



Customer Service in a Government Agency
Case Study: Kela Overpayment Recovery Centre

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ABSTRACT

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The primary aim of this research is to develop a comprehensive understanding of customer service within a governmental organization, utilizing the operations of the Kela Overpayment Recovery Team as a specific case study. The study is particularly focused on elucidating the benefits managed by the Overpayment Recovery Center, thereby depicting the current state ("AS-IS") of its operational processes and environment.

The theoretical framework of the study encompasses two main aspects: firstly, a detailed exposition of the fundamental attributes of the marketing mix, and secondly, an exploration of the introduction of customer service concepts.

The research context centers around Kela and its benefit handling procedures. A mixed-method design was utilized methodologically, merging qualitative and quantitative approaches to gather and analyze data. The study draws upon hands-on experience and on-site observations at Kela during the spring of 2024, supplemented by case handling data extracted from Kela's ERP system.

The findings section will delineate key distinctions between commercial business operations and those of governmental agencies, viewed through the lens of the marketing mix framework.

The study's results reveal discernible trends in contact reasons and benefits managed by the Overpayment Recovery Center. Notably, the turn of the year emerges as a peak period, attributed to various factors. This data analysis and trend assessment serve to inform future service allocation strategies and operational requirements.

Keywords/tags (subjects):

Customer Service, Governmental Agency Operations, Benefit Case Handling

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GLOSSARY or ABBREVIATIONS

ERP	Enterprise Resource Planning
KPI	Key Performance Indicator
KELA	Kansaineläkelaitos (SII in Finnish)
SAP	Systeme, Anwendungen und Produkte in der Datenverarbeitung
SII	The Social Insurance Institution
TAMK	Tampere University of Applied Sciences

1 INTRODUCTION

1.1 Background & Research Objectives

This study investigates the customer service daily operations in Kela's Overpayment Recovery Centre team. The Overpayment Recovery Centre at Kela carries out the subsequent customer service tasks (Kela: Overpayment Recovery Center): benefit(s) recovery, collection of child support debt, collection of student loan debt repaid under the government loan guarantee and collection of healthcare fee for higher education students.

The overall target of the thesis is described below:

- Theoretical framework: What are the main differences in the marketing mix and customer services between purchased (physical) material products and (non-physical) immaterial services as a product (see Chapters 2)? Also, introducing customer service with key service channels and KPIs.
- Introducing the operational environment and daily operations: What are the different types of benefits handled by Kela's Overpayment Recovery Centre, the different service channels and how they are managed (see Chapters 3, 4 and 5)?
- Reflecting on the introduced theoretical framework and using the Marketing Mix and its 4Ps as pillars describing operative environments: introducing the key characteristics and differences in priorities between commercial and governmental agency customer service actions (see Chapter 6).
- Data outcome: Showing future recommendations and possible study topics (see Chapter 7).

1.2 Research Methods

The chosen research methodology for this study is the action research approach, - also known as engaged research – which is a reflective process of progressive problem solving led by individuals working with others in teams or as part of a community of practice to improve the way they address issues and solve problems. (DCU Library 2024)

The action research method can be seen effective for individuals engaged in workplace research, particularly those aiming to enhance their and their colleagues' practices. The goal is to incorporate elements of action research by addressing a real-world problem (customer service in a service industry), using empirical data (case study, benefits analysis), and providing practical insights and recommendations. It provides a research framework that integrates the research process with its context, emphasizing the practical purpose of research with a focus on driving change. In line with this approach, the study follows these steps:

- As part of the theoretical framework: introducing customer service from an academic perspective and to introduce customer service in a service industry in theory as definition for understanding the topic.
- Presenting the selected case study, its operational context, and outcomes. It aims to familiarize readers with Kela by outlining essential processes, roles, responsibilities, impacted organizations, and tools involved. Delving into these aspects of Kela aids in grasping the practical dimensions of customer service management.
- What are the different types of benefits handled by Kela's Overpayment Recovery Centre and how they are managed?
- Introduce the chosen case study by providing background information and reflecting on existing experiences: what future recommendations and potential study topics can be explored?

2 THEORETICAL FRAMEWORK

2.1 Marketing Mix

The marketing mix, often referred to as the 4 Ps, serves as a fundamental model for businesses. The marketing mix has been defined as the "set of marketing tools that the firm uses to pursue its marketing objectives in the target market" (Lambert & Stock 1992). The marketing mix consists of four main pillars:

- **Product** encompasses the range of utilities or attributes that a customer acquires through a purchase, which can include physical goods as well as intangible services.
- **Price** represents the monetary value that a customer exchanges for the product or service provided.
- **Place** traditionally denotes a physical retail location but now extends to virtual platforms such as mail-order catalogs, call centers, or websites.
- **Promotion** of a product or service includes activities like personal selling and advertising.

<p>Product:</p> <ul style="list-style-type: none"> • Product variation • Product differentiation • Product innovation • Product elimination 		<p>Price:</p> <ul style="list-style-type: none"> • Cost recovery pricing • Penetration pricing • Price skimming
	<p>Marketing Mix</p>	
<p>Place:</p> <ul style="list-style-type: none"> • Distribution channel • Direct sales • Indirect sales • E-Commerce 		<p>Promotion:</p> <ul style="list-style-type: none"> • Individual communication • Mass communication • Brand management • Corporate Identity

TABLE 1. Marketing Mix – The Four Ps. (Needham 1996)

Each product or service available for sale will feature unique combinations of these four elements, and these combinations will evolve with time. All four factors are essential and cannot be disregarded, but their importance will vary based on different combinations. Business priorities will be influenced by consumer needs, competitive strategies, and the inherent characteristics of the product or service being offered. (Needham 1996) More details about the key differences of the 4Ps between commercial operators and governmental agencies will be presented in Chapter 6.

2.2 Customer Service

Customer Service plays a key role especially where services are seen as primary offering provided to customers. The definition of customer service varies across organisations and operating environments. Usually, customer service refers specifically to the chain sales-satisfying activities which usually begins with order entry and ends with delivery of product to customers, in some cases continuing as services, maintenance or support (Atkison et al. 1995).

In short: customer service deals with activities before the sales, during the transaction with post-sales activities.

2.2.1 Customer Service Channels

Various avenues exist for providing customer service, with many companies, especially larger ones, employing multiple channels for customer interaction. Conversely, smaller businesses may rely on one or a few of these channels. Additionally, the advent of social media has made it even simpler to connect with businesses for inquiries and issue resolutions. Table 2. Below shows some of the most commonly used customer service channels. (Grant 2024)

Telephone	Historically, this is the most common way for customers to reach a company.
In Person	Brick-and-mortar stores can offer customer service in person. Although some consumers don't want the hassle of going into a store, there are some who prefer a more personal, face-to-face experience.
Self-Service	This allows consumers to take matters into their own hands by directing the course of the experience based on their own wants and needs.
Email	Even with all the options available, email is considered a go-to method of customer service. It eliminates the need to wait for an agent and allows the customer to explain their situation.
Social Media	Opening up the possibility of communication through different social media channels allows consumers to communicate through the platform(s) of their choice. It also allows others to see their interactions with the company.
Text Messages	Companies can reach out to their customers through text messaging before or after any transactions take place.
Live Chat	This option is generally available through a company's website and is an alternative to connecting over the phone.

TABLE 2. The Most Common Customer Service Channels. (Grant 2024)

2.2.2 Key Performance Indicators in Customer Service

Key performance indicators (KPIs) for customer service play a crucial role as metrics that assist customer support teams in monitoring and enhancing their performance. Some key KPIs that could be used in the service industry are for example Table 3:

Average resolution time	Average resolution time is the time it takes a customer service representative to solve a support ticket once it gets created.
Occupancy	Occupancy is the percentage or amount of time your customer service team spends actively assisting customers and resolving tickets.
First response time	First response time, also known as first reply time (FRT), is how long it takes a customer service representative to respond to a support ticket once a customer submits it.
First contact resolution	First contact resolution (FCR), sometimes known as one-touch resolution, is the percentage of customer tickets that agents resolve on the first interaction with that customer.
Tickets handled per hour / day	Tickets handled per hour is a help desk metric that shows how many tickets an agent opens and interacts with over an hour.
Tickets solved per hour / day	Tickets solved per hour is how many tickets were resolved and closed within that same time frame.
Cost per resolution	Cost per resolution is the culmination of expenses associated with providing customer service.
Ticket reopens	Ticket reopens represents how many times a ticket or incident needs to be reopened by a support agent.
Agent touches	Agent touches refer to any time a member of your support team interacts with a ticket.
Number of replies	This customer service KPI is the number of replies it takes for customer service agents to close a customer ticket
Requester wait time	Requester wait time is the length of time that a support ticket spends in new, open, and on-hold statuses.
Volume by channel	Volume by channel refers to the amount of support tickets that come in by call, email, chat, and any other support mediums you engage in.

TABLE 3. Examples of Key Performance Indicators. (Birchmier 2024)

Analysing performance KPIs in customer care is critical for providing efficient and effective support: for example, the Average Resolution Time indicator gives insight into how quickly customer complaints are resolved, identifying areas for improvement in efficiency and service quality.

Monitoring occupancy rates helps to maximize agent utilization, ensuring that they spend enough time servicing clients while minimizing idle time and quick first answer indicates attentiveness and sets the tone for a pleasant customer experience, minimizing frustration and increasing satisfaction.

Good KPIs gives objective and understandable data on progress towards certain goals. It monitors and assesses characteristics such as efficiency, quality, timeliness, and performance, as well as offering a method for measuring performance over time. The ultimate purpose of a KPI is to assist management make better decisions. (Birchmier 2024)

3 INTRODUCTION OF OPERATING ENVIRONMENT: KELA

Established in 1937, Kela (short for **Kansaneläkelaitos** in Finnish, and known as The Social Insurance Institution or SII in English) is a Finnish governmental body responsible for administering benefits within the national social security framework. These benefits include retirement pay, child, unemployment, and sickness benefits, and also health insurance, and student financial aid. These benefits are funded via three national insurance funds managed by the national government: 1) the national pension fund, 2) the national health insurance fund, and 3) the general social security fund. The tax authority (Vero) collects contributions to these funds from general taxation on income, charged to both employers and employees. (Kela: Toiminta 2024)

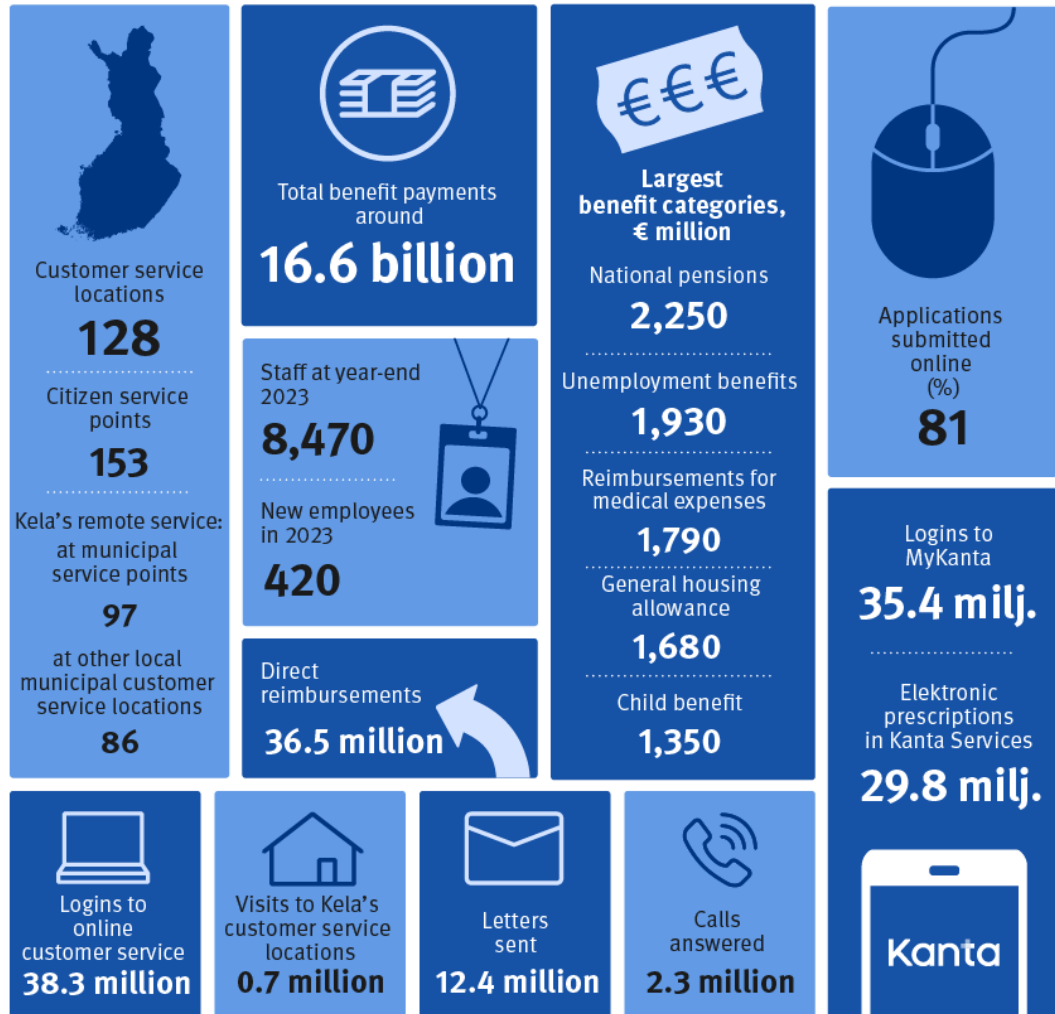
As an organization, Kela is structured to efficiently manage and distribute social benefits to eligible individuals and families across Finland. It employs a large workforce of professionals dedicated to processing applications, conducting assessments, and ensuring the smooth functioning of Finland's social security system. (Kela: Social Security in Finland 2024)

Kela's constant commitment to efficiency, honesty, and compassion keeps it true to its objective of protecting Finnish residents' well-being, ensuring that no one is left behind in times of need. As Finland evolves, Kela is ready to adapt and develop, ensuring that its services are responsive to society's ever-changing requirements. Kela has created a strong organizational structure to improve the delivery of social benefits.

A devoted team of specialists with varied skill sets works diligently to process applications, perform rigorous evaluations, and maintain the integrity of Finland's social security system.

Kela aims to provide services that are near the customer and with easy access. Customers can contact Kela via various channels: online, by telephone service, in different customer service locations, (local) citizen service points and by mail. (Kela: Call Kela 2024)

Kela's services – year 2023 in numbers



Graphics: Kela

PICTURE 1. Kela's in numbers 2023. (Kela: Funding 2023)

Kela, Finland's top authority on social insurance, is critical to ensuring the country's social safety net is resilient and inclusive. Kela has a long history dating back to 1937, and it continues to evolve and adapt while maintaining committed to its objective of promoting social justice and alleviating hardship for all inhabitants. (Kela: Intranet 2024)

3.1 Strategy

Kela's activities influence not just the services provided by society but also individuals' well-being and financial situations. Kela operations are guided by values such as respect for individuals, expertise, cooperation, and innovation. Corporate

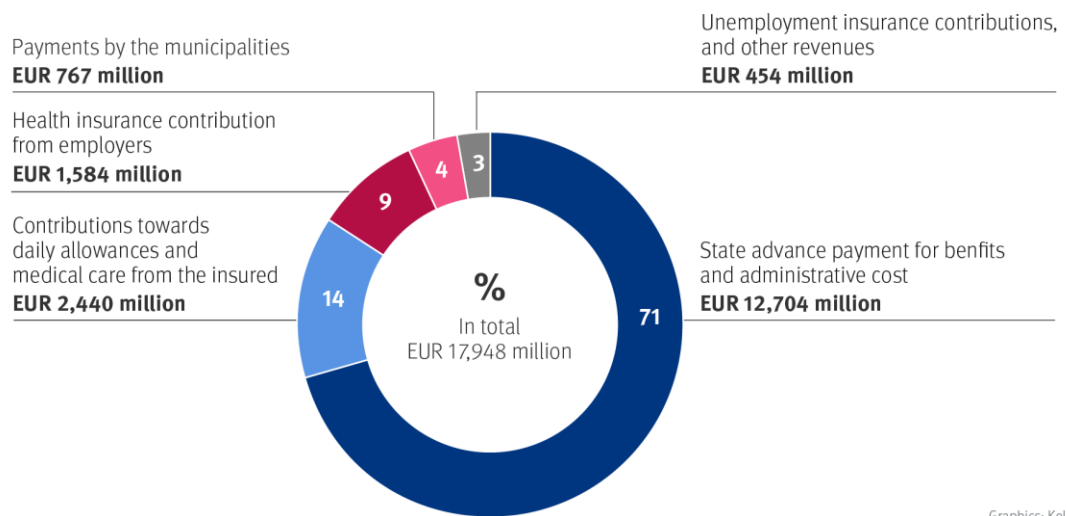
responsibility is integral to Kela's strategic framework, with a focus on promoting equity, environmental well-being, and sustainable financial practices.

Kela has stated its strategic responsibility policy to include:

- Clients receiving service according to their needs.
 - Producing and utilizing information responsibly.
 - Build new opportunities and adding value by fulfilling tasks responsibly.
 - Mitigating climate change and acting in the best interests of the environment.
 - Acting responsibly as an employer, work community and as colleagues.
- (Kela: Operational Responsibility 2024)

3.2 Financing

Kela's financing in 2023



PICTURE 2. Kela's Financing in 2023. (Kela: Funding 2023)

Kela benefits are paid through a combination of company and employee payments, as well as general income taxes. As shown in the above picture, these contributions are gathered by the tax authority (Vero) and distributed among three national insurance funds: 1) the national pension fund, 2) the national health insurance fund, and 3) the general social security fund. (Kela: Funding 2023)

Employers and employees contribute to the funding of Kela benefits. Employers often deduct these contributions from employees' salary and calculate them as a percentage of their income. The nature of these contributions may differ based on the type of benefit and the individual's circumstances.

General Income Taxation: In addition to company and employee contributions, Kela benefits are funded through general income taxation. The tax authority (Vero) collects these taxes from people and corporations based on their income. These tax revenues are subsequently divided among the different national insurance funds managed by Kela.

Kela ensures the sustainability and adequacy of its social security systems by combining company and employee payments, as well as general taxation. This funding approach enables Kela to deliver critical benefits and services to Finnish citizens, thereby improving their well-being and strengthening social cohesion. (Kela: Funding 2023)

3.3 Benefits provided by Kela

Kela administers a wide range of benefits, but one of the benefits it works on the most and which typically requires significant time and resources is the basic social security coverage, which includes:

- **Basic Social Assistance:** This benefit provides financial support to individuals and families who are in need due to low income or other circumstances. Kela assesses each case individually to determine the amount of assistance needed.
- **Healthcare Benefits:** manages various healthcare benefits, such as reimbursement for medical expenses, sickness allowances, disability benefits, and maternity benefits. Processing medical claims, assessing disability, and managing healthcare reimbursements can be complex and time-consuming tasks.
- **Unemployment Benefits:** oversees unemployment benefits, which provide financial support to individuals who are unemployed and actively

seeking work. This involves verifying eligibility, processing applications, and monitoring job-seeking activities.

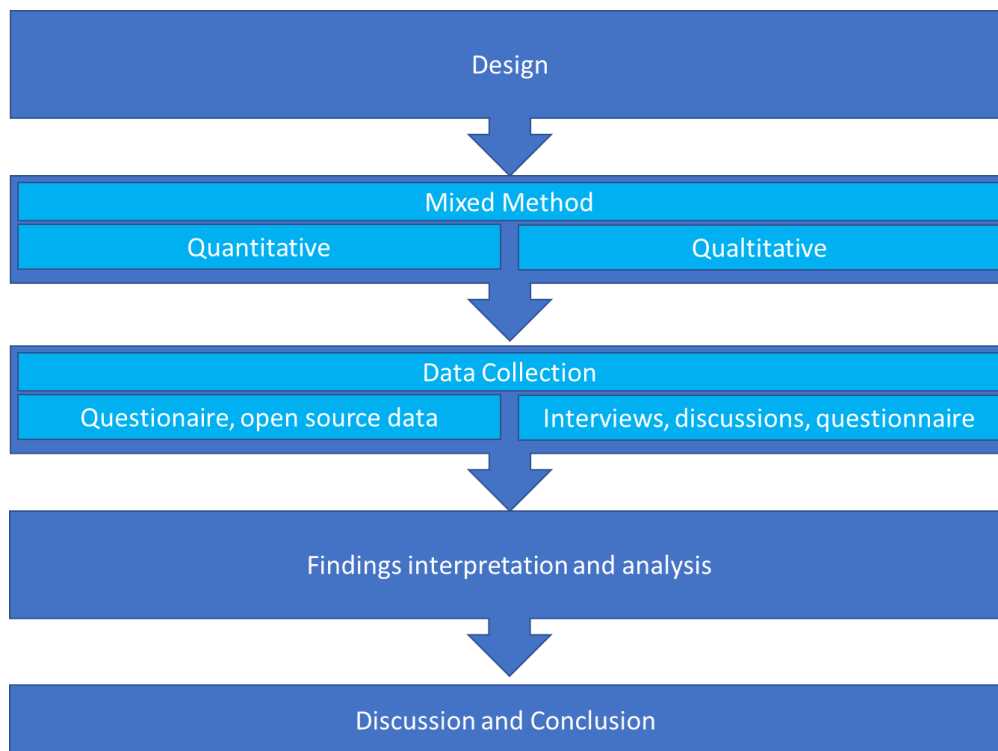
- **Family Benefits:** Kela administers various benefits related to families, including child benefits, parental allowances, and childcare benefits. Ensuring that families receive the appropriate support requires thorough assessment and coordination. (Kela: Benefits 2024)

4 METHODOLOGY / DATA COLLECTION

Depending on the phenomenon being investigated, research can take either a quantitative or qualitative approach. Quantitative research assumes prior knowledge of the phenomenon and its influencing factors. Knowing these factors is essential for quantitative research, as measuring an unknown phenomenon is not feasible. Whereas, qualitative research measures factors or variables, calculates the interaction between the relationships or different variables and calculates the quantities of occurrence of the variables. (Kananen 2011)

When dealing with a novel phenomenon lacking existing research or theories, the qualitative research method is employed. This method involves generating new theories and hypotheses and gaining a deeper understanding of the phenomenon. Qualitative research investigates the phenomenon, the factors behind the phenomenon and how the different factors affect each other. (Kananen 2011)

Nevertheless, this study adopted a mixed-method design, which integrates qualitative and quantitative methodologies for data collection and analysis (Creswell & Tashakkori, 2007). This choice was made because mixed-method designs offer a thorough and comprehensive approach to data collection, facilitating the attainment of research objectives and the answering of research questions. As outlined by Teddlie and Tashakkori (2009), there exist four types of research designs: 1) triangulation, 2) embedded, 3) explanatory, and 4) exploratory. This approach was chosen to enhance the clarity of the quantitative data and to provide a deeper understanding and explanation of the study through qualitative insights.



PICTURE 3. Research Design. (Kananen 2011)

The data collection process of the study was performed in two stages:

1. Firstly: information of Kela's internal operating environment was collected from various open-source sources, and by on-hand practical / work experience during 1H/2024 at Kela's Tampere Site.
2. Secondly: operational data / KPIs was collected from SAP ERP (Enterprise Resource Planning) and using Kela's own information database Sinetti.

Finally, the gathered data was consolidated and analyzed comprehensively. Subsequently, key factors were identified based on the findings, aiding the Overpayment Recovery Centre at Kela in understanding which types of benefits had the most significant operational impact on its daily functions.

5 FINDINGS

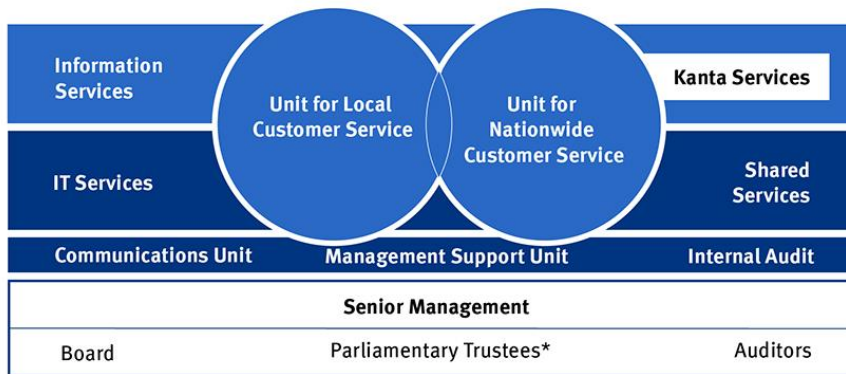
As mentioned earlier, the Overpayment Recovery Centre at Kela carries out the following customer service tasks: retrieving benefits, collecting outstanding child support debts, managing student loan repayments guaranteed by the government and handling healthcare fees for higher education students.

Customers initiated their action(s) / case(s) with the Overpayment Recovery Centre when responding to contact from the Overpayment Recovery Centre, to negotiate a repayment schedule, or with other questions about topics related to benefit recovery & debt collection.

5.1 Overpayment Recovery Centre

With 128 customer service locations and 153 other service points, Kela operates throughout Finland. In 2023, there were a total 38,3 million log-ins to Kela’s online services and 0.7 million visits to different customer service locations. (Kela: Funding 2023)

Kela’s organisation



*Appointed by Parliament

PICTURE 2. Kela’s Organisation. (Kela: Business Units 2024)

Also, the Overpayment Recovery Centre handles applications for exemption from child support debt and government-guaranteed student loan debt. (Kela: Overpayment Recovery Center 2024)

Työpiste Tiimi	Rovaniemi	Lappeenranta	Jyväskylä	Tampere	Helsinki	Lahti	Muu	Esimies
Perintätiimi 1	4		1		1	6		Lahti
Perintätiimi 2			10					Jyväskylä
Perintätiimi 3		10				1		Lappeenranta
Perintätiimi 4			3	5		1		Tampere
Perintätiimi 5	1		4	9		2	1 Laukaassa	Lahti
Perintätiimi 6	7				2	3		Helsinki
Perintätiimi 7	2	1		1	4	3		Rovaniemi
Perintätiimi 8		1	4		5	2	1 Joensuussa	Jyväskylä
69500			1	1				Jyväskylä

TABLE 4. Debt Collection Center personnel number in various Finnish locations. (Kela: Sinetti 2024)

As a result of Kela's organizational change, Kela will operate as a multi-location work community. Table 4. shows the Debt Collection Centre personnel's various locations.

As a result of organizational change(s), managers frequently have subordinates in multiple locations. Kela aims to be a responsible employer who encourages employees to renew. Kela creates tools to support remote work and employee flexibility. Competency development and career trajectories have become common practices.

Kela also nowadays utilizes AI-powered chatbots and virtual assistants to respond instantly to typical questions about benefit eligibility, application progress, and documentation requirements. These AI-powered systems reduce the workload of human workers while providing round-the-clock service to citizens.

5.2 Recovery of Overpaid Benefits

When Kela retrieves benefits as per a decision outlining the amount to be recovered, the payment due date, and the payment specifics. The decision will also include instructions on how to appeal against the decision. Kela automatically reports taxable benefits to the Tax Administration (Kela: Recovery of Overpaid Benefits 2024).

If one cannot pay the amount to be recovered by the due date, they can suggest a payment plan to Kela: for example, payment in instalments. If Kela accepts the suggestion, a payment plan will be sent:

- If an individual is unable to pay the debt or has not agreed on a payment plan, Kela will initiate debt collection using an enforcement order. Typically, Kela sends two payment reminders before proceeding with debt collection through an enforcement order.
- If an individual lacks the financial means to propose a feasible payment plan, Kela will commence debt collection through an enforcement order.

Once a decision regarding recovery has been made, Kela's Overpayment Recovery Centre is unable to decrease the recovery amount any further. However, Kela can waive the recovery completely. A prerequisite for a waiver of the recovery is that:

- the debt has been collected for a long time without result
- all methods of collection, including collection through an enforcement order, have been used
- the financial situation has worsened permanently, so that the benefit cannot be collected later either.

Kela can also waive the recovery completely if the costs of the recovery for Kela would be unreasonably high in relation to the amount to be recovered. (Kela: Recovery of Overpaid Benefits 2024)

5.3 (Customer) Service Channels

Kela's Service Channels are shown below in Picture 5. It illustrates the different ways customers can contact Kela's Customer Service panels and get personal service or self-service.



Kelan palvelukanavat



5

Kela|Fpa[®]

PICTURE 5. Kela's Service Channels. (Asiakkuuksien suunnitteluksikkö)

The Overpayment Recovery Centre team provides services via different methods such as:

Telephone	Telephone assistance is provided to both individual customers and partner organisations
Mail and fax	Traditional mail and fax services are provided
Email	The Overpayment Recovery Centre can only be contacted via email by customers residing abroad and partner organizations.
Self-Service / eService	This channel can be used to discuss recovery or debt collection, propose a repayment plan, or submit other documents to the Overpayment Recovery Center.

For example, the process to suggest a payment plan via eService is described below: (Kela: How to Deal with Recovery-related issues)

1. Access your OmaKela account. Kindly note that our e-service is accessible only in Finnish and Swedish languages.
2. Once logged in, navigate to the "Collections" section on the main page, and then select "View recovery data." Here, you can review details such as the amount being recovered, the payment deadline, and payment specifics. Additionally, you can find information regarding the agreed-upon payment arrangement and the status of the recovery process.
3. In the event of benefit recovery, you have the option to propose either installment payments or deducting the debt from other benefits received from Kela:
 - a. To suggest installment payments, go to "Collections" and choose "Suggest a payment plan." Here, you can also view the suggested installment amounts.
 - b. Alternatively, you can complete and print the "Ehdotus takaisinmaksusta (Y 81, PDF)" form and send it to Kela.
 - c. If the debt is preferred to be deducted from other benefits, send a message through the OmaKela e-service. Select "Overpayment

and recovery" as the topic and specify "Payment plan for recovery of overpaid benefit." Propose the benefit from which the debt should be deducted and the monthly deduction amount.

4. For the student loan debt repaid under the government loan guarantee you can also suggest installment payments. Navigate to "Collections" and choose "Suggest a payment plan" to view and propose installment amounts.
5. If dealing with child support arrears, you can propose a payment plan by sending a message via the OmaKela e-service. Select "Overpayment and recovery" for this purpose.

Finally, Kela then determines the acceptance of the proposed payment plan.

Distinct procedures are in place for managing cases involving overdue child support payments and for requesting exemption from repaying student loans guaranteed by the government.

5.4 Case Handling: Data Analysis

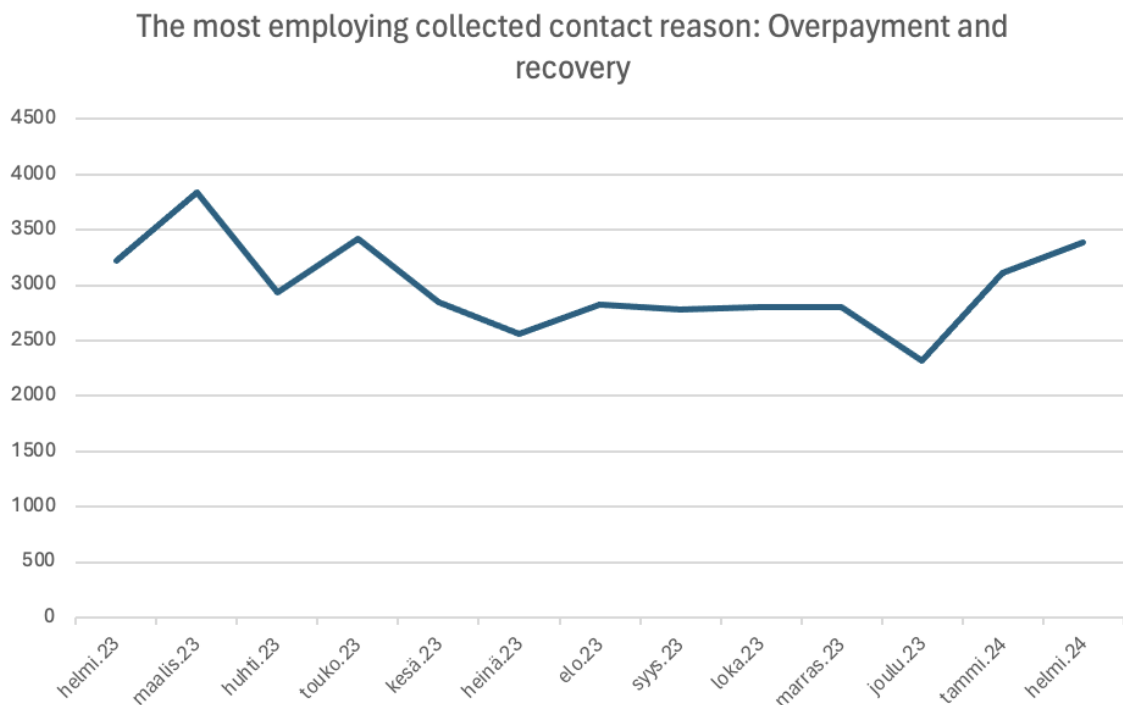
The Overpayment Recovery Centre gets over 40 000 annual contacts via phone and the team handles benefits such as Student Financial Aid and Child Support Debt. The total amount of recovered benefits in 2023 was 117 million euros – with latest estimations indicating this amount to gradually increase on a yearly basis. To get a better understanding of recovery centre collection services and the amount of advice on a yearly basis, we need to analyse the number of individual contacts made by the customers, which can be divided by reason and benefit types. Data analysing helps to recognize trends and patterns in the graph as well as issues.

Having more data increase understanding Kela customers' needs as well as helps organization to development different areas in the customer service and predict future. More in-depth data also decrease risks and give important insights for the company.

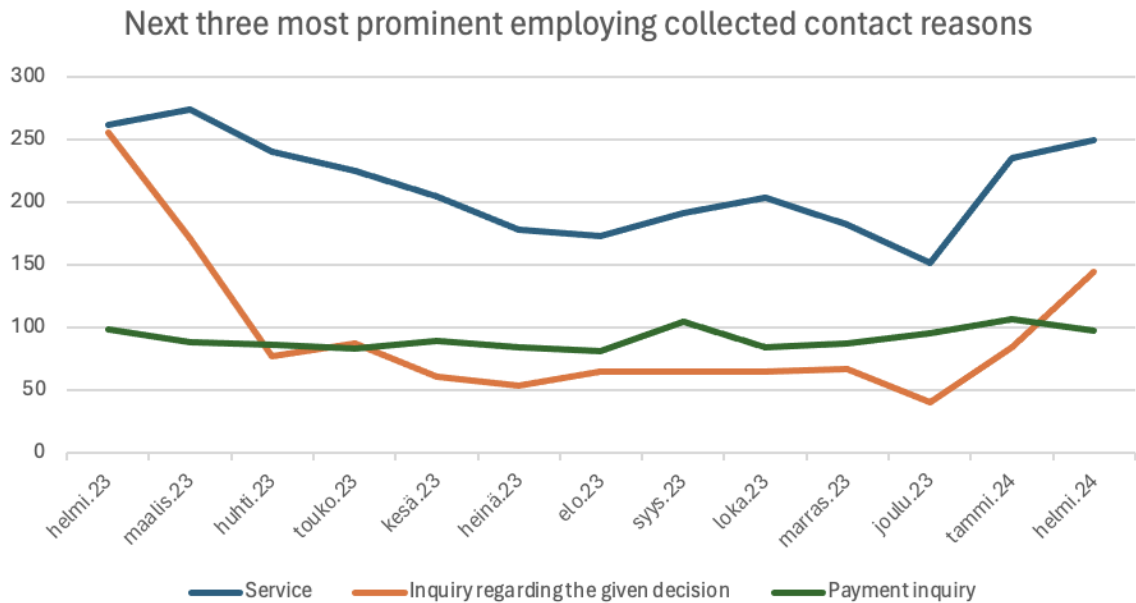
Data being reviewed has been collected from Kela's own database (Kela: Sinetti 2024) - please note that the collected data is the entire statistics of Finland. The data collected contains four different most employing collected contact reasons as well as three most employing benefits. The data has been collected during one-year period monthly and is presented in following graphs. The analysis on the data has been done inspecting the trends and peaks noticed in the graphs.

The primary reasons for customer contact are illustrated in Pictures 7 and 8. The category of overpayment and recovery is presented separately because it accounts for a significantly higher number of inquiries compared to the next three most prominent contact reasons: service inquiries, inquiries regarding the given decision, and payment inquiries.

As the graphs show, most contacts are made in the start of the year, the summer months been stable in all the contact types and at the end of the year a peak can be seen in the number of contacts.



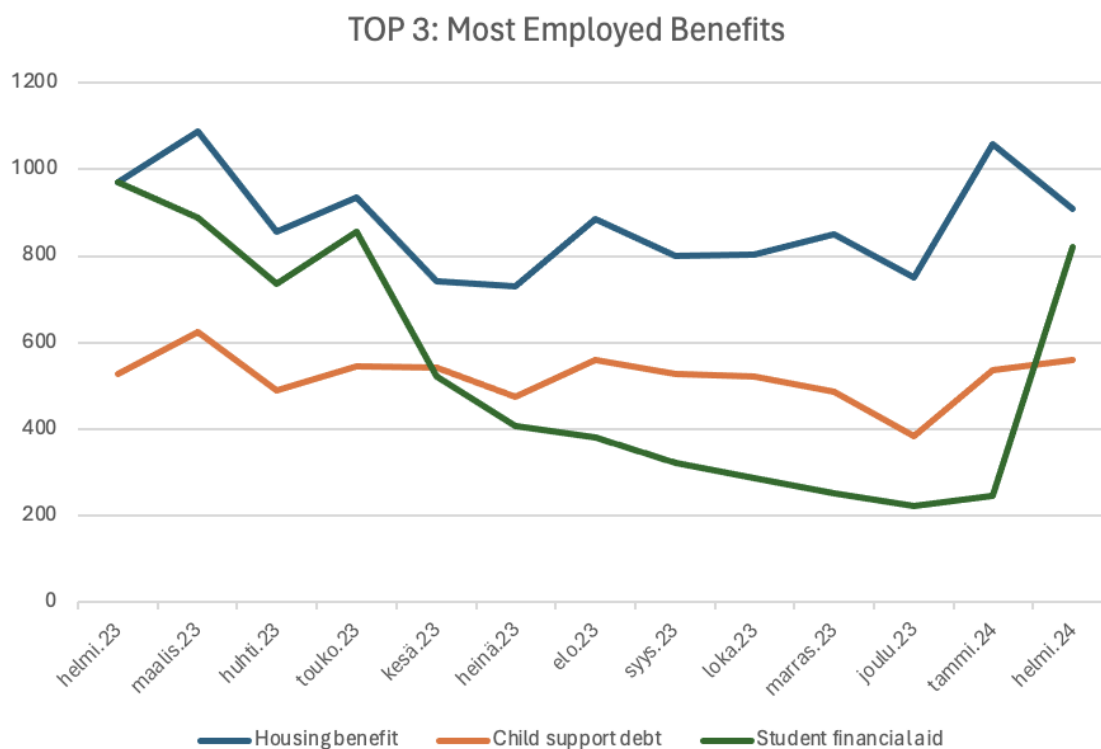
PICTURE 7. "Most Employing Collected Contact Reasons: Overpayment and recovery".



PICTURE 8. “Next Three Most Prominent Employing Collected Contact Reasons”.

There could be various reasons for these kinds of trends: one reason could be, that university students must pay their yearly medical payments (at the start of the year), which is mandatory for every university student to pay. These kinds of contacts are included in “Overpayment and Recovery Data” (Picture 7). A peak in the end of the year could be because students receive a study aid income limit check and are in contact with Kela regarding possible recovery if their income is over the limit (Picture 8).

The predominant employment-related benefits include housing benefits, child support debt relief, and student financial aid. Picture 9 displays the primary reasons for customer contact, reflecting the most common issues addressed. The graphical representation reveals consistent trends aligned with the patterns observed in contact reasons.



PICTURE 9. Three Most Employing Benefits.

Housing benefits impact more than 400 000 Finnish households (Kela: Yleisen asumistuen saajia oli viime vuonna enemmän kuin koskaan aiemmin). As housing benefits is the most employing benefit – it automatically and directly impacts the number of contacts to Kela and thus resource allocation.

The trends depicted in Picture 9 concerning housing benefits can be attributed to shifts in legal regulations and legislation related to housing allowances occurring at the turn of the year. Additionally, the rising cost of electricity, which is a component of housing benefits, could also contribute to these trends. Increases in index rates for rental expenses may further influence the reasons for customer contact.

There were no significant peaks noticed in the child support depth benefits contacts.

Trends in student financial aid could be explained, because of the same reasons regarding Pictures 7 and 8.

5.5 Case Handling: Internship Experience

My personal worktime in the Overpayment Recovery Center was really enlighten experience. Every day I faced new challenges as well as I had chance to learn something new and increase my expertise as an expert. During my time, I got first-hand experience how the recovery process works in different situations, and noticed aspects in the system that might influence for example the customer experience.

In this chapter I go through my personal experience working as intern at Kela's Overpayment Recovery Center. From the beginning, I faced a busy and hectic work-load: the environment was lively and friendly with having a warm welcome from the beginning form my colleges and experts I worked with. I had a month-long in-depth training for my different types of jobs and situations that I might face daily. The initial training was intense training on the actual recovery process, but the real knowledge came from facing different customer service cases. My supervisors and other colleagues helped me in every situation that was not covered in the initial training.

My job description at Kela involved a lot: daily helping clients make payment plans related to their collections or handling applications for future benefits or charge-backs. Different types of situations and customers made work interesting and helped to improve myself to adapt to different situations and how to find help and adapt myself to find and give help to our customers.

Attention to detail was clear from the beginning and how to conversate and plan to different situations customers may have. This required a lot of technical skills and great customers service to handle whatever I faced.

Working with different benefits and payments plans seemed difficult at the beginning but constant help and supervision from my colleges helped to assure myself I can give the right help to the situation.

From working as a trainee to s improved working ethics, diligence, and value of empathy for finance and customer service.

Working in recovery center I realized how much people depend on Kela as well as how much work it makes for people working in different sectors. It fueled my passion for solving problems and broadened my understanding of how even small mistakes can have an impact on people's lives.

I clearly noticed the biggest problems and areas for improvement in the number of customers compared to employees. This compressed a lot of the work queue and often made the days very busy. Also, because the job description was so broad, I had to ask for a lot of help in places, because the work can be very different depending on the person and their situation.

Investing in good orientation and more people to do more specified tasks would ease customers wait time to get decision for the benefits and reclaims as well as reduce work stress for experts.

6 DISCUSSION

6.1 Kela's Marketing Mix

As detailed in Chapter 2, the marketing mix, often known as the 4 Ps, acts as a foundational model for businesses. It encompasses four key elements of marketing strategy: product, pricing, distribution (place), and promotional activities. By analysing the differences within the marketing mix framework, the reader gets a comprehensive understanding of how traditional commercial businesses and government agencies approach their operational environments, manage resources, interact with stakeholders, and deliver value to their respective audiences.

Kela is a governmental agency – a non-profit public service - providing citizens with key governmental and municipal services, so when looking into Kela's operations through the traditional marketing mix it can be said that:

- **Product:** the product that Kela is offering is an immaterial service to its customers. Also worth noting is that these services are on an individual level, with each case being its own customer specific case.
- **Price:** price is not a key level in a traditional sense as Kela is not selling any services, but of course as its operations as financed by tax-payers money, it is in everyone's interest that all operations as managed as cost efficient as possible.
- **Place:** the place level is reflected in Kela by its service channels it is providing and how customer friendly those are for the end-user. The most important aspect to make sure that the needed information is made available with easy access to end-user. Also, a key element is cyber security so that the information shared with Kela is managed in a secured and reliable manner.
- **Promotion:** this level is not important for Kela as compared to traditional, commercial businesses, but here as well a key component is to have the needed information available to end-users.

6.2 Customer Experience: Commercial vs Government Services

The customer service experience can vary significantly between commercial, purchased services and services provided by government agencies – like Kela. These differences stem from their underlying goals, funding sources, accountability mechanisms, and operational frameworks:

	Commercial Services:	Government Services/Agencies:
Customer Service	Either as a pre-transaction, transaction, or post-transaction (supportive) element	Customer Service can be considered as the actual product
Objective and Focus	The primary goal is profit maximization , which drives a strong focus on customer satisfaction.	The focus is on public service and compliance with legal and regulatory requirements .
Funding and Resources	Funded through sales, services, or products, commercial entities invest in customer service to increase revenue	Funded by taxpayers, government agencies often operate within strict budget constraints.
Accountability and Incentives	There is a direct link between customer satisfaction and business success.	Accountability to the public and oversight bodies, government agencies do not face competition in the same way private businesses do.
Feedback Mechanisms	Customer feedback is crucial for business improvement.	Feedback mechanisms exist, such as surveys and public comment periods, changes based on feedback can be slower due to the need for policy changes or budget approvals.
Availability and Access	Service availability is often driven by market demand, and access may be limited based on the ability to pay or geographical location.	Designed to be universally accessible, government services may have broader coverage but also face challenges in meeting demand or ensuring equal quality of service across all areas.
Technology and Innovation	There is often a stronger drive toward adopting new technologies and innovative practices to improve efficiency and customer satisfaction, given the competitive market.	Government agencies may face more hurdles in implementing new technologies due to procurement processes, budget constraints, and regulatory compliance.

TABLE 5. Commercial vs Governmental Agency - Service Differences

A good example of external forces impacting government agency operations is what was reported by Finnish Broadcasting Company YLE in March 2024 with its article roughly translated into English as “Kela prepares for angry customers when the April cuts hit the livelihood”: *“Kela's service experts have been briefed on upcoming changes, advising and meeting customers well in advance. At the beginning of April, a number of government law changes will enter into force, which will especially weaken the livelihood of young people living alone and unemployed young people. According to Juho Lehtonen (customer service representative of Tampere Kela), most of Kela's customers understand that Kela is not a legislator but an executive. Still, from time to time, Kela's service experts can become vicariously affected by customers' disappointment and anger”*. (Soininvaara & Kokkala 2024)

Kela's customer satisfaction can be examined through KPIs (see chapter 2.2.2), which provide data that can identify potential areas for improvement in its operations. The results can reveal, for example, the level of advisory quality and employees' efficiency in relation to their workload. Improvements can be made by enhancing employee training, for instance. (Poister et al., 2014) Since Kela is a governmental agency - whose mission is to support Finnish citizens financially, rather than aiming to gain more customers - not all traditional development and marketing strategies are necessary. Some of the issues that Kela face, such as customers' dissatisfaction with the amount of support or its recovery, are not within their control because they are based on Finnish legislation.

However, in addition to the quality of customer service, customer satisfaction is strongly influenced by the waiting time for service. Customers often have to face long waiting times while waiting for a service or product offered by a company. Long waiting times generally have a negative impact on customer satisfaction, prompting the company to address this issue through various means. The magnitude of waiting times is influenced by both the company's staff and the number of customers. (Kumar et al., 1997) These factors can be observed in both governmental and commercial services.

The waiting times for Kela's services strongly depend on the number of customers, and as noted in section 5.4, these vary greatly throughout the year. Kela

informs its customers about processing times related to services and counselling, which are, however, only average estimates. The estimated processing time is influenced not only by Kela's internal processing times and resources but also by whether further investigation is needed from the customer, for example. (Kela: Processing time 2024) There has been observed a correlation between the amount of waiting time and customer satisfaction, indicating that the duration of the wait as well as whether it meets customer expectations can affect customers differently.

Kela has already taken steps to reduce waiting times during peak seasons by increasing the number of temporary employment contracts. Throughout the year, Kela offers internships to university students and hires summer workers during the summer, many of whom continue working part-time. By also examining other factors that influence customer satisfaction, as seen from the table above, new ways to enhance customer experience can be developed and existing ones improved.

7 CONCLUSION

The goal of the study was to investigate the workings of Kela, the Finnish Social Insurance Institution, with particular emphasis on its financing, benefits offered, strategy, and Overpayment Recovery Center.

The study highlights multiple different aspects, including recovery of overpayment, efficiency of customer service and the work of recovery center in Kela. These findings have significant impacts in the function of Kela and in the well-being of Finnish people.

In the study, the results were reviewed from the marketing aspect, as well as, the customer service point of view, which aids Kela to give customers the right service and benefits from the resource. Also, having a point of view in the challenges Kela faces in their daily work and resource allocation: such as, balancing customer experience and different service types.

In the future, this topic can be future studied to focus on specific causes that employ Kela the most. One of study points could potentially be a comparison between customer experiences between the different benefits (handling) and studying new ways to handle cases in Kela. Furthermore, studying the peaks in yearly contacts, assist on finding methods that improve the customer experience, as well as the work environment of Kela's employees.

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