest from multiple dimensions has led to lack of shared, concise description of leadership. Day states that leadership can be seen both quality processed by an individual or a process, meaning context that includes the leader, follower and situations (2014, 12-13).

Management is a board term that connects to administrative actions within an organization or it can be used as how a household is run. As well as leadership it too can be viewed as a process, activity, and/or interaction. It is also a profession, connected to people or not. When it comes to institutions Kaehler and Grunedei (2019, 7-8) see management referring to managers, the individuals who have the mandate to manage, but add that the definition is not and has not been easy to develop. For Drucker the word “management” includes both a function and the people discharging it. He states that in the history of management manager has been seen as someone responsible for other people’s work and management and it takes managers and management to companies to perform (1974, x, 390).

There has been made a distinction between management and leadership during the couple last decades (Antonakis, Cianciolo & Sternberg 2018, 5; Day 2000, 582; Mellanen & Mellanen 2020, 141), but Kaehler and Grunedei see it artificial, pointing that there cannot be management without goal-oriented influence on people or pointing the direction – or leadership without planning, organizing, and controlling (2019, 13; see also Ahmad & Loch 2020, 1). Day argues (2014a, 2) that it is unrealistic to expect universal definition of leadership, since the construct is dynamic, interpersonal, multifunctional, and multilevel (see also Antonakis et al. 2018, 5). When management is defined more abstractly as steering influence, the parallelism of the concept with leadership becomes clear. As it is to people in

business who use the words as substitutes to each other (Kaehler & Grunedei 2019, 14). Or as Morgan puts it: managers should aim to be leaders (2014, 94). Furthermore, leadership literature popularly defines leadership only influencing people, and in contradiction states a wise choice of direction being the reason people follow the leader. This type of factual-technical choice is no people task and equals the concepts leadership and management (Kaehler & Grunedei 2019, 14).

Bearing all previous in mind Kaehler and Grunedei have developed a new, integrative definition for management. According to them management in an organization is a steering influence on market, production and resource operations. It can include people issues and non-people issues. Management is used by various organizational actors through constitutive or strategic management or operational management with the objective of reaching the unit's goals. "Managing" the unit is same as "leading" it (2019, 22). Hence, management and leadership are both used parallel and identical in this thesis.

Managers are needed to ensure best people

Drucker defines management through three tasks that it has to perform to business enterprise to function. First are purpose and mission, which for businesses is economic performance. Something that in business management must put first when making decisions and acting. The second task for management is to ensure productive work and achieving workers. Drucker sees people as the only true resource of a company and the performance is made by making human resources productive (1974, 40-42). Pandita and Ray has similar view but more straight forward argument: "organizations with the best people win". They stress the importance of nurturing this asset and employee engagement (2018, 186-187).

Humans are particular resource that have personalities, physiological and psychological properties, limitations, etc., making them human beings, Drucker states. Management alone can meet the needs of workers, when it comes to motivation, participation, incentives and rewards, etc. Management's third task is managing company's social impacts and responsibilities. This task connects the institution to surrounding society. Without it a company cannot exist and to discharge its job producing goods and services the company has to impact people, communities and society, Drucker argues. The three managerial tasks are intertwined, meaning they cannot be separated (1974, 40-42).

Hence, drilling into lower levels of organization, a manager, according to Drucker, has two tasks. The first is synergic: create a productive entity, which outcome is more than the resources put in. This means using the strengths of human resource, i.e. employees, and neutralizing their weaknesses. The second task involves considering short-term and long-term impact with every decision and action (1974, 398-399). Drucker states all managers have five

basic operation in their work: setting objectives, organizing, motivating and communicating, measuring performance and developing people, including oneself (1974, 400).

However, since Drucker's days the importance and quality of leadership and management have been questioned and there has been emergence of flatter organizations with less hierarchy and managers and more self-determination and self-governance of teams beside the traditional legacy organizations (Savaspuro 2019, 26-27). This redistribution of power casts new challenges to leaders, who by no means remain jobless. Status can no longer be the main motivator of leaders, rather serving the organization Savaspuro argues. According to Hakanen today "leading is discussing" (Savaspuro 2019, 33, 36-37). Morgan challenges the role of managers and argues that with new internal collaborative technologies, communicating and sharing across organization anyone can attract followers and become leaders without being managers (2014, 52).

Why management quality matters

The reason management quality matters is simple. Drucker states that whether business objects are met depends on how well managers manage and are being managed. Similarly, it determines the quality of the management of workers and work: the attitudes of employee's and effectiveness reflect their management's competence and attitude (1974, 379-380).

More modern view of Morgan supported by research states that managers are the main reason for employees to quit and are essential factors in employee engagement and retention (2014, 84; Bryant 2011, 3; Pandita and Ray 2018; 194). According to Bryant Google has studied their employees and management and found out that the greatest impact factor on how workers feel about their work and how they perform is managers (2011, 3). Engaged employees strive for quality results and go passionately beyond duty, whereas disengaged workers harm also the engagement of their peers Pandita and Ray argue (2018, 193).

Three essential leadership theories

Leadership has been studied since the turn of the 20th century. Especially charismatic and transformational leadership have been in the center of the attention of both scholars and practitioners for couple last decades (Mhatre & Riggio 2014, 1, 3; Antonakis et al. 2018, 6, 9). In this century there has been interest on various different leadership frameworks as well, including servant leadership (Day 2014b, 2).

Charismatic leadership is powered by "divine gift"

The framework of charismatic leadership has common features with transformational leadership and is therefore discussed first. The framework dates back to 1940s and Max Weber, who introduced leaders that seem to possess particular "gifts". These special

qualities able them to lead in inspiring and new way that attract followers, but only if followers perceived those gifts. The word *charisma*, i.e. divine gift, Weber got from Greeks (Mhatre & Riggio 2014, 3). Weber's view was that charismatic leaders tend to use "emotional appeals to inspire and rouse followers", cast hope for the future or take bold steps during hard times and with success bond the followers furthermore.

Since Weber the framework has evolved to various theoretical sub frameworks and various traits and behaviors of charismatic leaders have been described. Confidence, boldness, decisiveness, self-efficacy and visions that challenge the status quo are connected to charismatic leadership. Since the charisma is always perceived by the follower, leaders risk the opposite interpretation of being perceived as incompetent (Mhatre & Riggio 2014, 4-7). Strategically appealing to followers emotions and inspiring, for example by slogans, and offering purpose and meaning are means used by charismatic leaders. Selflessness and sacrifices and for greater good win these leaders their followers trust, that is needed to engagement (Mhatre & Riggio 2014, 7).

Idolization is one of the mechanisms of charismatic leadership: followers want to be impacted by a person possessing the divine gifts. But ultimately it is the internalization of leader's values, beliefs, and agenda that contribute to the engagement and effort of the follower to pursue leaders visions (Mhatre & Riggio 2014, 7). Charismatic leadership has its limitations (Ahmad & Loch 2020, 1; Mhatre & Riggio 2014, 14). For example, followers lean to the leader and might not be able to meet goals when the leader is unavailable. Additionally, it has been argued that charismatic leadership works during turmoil, but not so in everyday work life (Mhatre & Riggio 2014, 14).

Transformational leadership shares power

The transformational leadership caught the attention of the scholars after the limitations of the charismatic leadership became evident in the end of last century and it has since been studied vigorously (Antonakis et al. 2018, 10; Mhatre & Riggio 2014, 15, 20). The transformational leadership framework, that is based on the transactional and transformational perspective of leadership, dates back to late 1970s and James MacGregor Burns' book *Leadership* (Mhatre & Riggio 2014, 15). Mhatre and Riggio describe transactional leadership to be about exchange: reciprocity, i.e. mutual benefits received, keep leader and follower connected and transformational refers to "transforming leadership" (2014, 15). Additionally, "transformational leaders encourage and catalyze the development of leadership potential/capacity in those they lead" (Mhatre & Riggio 2014, 24). The scholars have found various similar mechanisms of influence in charismatic and transformational leadership, such as "personal and social identification with the leader" (Mhatre & Riggio 2014, 16) and the frameworks are occasionally used synonymously.

Mhatre and Riggio summarize four factors of transformational leadership: first “idealized influence” refers the leader’s capability to be a role model for followers by offering them an ideological vision and a sense of purpose. Second, “inspirational motivation” is the ability to inspire followers by communicating high expectations and confidence that the followers are capable of meeting those expectations. The first two factors can be seen representing the charisma of the leader. Third factor “intellectual stimulation” is connected to problem solving and the capability to arise innovativity and creative thinking among followers. The approach signals the followers they are trusted and empowered. Fourth, “individual consideration” refers to each follower and the leader’s ability to meet the needs, and offer unique support to them, which will improve the performance of the follower as well as “potential and leadership capacity” (Mhatre & Riggio 2014, 17, see also Bass & Riggio 2006; 6-7).

According to Mhatre & Riggio transformational leadership impacts positively to organization, team and employee performance, satisfaction of followers, and attitudes and behaviors at work (2014, 18). It also has means to guide employees through turmoil by stirring sense of efficacy and ability to tackle the challenges (Mhatre & Riggio 2014, 20): The transformational leadership framework has been criticized of being leader-centric and not considering the followers nor the situational variables enough (Ahmad & Loch 2020, 1; Mhatre & Riggio 2014, 21-22).

Servant leadership

The third leadership framework studied by scholars in this century is servant leadership. The concept roots to 1970s and Robert Greenleaf’s booklet *The Servant as a Leader* (van Dierendonck & Patterson 2018, 1).

Van Dierendonck sees a need for more ethical and people-centered management, which can be achieved with the servant leadership approach (2011, 1228). The servant leadership is defined by skills and traits such as empowering employees and committing to their development, and showing humility, authenticity, honesty and interpersonal acceptance. Additionally, it includes providing direction and taking responsibility for larger entities, being role model and choosing service approach over control and self-interest (2011, 1222-1224, 1230). The most significant difference to transformational leadership according to Van Dierendonck is the social responsibility component and the emphasizes on followers needs instead of company benefits and organizational objectives. By concentrating on employee wellbeing and creating conditions where they are trusted to do what company needs and can flourish, servant leader facilitates the realization of shared vision (2011, 1229, 1235). Harju, Schaufeli, and Hakanen see servant leadership could be more beneficial to companies than

transformational leadership since it promotes employees well-being and motivation, and encourages taking initiatives, customize own work and diminishes job boredom (2018, 3, 11).

Van Dierendonck has studied different servant leadership models and has synthesized servant leader characteristics to six key behavioral traits. According to Van Dierendonck: "Servant-leaders empower and develop people; they show humility, are authentic, accept people for who they are, provide direction, and are stewards who work for the good of the whole" (2011, 1232). By empowering and developing people Van Dierendonck refers to the ability to foster proactivity, self-confidence and sense of personal power as well as ability to encourage personal development among followers. The appreciation of each individual's value and recognition of their abilities and learning potential is essential. Additionally, encouragement of information sharing and independent decision making, and coaching approach are seen aspects of the characteristic (2011, 1233). Humility is seen by Van Dierendonck as the ability to respect the superior expertise of subordinates, to put others first, support and help them perform. It also includes a responsibility aspect: a leader is in charge of their subordinates. Ultimately humility is also modesty: the ability to step back and let the team take credit for success (2011, 1233).

The third characteristic, authenticity, refers to leader expressing oneself truthfully and with integrity Van Dierendonck states. This leads to honest, reliable leader that is willing to show up and be vulnerable (2011, 1233). Interpersonal acceptance is closely connected to empathy – the ability to understand and experience the feelings and different perspectives of others. According to Van Dierendonck it includes the capability to create atmosphere of trust and the capability to adopt an attitude of compassion, warmth and forgiveness when faced with failure, offence, etc. Providing direction in servant leadership framework means the followers know what is expected of them, but also that the work becomes dynamic and tailored to suit the team members abilities, needs and input, which concludes to suitable amount of accountability for each (Van Dierendonck 2011, 1234). According to van Dierendonck stewardship refers to leading by example, to the ability to be a role model and move beyond self-interest. It means one possesses an urge to take responsibility for bigger ensemble and to serve rather than dominate. Stewardship has been connected to teams and collaboration, social responsibility and loyalty (2011, 1234).

Converse views on leadership theories

Ahmad and Loch have studied leadership from the followers point of view and suggest that leaders should be humbler and do less than the frameworks of charismatic and transformational leadership with demand of vision imply. Leaders focus should be in coordination and resolving conflicts. For them "leadership is about cocreating common good" and requires diplomatic skills. Understanding common interest of the team, conflicts of

interest, tasks and interdependences, and coordination failures is essential. This less heroic and exclusive approach to leadership opens leader positions to “well-meaning normal people”. Ahmad and Loch make a distinction between qualities of a good leader and perceived leadership potential by the insufficient HR system, i.e. the skills needed to rise to leadership position are not those that “facilitate the group coordination effectiveness of the leader” (Ahmad & Loch 2020, 15).

The study of different leadership theories continues. There is a need for new type of leadership in the future Hooper and Potter argue. Improvement of performance is required of everyone, but especially the management to tackle the more complex operation environment of tomorrow. Before a leader could manage with charisma but that is less significant now and in the future. Leadership competence is more important, i.e. what the leaders do not what they appear to be (2019). Antonakis et al. see the theoretical interests of scholars currently and in the future focusing towards hybrid approaches that combine learnings of previous studies and consider and connect cognitive, behavioral, strategic and visionary perspectives of leadership (2018, 11).

Essential skills and competences leaders think they need

Giles studies of leaders suggests ten competences leaders see the most important. “High ethical and moral standards” and “communication clear expectations” rose to the top. Giles interpret these a need of creating “safe and trusting environment” and fairness. Safety creates an environment that invites employees to relax and use their brain’s higher capacity and create, innovate, and engage socially. It also strengthens ambition. Giles suggest that from neuroscience approach ensuring employees feel safe should be the most important task of leaders (2016).

Next important leader skill is the ability of empowering others and letting them self-organize. This means giving subordinates and teams clear direction and power and trusting their decision making. Neuroscience perspective suggests that the second most important thing for leaders is to foster connection: “communicate often and openly” and “create feeling of succeeding and failing as a pack”. Leaders should encourage learning and be open about new ideas suggest competences “flexibility to change opinions”, “being open to new ideas and approaches”, and “provide safety for trial and error”. Last Giles suggest leader nurturing the growth of employees helping them grow next-generation leaders and commit to their training (Giles 2016).

There are differences what specific leadership skills are considered essential depending on the geographic region. But leadership experts in U.S and Europe list trustworthiness, collaboration and teamwork the most important skills of future leaders, as well as influencing and inspiring others (Iordanoglou 2018, 126).

Skills and competences leaders need to be effective as leaders

There are already great leaders and managers today, in top and mid-level, that are interested in employee engagement, support and empower their teams, encourage work flexibility and ideating, Morgan argues (2014, 80, 84). According to Day leadership research and theory has proven that when it comes to shaping outcomes of individuals, teams and organizations leadership matters. What is less clear are the specific skills and competences leaders need to be effective. He states that numerous leadership approaches of today, transformational, authentic, ethical and servant leadership have a common conceptual foundation, which Day calls universal style of leadership (2014b, 2).

The research determined effective Google leader and the most important learnings was to managers to have time for their subordinates and being consistent Bryant states. Google's workers valued fair managers, who schedule one-on-one meetings, and approached subordinates challenges by asking questions rather than dictating answers. These managers were interested in their subordinates' careers as wells as lives. The ruled state: "Have a clear vision and strategy for the team", "Help your employees with career development", and "Don't be a sissy: be productive and result-orientated." (2011, 1-3, 5).

Morgan has summarized ten principles of future managers: must be a leader, follow from the front, understand technology, lead by example, embrace vulnerability, believe in sharing and collective intelligence, challenge convention and be a fire starter, practice real-time recognition and feedback, be conscious of personal boundaries, adapt to the future employee (2014, 91). The ten principles are quite self-explanatory, but couple require more description: The second principle refers to the fact that future managers need to serve, coach and remove obstacles off the way of the employees and able them to succeed. Vulnerability means courage to be human and connect: "show up and be seen" (Morgan 2014, 95). Personal boundaries consist, for example, of time and the idea that being connected does not mean all the time available and managers can influence employees to create good work-life balance (Morgan 2014, 111).

Analysis and comparison of leadership frameworks and theories

To compare and analyze the leadership frameworks, theories and studies discussed earlier in this chapter, the researcher has constructed a table of essential leadership qualities (table 1, next two pages). This is done also to answer the research question: "What are the essential leadership qualities to be enhanced according to the most recent conceptualizations and studies?"

The table was created by finding common qualities that different frameworks and studies share. These similar qualities were then labeled by the researcher. The ten qualities found

are: ability to inspire and motivate, ability to communicate a vision, taking interest in developing employees, ability to act as a role model, ability to empower followers, ability to evoke trust, ability to respect individuals and diversity, ability to show humility, ability to show authenticity, ability to nourish team and connection. Additionally, it's essential to note that the importance of communication and interaction skills, ability listen, ask and be present, rises from all the sections of this division.

Essential leadership quality	Essential leadership qualities in different frameworks	Identified by	The framework
Ability to inspire and motivate	Use of emotional appeals to inspire.	Mhatre & Riggio 2014	Charismatic leadership
	"Inspirational motivation" – ability to inspire by communicating high expectations and confidence on followers.	Mhatre & Riggio 2014	Transformational leadership
	Ability to promote employees well-being and motivation	Harju, Schaufeli & Hakanen 2018	Servant leadership
	Ability to influence and inspire others.	Iordanoglou 2018	
Ability to communicate vision	Ability to lead with visions that challenge the status quo.	Mhatre & Riggio 2014	Charismatic leadership
	"Idealized influence": – ability to offer followers a vision and purpose.	Mhatre & Riggio 2014	Transformational leadership
	Ability to provide direction.	Van Dierendonck 2011	Servant leadership
	Ability to communicate clear expectations.	Giles 2016	
	Have a clear vision and strategy for the team.	Bryant 2011	
Taking interest in developing employees	Interest in the development of subordinates.	Mhatre & Riggio 2014	Transformational leadership
	The recognition of learning potential of each individual & coaching approach.	Van Dierendonck 2011	Servant leadership
	Ability to encourage learning and commit to subordinates training.	Giles 2016	
	Showing interest in subordinates career.	Bryant 2011	
Ability to act as a role model	Leading with personal charisma	Mhatre & Riggio 2014	
	"Idealized influence" – ability to offer followers a vision and purpose.	Mhatre & Riggio 2014	Transformational leadership
	Ability to be a role model and move beyond self-interest	Van Dierendonck 2011	Servant leadership
Ability to empower followers	"Intellectual stimulation" – trust and empower followers.	Mhatre & Riggio 2014	Transformational leadership
	Ability to empower employees.	Van Dierendonck 2011	Servant leadership
	Ability of empowering others and letting them self-organize.	Giles 2016	
	Asking questions rather than dictating answer.	Bryant 2011	
Ability to evoke trust	Ability to trust subordinates.	Van Dierendonck 2011	Servant leadership
	"intellectual stimulation" The approach signals the followers they are trusted	Mhatre & Riggio 2014	Transformational leadership
	Ability to create safe and trusting environment.	Giles 2016	
	Interpersonal acceptance includes ability to create atmosphere of trust.	Van Dierendonck 2011	Servant leadership

Essential leadership quality	Essential leadership qualities in different frameworks	Identified by	The framework
Ability to respect individuals and diversity	Interpersonal acceptance: ability to understand and experience other's feelings and perspectives.	Van Dierendonck 2011	Servant leadership
	"Individual consideration" – meet the needs of followers and offer unique support.	Mhatre & Riggio 2014	Transformational leadership
	Ability to be open to new ideas and approaches, trial and error.	Giles 2016	
	Has interest in their subordinates' careers as well as lives. Giving time to subordinates.	Bryant 2011	
Ability to show humility	Ability to show humility: respect the superior expertise of subordinates, to put others first, support and help them perform.	Van Dierendonck 2011	Servant leadership
	Ability to be humble.	Ahmad & Loch 2020	
Ability to show authenticity	Ability to show authenticity i.e. express oneself truthfully with integrity.	Van Dierendonck 2011	Servant leadership
	High ethical and moral standards.	Giles 2016	
Ability to nourish team and connection	Ability to steward teams and collaboration	Van Dierendonck 2011	Servant leadership
	Ability to lead cocreation of common good with diplomacy, understand tasks and interdependences	Ahmad & Loch 2020	
	Ability to communicate often and openly, create feeling of succeeding and failing as a pack, and foster connection.	Giles 2016	
	Collaboration and teamwork.	Iordanoglou 2018	

Table 1 The essential leadership qualities.

From the table created it can be seen that the leadership framework that covers all the essential qualities is servant leadership. Therefore, it can be concluded that servant leadership is the most suitable framework for the thesis purposes.

2.4 Employees and future management

Today's employees are historically from five generations, with managerial positions landing more often to millennials, born between 1977–1997, than others. Millennials in management positions and older generations leaving the workforce will have an affect how work is being done and lead in the future (Morgan 2014, 28-29). According to Morgan future employees will have different attitudes and ways to work and there will be new demands and more customization of one's working role. For example, there will be a shift from knowledge workers to learning workers, new ways of communication and collaboration, and working environment that flexibly is not connected to time nor place. Additionally, future workers will seek for opportunities to become leaders without being managers.

Moreover, it is not just millennials, but the older generations will adapt to new attitudes as well (2014, 31). Internal collaborative technologies able employees have a voice,

communicate, and share across organization, hence lead and have followers without a formal mandate, Morgan argues (2014, 52). Mellanen and Mellanen have studied Finnish millennials as workforce and argue them having a different attitudes towards work and leaders as the generations before. They have summarized top five manager qualities millennials consider important: trust between manager and subordinate, fairness and evenhandedness, clear communication of objectives and expectations, taking care of wellbeing of the subordinate, and showing respect (2020, 142).

Pandita and Ray state that retention of key employees requires ensuring them challenges, responsibility, autonomy and feeling of connectedness with the work and role, all which need encouragement from the closest manager (2018, 188). Employees in different steps of their career paths have different needs and proprieties: in the beginning progression and challenging work is considered important. Later, in the middle of the career path, it is flexible workplace, customized roles and work satisfaction. Even later in the career job security and loyalty are priorities (Pandita and Ray 2018, 191).

This is a very different from the traditional view of employer on employee and authority, which can be summarized with the help of Drucker. He states employees have to be achieving in five dimensions of working to be productive: Physiological dimension refers to the fact that humans are not machines and for example require diversity when working. The psychological dimension means that work is both blessing and burden to employees. Work is also social and community bond that gives workers status. Work is “living” for the employee. It is the foundation of their economic existence. Lastly there is a power dimension of work: work has to be designed, structured and assigned and someone has to exercise authority to do that. These dimensions are separate but exist together and should be managed together Drucker states (1974, 183-194).

Employees are less satisfied and committed to the company if leader does not possess traits that employees desire. Nichols and Cottrell argue that companies can increase the success of leadership selection, and development by considering the subordinates’ preferences in leader personality traits (2014, 712-713).

Despite the level of the leadership hierarchy, i.e. low- and high-level leaders, Nichols and Cottrell argue that subordinates consider intelligence and trustworthiness desired traits, since competence in leader gives employees belief that goals can be reached and trust creates safe environment in which employees can concentrate and invest in the tasks set (2014, 714).

Additionally, the trait desirability may be linked to context and the relationship of the employee and leader: for example, low-level leaders may prefer interpersonal traits on high-level leaders more than low-level subordinates do. Overall employees prefer dominant traits, i.e. assertiveness, confidence, courage, on high-level leaders and interpersonal traits, i.e.

agreeableness, cooperativeness, supportiveness in low-level leaders (Nichols & Cottrell 2014, 714, 727-728). Even though Nichols and Cottrell discuss leader personality traits, many of them are connected to leadership skills discussed earlier. One could argue that personality traits can be appraised by the employees only through interpreting managers behavior, and line between skills and traits is drawn on water. For example, the trait trustworthiness is connected to Van Dierendonck synthesized servant leader characteristic authenticity, which mean a leader is honest, reliable and willing to show up and be vulnerable, i.e. a manager that shows trustworthiness (2011, 1233).

2.5 Employee experience shifts the focus off the leader

Satisfied employees are motivated and eager to bring their full competence to work achieving company goals, Plaskoff argues. The satisfaction, engagement, commitment and ultimately performance of an employee and the whole organization is directly connected to the quality of the employee experience (2017, 137; IBM & Globoforce 2016, 9; Tucker 2020, 184). Leadership, i.e. leaders and managers, is key element in employee experience (IBM & Globoforce 2016, 5).

According to Plaskoff employee experience approach puts the employees and their feelings of satisfaction to their work and environment in the center of attention, contrast to the traditional human resource management focus on organization's needs and objectives, i.e. efficiency, profit and shareholders (2017, 137).

Plaskoff defines *employee experience* (EX) as "the employee's holistic perceptions of the relationship with his/her employing organization derived from all the encounters at touchpoints along the employee's journey" (2017, 137). Dery & Sebastian (2017, 1) have a narrower view on the definition of EX connecting it to work not the holistic well-being of the employee. They see EX as "the work complexity and behavioral norms that influence employees' ability to create value." By work complexity they mean the obstacles one faces when doing the job and by behavioral norms the expectations on how to work, i.e. is collaboration, empowerment and creativity supported or not (2017,1).

A third definition comes from Morgan who sees employee experience being subjective and defines it as "the intersection of employee expectations, needs, and wants and the organizational design of those expectations, needs and wants" (2017, 8-9). Tucker has similar subjective view and she defines employee experience as "the sum of employee's feelings across their interactions with an employer" (2020, 183). The two last employee centered definitions with emphasis on emotional aspects can be interpreted to have the same holistic view on the term as Plaskoff's definition that underlines employee's perception.

Plaskoff states that employee experience has employers considering employees holistically from various perspectives: emotional, cognitive, political, social, economic, and physical. This includes such real-life artifacts and events as working tools, physical workplace, interactions with colleagues, but also friends and family, and much more. There is a need to understand the journey of the employee in whole from pre-employment to post-employment (2017, 138). The approach aims to make the employee experience visible by mobilizing employees across the organization to co-create it (Plaskoff 2017, 139-140).

Dery & Sebastian's research suggests that facilitative and evidence-based leadership approach enables great EX that contributes to innovativity and profitability of the company and customers satisfaction (2017, 1-2). Even though Dery & Sebastian stress the importance of digital capacity, such as support, mobility and collecting employee initiatives, in their research, to overall EX, they see leadership quality of the essence. Great EX is being created by senior and middle management more focus on EX, and leaders communicating EX initiatives matter. This means coaching employees on new ways of work, regular feedback on employee improvement and benchmarking targets (Dery & Sebastian 2017, 3).

IBM & Globoforce's Employee experience index states that EX is grounded "in the direction and support of leaders and managers, who drive organizational practices that create the employee experience" (2016, 3). The key in improving EX is in workplace practices and leadership. The leaders and managers are central setters and communicators of organization's tone and clear future direction connected to positive EX (IBM & Globoforce 2016, 5).

Positive work environment is created by managers with support to each subordinates and commitment to team. Feedback, acknowledgment of work done, and professional opportunities to develop and grow are other important factors of good EX. From individual point of view, it is crucial to be heard, empowered and have activities off-work and recharge (IBM & Globoforce 2016, 6-7).

To conclude from the discussion above: the employee experience is being co-created by the employee and the employer (figure 3).

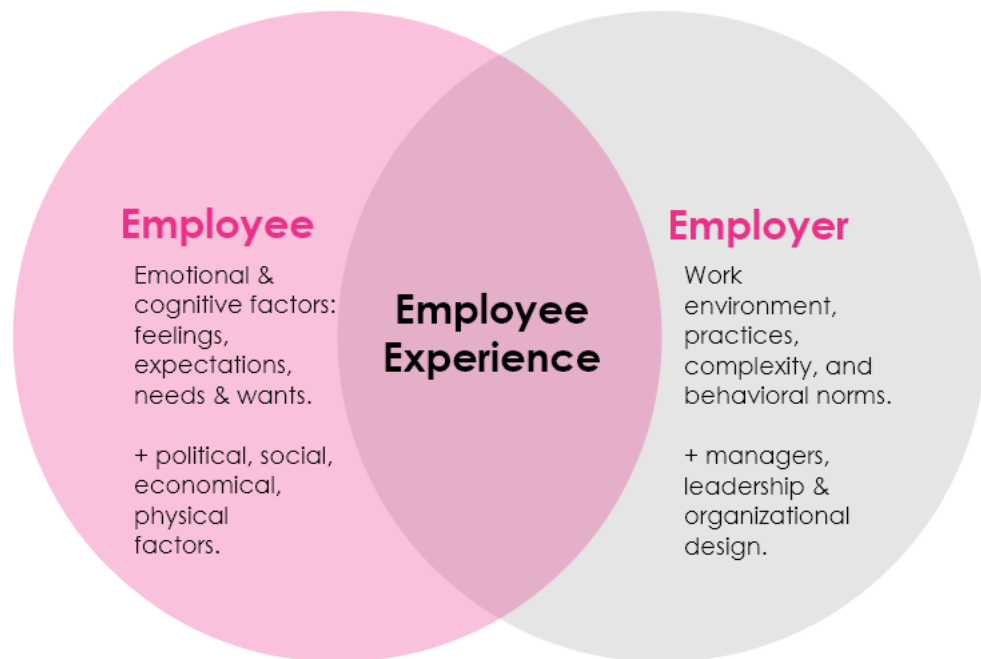


Figure 3 Synthesis of the employee experience literature.

Elements that the employee brings to the collaboration are: Feelings of work and environment, for example feelings of being heard and empowered. Interaction with employer, expectations, needs, and wants. Holistically the emotional, cognitive, political, social, economic, and physical aspects connected to the employee affect the interaction with employer, i.e. also the time spend off work. The employer's contributions to the employee experience are: Work environment, practices, complexity and behavioral norms. Managers and the quality of leadership. For example, feedback and opportunities to develop. Finally, the organizational design meeting employee expectations, needs and wants.

2.6 Synthesis of theoretical frameworks and summary

In this subchapter previously studied theoretical frameworks are discussed from the development focus perspective of the thesis. Next the theoretical frameworks of the service-dominant-logic, customer-dominant logic, servant leadership and employee experience are combined to one for the purpose of the thesis development work.

The main business logics and leadership and management theories cover the same field of organizations and have various similar factors connected to and affecting them, for example company's operations, strategy and resources. When SDL sees all actors resource integrators, Drucker specifies that integrating resources is the essential synergic task of a manager: they must create a productive entity, using the strengths of employees, which outcome is more than the resources put in (1974, 398-399). Interestingly, the idea of seeing managers as merely

resource integrators has the same humble ethos than the servant leadership that considers managers as stewards who work for the good of the whole (Van Dierendonck 2011, 1232).

Taking a whole other viewpoint and scrutinizing the organization through customer- and service-dominant logic frameworks, the manager and the subordinate can both be viewed as internal customers of various service exchanges taking place inside of the company. One being the offering of leadership services to benefit subordinates work performance and more remarkably the overall employee experience. As discussed earlier in this chapter, leadership, i.e. leaders and managers, is key element in employee experience, which effects performance of not only the employee but the whole organization (IBM & Globoforce 2016, 5, 9). Similarly, the support, guidance, feedback, training and other HR service offered to managers effect their employee experience and the company in whole.

Customer-dominant logic has put the customer in spotlight in development of products and services with the help of design thinking methodologies and human-centered focus. The same approach is productive when transforming the employee-organization relationship by designing employee's experience at work and workplace environment, Plaskoff argues (2017, 137). As discussed earlier in this chapter, part of this employee experience is affected by the quality of the leadership, which is also in the focus of the thesis. As in CDL approach, with the understanding of the customer, the company must also understand individual employees and beliefs, goals, needs and emotions (Plaskoff 2017, 137). Hence, both CDL and EX approaches put the employees, both subordinate and manager, in the focus of interest and thus are human-centered.

What comes to discussed leadership frameworks, for example transformational leadership was seen too leader-center and not considering the subordinates enough (Ahmad & Loch 2020, 1; Mhatre & Riggio 2014, 21-22). Van Dierendonck states, that a more people-centered management is needed and can be achieved with the servant leadership approach that is interested in the well-being of the employees (2011, 1228). Therefore, servant leadership framework offers a similar employee and human-centric view as CDL and EX for the purposes of this thesis. Additionally, as discussed in chapter 2.3, the servant leadership is the most comprehensive leadership framework and covers all the essential qualities of contemporary manager, which justifies this choice.

To conclude: the theoretical framework of this thesis is summarized in the Venn diagram next page (figure 4). In the intersection of three frameworks, the customer dominant logic, employee experience and servant leadership, is the employee, i.e. human-centricity focus.

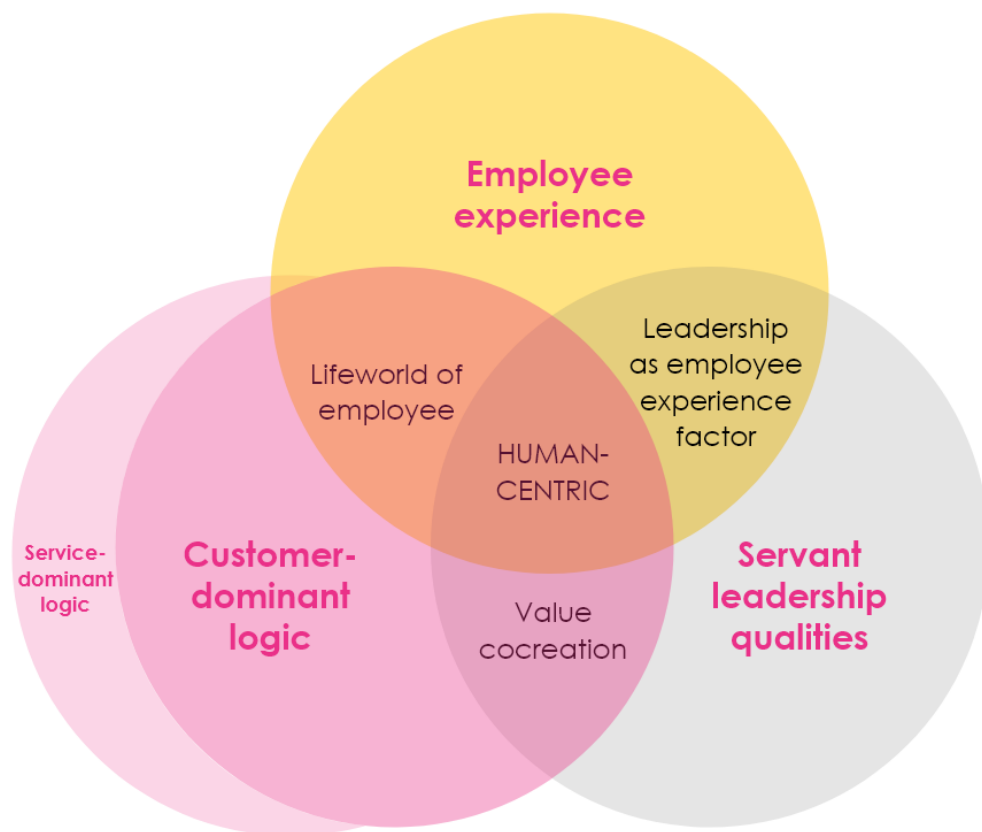


Figure 4 Theoretical framework for the development of the management feedback process.

Since the service-dominant logic has undisputed influence on CDL and the theoretical framework of this development work it has been included, but not positioned in the center. The SDL has the HR and the managers ask: what is their specialized service offering that gives them advantage when exchanging with other actors, including each other (Lusch & Vargo 2014, 58).

With Plaskoff's holistic view of employee experience and the CDL's emphasis on the customer's logic, ecosystem, experience and value formation, an overlapping area forms: internal customers life outside the organizational context. This can be described with the term lifeworld (Dube 2020, 7). Lifeworld covers all the other aspects and off-work things going on in employees life. The other overlapping area is the easiest to comprehend, since leadership is an essential part of EX. The CDL's value creation and the notion that leadership can be viewed also as process, i.e. co-created service, not only trait of an individual, connects servant leadership to the business logic (Day 2014, 12-13).

3 Service design as a development approach

This chapter explains how the development work of this thesis was executed with service design (SD) approach, and the different SD processes and methods used. However, first different service design processes are studied to identify the most potential to guide the development work.

The aim of the thesis is to co-create a customer-centric 360 degree management feedback questionnaire and development ideas for the feedback process for the company. This is done by first learning the internal customer's, i.e. manager's needs and thoughts connected to the case company strategy focused on management development. Second, using the interview and desk research data to co-create a customer-centric 360-degree management feedback questionnaire and collect development ideas for the feedback process for the case company.

The exact, single definition of service design is hard to compose Stickdorn and Schneider argue (2012, 29). They consider service design to be "an interdisciplinary approach that combines different methods and tools from various disciplines". Later Stickdorn et al. explain service design from various perspectives: It is a mindset, that puts customers first and is user-centered, "pragmatic, co-creative and hands-on". It is an iterative and innovative process. It is a set of tools, that lean on the mindset and the process. It is a common language that connects different disciplines and bridges silos. Finally, it is a management approach that includes internal stakeholders and can change organization's structure and system. (2018, 20-21).

Curedale adds that service design aims to find "unmet needs and desires" and cover them with "innovative design solutions" and seeks to find balance between people, context, technology, and business (2013, 14, 17). Service design is closely connected to design thinking and the terms are commonly used as synonyms. According to Curedale the difference is that Service design means the field and practice where design thinking is the approach (2013, 2, 28-29).

There are several service design process frameworks. In this chapter I will discuss the Double diamond by the British Design Council, Stickdorn and Schneider's model and Liedtka and Ogilvie's version. Yun introduces additional frameworks of Curedale and the two duos Stigliani & Fayard and Meroni & Sangiorgi (2017, 28). Since Yun argues that they largely rely on the Double diamond model, they are excluded from this thesis. Also excluded is Ojasalo's model, since it clearly roots from the Double diamond model (Ojasalo, Koskelo & Nousiainen 2015).

First, the three design process models chosen are introduced one by one. Second, comparisons and analyzes of their similarities and differences and justification of the model chosen to frame the development work of this thesis are made. The second subchapter 3.2.

introduces the service design tools and methods relevant to this thesis and deconstructs the development process.

3.1 Choosing the service design process model

The British Design Council's Double diamond -process model from the year 2004 is the service design process model most often referred to in service design literature (Design Council, 2019). The first visual representation of the design and innovation process was created because of the need to describe the design process (Ball 2019).

According to Ball (2019), the kite-like appearance of the model was nothing new and used in process models already in the 1960s. The Double diamond has evolved and in 2019 the Council published a new framework for innovation that includes also key principles of designing and methods bank (Design Council 2019; Ball 2019).

In the new framework, the Double diamond stays intact, and it includes the four stages as it has for years: discover, define, develop, and deliver. In the original Double diamond (figure 5), the first diamond starts with *discover*, which is divergent thinking. This phase is according to Design Council (2019) about learning what the problem is, not assuming but asking, and observing people that are connected to the service need.

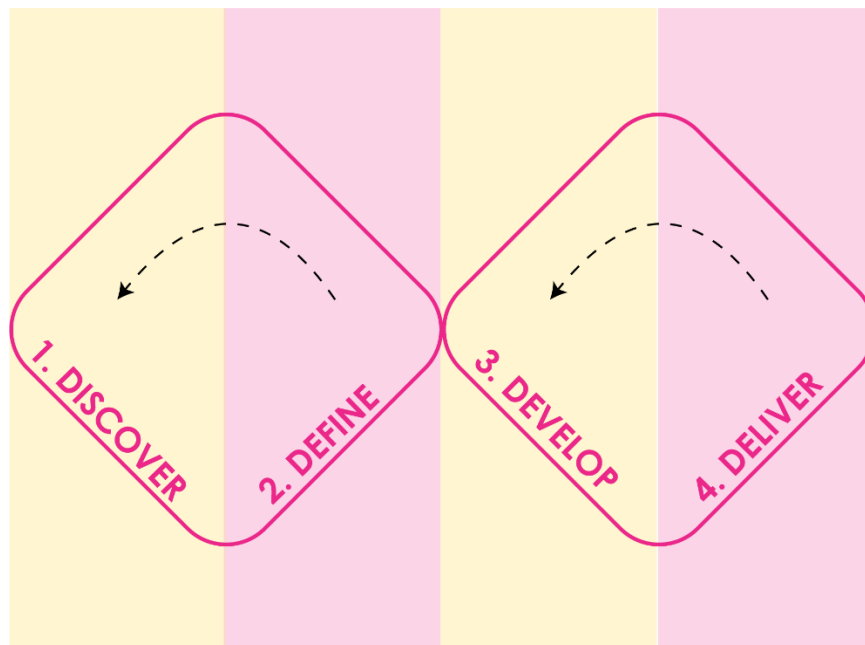


Figure 5 A stylised original Double diamond (Design Council 2019).

The second part of the first diamond is *define*, which is more focused, convergent thinking. Here the insights collected in the discovery phase help define the service problem. The second diamond starts with *develop*, and this phase is about finding different answers to defined service problems. Co-creation and looking for answers from out of the box is essential. Lastly, the second diamond ends with *delivery*, which means testing different solutions and developing the ones that work (Design Council, 2019).

Moreover, as one of the designing principles goes according to the council: “iterate, iterate, iterate”. The process is non-linear and there is a lot of arrows and movement among the four different phases (Design Council, 2019).

The service design process model one of Liedtka and Ogilvie (2011, 31) has a wavy outlook and four stages defined by simple questions (figure 6). Liedtka and Ogilvie define the four parts of the process as *What is?* *What if?* *What wows?* And *What works?* The first stage explores the existing conditions. The second one imagines the future. The third one is about making choices. Marketplace is the location of the fourth stage *What works?*

The double waves represent the divergent (opening) and convergent (closing) thinking and nature of design work. In each stage, there is first the expanding of the field of vision followed by narrowing the focus. This is done by ten tools, each belonging to a specific stage (Liedtka & Ogilvie 2011, 31-32), some of which will be introduced in the following subchapters.

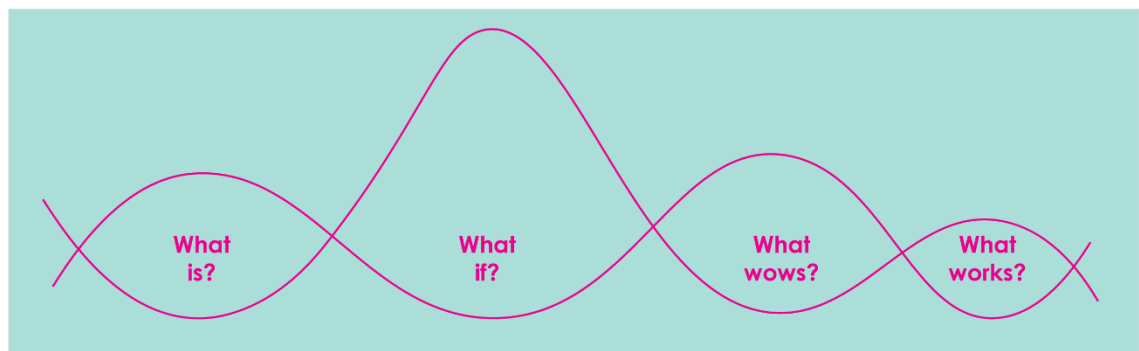


Figure 6 A stylised version of Liedtka and Ogilvie's service process (2011, 31).

Liedtka and Ogilvie's first stage, *What is?* is about discovering what problem or condition needs to be solved. Instead of looking into the future, start with the present they argue (2011, 32). There is a need to collect data and insights, which can be made by using different tools like value chain analysis or journey mapping (2011, 35).

The next stage, *What if?* is about pursuing possibilities. When the data has been synthesized and emerging patterns identified, new ideas start popping in designer's heads Liedtka and

Ogilvie argue (2011, 35). The ideation begins and it is backed up with tools like brainstorming and concept development tool (2011, 36).

The third stage, What wows? is according to Liedtka and Ogilvie about prioritizing. Which concepts ideated have a “wow” aspect to them? Which are the ones that could have value to customers and have the potential to attract profit? This stage explores the assumptions underlying the hypothesis created during the previous stage. Tools used are for example rapid prototyping (2011, 38-39).

Liedtka and Ogilvie’s last stage, What works? is in their own word about getting real, i.e. launching and learning from the real world using an improved prototype. For this, they have created a customer co-creation tool that includes customers in the designing process and learning launch tool (2012, 40-41).

Stickdorn and Schneider outline the bare minimum of the service design process into four steps: *exploration*, *creation*, *reflection*, and *implementation* (figure 7) (Stickdorn & Schneider 2012, 126). They define it an iterative process and remind us that in reality, the process is far more complex and never nonlinear – there might occur a need to step back during the process or even start all over (2012, 124-125).

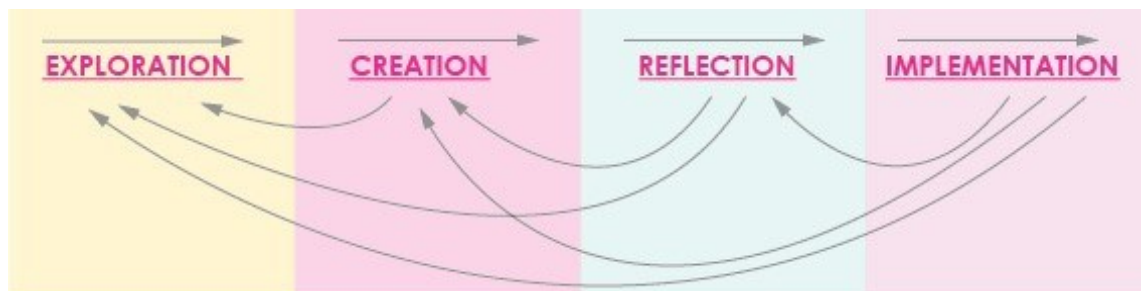


Figure 7 A stylized service design process model adopted from Stickdorn and Schneider (2012, 122-123).

The first stage, exploration, is all about understanding the company and identifying the service need. Stickdorn and Schneider point out that even though the customer is priority number one, the service designer must understand the company’s point of view of the problem in question. Another way to put it: the service designer’s task is to identify the actual problem from the customer’s point of view. To gain information on behavior and mindset of all people involved service designer uses different methods and tools that have been adapted from various disciplines, for example, ethnographic approach, such as contextual interviews. Lastly, the service designer visualizes the findings discovered to simplify complex processes and make intangible tangible (Stickdorn & Schneider 2012, 128-129, 162).

The second stage of Stickdorn and Schneider's process model is creation (2012). They emphasize that service design thinking approach is all about exploring all possible mistakes, not about avoiding them. This means ideas and concepts must be tested and retested. Ideally, the mistakes are made early in the process as well as their learnings learned so they are not implemented nor adopted. It costs less money to make mistakes at this point Stickdorn and Schneider point out. At this stage, the solutions based on the identified problems and in-sights of the previous stage are generated and developed, for example, customer stakeholder map drawn. It is essential to include all the main stakeholders and co-create with interdisciplinary teams. Meaning customers, employees, management, engineers, and designers. The work needs to be user-centered, co-creative, consider the whole touchpoint sequence, provide evidence, and create holistic concepts (Stickdorn & Schneider 2012, 130-131).

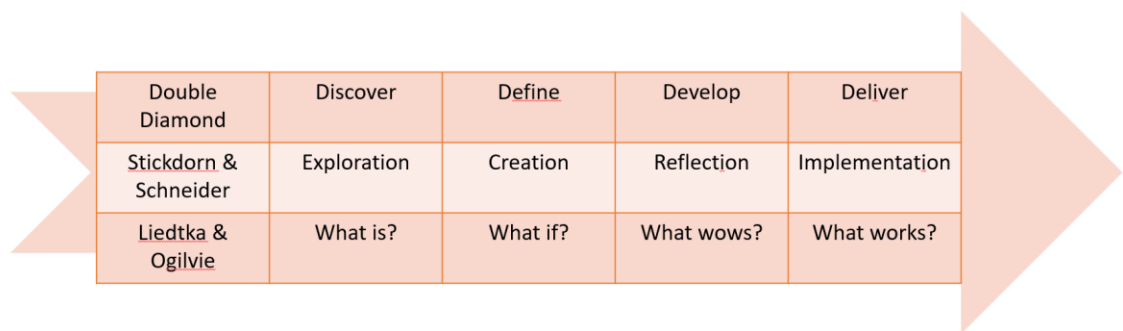
The third stage is reflection and it builds on the ideas and concepts created during the previous stage. This stage is all about testing and prototyping Stickdorn & Schneider state. With concrete products, the idea is ready to test with customers or experts and ask for feedback. Since especially the second and the third stages are iterative the prototype is to be bettered and retested according to feedback. The real challenge is faced when the service in question is intangible: how to create a good mental image of the service for the customers so that they will be able to talk about it? Since just visualizing it lacks meaningful user interaction, it is wise to use staging and roleplay approaches in real surroundings or circumstances close to reality (Stickdorn & Schneider 2012, 132-133).

Stage four of Stickdorn and Schneider's process model is implementation (2012, 134). To implement a new service concept ideated during previous stages there needs to be changes and that requires smart change management. The main objective at this stage is communicating the new concept clearly to customers and employees, so that the emotional aspect, the hoped customer experience is included. It is essential to note that the employees are powerful actors in implementing new services and therefore always included in the service design process early on. Examples of communication tools are staff guidelines and comic-strip storyboards. The most ideal situation is the one where employees have contributed to the prototyping of the service and therefore have a clear vision of it. Overview of the improved processes and deliverables by service blueprints is an important way to communicate to the whole organization at this stage. Management has to be behind the changes and not be scared of any occurring problems, which need to be solved quickly and creatively. Since iterativity is in the nature of the service design process there is a need to review the changes and ideally another exploration to evaluate the progress (Stickdorn & Schneider 2012, 134-135).

Yu (2017) has critiqued the exciting service design process models, including Double diamond and Stickdorn and Schneider's, of lacking emphasis on the outcome end of the models and

being too designer centered. Therefore Yu sees a need for a new service process that fills the current gap between the service design process and organizational service innovation process models. The new model should include design activities or methods and corresponding organizational activities (2017, 35).

Yu also argues that many of the design process models lay heavily on the Double diamond model and only vary in language and some stages (2017, 28). Having studied the Double Diamond, Stickdorn and Schneider's model and Liedtka and Ogilvie's process, the thesis author has to agree. Each has four stages, and all emphasizes iterativity and is therefore non-linear. The iterative nature makes the processes described more flexible and that way more similar. Meaning even though the stages are named little differently (figure 8), and the activities vary too, the movement between stages ensures that overall, in the big picture the processes have the same actions.



Double Diamond	Discover	Define	Develop	Deliver
Stickdorn & Schneider	Exploration	Creation	Reflection	Implementation
Liedtka & Ogilvie	What is?	What if?	What wows?	What works?

Figure 8 Comparison of the three service design process's stage names and language.

The differences lay on wordings, emphasis, and perspectives. All three process models start with the research phase and looking at the current situation. Stickdorn and Schneider's model is the most minimalist and linear one: the figure doesn't represent visually the divergent and convergent nature of design thinking as the two others do. Liedtka and Ogilvie's model's use of language is creative and inspiring. By asking questions it encourages to take action and answer the questions when the other two just merely state the purpose and actions needed in each stage.

During the second stage Stickdorn and Schneider are already creating, when the two other models are still engaged in thinking, at least in language level of the models. One needs to notice that Liedtka and Ogilvie's tools for this stage, like brainstorming, is definitely about creating. Same goes with Double Diamond. One can argue that journey mapping is creative action (Design Council 2018b). By naming their third stage *reflection* Stickdorn and Schneider emphasizes the iterativity of the process, but the actions here are prototyping and testing and therefore it is similar to Liedtka and Ogilvie's What wows?, which also has a prototyping

included as does Double Diamond's stage develop (Design Council 2018c). Double diamond's last stage deliver includes phasing, final testing and asking feedback (Design Council, 2018d). Liedtka and Ogilvie's What works? has similar actions, although I find it a bit more on the still developing phase and not launching final service as the Double diamond's deliver and Stickdorn and Schneider's implementation, that already discusses communicating the new service to employees and customers and change management.

That been said, from these three processes the thesis author finds Stickdorn and Schneider's the one more closely linked to organizational processes. Their perspective is more on the service company as whole. Liedtka and Ogilvie stress the link between tools and stages of processes, which I find is the most practical and action taking perspective of these three service models.

The Double diamond does what it was originally designed for: it explains the design process by simplifying and describing it part by part. Therefore, keeping the identity of the models created by iterativity features in mind, the Double diamond is the most simple and useful for this thesis and development purpose. However, since the frameworks are quite similar, methods and tools from other frameworks are applied and discussed when seen appropriate.

3.2 The Double diamond, service design methods and development process

The development project of this thesis follows the four-stage iterative Double diamond model discussed more detailed in subchapter 3.1. (Design Council 2019). In this chapter the development process is deconstructed, and the first three stages and methods and tools used are introduced and discussed in detailed: Discover, Define and Develop. The last stage, Deliver, is not included in this thesis' development project.

The different phases, tools and methods used are summarized in figure 9.

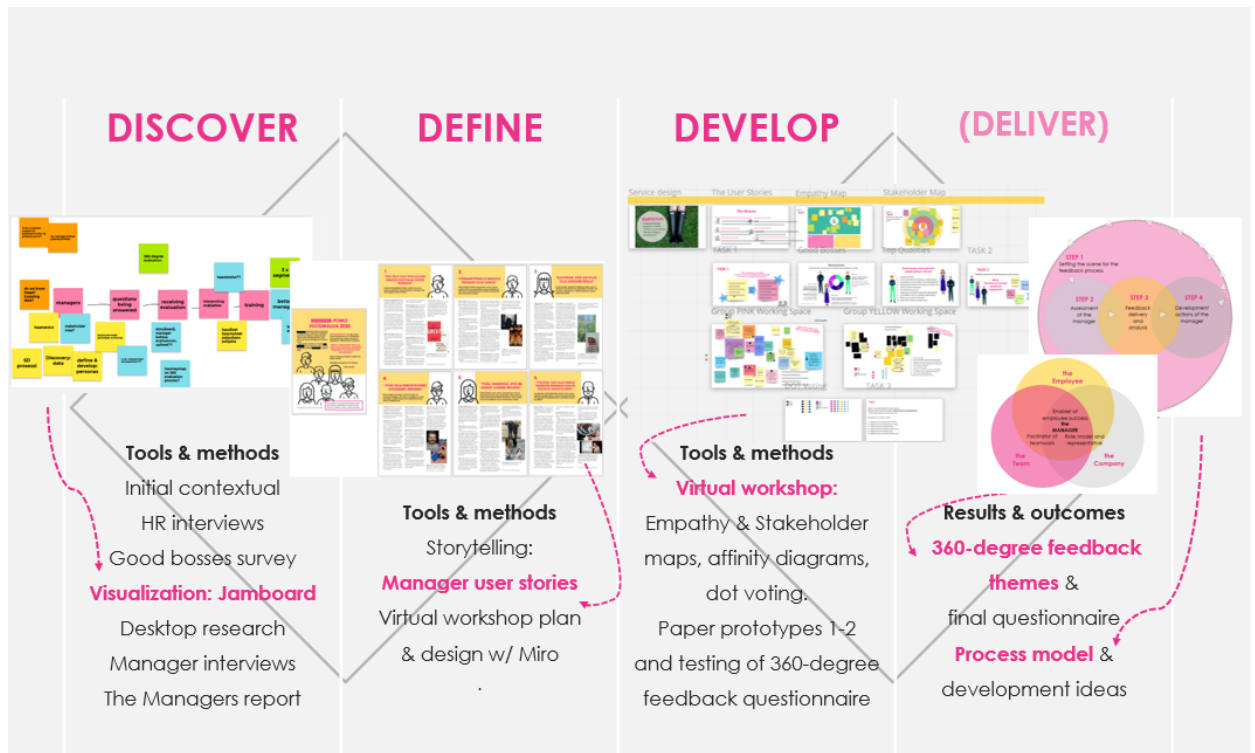


Figure 9 The Double diamond process of the thesis, tools and methods used.

There is a need to separate the words tool and method, although in the reference literature the terms overlap and are used quite carefree. However, to make some distinction the thesis author trusts Stickdorn et al. definition: Tools are specific items, i.e. concrete models like stakeholder map, empathy map, etc. Then again methods are specific procedures used to accomplish or approach the thing in question. They answer the question “How?”. For example, an interview is a method (Stickdorn et al. 2018, 37).

Methods and tools discussed in the thesis include visualization, interview, user stories, empathy map, stakeholder map, prototyping and customer co-creation. Some of them have a more profound role in the service design process and require in-depth processing, some are more obvious and therefore are introduced in brief.

The Double diamond process started in the fall of 2019 and continued to November 2020. Due to the COVID-19 the case company was forced to push the execution of the project from Q1 to Q3, hence the gap in the timeline.

The timeline and thesis project actions are presented in the graphic below (figure 10).

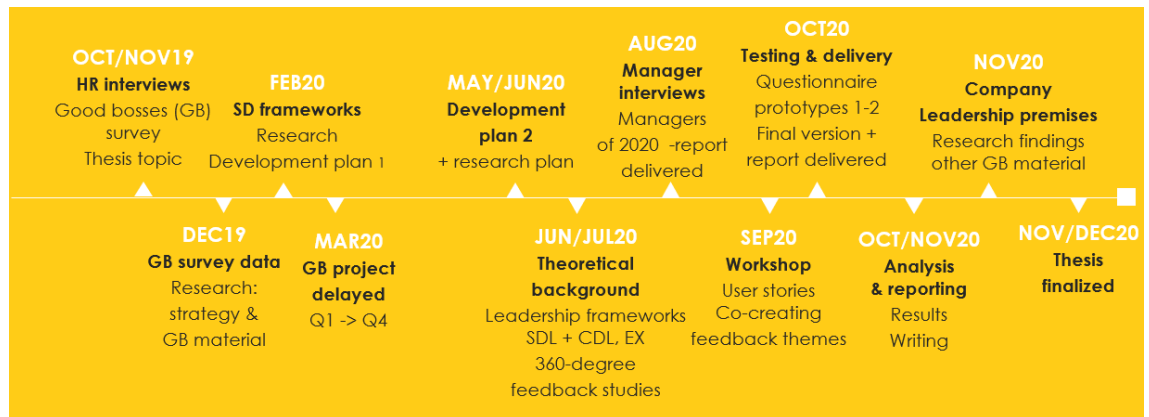


Figure 10 Timeline of the thesis and development project.

Discover

The development process starts with Discover phase, which is divergent thinking. This means the first stage is about learning what the problem is, asking and observing people that are connected to the service need (Design Council 2019). One needs to start with the present instead of looking into future, be customer-centric but also understand the company's point of view (Liedtka & Ogilvie 2011, 32; Stickdorn & Schneider 2012, 128-129). The initial goal of the researcher was to examine how the service design and customer-centric approach could benefit the execution of the company's strategy in human resource context.

After discussions with the case company the focus was pinpointed down to the context of management development. In other words, the researcher was set to find out the internal customer's, i.e. the manager's, thoughts about their work and developing in it – becoming better bosses. From the company point of view a concrete need to reinvent the 360-degree feedback process surfaced. The first intertwined steps of the discover phase were initial interviews and desktop research. It needs to be noted that due to the iterativity of service design process research can be done during various stages of the process (Stickdorn et al. 2018, 100).

Initial, contextual interviews

To understand service problems of HR the thesis's author conducted four initial contextual interviews with the case company's HR. Contextual meaning that the interviews were conducted in the company headquarters, where the service processes of interest take place. This made the interview situation more psychologically safe to the interviewee and gave the

interviewer more holistic understanding of the service environment (Stickdorn & Schneider 2012, 162-163; Curedale 2013, 176).

All interviews were conducted one-on-one and unstructured, i.e. they were open-ended with active listening and recorded by the thesis's author (Curedale 2013, 186, 189 ; Silverman 2011, 161-162). The interviews took place in October and November of 2019 (figure 11).



Figure 11 Timetable of the interviews conducted to gain insight of company HR.

Since the strategy stated clearly the need to educate employees, the first initial interview was with the growth lead of the company. After the interview the thesis author had a clearer understanding what the regeneration the strategy stated meant for the HR operations and employees. Also, knowledge of the specific projects that the HR had planned for conducting the strategy and people involved.

The most interesting and important from the strategy point of view sounded the good bosses program and next an interview with the senior insight manager responsible for it was booked. To gain more complete view of the whole HR of the case company an interview with the HR change lead and the chief human resources officer was conducted. After these four initial interviews, a more holistic view on HR's internal services and service needs was established. Also, the interviews were a way to obtain confidential information: the road map of the good bosses program and a survey conducted with the case company's employees and a promise to receive its results when the analysis was done later.

On top of these official interviews taped, three off-the-record unstructured discussions with two middle managers were conducted by the thesis author to achieve more holistic and critical perspective on HR operations and the use of service design in the case company.

Desktop research

In order to find a focus for the development and building ground for the initial interviews, the case company's intranet was searched for the latest strategy documents and essential stakeholders, i.e. relevant HR employees. Stickdorn et al. summarize desk top research as finding out whether the development questions have been answered before and what existing data benefits the development process (2018, 331). With the annual report of the company, the essential role the human resources were holding in the strategy for the years 2018–2023 became obvious. The strategy's elaborated on more detail in chapter 1.2. The regeneration it emphasizes includes a promise of a better workplace, which means 360-evaluation of managers and regeneration of training program.

In the HR's roadmap for good bosses program the same thing is said more thoroughly: "Good bosses lead growth, efficiency, and regeneration. In the good bosses program we learn and acknowledge, what the employees expect from a good boss. The staff is more satisfied when management is what they expect." Simply put, the mission of the agenda is to first answer the following question: what are the qualities of a good leader according to employees?

And what is hoped to be gained from the program? In addition to knowledge of what employees and teams expect from managers and leaders, building blocks for a common tool and shared language to address and evaluate management work, direction of regeneration of the management training and assessment process, and later manager profiles to help recruiting is hoped to be obtained. Also, there is a wish to gain knowledge of how the values of the company are embedded in the expectations of the employees, which can lead to dialog of how management is leaning to the values. The HR also sees an opportunity to reward good management work and external communication for positive employer branding.

The good bosses roadmap has five stages and it started in 2019. Currently (November 2020) it is in the last phase, implementation and communication. The first stage included data-analysis done from all the existing information: employee engagement survey and the previous 360-degree feedback evaluations of the managers for example. Also, some starting level interviews were done. The second stage consisted of 16 qualitative interviews of employees. From all this knowledge a quantitative questionnaire was combined and a link to it send via email to 1700 staff members in the beginning of November 2019. 638 of them answered the survey. The results were collected and analysed by an outside data and insight company: the result included three different employee segments that preferences different management qualities. British Design Council encourages to use surveys as tools to help to see the big picture and show the direction of the project (2018b). The fifth and final stage of the roadmap is the current stage: internal communication and usage of the gained knowledge. This thesis and development project will concentrate on utilizing the knowledge and is therefore part of the last stage.

The desktop research continued with the construction of the theoretical frameworks of the thesis during June, July, August and October of 2020. The theoretical part and the frameworks of service-dominant logic, customer-dominant logic and employee experience and different leadership theories are discussed in-depth in the chapter 2. Additionally, the old 360-degree feedback survey of the case company was studied. In the initial interviews it was found out that the HR member thought it to be old-fashioned and no longer accurate for the purpose needed.

Planning the service design project

Planning the service design project is part of the actions of the first development phase after getting familiar with the stakeholder and ecosystem Stickdorn et al. states. This means adjusting the service design approach to the context and realities of the organization and people involved (2018, 331). Ironically, the realities changed due to the COVID-19 interference in the beginning of the year 2020 and the development work was pushed from Q1 to Q3 and Q4 and all collaborative work was shifted to online-environment, i.e. Microsoft Teams.

In this development project the planning was done after the initial interviews first by the thesis author ideating the process on Google Jamboard. The aim of this was to make the intangible project process visible and open to discussion (Stickdorn et al. 2018, 409) (figure 12). Visualization is the most important and multi-functional method of service design argue Liedtka and Ogilvie (2011, 51). They state it is “the mother of all design tools” and therefore a natural starting point.



Figure 12 a Jamboard visualization used in project development and ideation in May 2020.

Stickdorn et al. (2018, 409) see too that visualization has a key place in the design process. For Liedtka and Ogilvie it is a transformation of information into a visual object or an image in one's mind and can be used in every stage of the design process. Images one can actually see with one's eyes or little more imaginatively put: with one's mind's eyes. This can mean various things: adding pictures to illustrate data and numbers, sketching ideas but also summarizing different ideas in the same story that provokes mental images. The purpose of it is to make ideas tangible and customers with their experiences human and real. Visualization activates different parts of our brains and brings them into the designing game, even when only rough sketching on a whiteboard is used (Liedtka and Ogilvie 2011, 51). Design Council has named *fast visualization* a tool used at the beginning of the design process, discover phase (2018a). It is simply drawing quick sketches of the ideas in question. They state that by visualizing ideas they become easier to understand and play with. Visualizations also stimulate new ideas and can be used when communicating for example during brainstorming sessions (2018a). Stickdorn et al. (2018, 409) argue that visuals help communication and can speed up the designing process and are a way to do easy iterations.

Liedtka and Ogilvie point out that concrete visualization makes work visible and helps different parts of the organization to discuss it more accurately since words are more open to various interpretations than images (2011, 51). Visualization should be kept simple, it can be only pen, paper, and sticky notes or it can be done with computer programs like PowerPoint or Illustrator and photographs. It is wise to break the problem into smaller sections, use metaphors and analogies, create storyboards and personas. Storytelling can result in visual objects, but it can also be verbal and provoke listeners' imagination and visualization in their minds (Liedtka and Ogilvie 2011, 56-60).

Stickdorn et al. (2018, 409) connect visualization to workshops and state that it moves participants from theoretical thinking into concrete doing. To get everybody on board and drawing it is essential not to show participants skilled sketches rather rough stick figures. Additionally, visualizations document the work done and the results of the workshop (2018, 410). When talking about data visualization, synthesis, and analysis Stickdorn et al. (2018, 127) distinct and list specific methods like creating personas, writing user stories, mapping journeys, and compiling research report.

Second, the created initial process model in Jamboard was reviewed with the senior insight manager responsible for the good bosses program and the 360-degree evaluation program. After iterations to the project plan and finding a common ground thesis author constructed a written development plan for the case company. The project plan included the four stages of the service design process, discover, define, develop and deliver, methods to be used and people to be involved. An initial schedule was included. This was to clarify the outcomes and align the expectations of the different parties (Stickdorn et al. 2018, 456). The iteration and

designing of the service design process model and construction of the project plan was done in May and June of 2020.

Interviews with the managers

Since the desktop research supplied the employee viewpoints to ideal managerial qualities, but not the perspective specifically of the managers, the last stage of the discover phase was to acquire this insight (Portigal 2013, 3). Additionally, the customer-centric approach requires getting to know the customers and their lives (Heinonen et al. 2010, 533). Open ended interviews with semi-structured design were chosen to be the best method to gain in-depth insight of managers' opinions, perspectives, emotions, and pains and gains of their work (Silverman 2011, 162).

Interview is a qualitative method used especially by journalist and researchers to gather data about people of interests, customers, users, etc. In the service design context, it can be described with a help of Portigal as contextual research that includes analysing to deeply understand people and gain in-depth information that help solve design and business problems (2013, 3). In research context, according to Silverman, interviews are "a rich source of data" (2011, 203). Portigal argues that the crucial gain of interviews is not only gathering knowledge of customers pain points but reframes, new frameworks that change the original perspective and reveals unrealized possibilities for innovations (2013, 5-6).

Interview is a good semi-structured method to gather in-depth data, but not a source of statistic one, since every interview is unique. Interview can be used to explore to identify the points of the topic and combined with other research methods (Portigal 2013, 8). Portigal points that interview is asking questions, but not in the similar way as in normal conversations. It requires preparing and skills (2013, 9-10). In addition to information and inspiration that can be gained from an interview, empathy - "more specific understanding of the experience and emotions of the customer - is gained (Portigal 2013, 10).

There are challenges with the method and analysis of the data gained, which the researcher needs to be aware of. Chipchase states that the researcher must have self-awareness of cognitive biases, beliefs and values and how they affect the interview (2017, 343, 348) and also about the social stratification (2017, 333): the social ranking of people based on age, gender, wealth, etc. This is something that affects the interview situation and the outcome: how the interviewer interprets the interviewees but also how they interpret the interviewer: how the interaction goes. Also, the society's values can affect the interview (Chipchase 2017, 349). For example, education is praised in many societies and this value may affect interviewees answers. Additionally, Silverman argues that interviews do not reveal the actual experiences of people but the interpretation, representation, of them and the data gained is mutually constructed by the interviewer and interviewee (2011, 168, 170).

An interview script, a field guide, with specific themes derived from the desk research and theoretical frameworks and leadership theories was composed by the researcher (Curedale 2013, 188-189; Portugal 2013, 39; Hirsjärvi & Hurme 2015, 66). The analysis done of the leadership frameworks, i.e. the ten essential leadership qualities defined in chapter 2.3., guided the content of the field guide.

The first version of the script was then discussed with the HR representative of the case company and iterated to final version (appendix 1). List of candidates suitable for the interview was combined with the HR with the aim of covering the whole organization. Due to the confidentiality of the interview topics and aim to evoke trust and create a psychologically safe space (Stickdorn et al. 2018, 399; Silverman 2011, 162) for the interviewees, the thesis author chose the six interviewees from the candidates.

The interviews with two editor in chief, a sales manager, IT director, creative lead and marketing manager took place in August 2020. Each interview took approximately an hour and was recorded (video + sound). The interviewees were asked the necessary permission for recording (Aho, Hyvärinen, Nikander & Ruusuvuori 2018). Hence the COVID-19 the whole case company was working remotely, and the interviews were conducted via Microsoft Teams. Since also the managerial work was now done online the interviews can be seen as contextual interviews taking place in the new normal of the managerial work life reality (Curedale 2013, 176).

All the interviews followed the field guide and were semi-structured. i.e. by active listening the thesis author allowed the interviewees talk freely but kept the scope in mind (Silverman 2011, 162). The interviewees were informed some of the discussion topics but the field guide and themes were only visible to the interviewee. The interviewer steered the direction of interviews with additional questions. The aim was to go over specific themes – management training, management work and developing in management work – and get answers at least to following questions:

1. What leadership training interviewee has attained?
2. What leadership qualities the interviewee considers most important?
3. What are the obstacles interviewee faces in their work?
4. What are the pains of interviewees management work?
5. What are the gains of interviewees management work?
6. What are the resources interviewee uses to succeed in their work?
7. What support interviewee wish there would be available to be able to develop?
8. What are the experiences interviewee has had with 360-degree feedback process?

Analyzing the interviews

Each interview was immediately transcribed, summarized and reported. This helped to assess how thorough each transcription needed to be (Silverman 2011, 59).

The transcription of each interview was done by writing a Microsoft Word documents containing time codes. Every one-hour interview took from two to three hours to transcript. Not every single word was included, and the emphasis was on the predesigned themes and novel interesting information and perspectives not known to the researcher (Hirsjärvi & Hurme 2015, 139-140).

Hirsjärvi and Hurme state that there is need to replan the research from time to time: an important part of planning is the field guide since it guides not only the interviewee but also the analysis. The researcher needs to decide in advanced what is the phenomenon being researched, the themes to be covered and what are the conclusions they aim for (2015, 66).

When doing qualitative research, the analysis can start already during the interview, for example by paraphrasing interviewee, and continue when transcribing and reporting (2015,136-137). Hirsjärvi & Hurme state that when analyzing the researcher can interpret meanings from the data, i.e. not only concentrate what can be seen but search for meaning that is not obvious. This is highly speculative, since the researcher has their own perspective that is being used analyzing the data. Hence, the report constructed in not merely summarization but expansion. An analysis based on interpreting meanings can take a form of narrative and include summarizing and classifying meanings (2015, 136-137). In this case, the analysis also included the reflection of ten essential qualities of managers found previously (chapter 2.3.): ability to inspire and motivate, ability to communicate a vision, taking interest in developing employees, ability to act as a role model, ability to empower followers, ability to evoke trust, ability to respect individuals and diversity, ability to show humility, ability to show authenticity, ability to nourish team and connection.

Each manager interview was first written into a separate narrative by the researcher. The six narratives were combined into a 16-page report, that was submitted to the case company with a title “The managers of 2020 – six stories on what means to be a boss at Sanoma”.

After the six interviews were done, the reports were studied and coded. This was done by high lighting different colors and labeling different themes in each interview report (Silverman 2011, 68) (figure 13). The similar content was then arranged and combined under different themes to further study the connection and relationships of the data. The method is similar to affinity diagram, but instead of wall and sticky notes the content was arranged in a word document with copy pasting (Curedale 2011, 94). Hirsjärvi & Hurme state that the analysis of meanings can be done using ad hoc -methods that concentrate in the search of

themes and repetition in the interview data (2015, 139). Eight themes of management work could be found from the data: management priorities (yellow), source of frustration (turquoise), challenges faced (red), support resources (light grey), support wanted (blue), source of joy (purple), wishes to learn more about (brown), and feedback needs (green).

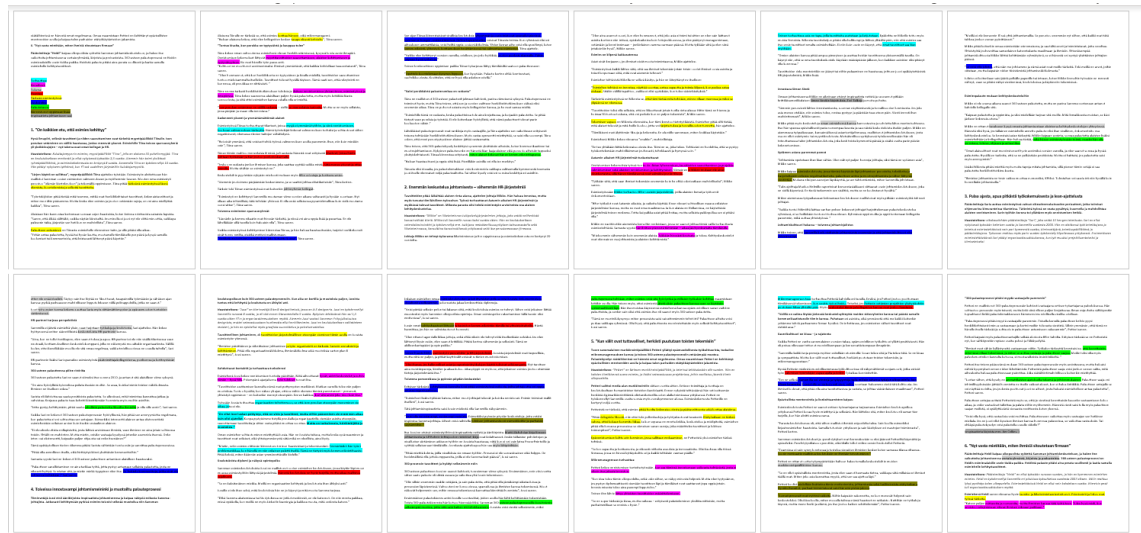


Figure 13 Part of the color-coded report in Microsoft Word document format.

Define

The second phase of service design process is about defining the service problem. It includes convergent thinking: assessment and summarization of data by different means including co-creation (Design Council 2019). This stage is about utilizing the data collected by ideating new possibilities and looking into the future, brainstorming and co-creating with interdisciplinary teams that includes members of all stakeholder groups (Liedtka & Ogilvie 2011, 35; Stickdorn & Schneider 2012, 130-131).

This stage of the design process was according the original plan of the researcher centered around collaborative workshop. The idea was to have a half day face-to-face workshop in company premises that would include creating, among others, creative working space, manager personas and journey maps that would help define the service problem. Then came the COVID-19, remote work and online environments. It became soon obvious that a workshop and activities researcher had already planned for the face-to-face meeting were not executable in existing conditions and online environment. One essential change of conditions is connected to time: the technology slows the process down, people have harder time to engage, and in this case: the stakeholders now had less time over all to invest in the project (Stickdorn 2018, 359).

Hence, iteration of the workshop plan was needed, and after discussions with the HR representative in charge, the researcher redesigned the workshop to online conditions with emphasis on pre-tasks and option for post-tasks. The core idea was to expand the co-creation horizon from the two hours workshop spend together to several days with reading material and assignments that evoked individual thinking and ensured doing. This called for new and old media: online platform and old-fashioned storytelling. But the change in the workshop content moved it from the first diamond's define phase to the beginning of the second: the develop phase. The define stage now centers around the creation of user stories and storytelling but is still also closely connected to the construction of the workshop and communication attached to it, including pre-assignment actions done by the future workshop participants.

Storytelling and user stories

First the researcher turned the data of the interviews, i.e. the 16-page Manager of 2020 - report, into more reader friendly format, engaging user stories, to be distributed to the future collaborative workshop participants. The goal was to evoke their interest and create empathy towards service customers and have them ponder customer's needs and even possible solutions. Since time was of the essence and all stakeholders volunteers, strong participant engagement had to be evoked beforehand.

The researcher has background in journalism and content creation, storytelling and reader engagement conventions where borrowed from the practice when creating user stories for pre-assignment, constructing email invites and designing the workshop structure, script, layout and visuals. Since all the communication before the workshop, including invites, were made via email, it was essential to communicate precisely, savvy and generate interest. This was done with choice of words, structure and quality of content and headings of the emails and pre-assignment. Additionally, a technical pre-task was designed to teach the participants new digital tools before the two-hour workshop.

The pre-assignment utilized and communicated the interview data to participants and demanded them to use their cognitive processes (Stickdorn et al. 2018, 164). The researcher summarized all six manager interviews to six user stories and emphasized what was unique in each to ensure richness of perspectives (Stickdorn et al. 2018, 127; Liedtka & Ogilvie 2011, 59-60) (appendix 2). The term "user story" was chosen here to underline the real-life connection of the anonymous managers presented to participants. But the stories approach was very similar to personas with the quotes and mood images (Stickdorn et al. 2018, 41-42).

Stickdorn et al. connect user stories mainly to software development and emphasize they summarize the design research and describe what customers or users want to be able to do. Additionally, they state that user stories can be used to define the requirements of a service

(2018, 132). Liedtka and Ogilvie elevate storytelling, connecting bits of information from the data into a narrative, to be an important part of design thinking. They argue it allows people to access emotions, emphasize experiences and evoke empathy. Storytelling, as customer experience story, make the problem at hand more personal and people included in the co-creation more invested (2011, 59-60). According to Curedale empathy can be defined as “standing in someone else’s shoes”. One with empathy is able to understand and identify with other: adapt their perspective and appreciate their motives and feelings (2013, 100).

Each user story written in Finnish had strong engaging quote as a heading, well thought body text with quotes, photo images illustrating the text and a graphic image of a person representing each manager, who were given made up names to enhance empathy and reader engagement. The three-column structure of the stories were adapted from magazines and the lay out of the seven-page assignment leaflet was created with Adobe InDesign (figure 14). The first page of the leaflet explained the assignment: to read the six stories before the workshop and consider and take notes of what type of feedback would each manager want and need from their subordinates, colleagues and superiors. Additionally, the participants were warmly welcomed to the workshop.



Figure 14 An overview of the pre-assignment leaflet created by the researcher.

The pre-assignment was sent to the participants in PDF-format via email that also included other instructions about the workshop, for example to test the infinity board Miro in Microsoft Teams beforehand and contact the researcher if problems occurred or if assistance learning the digital tool was needed.

To help getting familiar with Miro researcher had constructed written and visual simple instructions of the infinity board tools with embedded video explaining the system. To lower

the barrier and ensure engagement and learning participants were asked to use couple Miro tools beforehand and leave the others greetings and drawings with sticky note tool and pen tool. This also helped creating psychologically safe space and feeling of togetherness, a team (Pirinen 2016, 33).

Develop

The third stage of Double diamond is develop and it starts the second diamond. It is about finding answers to defined service problems, in this case co-creation of themes and topics of the feedback and how to how to communicate and construct them to a questionnaire form that is adequate and understandable to the case company managers, i.e. internal customers (Design Council, 2019). This stage of the development project has four stages and at least two specific iteration cycles.

First the co-creation of themes in the workshop. Second, the researcher developed the first paper prototype of the feedback questionnaire (Stickdorn et al. 2018, 236-237), which was then assessed by the HR representatives of the case company.

Third, after iterations the prototype number two was evaluated by company employees that were interviewed for the user stories in the discovery phase and workshop participants in the define phase. Four, the second prototype of the feedback questionnaire was then iterated according to assessments.

Finally, the iterated questionnaire was delivered to the case company with adjoining report stating additional and differing assessment from the internal customers, e.g. co-creators.

Co-creation workshop

The online workshop was hosted and facilitated by the researcher in Microsoft Teams team created for the workshop purpose. It took place at 9.00 am to 11.00 am on 23 September 2020. The workshop was attended by five case company HR representatives, of which one was in charge of the good bosses program and one a director. Others where business partners and a human development lead. To include the internal customers and other stakeholders additional participants where a CX and design lead, head of creative lead and digital development and culture lead (Plaskoff 2017, 140; Stickdorn & Schneider 2012, 34, 38).

The researcher strived also for gender balance, but due to the structure of case company HR, five of the participants where women and three men.

The workshop was constructed on Miro infinity board (figure 15).

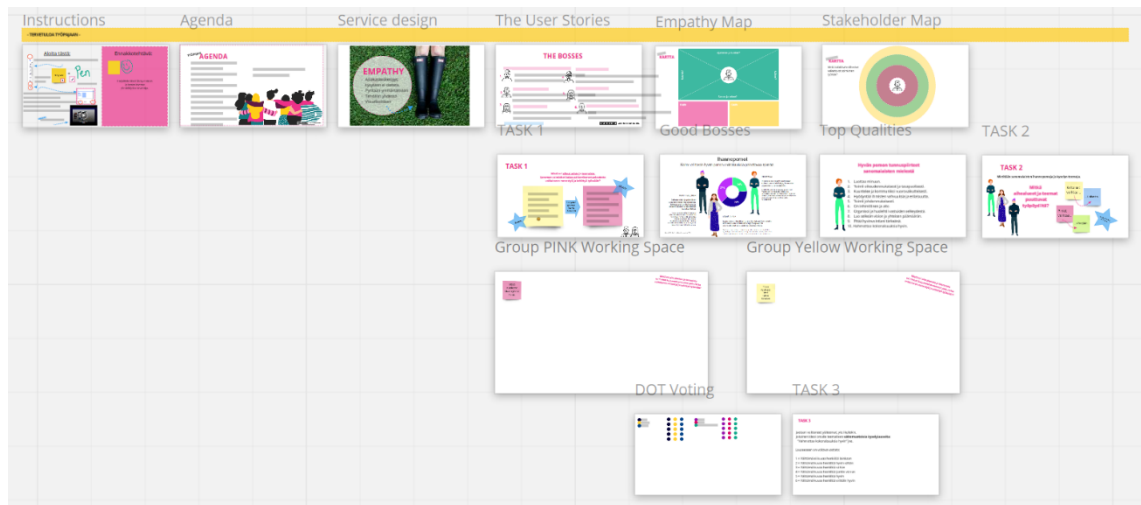


Figure 15 The Miro infinity board created for the workshop.

The workshop had a clear goal that was communicated to participants from the beginning: it was to learn and define what are the most important themes and concrete topics that the 360-degree feedback should include. This meant finding and learning the right terms and creating a common language that can be used. This was done by evoking empathy towards the internal customers, managers, with different service design tools and methods: user stories, empathy map and stakeholder map (Curedale 2013, 30). Additionally, researcher wanted to understand what was not discussed and hence, not considered important in this context. Due to the goal of this thesis, the researcher was also interested about anything discussed about the feedback process or management development overall.

Stickdorn and Schneider described *co-create* as one of their original principles of design thinking. For them, it means that all stakeholders, for example, managers and customers, should be included when designing a service (2012, 34, 38). Stickdorn and Schneider bring the customer in the co-creative process far earlier than Liedtka and Ogilvie. The former state that developing valuable solutions together with customers is true co-creation (2012, 229). Moreover, that co-creation can be used effectively with many different service design tools as long as the session is carefully planned and moderated by the designer (Stickdorn & Schneider, 2012, 198).

It is notable, that later they have molded the principles and introduced the new principles of service design doing. This time including stakeholders with different backgrounds in the service design doing was defined as the principle of collaborativity (2018, 27). Stickdorn et al. see co-creation as part of both the creation and implementation of the service. When the stakeholders are engaged with the service in the creation part the implementation part is

smoother (2018, 278). Liedtka and Ogilvie's tool *customer co-creation tool* is placed to be used in the fourth stage of their design process, *what works?* It means observing potential customers using prototypes developed earlier in the service design process. This leads to iteration: insights from customers' reactions are then used to improve the offering and the observation is then done again. Liedtka and Ogilvie see this as a way to meaningful and productive services and products – and the only way, if one wants to be customer-centric (2011, 139).

Pirinen has studied co-creation and service co-development methods with more practical viewpoint and has determined barriers and enablers of co-design for services. The first six barrier-enabler couples of twenty deal with creating trust, getting over cultural differences, spotting shared value, challenges of hierarchy and complexity and responsibility of the cross-organizational collaboration (2016, 33). For example, a barrier can be a conflict in participants goals and expectations. In this case search for mutual value is the enabler. Pirinen categorizes this as part of finding common ground (2016, 39).

Plaskoff encourages companies to engage in “radical participation”, meaning organization's development project should be “extensive, board, multi-level and egalitarian” (2017, 140). Forget consults he urges and empower employees by having them interview other employees and participate from all over the company to co-create solutions together. This evokes diverse perspectives and expertise as well as distributes ownership of the solution wider, which helps with engagement and change resistance (Plaskoff 2017, 140).

The co-creational workshop followed an agenda created by the researcher. Since the time was of an essence researcher, i.e. the facilitator, also constructed and a script for the workshop. This was memorized by the facilitator beforehand to ensure smooth communication and collaboration and establish strong and relaxed presence of the facilitator during the workshop. Since the technical construction of the workshop in Microsoft Teams and Miro was challenging, the facilitator created a backup workspace in Google Jamboard and edited the workshop material also to PowerPoint format. Luckily, these were not needed, nor was the plan b and c for the content of the workshop. Since the timing of the workshop was done by merely estimation there was a need to have couple extra tasks in case there was too much time. Also, and option for post task was planned in the event that time would have run out. Facilitator tested the Miro workshop twice with fellow service designers and once with HR representative of the case company and made iterations according feedback.

The facilitator contacted all the participants the previous day and made sure they had done the pre-assignment, tested the Microsoft Teams and Miro workspace and offered to address any concerns or technical issues. Additionally, facilitator discussed with the IT service of the case company to learn any possible technical problems that might occur and could be avoided

beforehand. For example, the facilitator made sure the Microsoft Teams online meeting was without waiting room, so that the participants could enter one by one instead of all at the same time. This enabled the facilitator to greet everyone individually, have time for small talk and promote less informal workshop tone. In addition to the agenda, the facilitator had planned and listed ahead all necessary equipment for the workshop. The list included a clock, paper prints of all the materials, a laptop, an additional screen, phone, list of participants names and emails, the agenda taped to the table and water to drink.

Breaking ice and stepping into manager's boots

At 9.00 am the workshop started. After everyone was adjointed, the facilitator welcomed them all, asked permission to record the workshop (video and audio) (Aho, Hyvärinen, Nikander & Ruusuvuori 2018), and introduced herself briefly to provoke trust. Since also the engagement of the participants was essential and not all the participants knew each other, to promote sense of safeness the facilitator introduced the ice breaker task somewhat quickly (Kaner 2014, 124). To create creative and informal collaboration conditions, the participants were asked to introduce themselves just by name and the unit where they worked. To avoid hierarchy, they were asked not to mention their titles (Pirinen 2016, 33). The ice breaker part of the task was adopted from Marc Stickdorn's workshop the facilitator attended in February 2020 at Laurea university of applied science. After name and unit, the participants were asked to include couple hashtags familiar from social media that described their feelings and thoughts that morning. The facilitator introduced herself with hashtags #excited #autumnlover #hockeymom.

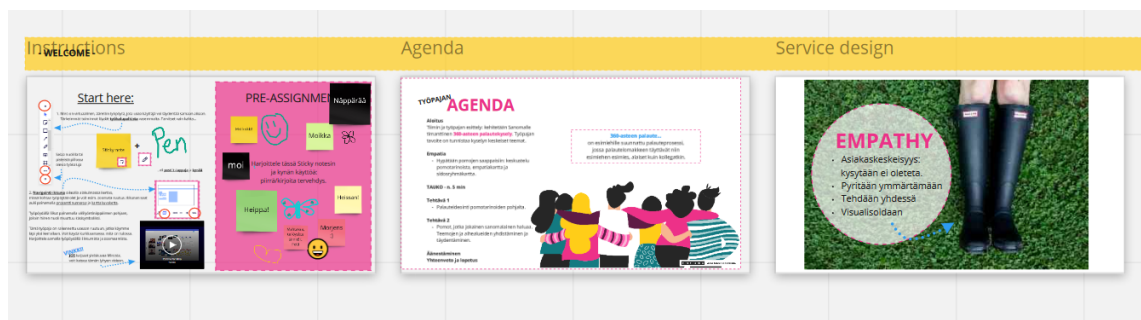


Figure 16 The first three boards of the workshop.

After everyone had introduced themselves, the facilitator went through the workshop etiquette: have camera and microphone on. Facilitator encouraged participants to ask questions, interrupt when needed and participate in discussions. Then the facilitator asked everyone to open the embedded Miro board and introduced the agenda of the workshop (figure 16). Since service design framework and co-creative workshops were new to most of

the participants, first they were introduced. The facilitator chose to keep the introduction simple and centered on customer centricity and the use of empathy as viewpoints.

To evoke empathy the pre-assignment, the user stories, were first discussed together. What thoughts they provoked? What was familiar, what lacking? To facilitate the discussion, the facilitator had constructed a list of follow up questions in advance. The list included among other questions as “Has anyone else ideas on this subject?”, “Is there another example of this?” “Could you elaborate more?” and utilized techniques of Kaner such as encouraging, balancing, making space, tolerating silence, using the clock, and finding like minds as well as paraphrasing and mirroring (Kaner 2014, 102-105).

After the first discussion the empathy map was introduced and collectively filled by all the participants. They were asked to think what one of the user story characters think and feel, hear, see, say and do. This was done to help the participant empathize with the managers they were designing for (Curedale 2013, 100, 136-137). Then the participants were summoned to gather around the stakeholder map and fill it together to understand how many different stakeholders and perspectives affect managers life and work (figure 17) (Curedale 2013, 235).

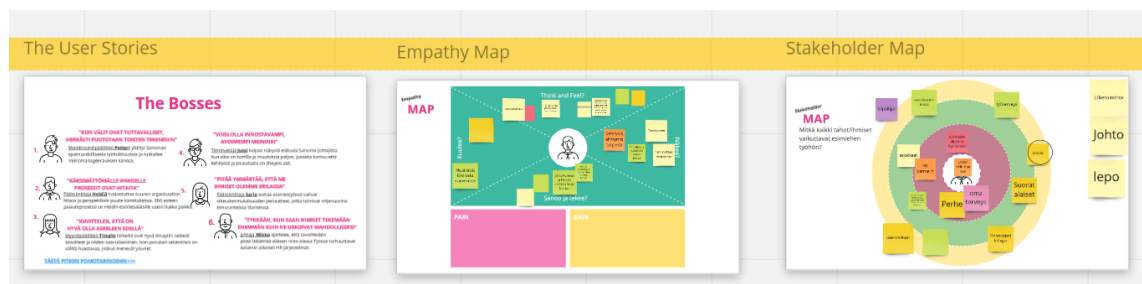


Figure 17 The introduction of managers, empathy and stakeholder maps.

The empathy map was created based on the user story of editor in chief Heidi. The participants founded several answers to empathy map's different section. Heidi hears that others are not interested in numbers. Her thoughts and feelings include: frustration for the lack of perspective, over all frustration, sand frustration for the unclear processes, some fear when getting feedback. One participants had described Heidi as responsible. According to participants Heidi sees development needs, decisions made without data backing them up, the future and understands change taking place. Her actions include giving space to employees, crediting those who deserve it, following numbers, and working with people. In conclusion the workshop participants emphasized manager's frustration connected to shortages and future looking abilities. The pains and gains aspect were hard to grasp, but one could argue that the feelings describe especially the pain being frustration on many aspects of work. Interestingly, not any of the positive gains that was mentioned in the user story were

included in the empathy map. This can be explained by the human cognition that is wired to recognize threats and put emphasis on the negative.

The empathy building exercise continued with cocreation of stakeholder map with manager Heidi in the middle. “Who or what effects the managers work?” was the task at hand. One participant concluded: “Oneself effects most!”. Close stakeholders were seen to be family, health, overall wellbeing, and HR partners. Which suggests that the view on the manager is very humane and human-centric and the empathy has been evoked by the user stories. Additionally, the HR partner valued so high and close to the center might suggest that participants own values affects the appraisal, over have of the participants were HR representatives. Next circle includes clients, close subordinates and unwritten common norms, i.e. company culture. The outer includes health care, people working next to, other subordinates, competitors, other editors in chief, colleagues. Outside the map was listed three factors: business, top team, and resting.

To ensure the engagement of the participants next there was the scheduled ten-minute break.

Generating ideas

After the break was time for ideation. The topic of the ideation was: “What are the themes and topics of feedback the case company managers want and need to succeed and develop in their work?”. The participants were divided to two groups: the HR representatives and others. The group was divided accordingly to help HR learn what are the actual perspectives of case company employees without the interference of HR members views.

The ideation was done by brainwriting and brainstorming (Stickdorn et al. 2018, 180). First for five minutes all the participants ideated in silence by themselves on their groups working board by applying sticky notes and starting to create an affinity diagram (Curedale 2013, 94). After five minutes the facilitator guided the teams to their own Microsoft Teams channels to work together. Teams continued using the workshop’s Miro infinity board, both groups were assigned a working board. They could not hear each other’s conversations but were able to peek other team’s ideation board, since they were placed next to one another on the infinity board.

The facilitator continued facilitating the team Pink and the HR representative in charge of the project took the charge of the team Yellow, i.e. the HR members. After the brainwriting the team members were asked to introduce and discuss the topics they had placed on the working board. Next, they were asked to work on the affinity diagram and combine similar ideas and topics and discuss what was missing from the board and what subcategories there should be (Curedale 2013, 94). After fifteen minutes the teams were summoned back to the

main channel and the next step of the ideation task was introduced. The team were asked to discuss the feedback themes from the point of view of the employees. For this the three ideal manager profiles according to employee survey was introduced along with the top ten qualities of a manager employees see most significant. The teams were asked to go back to their affinity diagrams and discuss and complement it from the employee perspective introduced. After the second team discussion the affinity diagrams were introduced by both teams to others, to present more perspectives to participants. Next the facilitator introduced dot voting with Miro sticky dots. Participants were asked to pick five most important themes to them and place a dot next to it to rank ideas (Stickdorn et al. 2018, 185-186). Each member was signed a dot color by the facilitator beforehand to enable tracking of votes afterwards.

After the voting facilitator summarized the work done (figure 18), thank the participants and informed them about the next steps of the development project.

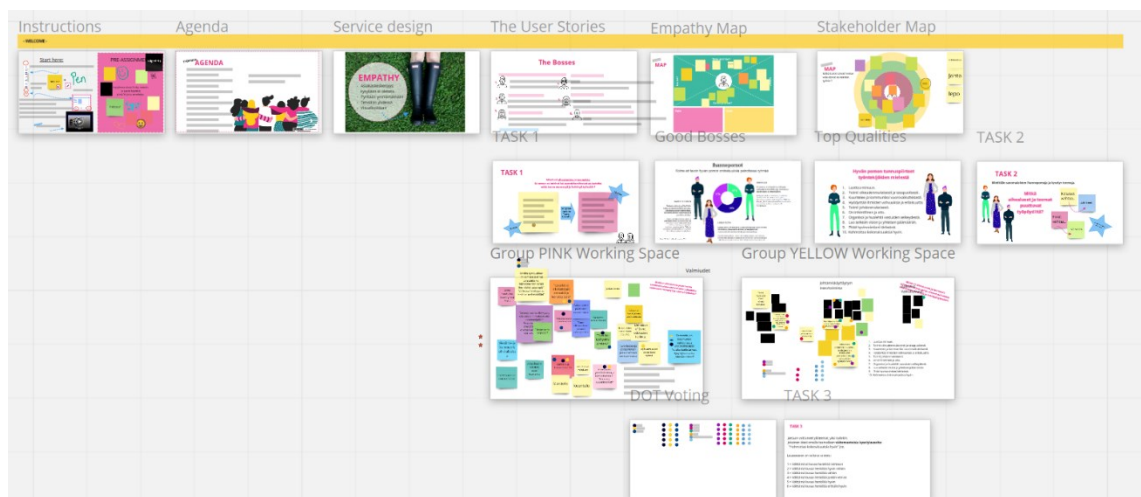


Figure 18 The completed workshop board.

Due to shortage of time the feedback was asked after the workshop via survey. All seven participants submitted feedback. It was learned that for five of them this was a first virtual co-creation workshop, but all of them felt that it was beneficial to them and they had learned new things by participating. The pre-assignment and user stories helped six of the participants to adopt the manager's perspectives for the ideation and development work. One was undecided.

The features liked and praised about the workshop according to open ended question were, for example, relaxed discussions and safe atmosphere for it, ideating together, facilitation, user stories, empathy, Miro, visuality and content, the group composition and dynamics. The critical feedback was mainly about the shortage of time and the fact that Miro as a new tool took a lot of it: One participant thought there was too little time to master the tool, one

criticized the time used for learning the tool being too much. One suggested there could have been an extra thirty-minute workshop for Miro only, but did not mind the little hustle new technique brought with. One comment stated that time is always an issue and one hoped there would've been more time for closing discussion but thought that the feedback survey substituted it well.

Creating the first paper prototype

The first paper prototype of the 360-degree feedback questionnaire was done by combining all the data and definitions collected in the two previous phases of the project described earlier. Common knowledge puts prototyping in the field of product development. But in the service design process, it can mean various things. According to Stickdorn et al. numerous prototyping methods make both physical and digital services and products tangible (2018, 231). The advantage of prototyping is that a common boundary object and/or service interaction is being created, something that can be seen, talked about, and tested. These service prototypes can be small scale or life-size (Stickdorn & Schneider, 2012, 190-192).

Physical prototyping is one separate design process method listed by the Design Council (2018c). For them, it is part of the development phase and simply stated as building a model of the idea in question. Another method of Stickdorn et al. is paper prototyping where a screen and digital interface is sketched on a paper. It can then be “used” and tested (Stickdorn et al. 2018, 236-237). Liedtka and Ogilvie place prototyping to the third stage of their service design process and call it a *rapid prototyping tool*. For them, it is the creation of visual manifestations of concepts, which can be also experiential (2011, 124). It is built so that the product or service can actually be tested. The word rapid refers to the fast creation of the prototype. Liedtka and Ogilvie encourage building prototypes early and often. So that one can fail quickly and improve what needs to be improved. They also categorize different prototype methods to different roles: architects do blueprints and models, product designers create physical products and business prototypes use visual or narrative approaches: images and stories (2011, 124).

The actual paper prototype development work was done in a word document with copy-pasting and editing. The first paper prototype was then discussed with the HR and iterated. This development work including the results is discussed in more detail in chapter 4.3.3. Next the paper prototype 2 with adjoined brief was delivered to seven testers with the request for feedback of the content and what was lacking. The testers were selected by the researcher from the managers interviewed for the user stories in the discovery phase and workshop participants, i.e. people already involved with the project and co-creation process. The aim was to get assessment from both managers and employees. After the final iterations the final questionnaire (appendix 3) was delivered to the case company HR with a summarization of the

process and references used in development work as well as feedback from the testers of the second prototype.

The second diamond ends with the fourth and final phase delivery, which includes the finalized service (Design Council, 2019). Since there is still development work to be done with the 360-degree service process by the case company, most of the fourth stage is out of the scope of this thesis. Next the delivered questionnaire will be piloted and tested in the technical solution chosen by the case company later during the good bosses -program. The Design Council suggests using *phasing* in this stage of the design process. i.e. delivering the service developed is too a small group of people first to manage the risk before the big launch. After the first test, the service can be improved and then tested with a bigger group of people (2018d). Liedtka and Ogilvie encourage similar action, but for them the method is called *learning launch* (2019, 146).

4 Results of the Double diamond development process

In this chapter the results of the Double diamond service design and development process are discussed phase by phase starting with the results of the Discover phase: interviews conducted, literature review of the 360-degree feedback system and desk research. The results of the Define phase consists of the manger user stories. Finally, the Development phase's workshop and paper prototype development and testing results are discussed, and the final results – the new 360-degree feedback questionnaire and ideas and model for the future feedback process – introduced.

4.1 Results from the Discover phase

This chapter introduced all the results and insights gained from the first development phase, *Discover*. The results include the learnings from the initial interviews, manager interviews, desk research and literature review of 360-degree feedback system. Findings from the HR documents connected to the good boss program – employee survey, the analysis of the survey and the old 360-degree feedback questionnaire – are discussed.

4.1.1 The 360-degree feedback system – literature review

As discussed in the chapter overviewing employee experience (2.5), feedback on performance and improvement is consider one of the important elements of employee experience and ultimately the success of the company (Dery & Sebastian 2017, 3; IBM & Globoforce 2016, 6-7). It is also part of strategical talent management: attracting and retaining prominent talent (Pandita & Ray 2018, 189-190). A typical contemporary practice of companies leadership

development system is 360-degree feedback, which is often mainly aimed to enhance performance management (Day 2000, 587).

Multi-source, multi-rater or 360-degree feedback is employee's performance evaluation process that includes a total circle of aspects: supervisor's, peers', subordinates', and in some occasions customers', etc. Since companies have valued the assessment from various facets for its ability to steer managers' development, it has been popular. Especially in the turn of the century, most Fortune 500 companies, i.e. the biggest firms in the United States of America, had it as common practice. (Day 2000, 587; Sengupta & Sengupta 2018, 52; Warech, Smither, Reilly, Millsap, & Reilly 1998, 449-450). Day also suggest that the risen popularity of the multi-source feedback process is connected to companies growing understanding of the importance of employees and the intellectual capital they possess (2000, 589).

There are several grounds to apply multi-rater feedback in a company: wage increase, promotion, performance appraisal, leader/career development and ensuring talent differentiation. In the 360-degree feedback process members of the company are rated by others anonymously with common parameters, behavioral and non-behavioral, that have been previously determined. In addition to managers' feedback ratings of peers, supervisors and subordinates also self-appraisal is included. (Day, Fleenor, Atwater, Sturm, Mckee 2014, 71; Sengupta & Sengupta 2018, 52). Sengupta and Sengupta suggest that the main goal of the process is to satisfy stakeholder's expectations. Day et al. see it as a development process that nurtures self-awareness and the development of competence and "a prominent process for facilitating development" (2014, 70). Its developmental goals are self-knowledge and behavioral change, Day summarizes (2000, 588). Further, Markham, Markham and Smith see comparison of own and other's perceptions of important leadership measurements insightful experience that can lead to personal change (2015, 958).

Bracken, Rose and Church emphasize that "a feedback 'process' includes all the steps that affect the quality (reliability, validity, execution, and acceptance) of the feedback, from design through use" (2016, 764-765). They state that 360-degree feedback specifically is about observing behavior and behavioral operationalizations of competences, not traits, attitudes, values nor performance of tasks. This is to say that the feedback should not include questions that ask about what "is going on inside a leader's mind" (2016, 766). What comes to the content of the questionnaire Bracken et al. states that it should be connected to behaviors that the organization has identified as essential. i.e. values and leadership competences connected to business strategies (2016, 768).

The usefulness of 360-degree feedback has been challenged but done right it can benefit teams and companies Treu argues. It can provide employees information about themselves

they are not aware of, especially males and employees with senior roles tend to overestimate their effectiveness and competence. For example, the tendency to avoid conflicts, micromanage or being unable to compromise, collaborate or communicate sufficiently. (Treu 2018, 1, Markham et al. 2015, 959). Day et al. see the process helping leaders to understand how their behavior impacts employees (2014, 73). Bracken et al. see the best way to utilize the feedback is to include the ratee's boss in selecting the raters, discussing results, organizing discussions with the raters and deciding the priorities of the future development (2016, 781).

Challenges of 360-degree feedback

Even though Atwater and Waldman suggest 360-degree feedback being “the most notable management innovation of the 1990's” according to Day (2000, 587), it has restrictions, and it has been debated how the feedback should be used (Bracken et al. 2016, 763). Especially in early years, “the desk drop”-practice that left the managers and leaders alone to interpret the feedback, was almost a custom. According to Bracken et al. there are still companies that leave ratees alone with the assessment and don't offer support to process it, but nowadays 70 % of companies offer one-on-one coaching support (2016, 770).

Bracken et al. argue that the most common challenge with the 360-degree feedback processes has to do with the lack of clarity of the purpose, which leads to misunderstandings. Or if the goals of the process have been defined, they have been lost in the implementation, and the expectations and outcomes are not properly communicated to participants (2016, 774).

Some of the challenges of multi-rater feedback are connected to the relationship of the rater and person being rated. Treu sees problematic when there are only few people involved, since it can lead to too few reviews to confirm behavioral pattern or false positive appraisal in a fear of revenge (2018, 1; Day et al. 2014, 73). Day et al. refer to studies that suggest the feedback process should be repeated to ensure improved effectiveness (2014, 72). Additionally, Day summarizes its weaknesses to overwhelming amount of data and no guidance how to change (2000, 588).

Day sees problems with questionnaire-based leadership research: if researchers think that responses precisely reflect observed leader behavior and only that. This is simply put because cognitive restrictions, for example memory, of observers (2014b, 5). Even though organizational feedback program hardly qualifies as academic research the same limitations are present when answering 360-feedback questionnaires. Markham et al. see restrictions in the technics used in feedback surveys, especially the aggregation and presentation of the data (2015, 959).

There is also a paradox of group performance when, it comes to peer appraisal that focuses on individual performance – it can harm a successful team. When a team is low-performing, it is hardly eager to participate in evaluation, which then results to poor answers, evaluations, and future performance, Peiperl argues (2001). Instead of focusing on the outcome of the appraisal many employees get fixated by the reward outcome, a possible raise, if the feedback is connected to formal reward system. Then the 360-degree feedback is threat to self-worth and net worth, he states. When participants feel the feedback is only for HR-purposes, it is more likely to be ignored. These effects of 360-degree feedback can be explained with the framework of Lusch and Vargo's service-dominant logic. It states that value is uniquely and phenomenologically determined by the beneficiary and enterprises can only make value propositions (2014, 78). The feedback that the company has intended as a benefit (value proposition), does not become valuable in the cocreation process with the employees.

Although Peiperl looks the feedback system with critical eye, he sees benefits: companies that have succeeded with appraisal programs are the ones open to experimenting and learning. The key to success is to be open about the benefits and challenges, and ultimately executive engagement (2001). According to Bracken et al. see 360-degree feedback as development tool above all, but if company uses it also in decision making, it should be clearly communicated and included in process design (2016, 771). Furthermore, they argue that it is a valuable tool to not only consider personal development of individuals but to drive and track organizational change and advocate cultural change and strategical goals (2016, 773). The most essential Bracken et al. see accountability in the feedback process: leaders should be accountable for change, raters for accuracy of the appraisal and the organization for supporting the leaders' development (2016, 787).

Conclusions of the 360-degree feedback literature review

The conclusion of the literature review is that a 360-degree feedback system is still valid in today's business scene as one of employee development tools among many others, such as training. It is not all-inclusive solution and cure for everything, and it should not be treated as such within the company. Contrary, the limitations of the feedback process, for example technical and rater connected issues, should also be discussed openly within the company (Markham et al. 2015, 959).

The feedback should concentrate in manager behavior and not thought and values that are subsidiary to personal interpretations (Bracken et al. 2016, 766). The goals of the feedback process, self-knowledge and behavioral change (Day 2000, 588), should be clear and communicated to all participants. The managers should not be left alone to interpret the feedback. Instead the manager's superior and other giving the feedback should be included in

discussions and priorities of development actions (Bracken et al. 2016, 781; Day 2000, 588). Moreover, most importantly the issue of accountability of all participants – managers, subordinates, superiors and organization – should be addressed (Bracken et al. 2016, 787). This can be done by communication and action: the benefits of the feedback process should be communicated to employees, i.e. raters, to enhance accuracy of assessment, managers should commit to change according to feedback and the organization needs to commit to help the managers to develop.

4.1.2 Setting the scene from Human Resource perspective

The result of the initial interviews with the case company HR was that a need for more customer-centric approach to HR's development projects was acknowledged as well as a wish to examine how service design approach would benefit the development projects and ultimately case company's employee experience. Stickdorn et al. encourage to start with small projects when introducing service design to organizations to ensure success and to introduce service design process and language to the organization (2018, 456). Starting small and being selective of the project is also justifiable when there is a lack of budget Stickdorn et al. argue (2018, 359). The chief human resource officer saw the ongoing good bosses program the best target to integrate and test new ways of doing development work, collaborative cocreation.

“In order to execute the strategy – growth, efficiency, and regeneration – we need to involve the people. For that, we need good leadership and management that bring people to do things together. That is the way to get results.”

The quote is from the interview with the chief human resources officer, interviewed by the researcher in November 2019, and it captures the importance of the good bosses program from the strategy point of view.

4.1.3 Results of the desk research

Apart from the literature review, the most important part of the desk research was the good bosses survey and its analysis conducted by the case company HR in the fall of 2019. The survey process is explained in more detailed in the chapter 3.2.

The analysis of the quantitative research states that qualities case company employees mostly expect on management are trust, honesty and fairness, ability to listen and communicate. Good boss utilizes employees' strengths and variety and acts consistently. The further analysis states four themes that arise from the data: Employees feel that a good boss is an enabler, who makes it possible for the employees to thrive in their jobs. Secondly,

ethical issues, fairness and logic, are felt important. Thirdly, good communication skills are essential. Finally, a good boss leads with vision.

Additionally, the analysis lists top ten qualities of a manager, according to the employees, beginning from the most important one: a good manager trusts me, acts fair and impartial, listens and communicates reciprocally, utilizes peoples' strengths and diversity, acts consistent, is authentic and humane, organizes and sees that responsibilities are clear, creates clear vision and common goal, considers my well-being important and understands entities.

A comparison with the ten essential leadership qualities found in the chapter 2.3 reveals several overlaps: "A good manager trusts me" is connected to "the ability to evoke trust". "Listens and communicates reciprocally", "acts fair and impartial", "organizes and sees that responsibilities are clear", and "understands entities" are met by the essential manager quality "the ability to nourish team and connection". "Utilizes peoples' strengths and diversity" can be seen connected to the same quality as well, and it is also connected to the "ability to respect individuals and diversity". This quality also covers "considers my well-being important". "The ability to communicate a vision" is recognized in both lists as well as the abilities to show humility and authenticity. In the essential manager quality list, these qualities also cover the honesty and ethical elements respected by the case company employees.

It seems two manager qualities also included in the survey – "ability to inspire and motivate" and "taking interest in developing employees" – are not as highly appreciated by the company employees and do not make the top ten. "The ability to empower followers" and "ability to act as a role model" or any elements connected to those qualities were not included in the employee survey.

There is an emphasis difference with the top management qualities – found by the researcher from the theories and studies – and determined by the survey. The qualities derived from the leadership frameworks emphasizes motivation and empowering of the employee, which can be seen as a coaching approach: a way to get employees to thrive and do their work. The employee survey emphasize is more on practice: how manager understands the process and work done by the employees and organizes it. This can be seen especially in the segments drawn from the survey data introduced next.

From the survey data three employee groups, i.e. segments, that emphasize different ideal managerial trait combinations were drawn. These trait combinations were used to represent three ideal managers. Most employees (39 %) would like to have a manager that is authentic, human and present. This manager respects the well-being of their subordinates, is fair and impartial. One that knows how to communicate reciprocally and listen. This manager comes

the closest of a servant leader discussed in chapter 2.3. Second, there is a goal orientated manager that leads with vision, prioritizes, understands entities, and is consistent decision maker. For 37 % of the employees this is the ideal manager. The third manager is a motivator and enabler, that has a positive attitude towards change and encourages learning and collaboration. Connection to servant leadership is evident. This is an ideal manager for 24 % of the employees according to the survey analysis. The survey data's ideal manager segments and the top ten manager qualities were introduced and used in the co-creational workshop.

The previous 360-degree feedback questionnaire of the company was also part of the desk research material. It was learned that in this survey used to collect appraisals for the managers the emphasis was on the business management and objectives, which started the survey. The questionnaire was tied to the case company values by stating them in one of the seven item groups. Manager's "people leading" skills were asked to be assessed from "emotional intelligence", "coaching leadership" and "being role model" -aspects. Ability to lead oneself was the last items topic. There were 32 items and two open ended questions at the end. Several items were multibarreled and asked appraisals of feelings and thoughts inside managers head – contrary to what has been learned to be the best practice (Bracken et al. 2016, 766; Kaiser & Craig 2005, 241-242). For example, the questionnaire included items: "She/he is well motivated in their current position", "He/She has the courage to admit their mistakes" and "He/She encourages the employees in developing, taking new challenges and learning new." It can be argued that motivation and courage cannot be seen in managers behavior. The last item has many meaning, which clearly sets a challenge for the rater.

4.1.4 Bosses' pains & gains – Insights of the managerial work

The results of the interview analysis are explained in this chapter. Eight themes rose from the interview data: management priorities, source of frustration, challenges faced, support resources, support wanted, source of joy, wishes to learn more about, and feedback needs. They are explained underneath with more descriptive headings and themes in bracket. What connects them all is that management work is done with high stakes, thought and personality, it is about human connections, communication and relationships. It is demanding and thought provoking. Interestingly, all the managers interviewed were eager to talk about their manager role and leadership.

Best practices of managers (management priorities)

The things managers interviewed feel are most important in management work include: Listening, being present, i.e. showing up and being open. Giving feedback, being unbiased and acknowledging diversity. Trusting subordinates and setting and communicating clear objectives. Showing direction, prioritizing and organizing work and dismantling obstacles,

inspiring and motivating team members. Giving team enough freedom but also protection. Creating culture that allows failure.

Pains of managerial work (source of frustration)

The pains of management work consist of misunderstandings of communication, the lack of time and respect for leadership work, work complexity and obstacles created by HR systems, organizational structures and unclear business objectives. Micromanagement from leaders above and resistance when trying to lead change or lack of appropriate change management.

Challenges to be solved (challenges faced)

The challenges managers face include: conflicts between large team and time needed to unique leading of each team member. Being able to offer enough challenges development opportunities to bright subordinates. Communicating with team or stakeholders that don't share common language, perspectives or business targets. Specially, if a superior is an expert in different field there can be lack of support and understanding. Unstructured company culture that dishonors boundaries such as working hours and enables micromanaging. An excessive amount of leadership training and material and not enough time for any of it. Managing change in work culture. Not enough support for the bureaucracy work needed to be done. Managers need to handle uncertainty and incompleteness.

Current support resources (support resources)

For support and guidance for their work the managers relay on colleagues, workplace steward and human resource partners. They look for perspectives by discussing work with their superiors, but also by mentoring younger colleagues and asking oral feedback from subordinates. They also lean on their friends, spouses and peer groups. There is a unique value seen in support gained from outside the company borders. Ultimately, personal moral, a set of principles can be supportive in management work.

Future ideas for support (support wanted)

Things managers feel would help them in their work: Regular peer discussion groups on management work challenges, concrete tools for challenging encounters with subordinates. Consistent leadership culture, open and inspiring discussions about leading and its values, common guidelines and inhouse leadership role models. Acquiring leadership perspectives and influence across company units and outside of the company borders. The clear documentation and visualization of managers work path and trainings. Mastering the HR software and systems. Considering and discussing talent management, retention and career paths.

Gains of management work (source of joy)

The source of joy for managers are reaching business objectives, good results on the personnel survey, finished project, development and contentment of subordinates, good communications and interaction with the team, enough time for coaching team members, positive working atmosphere, solving remote work challenges, being able to inspire team members in challenging subjects and successful definition of team obstacles.

Development and training ideas (wishes to learn more about)

Managers want to learn more and enhance their communicating and listening skills, how to stop and be present, evoke trust and coaching methods. There is a wish for management training that would cover leadership basics and techniques and offer change to rehearse challenging situations, giving feedback and change management. There is a need for sharing best practices and acquiring new facilitating skills for remote work and ideation. Additionally, one important aspect of management training is that it offers a place and time for networking within company.

Thoughts on the 360-degree feedback process (feedback needs)

The managers hope to get honest thought out feedback of their work. Feedback needs of managers include: How subordinates perceive managers communication style. What works in their management, the ability to be inspiring, supporting, guiding and space giving.

There is a need for a clearer design to whole 360-degree feedback process and the way it is communicated. The process communication needs to clarify why the feedback is collected, how it benefits the manager assessed, what are the objectives of the process. How the feedback is translated into development areas for the manager. The feedback should be reviewed and analyzed with someone, for example a superior or a group of peers. the feedback content should be tied to business obstacles and time. Some of the interviewees had problems with the anonymity of the feedback, since it makes the analysis harder when there is no context of from who it is. There was a wish for an assessment scale that the feedback givers would fill to help to position the feedback. Some hoped to customize the feedback questionnaire to dig deep in their own development areas. Others thought it could have the wrong signal towards the subordinates if some of the feedback themes important to them would be missing.

Since the thesis's scope is on the development of the feedback process the researcher studied the manager's thoughts on the process more detailed and an affinity diagram (Curedale 2013, 94) with an additional timeline feature (green notes) and stakeholders (yellow) was created by the researcher (figure 19).

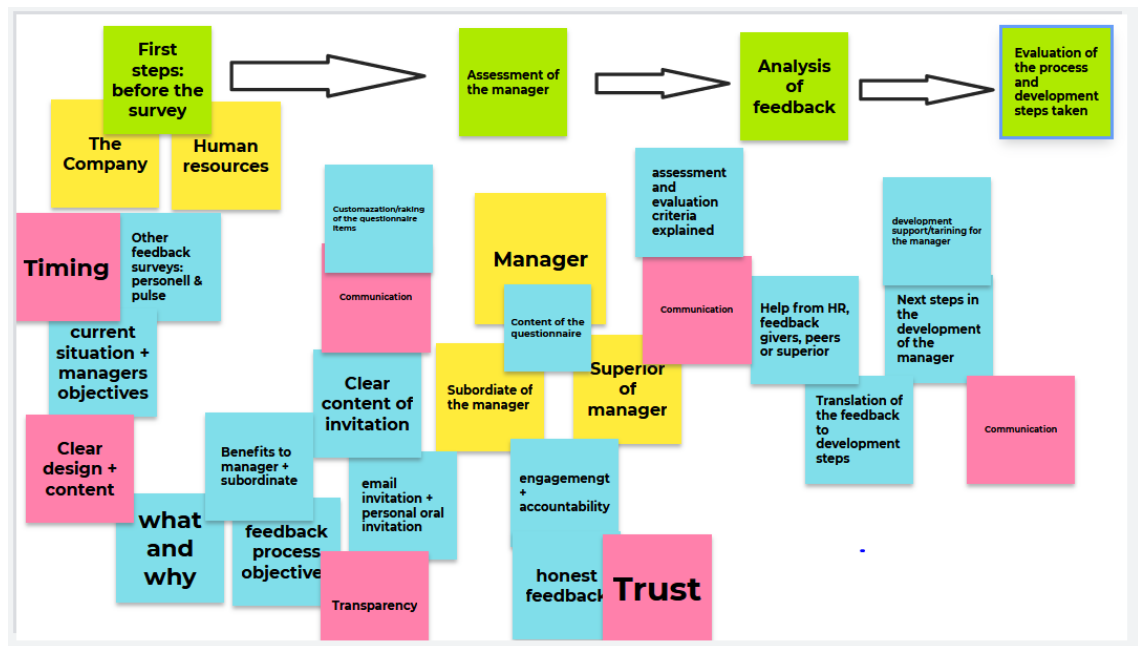


Figure 19 Affinity diagram and outline of an ideal feedback process.

The timeline consists of four stages: steps before they survey has been send to the raters, the actual assessment of the manager, analysis of the feedback, which includes the feedback delivery, discussions and manager's development steps, and finally, evaluation of the process and development steps taken. After the last stage the process is ready to start again.

From the timeline and clusters created rose the most important themes connected to the feedback process: Need for affluent communication and transparency in all stages of the process, especially the objectives and benefits of the process. Need for considered timing, clear process design that reaches well beyond the feedback receival, evoking reliability and trust in all stakeholders.

4.2 Results from the Define phase – understanding managers and their needs

In this chapter the Define phase: the six manager user stories created by the researcher are discussed briefly. The user stories were created to understand and define the data collected during the Discover phase. Also, their purpose was to communicate data and evoke empathy of the workshop participants. All the user stories utilize the results described in the previous chapter (4.1.4) and describe the position of the manager in question, the number of their subordinates and their thoughts on best managerial practices, pains, gains and challenges connected to leadership role. Also, every story has a two or three images of the manager's source of inspiration.

To enhance diversity, the issues in different user stories were chosen so that they represented different thoughts of the interviewees, even though two people had had the

same viewpoint. Shortly put, each user story is loyal to the interview but has its own emphasis.

The first manager was named Petteri by the researcher. Petteri is marketing manager and has two subordinates. He thinks it important for a manager to trust the team members and be responsible for the big picture. He enjoys his work when he can motivate and inspire his team to tackle hard challenges. Micromanaging gives Petteri pain: when he is forced to do it himself and when he is a victim of it. Petteri hopes that the case company's culture would respect working hours more firmly. In addition to Petteri the stories of editor in chief Heidi, sales manager Tiina, team leader Jussi, editor in chief Sari and director Mikko (appendix 2) were constructed as the result from the interviews.

4.3 Results from the Develop phase: towards the redesigned 360-degree feedback

In this chapter the results of the third phase of the service design process, Develop, are reviewed. The results of the workshop, prototyping and testing are discussed in the next subchapters, and finally, the suggestion for feedback questionnaire and a new feedback process model are introduced.

4.3.1 Workshop results: Ideas for the 360-degree feedback questionnaire

After the empathy evoking task, the ideation for the 360-degree feedback questionnaire themes and topics was done by the participants. The researcher studied the both affinity diagrams created in detail. This was done by copy pasting the voted themes to a Word document and arranged from most voted down. The researcher also studied the affinity diagram clusters and what was not voted but close to the sticky notes that got the votes. Next the researcher interpreted themes and labeled every single topic that got transferred to the Word document (Silverman 2011, 68; Hirsjärvi & Hurme 2015, 136-137; Curedale 2011, 94).

The team Pink voted most important themes managers need to get feedback to be “presence and listening skills” and customization of feedback questions. The team was unanimous and both themes got three votes. Other important topics according to the team are dyadic relationships, i.e. interpersonal traits. For example, “Does one dare to disagree with the manager and discuss the subject?” got two votes as well as “Do I hear and see you?”. Overall, the researcher found, interpreted and constructed five feedback topics most important to team Pink: *Communication* abilities and skills were seen the most important theme. Next, closely linked to communication, is the nature of *dyadic relationship*. *Feedback giving skills*, *company objectives* and *360-degree feedback* process were also seen important. Additionally, the team emphasized the importance of including other employees than managers to the feedback program as well.

The team Yellow, i.e. the HR participants, had clustered their sticky notes under three topics: personal skills & qualities, leadership behavior, and impacts of leader's actions. Leadership behavior was the one that got most votes from the team. One member of the four-member team was able to submit just one voting dot. According to team Yellow most important feedback topic is *trust*, i.e. the managers ability to evoke trust in subordinates, simultaneously trust them and create psychologically safe environment. Additionally, equally important was seen "coaching method" meaning listening, understanding and utilizing diversity and strengths, and personalizing leading accordingly, i.e. synchronization. Ability to represent company values and culture was seen second important. In conclusion, themes that rose from the affinity diagram include *trust*, *communication*, *appreciation of diversity* and *dyadic relationship*, i.e. *interpersonal skills*. Also, *company values* and *impact and success of leadership behavior* was seen important by the team yellow.

The difference in the theme emphasis proved researcher's hypothesis right and justified the team division. The HR group used more company and leadership framework vocabulary and jargon and had an overall wider company view to the assignment, for example, by considering what are the impacts of the leadership behavior of a manager. The team Pink's emphasis was more in dyadic relationship, i.e. interpersonal traits and concrete situation and questions familiar from their own work experience. As discussed in the chapter 2.5. Nichols and Cottrell found similar division between what employees expect from high-level leaders (dominant traits) and low-level leaders (interpersonal traits) (2014, 714, 727-728).

A comparison with the ten essential leadership qualities found earlier (chapter 2.3) shows some similarities: ability to evoke trust, nourish team and connection, respect individuals and diversity, communicate a vision and act as a role model can be connected to these results.

4.3.2 Results from testing the paper prototypes 1-2

The actual paper prototype development work was done in a word document with copy-pasting and editing. First the researcher added the top ten manager behavior and qualities case company employees had ranked most important in the good bosses survey to include the perspective of the employees. Second, the themes defined in the cocreation workshop were added to the document and similar topics clustered. Third, the list of topics created was reflected with leadership theory and study discussed in subchapter 2.3. The emphasis was on the transformational and servant leadership frameworks (Mhatre & Riggio 2014, 17; Van Dierendonck 2011, 1232) and the leadership competences and skills introduced (Bryant 2011, 1-3; Giles 2016; Morgan 2014, 91).

Fourth, the list of topics was reflected with the list of ten essential leadership qualities found (chapter 2.3): the ability to inspire and motivate, ability to communicate a vision, taking interest in developing employees, ability to act as a role model, ability to empower followers,

ability to evoke trust, ability to respect individuals and diversity, ability to show humility, ability to show authenticity, ability to nourish team and connection.

As the reflecting continued little by little, the researcher started seeing three clusters and topics framing most of the data: behavior connected to manager's role as a company representative and behavior affecting the team and collaboration and ultimately the dyadic relationship between manager and the subordinate, i.e. the feedback giver. As the clusters began to form, it was time to craft the initial items, i.e. argument sentences. For this the researcher reflected the content, use of words and structure of sentences with the theoretical literature of the 360-degree feedback process reviewed in subchapter 4.1.1 and additional studies to be mentioned next. For example, Bracken et al. state that 360-degree feedback should concentrate in observing behavior and behavioral operationalizations of competences, not traits, attitudes, values nor performance of tasks (2016, 768).

Additionally, Kaiser and Craig have studied the means to create effective questionnaires and minimize idiosyncratic rater effects. They have found that it can be done by avoiding multibarreled and grammatically complex items, keeping items short and simple, behaviorally precise and including enough information or context to help focus the area of interest. Ultimately – and contrary to common belief and practice – Kaiser and Craig encourage creating longer but simple structured surveys in the benefit of the feedback giver and not to do the misguided attempt to shorten the survey by combining two or more items to one complex one. One complex item takes more time and effort to comprehend by the feedback giver than several short and simple ones, they argue (2005, 241-242).

After all the items were crafted the researcher searched for doubles, i.e. ones that carried synonymous or similar meanings. To help feedback givers the topics were arranged starting from more common company connected items. The most personal items connected to feelings were arranged to be last.

The first prototype with total of 52 items was then delivered to the HR of case company. The most major assessment was connected to the lack of open-ended questions and the length of the questionnaire. It was asked to be iterated to half. With the support of Kaiser and Craig's arguments the researcher was able to keep more of them and with the addition of two open ended questions in the end of the questionnaire the paper prototype 2 was edited to include total of 38 questions (2005, 241-242).

Testing the paper prototype 2

The feedback received from the second paper prototype (2) from the seven testers, including managers and employees, was collected to a word document. It can be divided into three categories: the exiting content and what is missing, specific use of words, and comments of

the 360-degree process as whole. Overall, the feedback about the questionnaire was mainly positive and specifically thanked by four of the testers. The number of items was thanked by one tester.

The researcher iterated the content of the questionnaire accordingly when the iteration was well argued. For example, the words “on their behalf” was added to couple of items to be fair to the managers being appraised. The argument was that no one can create a safe atmosphere by themselves rather it is a group effort. Therefore, a manager can be held accountable for “on their behalf”. This same perspective was emphasized by another tester as well. They argued that it is not fair to assess the manager for areas they are not accountable for but are predetermined by the company circumstances, i.e. managers good intentions might be undercut by company policies.

The comments on the process included concerns about how the difference of the raters is taken into consideration in the valuating: Since people can interpret the attention given to them quite differently. One tested wanted to give oral feedback and was interviewed by the researcher in Microsoft Teams 27 of October 2020. They had concerns of the overall feedback process and the lack of essential topic in the questionnaire: the responsibility of the manager to promote team’s and subordinates interest, to act as a team representative and advocate, towards other stakeholder’s in the company. This specific theme was left out since it did not rise from the co-creational definitions and could be addressed in the open-ended questions.

Item another tester wished to include was” She/he understands what I do” in the sense that “She/he understands the area of my expertise”. Since this item required understanding of managers thoughts and the researcher and the tester could not come around how the theme could be constructed differently, it was left out.

4.3.3 Final suggestion for the feedback questionnaire

The final feedback questionnaire (appendix 3) was edited according to the feedback of the test round explained in previous chapter. It follows the model of the second prototype: the 38 items are structured under four sections. Lastly, the researcher reflected yet again the final prototype to the ten essential leadership qualities found in chapter 2.3. This was done to ensure all the possible top ten qualities – ability to inspire and motivate, act as a role model, empower employees, evoke trust, communicate a vision, respect individuals and diversity, show humility and authenticity, nourish team and connection, and take interest in developing employees – were included in some form among the items.

Before introducing the final service solution, the different perspectives applied in the service design process are summarized in the figure 20. Participants and insights used in this

development project include the employees, managers and the company represented by the HR members.

Employees' view is based on the good boss survey, workshop and prototype testing. Managers perspective was brought to the project by the manager interviewed, workshop participants and prototype testers.

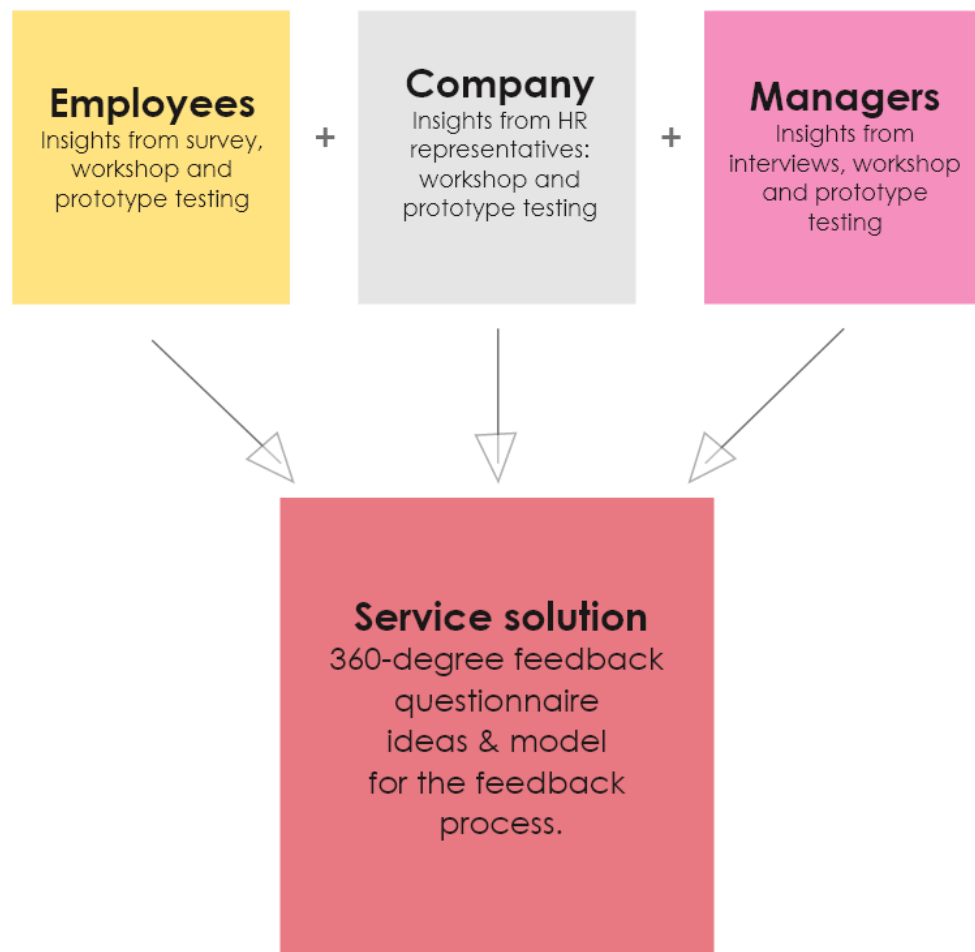


Figure 20 The final service solution and all stakeholders involved in co-creation.

The theme of the first section of items in the final 360-degree feedback questionnaire is connected to manager being a role model and representative of the company and it includes topics as: communicating vision and company values, fairness and moral.

The second section considers the manager as a facilitator of teamwork and working atmosphere, and it includes utilization of personal traits and skills, creation of safe space and prosperous working conditions.

The third item cluster is connected to manager's role as an enabler of employee success and the reciprocal relationship between manager and subordinate. It includes themes such as listening, interaction, being present, empowering, honesty and trust. These three themes and their relationships are illustrated in figure 21.

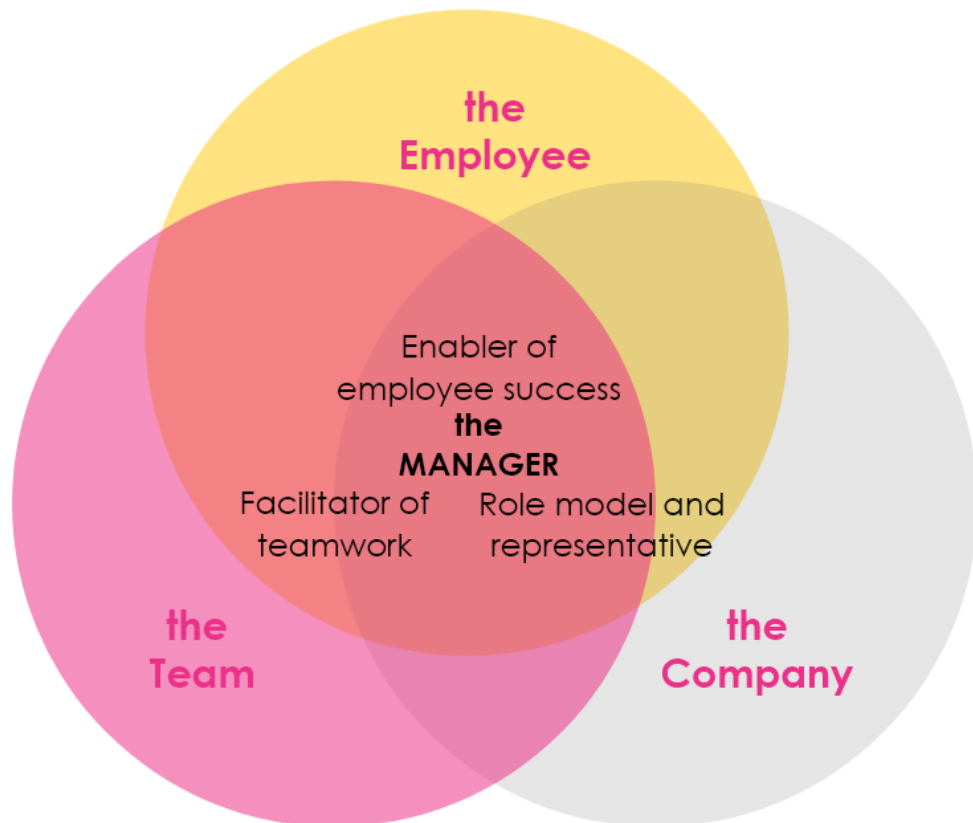


Figure 21 The final questionnaires themes assess the manger from three perspectives.

The last section includes two open ended questions, that allow the rater freedom to address any aspect missing from the previous items and/or elaborate more freely the feedback given. It is also a place for raters to give the manager positive and encouraging feedback. The question: "In what matters do you think he/she is at his/her best as a supervisor?" invites the rater to look at the manager form a positive angle. The items of the questionnaire are introduced in the table next page (table 2) .

Theme	Items
Manager as a role model and representative of the company	<ol style="list-style-type: none"> 1. He/she communicates the vision, that is, the common goal, in an understandable way. 2. He/she communicates goals/objects understandably. 3. He/she communicates expectations clearly. 4. He/she makes consistent decisions. 5. He/she is able to act constructively in situations of change. 6. He/she acts in an exemplary manner. 7. He/she acts honestly.
Manager as a facilitator of teamwork and working atmosphere	<ol style="list-style-type: none"> 8. He/she organizes the work of his/her team sensibly. 9. He/she ensures clarity of responsibilities. 10. He/she contributes to enabling smooth collaboration. 11. He/she actively creates team spirit. 12. He/she seeks to resolve conflict situations. 13. He/she acts equally. 14. He/she utilizes people's strengths. 15. He/she understands and respects the diversity of people. 16. He/she strives to create a safe atmosphere for work. 17. He/she seeks to create an atmosphere of confidentiality in which to discuss openly. 18. He/she encourages testing new ways of working. 19. He/she is able to change opinions. 20. He/she contributes to creating an atmosphere where there is room for failure.
Manager as an enabler of employee success	<ol style="list-style-type: none"> 21. He/she trusts me. 22. He/she listens to me. 23. He/she knows how to be present. 24. He/she has time for me. 25. He/she gives adequately feedback. 26. One can disagree with him/her and discuss it. 27. He/she inspires and motivates me. 28. He/she supports me in my work. 29. He/she encourages me to take responsibility. 30. He/she gives me adequately space and independence. 31. He/she encourages me to learn and develop. 32. He/she is interested in my career development. 33. He/she considers my well-being important. 34. He/she respects people's personal boundaries. 35. He/she respects the limits of my working hours.
Open ended questions	<ol style="list-style-type: none"> 37. In what matters do you think he/she is at his/her best as a supervisor? 38. In what areas would you like him/her to develop as a supervisor? How?

Table 2 Items and themes of the final questionnaire.

The first feedback of the questionnaire from the company HR was positive: the final questionnaire was immediately utilized in the part of good boss -program that aims to define

the principles of company management and leadership. Since the program is still ongoing currently (November 2020), there are no further results yet to report.

4.3.4 Ideas for the 360-degree feedback process – a new process model

In this final result chapter, the ideas gathered during the development work for the 360-degree feedback process are concluded into one clear process design suggestion, a new process model.

During different phases of the development process the researcher was offered numerous perspectives to the overall feedback process. Insights about the project were learned from the manager interviews and their analysis (chapter 4.1.4.), during the workshop and it's analysis (4.3.1), and the literature review on the 360-degree feedback process (4.1.1). From these insights and the outline of an ideal feedback process sketched in chapter 4.1.4. The following table (table 3) was created to introduce the results of the development work.

Key process elements	Step 1: Setting the scene	Step 2: Assessment of the manager	Step 3: Feedback delivery	Step 4: Development of the manager
Communication goals	-Clarity of process purpose and objectives -Transparency -Benefits to managers (and subordinates): self-knowledge and behavioral change -> better bosses	-Clear content of invitation for raters. -Clear content of feedback questionnaire, rating instructions, scale and it's limitations	-Clearly communicated feedback to managers. -Transparency of rating scale and it's limitations: restrictions of technics aggregating and presenting data	-Clearly defined future development goals
Ensuring accountability	-Engagement of top executives and managers being appraised	-Engagement of subordinates, and other raters to feedback accuracy	-Managers committing to change	-Organization supporting the leaders' development (training, coaching etc.)
Actions	-Designing of clear feedback process and its content - Communicating the process	-Personal invitation from manager to raters. -Subordinates, peers and supervisors filling the feedback questionnaire	-Feedback analysis viewed with superior, peers or HR: one-on-one coaching - Discussion of with raters organized by superior	-Discussions and manager's development steps -Execution of development steps -Evaluation of the process

Timing	-Other surveys, current overall situation in the company	- Possibility to answers during several days	-Current business and personal obstacles	-Consideration of next evaluation cycle
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Table 3 The key process elements and steps of an ideal 360-degree feedback process.

The process suggested is constructed of four steps, and after the last step the process is ready to start again to assess the impact of previous feedback cycle of the manager. The first step “Setting the scene” is about preparations and communication of what is the purpose of the feedback process, what does it include and why.

The second step is about the execution of each individual assessment and third about the delivery and utilization of the feedback. The emphasis of the third step is on the avoidance of “desk drop” and making sure managers have the support needed to process the feedback. The last step “Development of the managers” ensures the feedback is utilized, i.e. the feedback is translated into development areas for the manager and the manager gets the needed support and development opportunities.

The key process elements rose from the literature review and the manager interviews. Many of the challenges of feedback process is connected to communication. For example, Bracken et al. point out that the most common challenge with the processes is the lack of clarity of the purpose, which leads to misunderstandings (2016, 774). They also consider accountability essential aspect of the process: leaders should be accountable for change, raters for accuracy of the appraisal and the organization for supporting the leaders’ development (2016, 787). Raters accuracy, i.e. honesty, is also important to managers as well, was learned from the manager interviews. The key process element “Actions” is quite self-explanatory, but it states the main actions during each step.

From the interviews rose a very practical theme: the timing. Various comments suggest that it is an important factor to take in consideration. In the bigger picture the feedback process should not be overlapping for example personnel survey to avoid rater fatigue. What comes to the actual feedback questionnaire the technical solution should enable saving the answers and returning to the later. This would allow the rater to ponder their answers and also adjust to sudden developments. Finally, the current state of company and environment should be taken in consideration when interpreting the analysis. For example, recent organizational changes may affect the appraisal of a manager.

To emphasize the iterativity of the feedback process that ensures improved effectiveness (Day 2014, 72) the following process model was created by the researcher to represent the final results (figure 22). The arrows represent the continuing process. The step one, “Setting the scene”, frames the whole process, since the communication and action decisions done

during it effect every step of the process.

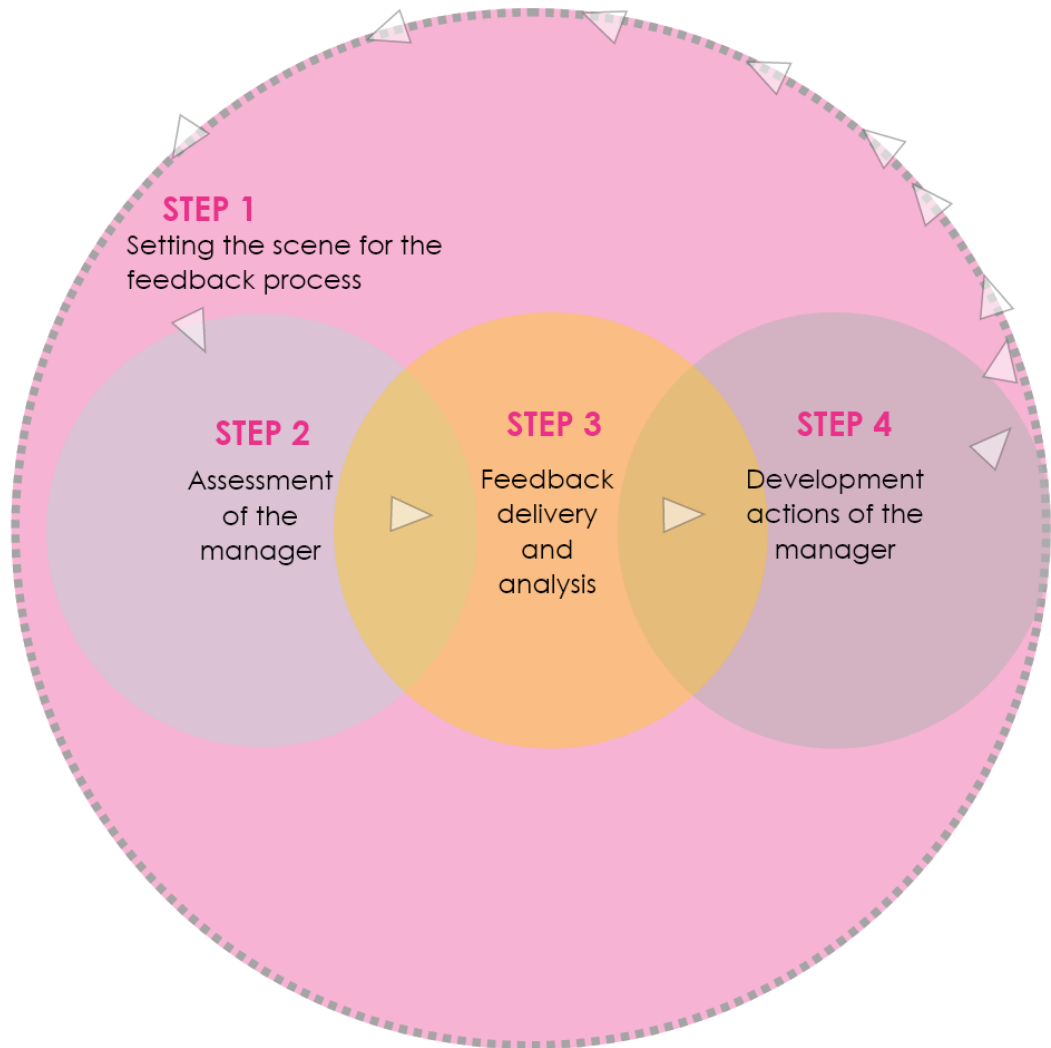


Figure 22 The 360-degree feedback process model created by the researcher.

5 Conclusions and discussion

In this last chapter of the thesis the theories and literature reviewed, the development project conducted, the results and outcomes and next steps are concluded and discussed by first answering the four research questions and summarizing the results. Next, the restrictions of the research done, and possible future steps are discussed. To summarize: the theoretical framework of this report derives from service-dominant logic, customer-dominant logic, the leadership framework of servant leadership and the concept of employee experience. Also, the essential leadership and management qualities, skills required by future work conditions and different perspectives of the 360-degree feedback system have been discussed. The development work concentrated in understanding the case company's internal customers, the

managers and their pains and gains, and the co-creation of the HR service – the 360-degree feedback questionnaire – and development ideas and a new model for the feedback process.

5.1 Research questions, answers and final results

The answers for the four research questions and final results are summarized in this subchapter. Moreover, as stated in the subchapter 1.2, the purpose of the thesis is to develop leadership feedback practices to enhance leadership, that ensures positive employee experience, and regeneration needed to support the growth and efficiency in the fast-changing business environment. The aim was to co-create a customer-centric 360-degree management feedback questionnaire and development ideas for the feedback process at Sanoma Media Finland.

The research questions that have guided the development process are as follows:

1. How to apply service- and customer-dominant logics in internal human resources unit (and leadership practices) to gain positive employee experience?
2. What are the essential leadership qualities to be enhanced according to the most recent conceptualizations and studies?
3. How do the managers perceive their work and present HR services related to managerial work?
4. What are the themes of feedback that would help company managers to develop?

1. How to apply service- and customer-dominant logics in internal human resources unit (and leadership practices) to gain positive employee experience?

The first research question required comprehensive desk research and literature review conducted by the researcher to gain understanding of both dominant business logics, SDL and CDL, and the theory connected to the concept of employee experience. The customer- and human-centric approaches demanded by CDL and EX were resolved with the service design approach applied to the development and research process. Additionally, initial interviews with the case company HR were conducted by the researcher to learn about the service environment.

The theoretical frameworks set guidelines to the research process: With SDL and actor-to-actor framework (Lusch and Vargo 2014, 70), it became evident that when developing service of human resource unit an internal customer chain surfaces. All employees can be viewed as internal customers of the HR, and additionally the subordinates as internal customers of managers and the company's leadership practices. The theory showed that leadership, and therefore its quality, is an important factor in employee experience, and that there is a connection of EX and CDL in the territory of human-centricity and value creation. To

conclude, the center of the interest when developing HR services for managers should be the managers but also the other stakeholder, i.e. subordinates, not in the company. Service design and co-creation with internal customers offers a suitable approach.

2. What are the essential leadership qualities to be enhanced according to the most recent conceptualizations and studies?

The desktop research and literature review gave the researcher an insight of the leadership studies and essential frameworks discussed by the scholars not only recently but during the last decade. It became evident that the actual content of management work has not been in the center of the attention since Drucker's days (1974), but the scholars have been more interested of the role of leadership and how it is manifested in reciprocal relationships. More accurately, the interest of the scholars has shifted from the personal traits of the leader (charismatic leadership) towards the actions of the leader and the relationships happening in the workplace (servant leadership).

It can be said that the power has shifted from the possessions of the leader towards the followers, i.e. subordinates. This shift has made the current conceptualizations less leader-centric. This means a good leadership cannot be defined by companies and leaders themselves but also the insights of the followers are needed.

The comparison of several leadership frameworks – charismatic, transformational and servant – and various studies revealed ten essential leadership qualities: the ability to inspire and motivate, ability to communicate a vision, taking interest in developing employees, ability to act as a role model, ability to empower followers, ability to evoke trust, ability to respect individuals and diversity, ability to show humility, ability to show authenticity, ability to nourish team and connection. Additionally, the importance of communication and interaction skills – the ability listen, ask and be present – connected many of the essential qualities.

The comparison revealed the servant leadership framework being the most comprehensive of them covering all the essential leadership qualities found, and therefore most suitable for the thesis purposes.

3. How do the managers perceive their work and present HR services related to managerial work?

The insights of this research question were gathered from the in-depth interviews conducted by the researcher during the Discovery phase of the development work. The pains and gains and other insights of the management work is introduced more thoroughly in the subchapter 4.1.4. Most of the managers interview had a very up to date view of their work and position

as a team leader and manager. Many mentioned the coaching approach case company management training has promoted during the last decade, also the notion of being enabler and destroyer of obstacles were mentioned more than once. The importance of communication skills was mentioned by almost all. The ethos of servant leadership could be heard from several interviews.

One essential aspect of manager's perception of their work, most interviewees mentioned, was time: not enough time lead as they hoped: listening subordinates, being present and empowering people. One agonized over large team and not enough time to communicate properly with everyone. One was happy about their small team, since it meant time to coach team members and succeed in their management work. One longed for more time to listen and face team members, i.e. to be a good boss, but felt it is underrated in the company since no time has been designated to it. On the other hand, they saw this as a non-solvable infinity challenge. The last one felt there was already too much development actions involved in their work to integrate the excessive management training initiated by the HR and superiors, i.e. too much action, too little time.

The managers in a position that offered a straight connection and relationship with a HR presentative were happy about the support and discussion they had participated. Their perception of the current HR service was overall positive. Lower level managers without the HR connection were lacking leadership talk and discussed HR more from the bureaucratic point of view and agonized over bad performing technical reporting systems.

4. What are the themes of feedback that would help company managers to develop?

This last research question is ultimately answered with the final result – the co-created 360-degree feedback questionnaire developed (appendix 4). To summarize it: during the development, prototyping and testing three clusters of themes rose from the research data. The first theme covers the company aspect and the manager being *a role model and representative of the company*. It includes topics as communicating vision, company values and expectations. It addresses the issues of honesty and moral.

The second theme considers the manager as a *facilitator of teamwork and working atmosphere*. It includes organizing team's work, being impartial and respecting diversity and utilization of team members' uniqueness: personal traits and skills. Ability to nourish safe space and prosperous working conditions are also included.

The third theme is connected to manager's role as an *enabler of employee success* and it covers the reciprocal relationship between manager and subordinate. It includes topics such as listening, interaction, being present, empowering, honesty and trust. The issues of

manager's interest in subordinates development and career are addressed in this theme, as well as holistic well-being, work-life balance and respect of personal boundaries.

Additional results: 360-degree feedback process model

In addition to the feedback themes and questionnaire, also ideas for the feedback process were collected and a new 360-degree feedback process model was developed by the researcher (chapter 4.3.4). The model deconstructs the feedback process into four steps and after the fourth step the process starts again to evaluate the impact of previous feedback cycle.

The first step includes preparations and communication of the purpose of the feedback process, what does it include and why. The second step is includes the execution of assessments and third the delivery of utilization of the analysis. The last step covers development of the managers, and it ensures the feedback is translated into development areas for the manager.

In addition to actions, the consideration of timing and accountability is needed during every step of the process. The commitment of top executives to the feedback process is essential, managers should be accountable for change, raters for accuracy of the assessment and the organization for supporting the managers' development (Bracken et al. 2016, 787).

5.2 Evaluation of the research and lessons learned

In this subchapter the development and research process is evaluated from various perspectives: The suitability of service design in the case company HR context. The effects of COVID-19 pandemic and remote work on the process and methods used. Utilization of theories: Internal and external validity of the research conducted. Furthermore, the role of the researcher and biases identified. Intertwined are some insights learned by the researcher during the process.

HR services and employee experience being developed with service design approach is still quite rare but could be a very interesting focus for the service design field in the future, service design guru Marc Stickdorn pointed out in service design workshop at Laurea University of Applied Science in February 2020. As with all new practices it is better to start with small than not at all, Stickdorn argued, meaning service design should be introduced to organizations with low key projects bit by bit rather than going full speed with major development project that can easily arise resistance. The same message can be read from the book Stickdorn co-authored. The additional notion is that being selective of the project is justifiable also when there is as lack of budget and the SD approach and language is only just being introduced to the organization and therefore the success of it is essential (Stickdorn et

al. 2018, 359, 456). This was the case here: the development project was the first adaptation of service design approach to the case company HR, although one must recognize that the reception was very welcoming, encouraging and interested. Additionally, the researcher became aware during the process, that overall, the SD approach is quite rare at the case company with only few advocates and no employees currently working as service designers. Although, at corporation level SD approach is applied in learning unit's projects.

During the development process the researcher learned that the novelty of the SD approach manifested in mindsets among the service providers despite their enthusiasm, positive efforts, and curious, collaborative attitudes: the profound meaning of the customer-centric perspective was not easy to communicate nor adopt. The tendency was to continue thinking and talking about the HR from the point of view of existing services and concepts, not innovate from the ground of the needs and wishes of the internal customers. It did not help that the approach was somewhat new to the researcher as well. This led to somewhat narrow focused and specific design problem set before hand, when the researcher saw that the SD approach could have been used to study the service problem more in depth with more innovative service outcomes. Nevertheless, the project conducted can be said to have successfully executed the route encourage by Marc Stickdorn: starting with minor steps and success that pave the way for bigger projects. Hence, continuance of this well started adaptation of the service design approach at the case company HR to more holistic use of SD could benefit the company, employees and ultimately the business.

The effect of the COVID-19 pandemic on the development project is undisputed. It delayed the project and determined the methods and time available. Nevertheless, it also set a development challenge, and encouraged to holistically utilize the creative and innovative mindset of service design approach: how to co-create online when all circumstances are novel (approach, field, technical solutions, tools and participants)? However, there was a very welcomed epiphany: the new way to collaborate was easier to sell to participants, who had already been swayed off their normal ways of working in the midst of disruption. The question remains: would the data collected and generated be richer if face-to-face interviews and live workshop could have been possible? And how much this effects the final results: the feedback questionnaire and feedback process model? Or contrary, did the excessive amount of planning the virtual workshop required have a positive impact on the outcome?

Another point of view: the pandemic proved the importance of the project and its interest in management quality and development. The new remote work life has set more pressure for especially company managers, and pulse surveys have revealed there is more support needed by the employees.

The validity of this research can be scrutinized from couple perspectives, internal and external. Internal validity focusing on the research questions: have they been answered and has the study conducted concentrated what the intention was? And as the previous subchapter 5.1. states the research questions have been answered and the internal validity of the research can be argued to be strong. Though, one can always challenge the quality of these research answers. For one, even though the research on leadership frameworks reached a saturation point, the field of HR theories could have been studied further to learn disciplines views on essential leadership qualities. Nevertheless, some borderlines are needed to finish a research and the essential leadership qualities found can be argued to have external validity in western culture's leadership context.

Other factors need to be considered, when discussing validity, are the participants. The underlying hypothesis driven from SDL is that all actors, including managers, are all trying to enhance their systems viability (Lusch & Vargo 2014, 75) and that system viability enhancement includes opting to be better at their work and managing people. The setup of the research and development project attracted participant who were eager to discuss leadership and developing in their work and considered it essential. When constructing case company manager user stories from these participants, it is important to ponder are there perspectives missing. What if the enhancement of their system viability for some managers means easy money, less effort to lead subordinates and more energy after work? In that case, they would be more interested in integrating resources in their whole life in general – not just in the work context.

The external value of results from service design approach and process are not so straight forward. When the development of service is done with specific internal customers within a specific company, the service solution is curated specifically for that company and its people. The service design process used in this research project is adaptable to other companies as well, but since the final results the 360-degree feedback questionnaire, ideas and model for the feedback process are customized to meet the needs of the case company's internal customers, they cannot be used as such in other companies. Instead they would need validation and customizations, which could be done by replicating the Double diamond development process, tools and methods introduced in this thesis. However, there is a very strong external value on the research done on the leadership frameworks and studies. The ten essential leadership qualities found benefit all organizations in western cultures interested in developing their management and leadership practices.

As discussed in chapter 3.2, Chipchase argues that the researcher has to have self-awareness of cognitive biases, beliefs and values and how they affect the interview (2017, 343, 348). One can argue that these cognitive biases affect the whole research and the decisions made while conducting it. The fact that the researcher has worked for the case company for fifteen

years, of which eight in a manager position, and has attended company management training several times, inevitably effects the research. It placed a need for constant reflection during the research and development process. For example, during the co-creational workshop the researcher adapted role of the facilitator and tried to affect the data generated as little as possible. However, at the end one can only aspire to be objective.

5.3 Final discussion, future research and takeaways

In this final chapter the research project and its results are discussed with a perspective on future, including possible next steps, insights and takeaways from the thesis project.

The natural next step after this project would be the further development of the 360-degree feedback process according to the model created. First the process model should be tested and iterated according to feedback. There is a need to visualize the process in more detailed and design the content of the communication connected to the feedback process. The co-created 360-degree feedback questionnaire embedded in its technical solution needs testing. (Bracken et al. 2016, 768).

Additionally, it should be discussed how the 360-degree feedback process could drive and track organizational change and advocate cultural change and strategical goals in the company (Bracken et al. 2016, 773). Especially, since there is a currently (November 2020) ongoing culture defining project within the company.

During the project the researcher learned that the company managers had a strong need to discuss their work and leadership. The managers that have a personal HR connection were satisfied with the discussions and support offered. That was not the case with lower level managers who were lacking leadership talk and support, and whose view on HR was focused on bureaucracy and weak technical solutions. This implies that there really is a need for curated leadership talk across different levels of the organization and creation of stronger leadership culture within the whole company.

The outcomes of the thesis development work, the ten essential leadership qualities and the content of three management feedback themes defined, can be used to further enhance that leadership culture within the case company. They seize the questions risen in the beginning of this thesis (chapter 1.1.): Are the management and leadership qualities and skills being developed and appraised adequate? Are the leader and support needs of the employees being met? In addition, the co-creative development process makes sure the managers get feedback on development issues they feel are essential in their work and personal development in the future.

The thesis' findings have already benefited the currently (November 2020) ongoing creation of case company leadership premises. Emphasizing the co-creative and therefore inclusive SD development process could help the adaptation of these new leadership premises and all managers commitment to them, if included in the communication strategy, i.e. managers designing for managers instead of a desk drop delivery from the top executives and HR. Moreover, this would acknowledge the pride, joy and appreciation many company managers have for their leadership role and developing in it. Additionally, the ownership of the new leadership premises and culture would be enhanced.

The pandemic and remote working conditions set boundaries and restriction to the co-creational development work of the thesis. However, the used virtual collaboration tools, – infinity board Miro, Google Jamboard and Microsoft Teams channels – and the facilitation methods used by the researcher proved to work successfully. The workshop participants were enthusiastically engaged in the workshop process, inspired and pleased to have learned new ways to collaborate online. The feedback was purely positive. The notion was that the participants welcomed the social, collaborative and creative event, that energized the lonely, remote workday. This suggests that well designed collaborative online workshops could benefit other employees, and the company as well, and could be shared as best practice around the company.

The material and data collected and generated during the Discovery phase of this thesis, desktop research and user stories, could be used to co-create and ideate innovative new service solutions, that would help the managers develop and support them in their work. This would further answer remaining questions risen in the first chapter of the thesis (chapter 1.1): Are the development opportunities, i.e. company's internal services, otherwise best suited for the internal customer, the manager? Might there be another way, not yet been discovered and used, that would better help the managers enhance their leadership skills and further the employee experience? Several new ideas were already collected during this development project, but the ideation should continue. At least the data should be reflected, when designing the renewal of the management training program and support system during the rest of the good bosses program.

Furthermore, as proven by this thesis project work, the service design approach can be beneficial to HR development projects. With the help of SD tools and methods company managers could be offered valuable customized development training and service solutions not yet being imagined. Moreover, why stop there? The company employee experience could be studied and designed with the same approach to manage and attract talent and ensure employee retention. From these HR actions the service design attitude, tools and methods, could spread across the company and promote the adaptation of the customer-centric business approach valued and considered superior today.

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Unpublished

recorder interviews

Interview with the growth lead of the case company 20th October 2019.

Interview with the senior insight manager of the case company 25th October 2019.

Interview with HR change lead of the case company 29th October 2019.

Interview with the chief human resources officer of the case company 7th November 2019.

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Appendix 1: The interview field guide

Manager interview field guide
August-September 2020
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Pre-info: Name (anonymity, number), education, title, workplace (unit), job description, years at work, years in supervisory position, years in the company.

BACKGROUND:

How and why did you end up doing your job and being in a manager position?

THEME 1: Management training & feedback at the company

What kind of management training have you participated in?
Have you been involved in the 360-degree feedback process? When?
How did you experience the process?
What would be an ideal 360-degree feedback process and feedback?
What other feedback have you received of your supervisor work, from whom?

THEME 2: Management work & leadership role

Where do you draw strength from for your leadership role? (also resources outside work)
What motivates you in your leadership/manager role? What feelings does your work evoke?
Which causes frustration in your management work? Example from past 3 months? (pains)
Which evokes feelings of success in management work. Example from past 3 months? (gains)
What do you think are the most important tasks of a manager?
What do you think are the most important qualities/skills of a manager? (own experiences as subordinate, examples)
What principles do you have in your work as a manager?
What kind of goals do you have as a manager?
What obstacles need to be cleared so that you can succeed in your management work?

THEME 3: Management development

What are your thoughts on developing in your work?
What are the attitudes of the company's managers of development in leader role in general?
What kind of support/help would you like to have available? Now / at the beginning of your career?
What kind of training/support/lessons have you received for management work? Outside of work?
What kind of help/support did you find most helpful? Why?
How have you developed as a manager and leader?
Where/from whom do you get help & support in your work? (in/out of the workplace?)

What important do you think remained unanswered/addressed during this interview?

Thank you for the interview.

Appendix 2: An example of the user stories created

The translation of the user story below can be found on the next page

6.

"TYKKÄÄN, KUN SAAN IHMISET TEKEMÄÄN ENEMMÄN KUIN HE USKOIVAT MAHDOLLISEKSI"

Tavoitteiden pitää läikähtää alaisen rinta-alassa, ajattelee johtaja Mikko. Työssä turhauttavat Aatamin aikaiset HR-järjestelmät ja myöhässä tulevat tavoitteet.



Johtaja Mikko on tehnyt työuransa liiketoiminnan ja IT:n rajapinnassa ja esimieskokemusta on kertynyt 20 vuodelta. Hänellä on kourallinen alaisia.

"Olen aina avannut suuni, kun olen huomannut, että joku asia ei toimi tai sitten olen vain laittanut asioita kuntoon niin intissä, opiskeluaikoina kuin futsijoukkueessa. Olen päätenyt manageroimaan, vetämään ja koodinoimaan – jonkinlainen vamma varmaan päässä. Mutta tykkään siitä ja olen siinä jotakuinkin hyvä", Mikko sanoo.

Esimiehenä Mikko kokee olevansa "enabler", mahdollistaja. Esimiehen tehtävät hän on kiteyttänyt itselleen:

"Esimiehen tehtävä on innostaa, näyttää suuntaa, antaa vapautta ja toimia kilpenä, kun paskaa sataa niskaan. Sitäkin välillä tapahtuu, vaikka ei olisi syytäkään, kun tulee väärinkäsityksiä."

Onnistumisen kokemuksia Mikolle tuo työssä to do -listan lyheneminen, tavoitteiden saavuttaminen ja projektin valmistuminen sekä alaisten onnistuminen ja kehittyminen. Viimeinen ei Mikon mukaan ole aivan yksinkertaista, sillä hänen tiimiläisensä ovat valmiiksi jo niin fiksuja.

"Tykkään siitä, että saan ihmiset tekemään enemmän kuin he ehkä

uskoivatkaan mahdolliseksi", Mikko sanoo.

Esimiestyössä Mikko turhautuu HR:n useisiin järjestelmiin, joilla alaisten lomat ja työtunnit dokumentoidaan.

"HR:n työkalut ovat Aatamin aikaisia ja vaikeita käyttää. Koen olevani suhteellisen osaava erilaisten järjestelmien kanssa, mutta ne ovat oma maailmansa. Ja kun alaisia on eri maissa, on käytettäviä järjestelmiä toinen mokoma. Totta kai palkka-asiat pitää hoitaa, mutta sellaista pakkopullaa sen ei pitäisi olla."

Toinen turhauttava asia on tapa, jolla tavoitteita asetetaan ja ketjuteaan. Epäkohta on Mikolle tuttu myös muista firmoista. Mikosta tavoiteketjun pitäisi olla hallitumpi ja lähteä ylhäältä päin, niin että esimies saa itse ensin tavoitteet omalta esimieheltään. Ei niin kuin usein on käynyt, että omat tavoitteet saa liian myöhään.

"Omien alaisten kanssa pitää ampuu pimeyteen ja asettaa heidän tavoitteensa yleisemmällä tasolla. On käynyt niin, että se oma tavoitekeskustelu käydään määräpäivän jälkeen, kun kaikkien asioiden olisi pitänyt olla kunnossa."

Mikko toivoo, että yrityksessä

keskusteltaisiin johtamisesta enemmän ja että johtamiskulttuuri olisi yhtenäisempi.

"Se voisi olla julistus, että näin me johdamme ja nämä asiat ovat meille tärkeitä. Toki meillä on arvot, joihin viitataan, mutta kaipaisin niiden tiivistämistä johtamisnäkökulmasta."



Inspiraatiota johtamiseensa Mikko on saanut toimimalla epävirallisena mentorina ja brittiläisamerikkalaisen Simon Sinekin kirjoituksista ja TED Talkeista.

Kuvat Dylan Gillis on Unsplash ja www.ted.com

“I like it, when I get people to do more than they believed possible”

Goals must be set to be so motivative that they generate feelings in subordinates, thinks Mikko the director. Antique technical solutions of HR and business objectives that are not set early enough frustrate him.

Director Mikko has built his career at the intersection of business and IT and has been in management position for 20 years.

"I've always opened my mouth, when I've noticed that something is not working or just fixed it myself. It could have been something to do with my studies or football hobby. Somehow, I have always ended up managing and coordinating - something wrong with my head, I reckon. But I like it, and I am somewhat good in it", Mikko says.

As a manager, Mikko feels that he is enabler. He has summarized managers tasks to himself: "The job of a manager is to inspire, shows direction, give freedom and acts as a shield when a shit storm hits. That happens sometimes, without any specific reason. It only takes misunderstandings."

For Mikko work is fulfilling when the to do list gets shorter, the goals are achieved, projects get completed and subordinates are developing. According to Mikko, the last one is not quite so easy for his teammates are so smart to begin with.

"I like getting people to do more than they believed was possible," Mikko says.

Mikko feels frustrated at his managerial work when he needs to document subordinates' holidays and working hours to several HR systems.

"The HR tools are so ancient and difficult to use. I feel relatively proficient with variety of systems but those are in their own world. And since I have subordinates in different countries, there are several systems. Of course, wages need to be payed, but it should not be so hard."

Another frustrating thing is the way business objectives are set and chained. The same challenging custom is familiar to Mikko from other companies. The chain of objectives should be more controlled: start from the top and leave more time for processing on the way down to teams. Contrary, Mikko has learned his own objectives too late to be able to apply them with his team.

"I have had to be creative and set my subordinates' goal on more general level. I've had my own objective and target discussions only after the intended time frame, when the objectives should have been met already."

Mikko wishes there would be more discussion on leadership and management in the company and that the management culture would be more coherent.

“A declaration that states the essential leadership practices and what is important would be welcomed. Of course, we have company values to reflect on. But I would like them to be viewed from a management point of view. ”

Images: Mikko is inspired by his role as informal mentor to younger colleagues and the writings of British American Simon Sinek and his TED Talks. Photos: Dylan Gillis on Unsplash ja www.ted.com. Illustration the Company's PowerPoint bank.

Appendix 3: The final 360-degree feedback questionnaire

(Translated from original in Finnish by the researcher)
How has the person requesting feedback, NAME HERE, succeeded as a manager and in cooperation with you? Evaluate the statements below with numbers. If there is a relevant topic missing, please, provide feedback in the open-ended questions.

The company, values and goals

1. He/she communicates the vision the common goal, in an understandable way.
2. He/she communicates goals/objects understandably.
3. He/she communicates expectations clearly.
4. He/she makes consistent decisions.
5. He/she is able to act constructively in situations of change.
6. He/she acts in an exemplary manner.
7. He/she acts honestly.

Team and collaboration

8. He/she organizes the work of his/her team sensibly.
9. He/she ensures clarity of responsibilities.
10. He/she contributes to enabling smooth collaboration.
11. He/she actively creates team spirit.
12. He/she seeks to resolve conflict situations.
13. He/she acts equally.
14. He/she utilizes people's strengths.
15. He/she understands and respects the diversity of people.
16. He/she strives to create a safe atmosphere for work.
17. He/she seeks to create an atmosphere of confidentiality in which to discuss openly.
18. He/she encourages testing new ways of working.
19. He/she is able to change opinions.
20. He/she contributes to creating an atmosphere where there is room for failure.

Manager and subordinate

21. He/she trusts me.
22. He/she listens to me.
23. He/she knows how to be present.
24. He/she has time for me.
25. He/she gives adequately feedback.
26. One can disagree with him/her and discuss it.
27. He/she inspires and motivates me.
28. He/she supports me in my work.
29. He/she encourages me to take responsibility.
30. He/she gives me adequately space and independence.
31. He/she encourages me to learn and develop.
32. He/she is interested in my career development.
33. He/she considers my well-being important.
34. He/she respects people's personal boundaries.
35. He/she respects the limits of my working hours.

Open ended questions:

37. In what matters do you think he/she is at his best as a supervisor?
38. In what areas would you like him/her to develop as a supervisor? How?