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**Employee experience as a foundation to build  
superior customer experience**

IEC LV Motors, ABB Oy

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**ABSTRACT:**

Nowadays great products are not simply enough, rather companies are forced to produce a good service experience in addition to their range of products. Market leadership is universally shifting towards organizations, who succeed in creating the best possible customer experience in their field as a part of their business. Dissatisfied customers become costly to companies, both financially and in the form of loss of reputation, when customers switch to a competing company where their needs and desires are better met. Employees of companies are the executors of the company's result, which is why their treatment is also directly reflected in the company's customers. Therefore, employee experience is an important element to invest in when the desire is to create superior customer experience.

This study has been conducted in collaboration with ABB as a part of the larger Superior Customer Experience (SCE) project. The aim of the thesis is to understand and reflect the connection of employee experience and customer experience in order to gain an understanding of the connection between these factors. Theoretical background was built to generate understanding of construction and scale of employee experience and psychological contract as well as the formation of customer experience and its appearance in business relationships. The study was implemented by interviewing employees working at different stages of the customer journey, in order to achieve the most comprehensive and diverse results possible to fully understand the service experience. Semi-structured interviews were held via Teams and in total eleven employees were interviewed.

The study identified six key themes, which were recognized to have a massive impact on ongoing business and consequently formulating the connection between employee experience and customer experience. These themes were identified to represent interaction and response time, workload and work community, skills and training, supervisory work and management, processes and systems, and tools. Results of the study acknowledged multiple critical points and targets for development, how the customer experience can be taken to a better level by paying attention to the indicated points initiated by employees. Above all, companies are not able to attain a superior customer experience without its most essential link between the company and the customers, its own employees.

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**KEYWORDS:** Employee experience, customer experience, employment relationship, customer satisfaction

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**Abbreviations**

B2B	Business-to-business
CEM	Customer experience management
CRM	Customer relationship management
EE	Employee engagement
EX	Employee experience
PC	Psychological contract
SCE	Superior Customer Experience

# 1 Introduction

## 1.1 Background and motivation of the study

In a modern industrial sector, the best and high-quality products in the markets are not any longer the only and one defining aspect as a success factor for companies. Premium products are still highly desired, but service has gradually taken place as an asset in highly competitive markets. In studies, this trend and movement have been familiarized and identified as “servitization”, which refers to servicing of manufacturing, product-service solutions or the service infusion of manufacturing. It has been acknowledged, that services play an increasing role in the manufacturing sector as an advantage of suppliers. In addition, intermediate business services have been identified not only as a positive feature for customers, but it has been recognized to affect positively also on productivity growth. (Falk & Peng, 2013)

Companies have through history focused on enhancing their customer satisfaction in order to ensure a sustainable stream of income. The focus on customer satisfaction has moved over the years towards a broader view, from satisfaction to measure overall customer experience. However, one feature of a crucial factor that affects highly on customer experience is companies’ employee experience and there has been a great tendency to overlook and undervalue the importance of this matter while building better customer experience. Improved customer experience is not possible to achieve, without employees, and it is a crucial fact that employees impacts on every stakeholder in an organization and by therefore making them a particularly important competitive advantage. Better customer satisfaction and experience should not be the goal, but rather a natural result of great employee experience. (Mason, 2020)

There is a saying: “customer is king”, which defines, how important customers are for business. This message has not expired, even though focus from solely customers has widened to a broader view. Customer and employee experience are interdependent, and

management should be able to build a vision, which takes into account both aspects and will be considered as a whole. The power of customers should be reflected to include employees, that they are able to provide the best possible support and service for customers. Major challenges and obstacles for these aims are usually strong structures, wrong bonus systems, failed outsourcing and weak quality of customer information and poor capacity to make use of it. (Korkiakoski, 2019, p. 13-14)

Most of the companies' state that they focus on their employees and are willing to put emphasis on them, but implementation is either partial or unworkable. Employees are not homogeneous, and their job content and profile vary, which requires a deep understanding of people and their needs. Perceptions about employees' work, workplace and relationships include key trends and critical touchpoints about subjects and problems that occur in the organization. The key objective should be able to make these intangible issues into tangible matters. Tangible nature enables measurement and therefore ability to monitor, manage and reward employee experience becomes visible and easier to follow. (Plaskoff, 2017)

In summary, this research is truly needed, in order to gain knowledge about employee experience and its current state and thus also understand, how this affects the formation of customer experiences. Highly competitive markets require companies to recognize the need for change, in order to develop and engage all employees to pursue success in today's business environment. Companies and managers need truly to focus on their biggest and main asset, in order to guide it into the correct direction. Conventional management needs to be turned upside down, in order to achieve needed change and focus on value creators – the employees – to achieve outstanding satisfaction by leading to superior customer experience and ultimately, remarkable growth and profits.



## 1.2 Research questions, objectives, and structure

The current study is aimed to understand the fundamental state of the employee experience as a defining and reflecting factor for the occurring customer experience. Gaining an understanding of the circumstances of employees in organizations is inevitably reflected in customer experiences, by allowing an interesting and fruitful way to explore practices to develop simultaneously employee and customer experience. Therefore, the goal is to observe how the current state of employee experience can be benefited and utilized to build better customer experience and thus, better business outcomes. The aim of researching and gaining an understanding of employee experience and a psychological contract is to create a managerial framework, in order to find capacities and untapped potential, how this knowledge can be developed and advanced to build superior customer experience in the future.

The key phase after understanding the current status of employee experience and a psychological contract is the identification and analysis of the connection between employee experience and customer experience. In order to enhance the experience of customers, organizations are forced to explore and develop organizations' current situation and well-being of its employees. In this study, a gained understanding of the organizations' current situation of employee experience will be utilized in order to identify the key themes and contributing factors that affect highly on the formation of customer experience. These findings are the subjects and points of reference to tackle in the organization in order to influence the state of customer experience and achieve positive development.

This thesis consists of following research questions:

1. *What constitutes the form of employee experience in the employment relationship?*
2. *Which factors act as drivers in the formation of customer experience?*
3. *How employee experience is reflected in the state of customer experience?*

The objective of the first research question is to understand, what constitutes the form of employee experience in the employment relationship. This gains the knowledge and understanding of the process, how employees experience manifests itself in companies. The ambition of the second research question is to get absorbed in the factors and features that create the sense of experience from the customer's point of view. Hence, the background factors that significantly affect a customer's experience can be identified and utilized in preparation for development work in the organization. Last and the third research question is aimed to find a connection, how the state of employee experience in organizations reflects and affects the experience of customers. By finding the areas for development in the side of employee experience, organizations can focus on the key points which are also affecting the state of customer experience and therefore enhance the level of satisfied experience.

The key objective of the thesis is therefore not only to gain knowledge about employee experience but in addition to utilize this knowledge to strengthen the state of customer experience and to identify the ways to become increasingly customer oriented. The importance of customer experience is noted in multiple research and therefore every employee's attempt should be creating and generating better experience for the end customer. However, this goal to provide a superior customer experience requires that all employees are on board including management as well. Successful development activities require actions to put emphasis on employee experience and place it at the center of the attention of the organization. (Prahalad, 2010, p. 27)

This thesis will be carried out together with an international industrial company ABB. The focus of the research is agreed and planned together with ABB and designed to fulfill their needs. ABB has launched in 2019 Superior Customer Experience -project, which goal is to find improved ways to serve customers in four different business environments to secure the best possible experience for their customers. ABB has monitored that employee experience as a foundation to build superior customer experience is a crucial

subject to gain their customers' satisfaction, and therefore it needs a detailed study to ensure higher and an increasingly customer-oriented way to operate in the future as well.

The structure of the study is consisting of six main chapters, by covering the introduction, key theoretical parts, research method and design, empirical findings, and finally, discussion and conclusion. The first part of the theoretical contribution of the study covers employee experience and its different characteristics which has the main contribution to shaping its form. It is built to gain knowledge and understanding, how the level of employee experience is reflected in the actual work. The second part of the theoretical contribution of the study is focused on the foundation of customer experience and its different aspects and contribution to how it affects business success. The goal of the theoretical framework is to create a basis for empirical results in order to ensure a theoretical basis of the results.

Chapters 4-5 includes the empirical part of the study. Research method and design are presented in chapter 4, as well as the methodology of how the research was implemented, analyzed, and executed. Additionally, the structure of the interviews is introduced and the criteria for the selection of interviewees. Chapter 5 is centered to analyze empirical findings by introducing central and most essential findings of the results. Findings are composed of in combination of analyzing the themes and affairs which has been come to prominence in the interviews and applied together in accordance with the existing theory. The sixth and last chapter is summarizing the key findings, suggesting managerial implications, and reviewing the trustworthiness of the study. Finally, the suggestions for future research are being justified and announced.

### **1.3 ABB as a company and FIMOT**

ABB today is the result of many acquisitions and mergers in history. The most essential fusion occurred in 1988, when ASEA and BBC, known as Brown Boveri, become together by generating one strong player in European electrical engineering. Products of ABB are

divided into four sections: Electrification, Industrial Automation, Motion, and Robotics & Discrete Automation. ABB operates in more than 100 countries and employs over 144 000 employees. The headquarter of ABB is located in Zurich-Oerlikon, Switzerland. (ABB, 2021a)

Integrity is the core value of ABB and it is stated to be embedded in the company DNA. Fundamental standards consist of three actions: prevent, detect, and resolve. ABB Code of Conduct is built to guide business principles of actions on a daily basis. These principles are acknowledged to be responsibility, respect and determination. ABB has a strict zero-tolerance policy against violation of these policies. In addition, ABB is fighting against climate change and conserve non-renewable resources by focusing to deliver eco-efficiency products, services and solutions. (ABB, 2021b)

ABB's Motion business is a supplier of drives and motors. Motion portfolio is divided into eight sections: Drive products, Mechanical Power Transmission, Large Motors & Generators, IEC LV Motors, NEMA Motors, Motion Services, System Drives and Traction. Products provide solutions for industries, cities, infrastructure and transportation by optimizing energy efficiency, improving safety and reliability and achieving precise control. FIMOT is a part of IEC LV Motors and its main focus is on manufacturing, research and development of motors. Operations of FIMOT is divided to locate in Helsinki and Vaasa and its energy and production efficiency has continued over 125 years. In Finland IEC LV Motors employs 1520 employees, which 550 operates in Vaasa and 900 in Helsinki. (ABB, 2021c; ABB, 2021d)

## **2 Employee experience in employment relationship**

### **2.1 Formation and structure of employee experience**

Employee experience (EX) is an employee's view of an employer and it emerges based on interaction, impression, and emotions. These holistic perceptions evolve and change along with the employee's journey during the employment relationship. Employee experience is a globally newer perspective than customer experience, but it has gained its popularity in recent years due to its importance for employees' motivation and prosperity. The main transformation towards better employee experience needs to happen in the change of mindset from doing things to employees to doing things with or for employees. The lens of people must be a viewpoint for actions and changes in the organization and companies must be able to empower their employees and include them in decision-making in order to affect positively the formation of employee experience. (Plaskoff, 2017; Korhonen, 2019, pp. 24-25; Severson, 2018)

Time after time companies fail to keep their superiority over their competitors. The satisfaction of the received growth rate, confidence of doing enough, or belief in providing services that customers desire can be the fundamental root cause for poor success, even though once a big player has had it all figured out. Rather than only focusing on new products, propositions and markets, it is extremely important to embrace how the business operates and how it is managed in teams. Growth and long-term market success are possible to achieve through driving transformation and creating valuable change without harming the benefits of employees. Consequently, putting employees first in the business means actually better concentration and attention to customers. (Prahalad, 2010, pp. 4-7)

The perception of employees has changed dramatically throughout history. Attitude towards employees has changed from resource and productivity based to pursuit of employee engagement, motivation and well-being. Dictator power from employers' hands

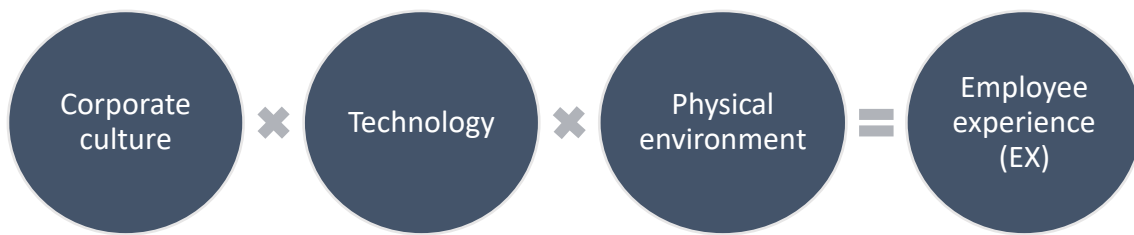
has shifted towards employees and this has changed the game upside down for companies to fight for talented employees. It has been understood that employees are delivering their knowledge and experience directly to the customer. Therefore, employee experience must be considered as a strategic matter as well as customer experience, not only as a human resource-related subject. Steps towards taking care of employees' wellbeing at work should be considered as strategic business initiatives, not as delicate perks. (Korkiakoski, 2019, p. 23; Morgan, 2015)

The key point towards better employee experience is to understand that companies should not assume that their main job is to build a place where people need to work, but rather a place where people want to work. It has been a long time since money was the only motivating factor for employees and companies need to recognize this by seeing the development of their employee experience as a competitive advantage. Companies tend to require their employees to provide excellent results, but at the same time treating them poorly themselves. This is an unsustainable condition, due to the treatment of employees reflects directly on employee's way to treat customers of the company. A combination of engaged employees and accountable management is the fundamental basis of value creation, and it should be a top priority for companies to reach this status of business. (Morgan, 2015; Prahalad, 2010, p. 7)

Executives and managers have for decades tried to find ways to earn more profits and growth through numbers of operational results. Typically, this has led to austerity measures, by complicating performance and pushing employees more and more tight and tough situations to perform their job as well as employees themselves would desire. This constant battle of hurry and insufficiency lowers motivation and affects negatively on job satisfaction. It is notable for every organizational leader to realize that people of the organization make it run and all-important outcomes lie downstream from the experience of these people, who are the employees of the company. Eventually, all achieved business outcomes are rooted in an individual or team behind it. (Maylett & Wride, 2017, pp. 12-13)

Employee experience is a much broader concept than just synonymous with terms like talent management, human resources development, or employee engagement. However, employee engagement (EE) is closely related to employee experience, which can be described to mean the level of motivation when employees are operating and pursuing organizational objectives. (Sindhar, 2018) Maylett & Wride (2017) states that “employee experience is the sum of perceptions what employees have about their interactions with the organization in which they work”. Morgan (2017) formulates employee experience as “the intersection of employee expectations, needs, and wants and the organizational design for those expectations, needs, and wants”. Korhonen (2019) argues that employee experience means employees’ view of the employer and it forms based on interaction, vision, and emotions. In summary, it can be noted that employee experience is the sum of interaction and cooperation of employees and organizations and it consists of multiple different factors.

Employee experience is not as clearly defined as traditional human resources and due to the novelty of the topic in research, its definition used to vary depending on the approach of organizations. Morgan (2017) introduced a structured framework of employee experience, where he represented three main environments that are affecting perceived employee experience: cultural, technological, and physical environments. These environments are areas of forming employee experience, regardless of size, industry, or location of an organization. However, it is noteworthy that employee experience is not the sum of these three different aspects but failure in any single environment can ruin the entirety of the desired experience. Even though cultural, technological, and physical environments are quite distinct from one another, they work in cohesion by supporting and empowering each other. This equation of employee experience is shown in figure 1. (Morgan, 2017, pp. 131-132; Korhonen, 2019, pp. 122-123)



**Figure 1.** Equation of employee experience (Korkiakoski, 2019, p. 123)

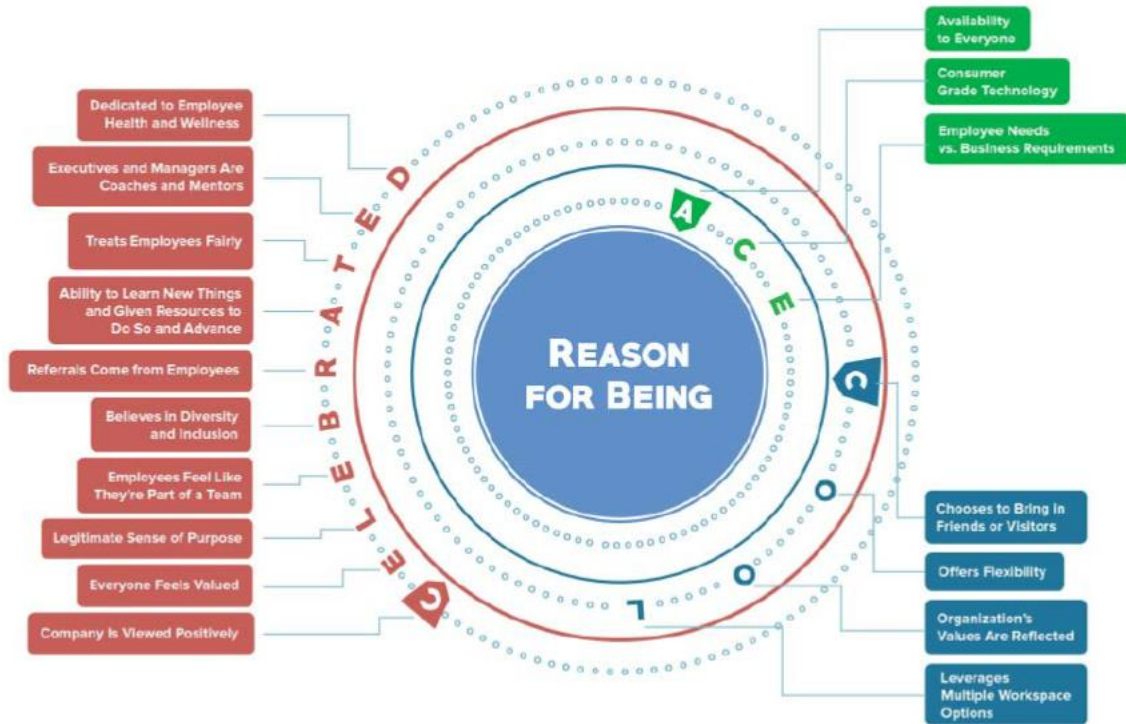
Corporate culture is one of the three components which are affecting and creating employee experience. Basically, corporate culture means the air, what employees breath inside the organization. This is an element, what is not possible to see or touch, it is the environment that is only possible to feel. The way how employees are treated and how the work is done, products, and services that are created and partnerships established determines the culture of the organization. Every corporate has a culture, even though it would never have been created or paid attention to. Culture is rooted and formed in the long run, but it is possible to change through determined action and leadership. Corporate culture derives from company values and therefore it is crucial to operate according to defined values. (Morgan 2017, p. 89; Korkiakoski, 2019, pp. 124-125)

The technological environment in companies consists of tools that need to be utilized in order to get employees work done. Errors like loss of information, simple tasks to deal with multiple steps, and programs that freeze up cause frustration and dissatisfaction, even though employees would otherwise be extremely satisfied with the people in the organization and their nature of work. Organizations live through technology by communicating, collaborating, and getting the actual jobs done and therefore organization's priority should be extremely high to improve the situation, which causes indignation of employees. People, both employees, and customers are used to use extremely effortless and convenient services in their everyday life by raising expectations both consciously and unconsciously. Hence, technological problems at work are generating great dissatisfaction. (Morgan 2017, p. 77; Korkiakoski, 2019, p. 128)



Last environment, the physical environment covers the actual environment, where employees work and operate from walls to ceilings. Physical environment influences creativity, psychological comfort, engagement, and connectedness for the company and at its best, it has the ability to energize and inspire. It has been predicted that the traditional offices with gray walls and lines of cubicle farms are going to move out of the way towards employee experience centers, which serve the needs of employees. Currently, there is a lot of room for improvement, due to a study made by furniture manufacturer Steelcase, around 90 percent of workers are less than satisfied with their work environment. However, even the most attractive physical environment at the office does not create satisfaction, if the company does not offer flexibility and choice, where their employees can work. Flexibility is not only a physical matter, due to it is an even more desired feature in a job in the eyes of employees than a competitive salary and therefore its importance should not be underestimated. (Morgan 2017, pp. 59-66)

It is a common pitfall that organizations tend to create and represent mission statements, like delivering superior customer experience, but the statement is solely there to characterize what the organization is aiming to do, not by actually meaning what has been put into practice among employees. This causes contradiction and dissatisfaction among both employees and customers because the true nature of things is very challenging to cover up for a longer period of time. A reason for being should act as an umbrella, which shelters all three employee experience environments under its cover and not only state for some random end goal. Morgan (2017) introduced a model of Reason for Being, which constitutes of 17 attributes that affect on technological (ACE), physical (COOL) and cultural (CELEBRATED) environments. This model is represented in figure 2.



**Figure 2.** The 17 employee experience attributes (Morgan, 2017, p. 13)

In order to truly invest in employees and design a place, where employees actually want to show up after days, months, and years – organizations must concentrate on its status for the people who work there from week after week. According to Morgan (2017), cultural environment constitutes 40% of employee experience and both technological and physical environments 30% of the total experience. A great reason for being is focused on its impact on the world and people, is not centered on financial gain, rallies employees and is something unattainable by making the organization to strive its best for every day together with its entire employees. By creating a pleasing mission which inspires and encourages people, employees are more likely to embrace and be more engaged to it. (Morgan 2017, pp. 12-15, pp. 51-54)

## 2.2 Psychological contract between employee and employer

An employee-employer relationship can be examined through a psychological contract (PC), which presents valuable information about the perceptual and unwritten organizational life. Origins of the research about psychological contracts were initiated in the early 1960s, but the shift from early contributions to focus on the individual level and obligations occurred in the late 1980s via Rousseau's (1989) work. (Coyle-Shapiro & Kessler, 2000) In the modern way to explore employees' psychological contract, attention has been established to study constantly changing subjective perception of one's own rights and responsibilities in the employment agreement. (Saari, 2014) According to Herriot & Pemberton (1997), the psychological contract is not only a matter of employees but in addition, the employer assesses their own psychological contract as well by determining anticipations about their employees.

Psychological contract generates information about the employee-employer relationship and thus the fundamentals of organizations. Information about the status of psychological contract are mental models or schemas, what kind of position the employment relationship possesses in the organization. Observation of psychological contract needs to tackle the perceptions that has been made and the offered exchanges in order to understand mutual obligations between employee and the employer. Psychological contract concern always an individual perception and therefore beliefs diverge due to individual cognition. Major matters which affects on the condition of psychological contract among subjective perceptions are the expected promises. Successfully fulfilled psychological contract affects positively on trust, commitment, and satisfaction of employees. (Rousseau & Tijoriwala, 1998)

The central part of the psychological contract is the reciprocity of exchanges, where both parties – employees and employer – are expected to fulfill their needs. Employees have assumptions about what they are entitled to receive or what the employer has presented to offer for them, either in their nature direct or indirect. Therefore, the psychological contract is about mutual obligations, and it should not be considered as a

synonym for expectations. The nature of psychological contract is always personal and perceptual and thus it cannot be connected for example for all employees in the same team. In addition, it is notable to take into consideration, that psychological contract evolves over time and thus it is not stable throughout the duration of the employment relationship. (Robinson & Rousseau, 1994; Robinson, 1996; Saari, 2014)

Obligations that are included in the psychological contract between employee and employer includes both transactional and relational obligations. Together these define key dimensions, which characterize exchange relationships, time frame, and stability. Transactional obligations cover economic and money related matters like salary and other rewards. Relational obligations are more extensive socioemotional, and relationship associated subjects, including transparency, mutual support, learning, development, and future opportunities. Relational obligations are dynamic in their nature and their detection is being shaped both at the present and through the lens of historical information. (McDermott, Conway, Rousseau & Flood, 2013; Persson & Wasieleski, 2015)

Measurement of psychological contract has been shared to cover five different categories: job content, career development, social atmosphere, organizational policies, and rewards. Freese (2007) familiarized "The Tilburg Psychological Contract Questionnaire" which utilizes the former five different features of psychological contract to analyze and evaluate the state of employees' psychological contract. This questionnaire was performed as five scale factor analysis of perceived organizational obligations from the employee point of view and the current state of employer's obligations as acceptable or disruptive. In table 1 is described five different dimensions of psychological contract and included in the most relevant parts which define the main category. (Freese, 2007; Freese et al., 2011)

**Table 1.** Dimensions of psychological contracts (paraphrasing Freese, 2007)

<b>Job content</b>	Variation of the work
	Rate of disturbance
	Ability to deliver quality service & meet customers' desires
	Challenging and stimulating work
	Possibility to take initiative & fulfill true potential
<b>Career development</b>	Promotion opportunities
	Development in current work
	Ability to change position inside organization
	Training or education
<b>Social atmosphere</b>	Positive relationships between colleagues
	Positive working atmosphere & rate of cooperation
	Fairness and support of supervisors
	Recognition and appreciation
	Possibility to express own opinions
<b>Organizational policies</b>	Feedback on performance
	Trust in management
	Open and clear communication channels
	Provision of information needed
	Physical working conditions
<b>Rewards</b>	Good salary and employee benefits
	Rewards of exceptional performance
	Job security

Working practices, management, and leadership has a huge impact on perceived psychological contract. McDermott et al. (2013) studied the connection between leadership and the psychological contract. Their research revealed that managers can significantly

have an effect on the state and formulation of employees' psychological contracts. Therefore, managers play a key role in the formation of the psychological contract and thus also in shaping the success of the organization. (McDermott et al., 2013) Miles & Mangold (2004) have also highlighted the practices of communication channels, both internal and external as well as formal or informal, which are contributing to the status of employees' psychological contract by forming perceptions of the employer.

The number of employed has tended to decrease in recent years. Global competition, rapid technological advancement, mergers and acquisitions, increased complexity of work, reduced supervision, and ever-changing job and career concepts are putting both employers and employees under strain. (Freese, Schalk & Croon, 2011) This causes range of factors, which are affecting on the viability of employees and teams in organizations. However, as a consequence when the number of employees is smaller, managers are able to establish more personal relationships and communicate in an informal way by increasing flexibility. On the other hand, fragmentation of the work has gained challenges due to different forms of working hours and employment contracts, raised amount of subcontracting and more varied range of the location of completed work. Fair and equal treatment needs to be ensured, even though workforce is more fragmented, and the sense of shared identity can be more difficult to achieve. (Guest, 2004)

### **2.3 Business value and importance of employee experience**

Service economy has led to a position where a growing number of employees have an increasing emphasis on interacting with customers on their daily basis. Traditional "non-service jobs" have got features of interacting with customers and therefore service excellence has become a common task and mission for employees throughout the whole company, regardless of the industry of activity. In the mind of customers, employees are being seen as the "face of the organization" and thus it is extremely important to ensure that frontline service employees are providing high-quality interaction. (Groth & Grandey, 2012)

Prahalad (2010) argues that employees are the ones that create the value zone of an organization for customers, and otherwise companies are just a shell, layers, and layers of management. Grensing-Pophal (2019) introduced in HR Daily Advisor a study by the Employee Experience Index (EXI) that surveyed the link between employee satisfaction and financial impact. Results showed that unappreciated employees report to feel only 38% positive experience at work and imbalance between employees and organizations core values occur to have only 30% positive experience. It is an unsustainable condition, when two-thirds of the total workforce are not bringing their best input in their daily activities. Therefore, employee satisfaction is not something nice-to-have, it is highly affecting on business outcomes and its value should not be underestimated. (Grensing-Pophal, 2019)

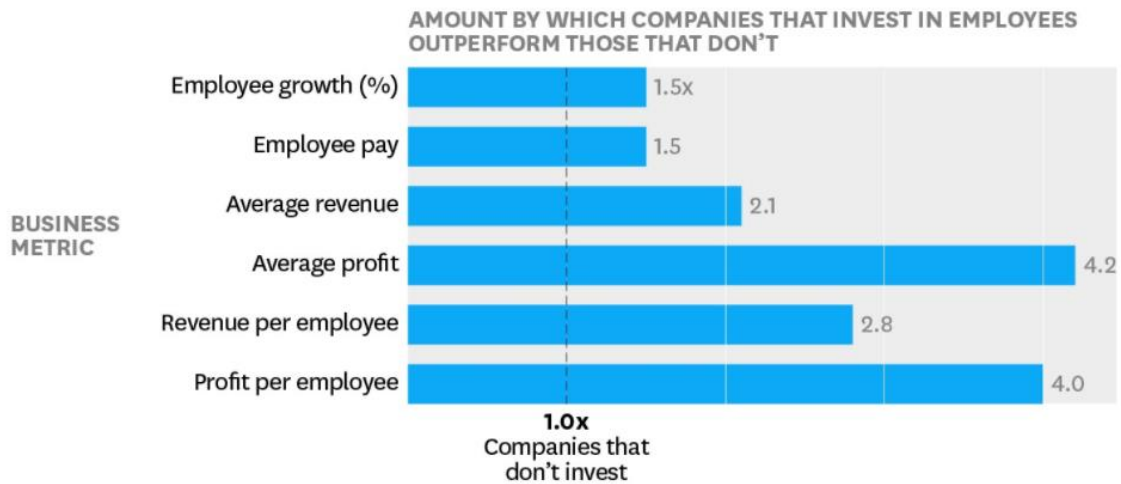
Business value of a great employee experience has been researched to gain customer satisfaction, innovation level among employees, and increase 25% of profitability. Without investing in employee experience, will it show as a loss of productivity as the consequence of poor workplace practices. The gap between offering desired experiences from the actual experiences is reflected in costs for employers as suffered productivity. Furthermore, happy employees tend to be not only more productive but also more engaged to stay in the organization. Prioritizing employee experience keeps first-rate employees in the company and in addition attracts high-quality talents to seek open vacancies. (Mason, 2020)

Employees can do their best at work when companies are capable to reduce complexity and stimulate collaboration. Already getting rid of these obstacles, employees are able to innovate faster in companies. Furthermore, effortless, and smooth atmosphere in organizations tend to appear in the eyes of the customers as a better service by creating better customer experience as well. (van Vulpen, 2020) By researching 250 organizations, Morgan (2017) proved that by investing in employee experience, companies are not only able to outperform their competitors, but also grow 1,5x faster, pay higher salary,

produce more than double the revenue and be 4 times more profitable than on the average. Figure 3 shows, that by investing in employees and their experience, companies are able to outperform those companies, that are not as willing to invest in their employees.

### Companies That Invest in Employee Experience Outperform Those That Don't

They're four times as profitable, according to an analysis of 250 organizations.

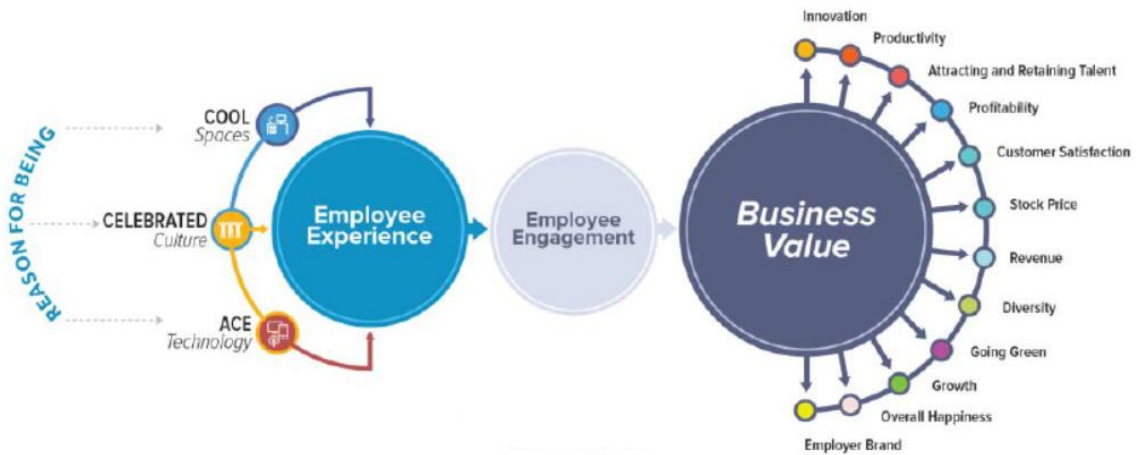


**Figure 3.** Companies that invest in employees outperforms those that don't (Morgan, 2017)

In his research, Morgan (2017) presented that by investing in employee experience, companies have direct outcomes as an added value for their business value. Satisfied and happy employees tend to be more engaged and therefore more committed to work towards targets of the organization. Prosperous employees create success in customer satisfaction scores, have superior innovation practices, contribute to valuable brand, work in a productive and profitable manner and are in overall happier with their life. In addition, organizations that create better employee experience, operate greener and more diverse manner, are able to attract and retain talents, and in addition to higher revenue and growth potential, they are able to bring higher returns on investments due to higher success in the stock price performance. Figure 4 represent the entirety of how employee experience impacts the final business value of organizations when the employee



experience is in a good shape and taken into account in the organization. (Morgan, 2017, 164-165)



**Figure 4.** Employee experience business outcomes (Morgan, 2017, p. 164)

## 2.4 Leading and developing experience process

Productive, engaging, and enjoyable work experience is possible to reach through comprehensively concentrating on employee experience. However, achieving this requires putting an effort into employee experience as a high priority, reduce the number of siloes inside the organization, update the tools to engage employees and carry out an integrated framework to ensure ongoing performance management. Goal setting, diversity, inclusion, wellness, workplace design, and leadership needs to be in place in order to attain a better experience. Under these circumstances, companies can build a stable foundation for positive experiences. (Deloitte, 2017)

Different needs, previous experiences, and unique personalities bring challenges for understanding the employee experience. Even though employees are operating in the exact same work environment, their sensed experience can vary massively from each other. In addition, employee experience is highly dependent on both managers and employees themselves and therefore it has a lot of weight on interpersonal relationships. Observing

employee experience brings valuable information for organizations, by giving a clear view of what needs to be invested and give attention to in order to meet better the needs of employees. It is problematic to ask directly about employees, how they experience matters in the company when usually general dissatisfaction or satisfaction influence the overall picture. Therefore, it is crucial to know exactly, what is intended to be studied and not confound the research process with its possible outcomes. Furthermore, reviewing should be versatile by covering different moments during the employment relationship. (Korkiakoski, 2019, p. 135-136; Boon, 2020)

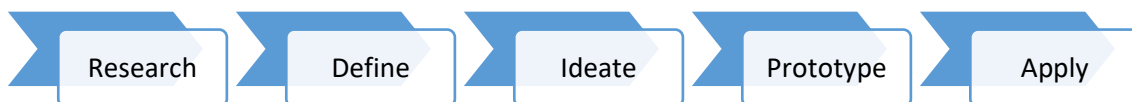
In order to achieve peak performance, organizations must be prepared to invest in their employees through training and development. Limited resources allocated to concern employees appear inevitably to be visible at the operational level. Even though limited resources are a reality in today's business environment, a small investment can be achieved massive difference compared to a situation, when the whole thing is ignored. Knowledge is power and by engaging, providing, and impacting the knowledge for employees, leaders do not have to try to battle alone rather than cooperate and coordinated efforts in order to carry out a shared mission. Necessary skills to achieve an organization's overall strategic plan are the key concentration goals in order to reach the pursued mission and vision. (Tetzlaff & McLeod, 2016, pp. 146-147)

Experience management focuses on people's experience and hence identifies and highlights the possible opportunities to develop among organizations. Strategically implemented process of experience management provides a foundation to both enhance insights of employees' professional relationship with the organization and the experience, what customers perceive while they are operating, and interacting with the company. Capturing this knowledge helps to concentrate on correct business decisions, in order to optimize the formation of a better experience. (Limani, 2020)

Leadership and management play a crucial role in fostering a culture and human workplace to reach a positive employee experience. Management practices need to cover

both strategic and tactical levels in order to succeed in both communicating and inspiring the desired vision and ensure the existence of proper tools and resources for employees to complete their jobs effectively. Simultaneously management is required to create and cherish a culture, where employees are treated with respect and dignity. (Stevens, 2018) According to Dannenberg (2015), leading people by example has a significant positive effect on cooperation and therefore it is vital for organizations to appreciate actions rather than words due to the circumstance that actions speak louder than words, and thus it is an outperformed method to reach better results.

Developing and redesigning employee experience is not a top-down matter. Organizational structures, processes, and relationships define and reflect the overall picture of the state and welfare of the company. Needs, wants, fears, and emotions of employees must be at the center of action in order to raise the quality of employee experience and performance of the organization. The experience design process must begin from the research level to understand the current state of employees. Defining occurred issues must see as opportunities, not as problems that need to be fixed. After definition follows the ideation process, where ideas are generated to alter discovered opportunities. Prototype phase gains experience, how well the idea works in practice and gains knowledge about the effectiveness of its implementation. The last phase concerns application when the enhancement is collaboratively put in place. This process is illustrated in figure 5. (Plaskoff, 2017)



**Figure 5.** The experience design process (Plaskoff, 2017)


However, the process of experience design is not as straightforward and linear, as it is described in figure 5, due to its nature of iterative and experimental. Enhancements are completed after feedback by evolving towards new and better practices. The goal is not

merely the achieved outcome, it is more about the journey of process, which provides critical components of change. Pursuits to enhance employee experience gives a voice to employees by generating understanding, creating ownership, and reinforcing relationship inside the organization. Providing short-term perks and material benefits can be viewed as quick-fix tools to enhance employee experience and engagement, but the true value is possible to achieve by providing meaning and purpose. (Plaskoff, 2017)

#### **2.4.1 Employee experience drivers**

The ultimate goal of many organizations is to attain as many engaged employees as possible. However, in pursuit of this achievement, organizations tend to forget the fundamentals of engagement and understand, what causes engagement in the first place. Nevertheless, the fact is that an engaged workforce is an effect and the actual root cause of it is employee experience. (Morgan, 2017, p. 21) Stevens (2018) stated that employee experience is a broader and more holistic alternative for employee engagement and therefore it points the impact of individual employees' performance and its influences on organizational success.

Stevens (2018) argues that meaningful work, empowerment, performance development, coworker support, organizational trust, and work life balance are key drivers to achieve a positive employee experience. Consulting firm Deloitte implements on a yearly basis a study to find out the most recent and essential trends in global human capital. By surveying more than 10 000 human resource and business leaders globally, they have reached a conclusion that the factors which contribute to a positive employee experience are meaningful work, supportive management, positive work environment, growth opportunity, and trust in leadership. (Deloitte, 2017) These factors and their sub-areas are presented in figure 6.

				
Meaningful work	Supportive management	Positive work environment	Growth opportunity	Trust in leadership
Autonomy	Clear and transparent goals	Flexible work environment	Training and support on the job	Mission and purpose
Select to fit	Coaching	Humanistic workplace	Facilitated talent mobility	Continuous investment in people
Small, empowered teams	Investment in development of managers	Culture of recognition	Self-directed, dynamic learning	Transparency and honesty
Time for slack	Agile performance management	Fair, inclusive, diverse work environment	High-impact learning culture	Inspiration

**Figure 6.** Factors that contribute to a positive employee experience (Deloitte, 2017)

Meaningful work includes characters of autonomy, select to fit, small empowered teams, and time for slack. Supportive management contains clear and transparent goals, coaching, investment in the development of managers, and agile performance management. A positive work environment consists of a flexible work environment, a humanistic workplace, a culture of recognition, and a fair, inclusive, diverse work environment. Growth opportunities include training and support on the job, facilitated talent mobility, self-directed dynamic learning, and high-impact learning culture. Finally, trust in leadership embraces mission and purpose, continuous investment in people, transparency and honesty, and inspiration. (Deloitte, 2017)

However, it is necessary to acknowledge that employees' own drivers and desires are the basis of their felt employee experience besides the organizational condition. All the employees under the same title, department, or business unit are not identical, but in reality, people want and desire different levels of autonomy, style of leadership, the culture of recognition, development opportunities, inspiration, and rewards. The desired level of participation and communication vary, and companies should be able to meet

these preferences. In addition, it is important for organizations to know what values they will emphasize in the eyes of customers and likewise enable and reward employees for performing as desired. By supporting chosen values, organizations enable employees to work in the desired way. (Yohn, 2016)

#### **2.4.2 Creating culture of change**

Culture is a fundamental part of business and it represents the mindset and attitude of employees. Culture have an enormous effect on how effectively employees work both internally and externally. Organizations culture and brand are tightly intertwined, and both are constructed through interaction and collaboration. Social media driven world has made this more transparent and negative culture is reflected usually become apparent quickly. A place where employees want to work is one of the best ways to promote business in a positive way. Peter Drucker's famous statement that "culture eats strategy for breakfast" crystallize the importance of culture. No matter how great and brilliant companies' strategy is, its implementation is impossible in an organization where culture is not in a good shape. (Green, 2017, p. 9; Engel, 2018)

Can-do attitude requires company-wide support to succeed. This requires mutually shared core values, which act as principles of every action. Employees must believe that what they do matters, and they are able to make a difference. Great culture contains empowerment, where others are cared for and work is done through cooperation. However, the key point is to take culture seriously and engage leadership by cutting out empty talk and finding excuses for nonperformance. It is notable to note that culture is shaped by the behaviors which are tolerated. Harmful behavior requires prompt actions and focus on developing open and honest ways to give feedback. Change towards a healthier culture must begin at the top. A defensive attitude towards dissenting opinions does not cherish the open culture and it is impossible to expect employees to change when management is not willing to change first. In addition, it is central to understand

that leaders are not the only person to make the decisions, they must listen and show impatience for other opinions and accept the obligation to dissent. (Engel, 2018)

Hayzlett (2016) defines that steps to build stronger company culture must start from a purpose. In order to build something great and lasting, it is necessary to realize the fundamental reason why an organization is existing. This should be in nature authentic, inspirational, and aspirational which suits the company and is adopted by its employees. Successful culture embraces common language, values, and standards. The language which is used and communicated in the organization is required to be understood by everyone and set values represent tangible elements to which employees can commit. Cohesive culture performs as long-lasting and it is capable to be adjustable when the organization changes over time, grows or face challenging times. (Hayzlett, 2016)

Doing the right thing, even when nobody's watching reflects about integrity which should be an objective to aim in every action in the organization. Truthful and honest way to operate is required to be in place and failure is not an option among them. Communication in both internal and external environments must be explicit and continuous that all the employees understand values and why it is important to preserve organizations culture. Treating people right will make them to work towards common goals and contribute positively to the organizational culture. Hiring new employees is not all about finding an impressive resume, it is also an opportunity to screen applicants' characters to question, if the applicant is a good fit for the company culture. Lastly, by creating both strong and lasting culture, organizations can build employees to be their best ambassadors to build a positive view of the organization to attain top talents. (Hayzlett, 2016)

### **2.4.3 Values-driven service culture**

Values-driven corporate culture is at the heart of delivering high-end service to customers. Good customer service is not incredibly difficult to implement, it is in all its simplicity taking care of issues quickly, seamlessly, and painlessly as possible. However, empathy

in customer's experiences is often forgotten due to day-to-day minutiae and constant rush to achieve the goals set by management. Core values cannot be taught, the goal is to get people to share the core values and make them work according to them instinctively. In order to attain this outcome, companies must design their operations to serve both internal and external systems in the manner where the customer is at the center of activities. (Spector & Reeves, 2017, pp. 18-20)

Managers' actions to empower and trust their employees generate the feeling of appreciation and trustworthiness which contributes to employees' desire to do their best for the customer. High trust companies tend to result as more productive, energized and collaborative as their nature by leading to deep connection and therefore providing meaningful contribution for employees. Customer need should be the starting point for every deal and while seeking for ways to solve the need, companies must be able to reach expectations what are targeted towards them. Trust and respect are the basics of values in service culture and if they are missing, rest of the values are meaningless. Values driven culture requires people, who share same values and fit into the company culture. (Spector & Reeves, 2017, pp. 26-27, 110)

Developing an enduring relationship, which is built on trust should be number one priority while doing business. Big short-term profits do not beat long term benefits what solid and strong relationships offers. By truly thinking what the customer wants is the key in forming and delivering ongoing customer experience over time. It does not matter how electronically wired the world has changed, it does not pass over the importance of personal interaction in terms of long-term relationships. Policies, rules, and procedures are hindering great customer service and the best way to support desired service is to empower employees to use their own judgement by giving ownership of their customer and therefore finding the best solution for them. Extremely thinking, people do not work for companies, they work for other people and therefore leading properly is the key for ongoing employee satisfaction. (Spector & Reeves, 2017, pp. 28-29, 32-33)



It is essential to find right practices to reward in terms of individual and teamwork as well as customer service. Among employees sharing good practices and learning from each other are important elements in the path of superior customer experience. Empowering employees will generate willingness to do things right. It is crucial to understand that all the decisions what are being made in the company, should be for the benefit of customers. In addition, it is essential to note that employees are the vital link to deliver that experience. Latest technology enables multiple issues in day-to-day activities, but customer should not be forgotten in the process to innovate and develop better methods. Technology should be more of an enabler than in the center of service. Organizations are above all consisting of people and are in their nature social. (Spector & Reeves, 2017, pp. 33-35, 94, 104)

Respect is the essence of teamwork. It is important to share stories of successful touchpoints with customers by the management and thus spread the respect inside the company. By honoring and saluting achievements, management sends a message how customer service should be taking care in the company according to its values. Colleagues, vendors, and customers should feel themselves respected and in order to achieve it, companies should encourage employees to praise respected and wished behavior. Recognition and praise have meaningful ability to motivate employees. Therefore, it is important to recognize and praise a good performance. Management can powerfully reinforce desired values of the company by showing its care for the employees. In addition, loyalty is an element, which defines the engagement of employees. Loyalty cannot be bought, and its nature is fragile and therefore it can be lost in the blink of an eye. (Spector & Reeves, 2017, pp. 43-45, 50, 53)

Memorable service experience requires employees who have knowledge and consciousness. Memorable service can involve crossing typical borders of service, but it serves individual customer needs from the beginning until the end and therefore leading to maximum customer satisfaction. Awareness increases by observing and monitoring situations in everyday business. This knowledge, grown over the years is valuable asset of

companies, and it should be encouraged to collect by companies. Awareness enables customer service to move more towards problem solving. Solving a problem is usually the matter, why service is needed and therefore looking the current problem of customer from a big picture will help it to solve the case by leading to happy and satisfied customer. Commitment to give superior customer experience requires humble way to work and full understanding of customer point of view. (Spector & Reeves, 2017, pp. 64-65, 68, 75)

Communication connects people and is the ground of teamwork. Sharing information, ideas, opinions, disagreements, changes, and news is the essence of collaboration and it is not possible without communication. Teamwork weakens when employees are not informed about company's goals and strategies and therefore goals should be properly communicated and shared. Clarity, respect, and trust are the cornerstones of communication. It is essential to keep communication simple and making sure that everyone is on the same page by rather overcommunicating than under communicating. People who are competitive, can accomplish something due to the strive to gain or win superiority over others. Compensation must be motivative in both individual and team level in order to push employees towards better achievements. in the center of service. Giving interest and concerning about others help building trust and performing better in teams. Job takes at least third of our lives and therefore it should give enjoyable time rather than just formality tasks from one another to survive. In addition, productivity tends to follow, when atmosphere is positive and at the same time lighthearted and serious. (Spector & Reeves, 2017, pp. 84-85, 116-117)

### 3 Customer experience in business

Companies can't succeed without customers due to the revenue stream that customers generate. The fundamental reality of business continuity in all the industries are paying customers, whose generated revenue stream enables the continuation of operations and running profits in business. Highly competitive markets have led to a situation, where simply top-level products are not enough to beat competitors. Companies need and are forced to focus on their customers in order to differentiate themselves from competitors. Customers are companies' most valuable asset in terms of surviving and growing in the markets, and therefore their great value should not be underestimated by focusing only on high-quality products. Customer focus has been identified to represent the most important differentiator between best and worst companies, no matter the industry. (Peppers & Rogers, 2017, p. 3; Schmitt, 2002, p. 1)

The need to identify customer experience (CX) has come to prominence over the last decade. In the 1900-1960 businesses were mainly operating in the manufacturing industry, where the main focus was targeted on mass production and efficiency. In 1960-1990 prevailing industry shifted towards the era of distribution when the emphasis was given to active global connections and transportation systems. The era of information constituted for the 1990-2010 century, where interconnected computers and supply chains were the key competitive edge. Since 2010 has been considered as the beginning of the era of the customer. The central and most important issue for companies is to exceed customer expectations and get recommendations. Still, after ten years in the 2020s, customer focus is an extremely relevant matter and due to highly competitive markets these days, it has only strengthened its position as one of the most relevant competitive factors. (Korkiakoski, 2019, pp. 23-24)

Instead of focusing on customer experience, research has concentrated on measuring customer satisfaction and quality of the service. However, it has been noticed that in order to be in a better position compared to competitors, organizations should focus and spotlight all the clues that customers detect during their customer journey and

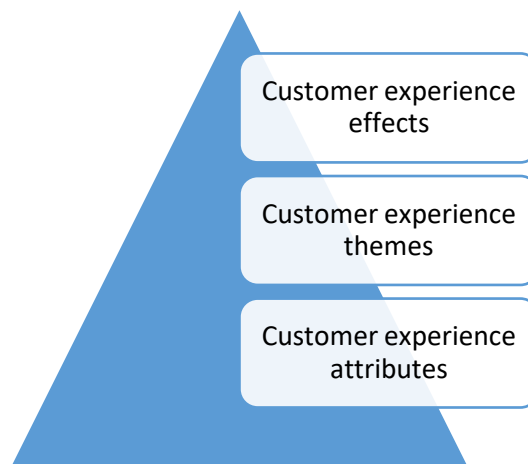
touchpoints. Measuring the level of customer satisfaction does not bring practical information about the factors, which need to be tackled in order to develop and improve the usefulness of the service. It tends to bring information about the last purchase, without giving an understanding of what would derive them to buy again in the future or how the service could be developed to meet better their needs. (Verhoef et. al., 2009; Swadling & Miller, 2002)

### **3.1 Understanding customer experience**

Nowadays most companies recognize the importance of customer experience in today's business environment. It is common to collect and measure the state of customer satisfaction, but frequently organizations fail or are not able to circulate the findings into usage or leave findings on no one's land by leaving anyone responsible for them. Measuring customer satisfaction brings valuable information but it does not reveal how it is possible to achieve a better customer experience. Customer satisfaction is the result of customer experience, which constitutes the gap between customers' expectations and their experienced experiences. (Meyer & Schwager, 2007) Observing service quality and customer satisfaction have been declining and studies concerning customer experience have gained attraction in order to enhance business performance by understanding the fundamentals of positive experience. Seek to find outstanding customer experience requires a high level of customer satisfaction and it requires an ongoing effort and a strategy that is aimed to deliver the perfect experience. (Frow & Payne, 2007)

Total experience of customer experience forms from three layers which constitutes of customer experience effects, customer experience themes, and customer experience attributes as represented in figure 7. Customer experience attributes provide the resources for customer experience formation for example through high-quality product or efficient service. Customer experience themes represent the connection between attributes and effects of customer experience by meaning for example trust, convenience, control, cognition, or rewarding. The highest layer defines customer experience effects,

which are most visible for customers and therefore they should be the final goal of customer experience management. Effects of customer experience can appear for instance as a feeling of joy, novelty, obliviousness, excitement, or inspiration. It is notable to observe, that the hierarchy model changes from a more concrete to an abstract form and simultaneously moves from an enterprise viewpoint towards to correspond to the customer's perspective and experience. (Guo, 2008)



**Figure 7.** Customer experience hierarchy model (Guo, 2008)

Klaus and Maklan (2013) argue that customer experience has replaced service quality as a priority in competitive markets. Customer experience does not only touch customer satisfaction and loyalty, but it also has an influence on word-of-mouth recommendations, which are nowadays extremely essential in relation to companies' reputation. It is not all about what is delivered, but rather how the service was delivered. Customers' perceptions of their experiences lead the way how they evaluate the overall experience of interacting with the service provider. Emotional benefits, perceived expertise, guidance throughout the process, and efforts to build stronger relationship were identified to lead positive customer experience. Moments-of-truth represents service recovery and flexibility especially when complications arise, and it is the most influential face in relation to the positive word-of-mouth behavior of customers. (Klaus & Maklan, 2013)

Lemon & Verhoef (2016) state that understanding customer experience is critical for companies due to the way how service providers and customers interact in modern business. Myriad touchpoints, multiple channels, and media are faced daily and their effect on customers should not be underrated. Companies are hiring customer experience managers and specialists in order to create and manage the experience of their customers. Opportunities that development of customer experience is not just a positive element, it enables that nowadays customers are also customers in the future. Interaction between different parties is resulting in complex customer journeys, which creates both challenges and opportunities for organizations. (Lemon & Verhoef, 2016)

Even though customer focus has been observed to be extremely important commensurate to companies' rate of successful business, it does not always emerge in the eyes of customers. Companies tend to be customer-oriented, but implementation is inadequate by appearing bad treatment of customers. Most companies aim to deliver a great customer experience, but reality can be something completely different from the customer's point of view. These problems are coming up to prominence from broader problems in organizations and are not just a matter of incidental failure. (Schmitt, 2002)

Customer experience lacks conceptual clarity and it has been explained with a diverse set of theories. The nature of customer experience resonates with rational information processing, decision-making, emotions, feelings, and sub-consciousness. Experiences are a phenomenon of subjectivity and therefore organizations can never fully control them. In order to bring insights about the status of customer experience, organizations need to see and recognize the clues that customers indicate during the service process. However, the total customer experience is creating both under and outside of the organization's control and therefore both during pre-and post-consumption. (Verhoef et. al., 2009; Kranzbühler, Kleijnen, Morgan & Teerling, 2018)

Ahvenainen, Gylling & Leino (2017) argue that the comprehensive customer experience consists of three main dimensions: physical, digital, and unconscious (brand) confluence.

These variables together are the basis of actual and persistent experience, how the customer observes their feelings towards the business provider. The dimensions are seamlessly interconnected and failure in some of these scopes can have an enormous impact on the experienced feeling. (Ahvenainen, Gylling & Leino, 2017, pp. 33-34) Bolton, McColl-Kennedy, Cheung, Gallan, Orsingher, Witell & Zaki (2018) formulates customer experience at the intersection of the digital, physical, and social realms. Especially technological development has gained its importance and changed capabilities to provide excellent experience massively during the past decade by enabling new technology-based services. (Bolton et al., 2018)

### **3.1.1 Customer journey and touchpoints**

Knowledge of the customer journey is a critical step to gain understanding in order to succeed to implement a great customer experience. Experiences before, during, and after the process are all valuable data to increase information about the experiences of customer-organization interaction. The customer journey represents all the operations that customers observe in the interaction with the organization including actions, goals, questions, and barriers. These touchpoints of interaction are central moments of truth as reflecting the overall level of satisfaction and experience. (Berry, Carbone & Haeckel, 2002)

Customer experience is not just for customers. Mapping customer journey will give organizations detailed information, what their customers face when they interact with them. By understanding problems that includes in these touchpoints, organizations can uniquely develop their operations into a more customer friendly direction and therefore affect in a positive way for the whole customer experience. The customer journey map is not a complex idea, it is a diagram, which illustrates the steps that customers take while engaging with the service provider. In order to understand these steps, companies need to recognize four different steps: actions, motivations, questions, and barriers. By

focusing on these things, organizations are able to keep one jump ahead while developing and implementing different stages of their services. (Richardson, 2010)

Customer journey consists of many touchpoints, which affects the level of satisfaction of customers. Touchpoints are critical moments, where customers interact with the company from the beginning to the end of the purchase. Rather than focusing on each touchpoint, companies should emphasize the bigger picture which covers the customer's end-to-end journey. By focusing on the entire experience, companies can reach enhanced customer satisfaction, reduced churn, increased revenue, and greater satisfaction of employees. In addition, collaboration across different functions and levels will get the most potential out of the company and perform as an advantage from the customer point of view. (Rawson, Duncan & Jones, 2013)

The bigger the company is, the more challenging it is to manage customers' cumulative experience through touchpoints and across multiple channels over time. It is essential to develop the onboarding process as a whole for its best possible form in order to succeed to avoid fundamental causes that undermine satisfaction. Each touchpoint must be examined in order to understand current performance and the causes which affect the state of the service. Key journeys must be identified through analysis and evaluation in order to redesign customer experience. True competitive advantage is possible to achieve through continuous improvement and shifting from tactical to strategic journey orientation. This enables higher rewards in both customer and employee satisfaction levels when the entire organization is engaged in the work to address the root causes which hinder superior customer experience. (Rawson, Duncan & Jones, 2013)

### **3.1.2 Customer experience as a competitive advantage**

The world has changed in the 21<sup>st</sup> century into an experience society, where leading-edge is possible to achieve by successfully competing on experiences. Perceived experience does not consider only typical entertainment organizations, but the customer will



always have an experience by interacting with the organization, whether it has been put effort or not. Hence, the pursuit of a great customer experience has become a major target to reach among organizations to attract customers. (Johnston & Kong, 2011) Even though it may sound like an easy and straightforward task to implement, this does not happen overnight due to its wide-ranging nature. Customers' experience is the mirror image of every aspect what is the company's offering by including not only product-related issues like ease of use and packaging but also advertising, service features, and quality of customer care. Still, what makes customer experience even more complex topic, is the element of subjectivity, where every customer experience in their own way when everyone is not satisfied with the same service. (Meyer & Schwager, 2007)

The secret of a good customer experience does not lie in a variety of offered features, but the quality of experiences by offering by generating a fundamental value proposition in their offerings. (Meyer & Schwager, 2007) The customer-centric viewpoint needs to include in value creation and avoid becoming trapped in a product-centric and feature-based innovation. The key matter is to understand, what are the crucial "jobs to be done" for customers and innovate solutions, which help them to make progress. It is no longer in the factory and the product which are the only essential source and locus of competitive advantage, it has shifted outside of firms to customers and the market. In addition, the coverage and relevance of the advantage have become more complex and the fundamental competitive advantage can be tight and embedded in the processes of interacting with customers, marketplace information, and customer behavior. (Leavy, 2019)

A sustainable source of competitive advantage is possible to reach by offering products and services which fit the needs of customers. Therefore, it is useless to offer products or services which does not bring additional value to customers. Customers won't put their money, time, and effort into something, which they can get easier and better from a competitor. Therefore, it is important to interact and learn what are the desires and true needs that customers value, and thus invest in the right things. A connected customer relationship and delivery model to serve it creates a better overview of the

customer's value chain by offering a vantage point to spot potential opportunities and improving fit for the needs of the customer and organization's offerings. As a consequence, organizations are more prepared for future changes and can foster their long-term customer loyalty by truly offering them what is well-fitting and valued offerings. (Leavy, 2019)

Organizations that are able to tackle future changes in the digital, physical, and social realms are most likely becoming the winners to gains a competitive advantage through customer experience. The increased need for customized customer experiences, effective service, and true understanding and value co-creation with customers are key characteristics to stay competitive in the markets. Both practitioners and scholars agree that by seeking an emerging source of competitive advantage, customer experience should be noted as a relevant opportunity to generate differential advantage. (Bolton et al., 2018; Kranzbühler et al., 2018)

### **3.2 Customer and business relationships in B2B**

Collaborative relationships in a business-to-business (B2B) environment are an important way to gain a competitive advantage and increase closer relationships as a supplier to customers. This can be achieved by knowing how to create and generate more value for customers and their operations. In a business relationship, value is fundamentally a trade-off between benefits and sacrifices and therefore the aim of organizations should be on maximizing the value that they can offer for customers to support their processes. As a consequence, seeking alternative suppliers does not look so attractive in the eyes of customers when they already get value for their money, time, and effort. (Ulaga, 2003)

Organizations are not able to survive solely and therefore they are more or less dependent on other firms, especially in the environment of buyer-supplier relationships. This establishment requires an honest and mutual willingness to collaborate with each other.

(Mortensen, 2012) According to Peppers & Rogers (2017) characteristics of a genuine business relationship consists of mutuality, interaction, iterative, provides an ongoing benefit to both parties, requires a change in behavior for both parties, uniqueness, and requires and produces trust. Hence, the networking capability of organizations to build efficiency and conductive business relationships influences positively the firm performance and generates a source of competitive advantage (Mitrega, Forkmann, Ramos & Henneberg, 2012)

Close customer relations are affordable for organizations because the more they gain knowledge about customer needs, the more comprehensively they can satisfy both customers' needs and desires. In addition, the changing provider gets harder and more costly for customers when the relationship deepens, and thus switching costs protect organizations to keep their customers away from their rivals. However, loyalty is not an unending matter and customers most likely change provider, if they don't get what, when, where, and how they want it. Organizations can manage their customer relationships, but ultimately customer experience is what the customer feels like as a result and therefore customers can change to competitors even if company is trying to build a relationship with the customer. Thus, organizations must see their customers as an asset, in order to be customer-centric and strive for higher long-term value. A profitable customer relationship is dependent on information about the specific customer and utilizing the information wisely. (Peppers & Rogers, 2017, pp. 21-24, 76)

A business relationship consists of an on-going interaction and contact between the supplier organization and the customer. The value of the relationship is not becoming valid only through product-based dependence, but the success of it is highly connected with the level of service that the supplier is able to offer. Keeping promised timetables and delivery times, providing suitable solution offerings for customer operations and their maintenance are aspects that create real value for the customer apart from the core resource. In addition, support systems like invoicing, customer support, and dealing with

quality problems and service failures generate all significant influences on the success of the business relationship between the supplier and a customer. (Grönroos, 2011)

Value co-creation drives companies to implement dyadic cooperation, at the heart of which is the problem-solving process, and both during and after it occurs the process of value co-creation. In order to generate value co-creation, requires it five key activities to identify in close cooperation: diagnosing needs, designing and producing the solution, organizing the process and resources, managing value conflicts, and implementing the solution. Mutual participation is equally critical in terms of finding the best outcome, where the supplier provides resources and the customer defines the information and needs of their business. At the best, the value co-creation process ensures organizations provide reliability, compatibility with future solutions, time savings, and decreased costs for their customer and therefore improve and expand the customer relationship to be irresistible. (Aarikka-Stenroos & Jaakkola, 2012)

### **3.3 Customer experience management**

Customer experience management (CEM) is a strategic perspective to focus on customer experience and the vital points of how organizations can create growth through experience-based business. The fundamental idea of it is to create value for both customers and the organization. Concentration is not directed into recorded history but to understand better the current experience of the customer. By creating a strategy that is based on customer experience, organizations can provide superior performance and therefore advantage their competitive advantage. (Verhoef et. al., 2009)

Companies need more than concepts of customer satisfaction and customer relationship management (CRM) tools in order to truly affect their customer experience. These approaches help managers to understand narrowly and unnecessarily limitedly their customers by distracting management from the total customer experience. Customer experience management is taking a broader view than product features and functional

transactions, its dimension extends to coverage additionally valuable features of decision making, purchase, and usage. Broad-based customer intelligence offers an advantage over competitors and as a result, organizations can produce and design products and services, which customers truly appreciate and need. (Schmitt, 2002, p. 17)

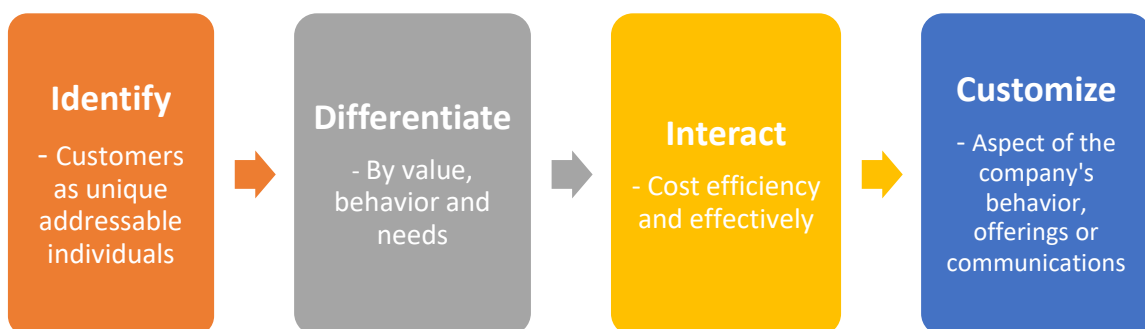
Strategically managed total experience of customers is a process-oriented concept, which aims to build rich and healthy relationships with customers. CEM is not a marketing concept, it seeks to find broad entities, which tights the company and its products in a relevant way for customer's life. Customers obtain value not just by purchasing a product, but through information delivery, service, and interaction. By changing the compelling experience into a positive customer experience, companies can generate loyal customer relationships. In spite of external focus, CEM takes internal attention as well by focusing on employee experience. Employee experience has a broad impact on customer perceptions of the company and therefore motivated employees who are competent and innovative to provide the service, enable a formation of superior customer experience. (Schmitt, 2002, pp. 17-18)

By analyzing customer experience, companies can develop an experience-focused strategy that aims to gain growth and profitability. The purpose of the CEM framework is to solve a wide range of problems that occurs in business in all kinds of industries. In business-to-business markets, besides of experience of customers, the business context with its requirements and solutions needs to be analyzed in order to understand a broad-based picture. (Schmitt, 2002, pp. 23-26) The aim and goal of managing customer experience lie in improved relationships with customers, by generating a more loyal customer base and therefore affecting positively the performance of organizations. (Frow & Payne, 2007)

In order to understand better customer experience and its formation, requires it process which focuses on customer identifying, differentiating, interacting, and customizing. Customers are unique and therefore they need to be identified individually.

Differentiating customers individual preferences and needs require different offerings and level of service, which represent the needs of customer. Interaction must place in the context and previously passed conversations should not repeat over and over again by wasting customers' time. Customize treatment focuses on customer's individual needs and therefore bring value for the customer that rivals can't copy so easily. Above all, customer trust is the most crucial part, and therefore it should be the main objective while generating the relationship. (Peppers & Rogers, 2017, pp. 73, 79-80)

IDIC analysis helps to implement tasks for creating and managing customer experiences and relationships, which is represented in figure 8. The process can be divided into two categories of actions: insight and action. Customer insight occurs in the first two tasks, through identification and differentiation, which allows companies to analyze their customers behind the scenes. Interaction and customizing in turn are customer-facing steps and therefore constitute action. Customer experience forms in the latter two tasks, where customers analyze and rate the success of fulfilling their wishes and needs but the basis for value creation has already been positioned in the two sections of the first stage. (Peppers & Rogers, 2017, pp. 80-81)



**Figure 8.** IDIC: Analysis and action (Peppers & Rogers, 2017, p. 80)

The strategic purpose of customer experience management is to drive business success through experiences and therefore gain a sustainable competitive advantage. Managing and measuring customer experience seeks to gain positive and desirable customer experiences by developing customer experience-focused capabilities of the company. The

pursuit of a better customer experience has led companies to collect an increasing number of feedback data with the help of technology. However, the usefulness of all the data is often not meaningful or strategically necessary for either the company or the customer. Outcome-based measurement brings more value, by gaining an understanding of the ultimate purpose of the service and does not only narrowly report how satisfied customers are. Thus, measuring less but understanding more brings organizations tactical and strategic value to manage their customer experience. (Zolkiewski, Story, Burton, Chan, Gomes, Hunter-Jones & Robinson, 2017)

### **3.4 Developing superior customer experience**

Creating a superior customer experience has become one of the most central objectives to carry into effect in the business, where the battle in global markets of customers is fierce. Customer experience has become a determining factor, whether customers are satisfied with the received service and stay as a customer or begin to seek a provider that offers a better experience. (Verhoef et al., 2009) All companies are in a customer experience business environment, whether they know it or not. This captures the importance of customer experience as a crucial factor to focus on and by consciously design, how the customer experience is taking its form. (Manning & Bodine, 2012, p. 6)

In the attempt to improve the level of customer experience, organizations need to critically consider, are the current measurement practices truly effective and practical, or rather leading to bad customer experiences and frustration. In order to gain valuable information, organizations need to measure business processes and the moments of truth during the service by gaining performance-related knowledge in terms of customer experience. The amount of information does not automatically replace the quality of the information in terms of functionality and desired outcome. (Zolkiewski et al., 2017)

Delivering an outstanding customer experience requires a focus on the responsibilities which contribute to the formation of enhancement. Contrary to the aims of any company,

service quality and customer satisfaction have been tended to decline in the eyes of the customers in the modern business environment and therefore fall from the expectations. Organizations need to know what to focus on so that the customer experience is not negatively affected when there is pressure to lower business costs. Frow & Payne (2007) identified in their study that in order to reach an outstanding customer experience, involves its focus on the following topics:

- Recognize the problem and the opportunity for improvement
- Identify opportunities for co-creation
- Utilize mapping tools to improve the customer experience
- Carefully managing customer touchpoints
- Introducing appropriate metrics for measurement of customer experience
- Ensure a consistent customer experience within and across multiple channels
- Determine how customer requirements differ across the relationship lifecycle
- Recognize the need for cross-functional integration
- Understand the economics of customer segments
- Achieve brand consistency with communications programs
- Enhance employee motivation to achieving superior customer service (Frow & Payne, 2007)

Perception of the delivered experience can differ greatly from the actual experience and therefore it is important to recognize both problems and opportunities for improvement. Taking customers involved in the value creation is highly recommendable in order to focus on truly value-adding factors. Mapping tools can help both to highlight opportunities and identify failure points. Touchpoints represent the key stages that customers face during their service experience and it is important to notice how each of them can be enhanced and managed. Appropriate measurement of customer experience needs to be in place because what will not be measured, cannot be properly managed. A comprehensive multi-channel strategy in terms of customer experience is required to be in place in order to achieve actual results. (Frow & Payne, 2007)



The needs of the customers are not the same at all stages of the relationship lifecycle and it is important to observe the difference. Cross-functional collaboration to distribute information about customer needs reduces the amount of overlapping and repeated conversations with customers by making the experience smoother. Knowledge of profit contributions of customer segments helps to make financially worthwhile decisions. All the channels where an organization operates, should use the same tone in order to gain its own voice as a brand and therefore give the desired image of oneself to the minds of customers. The journey to deliver superior customer experience is not possible to achieve without motivated and well-treated employees and their importance as influences of the level of customer satisfaction should be emphasized. (Frow & Payne, 2007)

#### **3.4.1 Servitizing through co-creation**

Servitization refers to a situation, where the core product has been added services, which create additional value for customers. Through servitization, companies can achieve growth, profitability, and economic stability, which would not be possible with a product focus alone. (Wang, Lai & Shou, 2018) Differentiation is one of the most profitable strategies due to its nature to truly offer customers what they actually value. In addition, a well-differentiated strategy is almost impossible for competitors to imitate, and therefore it generates a leading-edge and competitive advantage for the provider organization. (MacMillan & McGrath, 1997)

The servitization arena focuses on developing outcomes-based services, which observes customer service as a strategic co-creation rather than selling products. Outcome-based attention gives attention to the difference, what the service generated rather than narrowly focusing on the total satisfaction level. After all, the customer is valuing the total service process, even though the provider would consider it limitedly only as a product offering. Therefore, the product-centric mindset should be shifted towards a service-centric metric, which provides a strategic point of view by offering numerous alternatives

for companies to develop the pool of service offerings to create enhanced value creation. (Zolkiewski et al., 2017)

Servitization is tightly embedded into customer relationships and can have a considerable impact on both strengthening current customer relationships and create new ones by generating resilient revenue streams. It has recognized that relationships between customers and suppliers can be the basis of sustainable competitive advantage in global markets, where trusted, long-term partners are highly desirable. Functional quality, which includes communication, delivery, and administrative activities alongside technical quality covering the actual service has a direct influence on the experienced relationship satisfaction. Services, which are tightly coupled to the company's products can be base services, intermediate services, or advanced services. Organizations should identify the level of their customer relationship with each customer in order to provide them the most comprehensive service and thus set higher barriers for competitors. (Caceres & Paparoidamis, 2007; Baines & Lightfoot, 2013)

The most inventive and creative invention leads to market failure if customers do not embrace the invention. Proactive understanding of customers and collaborative customer co-creation ensures companies serve highly appreciated and valued products and services. (Kristensson, Matthing & Johansson, 2008) The shift from solely selling products to serve of an integrated combination of products and services provides companies a service-led competitive strategy. Service delivery is a more complex entity than merely product focus, and thus demands organizational transformation towards service design. Servitization contains the significant potential for organizations to find routes to move up in the value chain by simply gaining an understanding of what their customers value in their services and responding to these desires in the form of services. (Baines, Lightfoot, Benedettini & Kay, 2009)

### 3.4.2 Customer-employee connection in organizational performance

Organizations can not overlook the circumstance that there is an undeniable link between customer experience and employee experience. One another cannot be improved, without improving only the other. Its mutually dependent situation could be compared to the famous condition of “the chicken and egg” relationship, where the importance of each part cannot be forgotten. It is no coincidence that companies that are known for excellent customer experience, also hold more engaged, satisfied, and productive employees. Suffering employees tend to appear as suffering customers and therefore the result of the entire organization cannot thrive. The technology-driven world has led to a situation, that all offerings and services are required to develop in a way where human experience is at the center of the service. (Gilbert, 2019)

Employee-centric culture embraces valued, trusted, and respected employees. It is not achieved through office perks and vacation possibilities but requires investments in employees’ personal and professional well-being and development. The reputation of employee experience cannot be hidden and by showing the appreciation of employees, organizations do a disservice for themselves as influencing positively on their brand’s image in the minds of employees and eyes of customers. In the same way, as customer reviews are important, employee feedback should be equally important, if not even more important because they alert the current status of company culture. Negative reviews need to address and acknowledge as the basis of development to improve current practices. (Gilbert, 2019)

Employees play a key role as internal customers due to which companies should have the ability to attract, develop, motivate, and improve abilities to create value for them in order to leverage this quality for the external customers of the organization. Employee behavior is highly affecting on the judgment when customers evaluate their total experience and quality of service. Therefore, the performance of employees affects organizational performance by maintaining and attracting customer relationships. Awareness of job characteristics, responsibilities, skills, and usage of new technologies provide

employees the foundation to produce the best possible level of customer-orientation.  
(Abedini Koshksaray, Ardakani, Ghasemnejad & Qhodsikhah Azbari, 2020)

## 4 Research design and method

Research design acts as a blueprint and direction indicator for finding answers for research questions and fulfilling the objectives of the research. By defining the exploited method and specifying the procedure to collect and analyze needed information, the research has a clear direction and design to proceed. (Adams, Khan & Raeside, 2014, p. 64) Research design allows evaluating the relationships that are expected to occur in the subject area under the study. In terms of successfully carrying out the research, it is crucially important to choose an appropriate research design in order to obtain quality results. (Bordens & Abbott, 2002, p. 102)

Research studies aim to achieve different goals and knowledge outcomes by utilizing either descriptive, explanatory, or predictive research. Descriptive research describes the phenomenon under the study but does not aim to understand better the behavior. Explanatory research in turn intends to both describe and explain the behavior of researched phenomenon. Predictive research is in nature the widest, by also giving future predictions for the explained behavior of a particular phenomenon. The objective for all the research studies is however the same - have a clear purpose on the subject under the study in order to be better off in the future by deepening the knowledge on the subject. (Adams et al., 2014, pp. 2-3)

A research method defines the way, how the research will be conducted and implemented. It means different than research methodology, which concentrates on the science and philosophy of the research. The goal of the research method is to set a design, which best serves the purpose and questions of the study. (Adams et al., 2014, pp. 5-6) Empirical research methods are conventionally shared to qualitative and quantitative methods. Qualitative method studies qualities, properties, or attributes, whereas quantitative method studies the scales of these properties are measured. Although the ways of measuring things differ in these research methods, they look at the researched subject from a different angle. Over the years, qualitative and quantitative methods have

grown apart in the academic environment, although they do not differ in their fundamental point itself. (Beuving & de Vries, 2015, pp. 39-40)

#### **4.1 Qualitative research method**

Qualitative research is based on verbal terms and concentrates on the stated variables and their interaction. (Bordens & Abbott, 2002, p. 39) Qualitative research method gains an understanding of the meaning and experience in terms of human lives and social worlds without the utilization of statistical procedures or quantification. Perspective opportunities among qualitative research method are multiple when description and explanation of the subject under study can cover a person's experiences, behaviors, interactions, and social contexts. (Fossey, Harvey, McDermott & Davidson, 2002) Qualitative business research method enables researchers to understand complex business-related phenomena in their contexts by producing knowledge which provides an opportunity to both gain understanding and open a window for development. (Eriksson & Kovalainen, 2016, p. 3)

The nature of this thesis is qualitative, due to its aim to understand a phenomenon that is engaged in behaviours of people. Data collection and analysis of qualitative research method are non-quantitative, in consequence of the nature of the research, where reality is experienced by the respondents. (Adams et al., 2014, p. 6) What, how, and why questions provide the most suitable and accurate answers by both describing and providing causes and consequences of the studied subject in the formulation of research questions in qualitative research method. In this manner, the research topic attacks both for the business problem or the phenomena under the study and provides new knowledge, which can be processed and utilized grounded on the theoretical background. (Eriksson & Kovalainen, 2016, p. 39, 41)

Qualitative research brings typically an overwhelming amount of data, which requires the usage of a sophisticated data analysis method. Analysis can be completed either

traditionally on manual technique or if the amount of data is extremely large, exploitation of software to help the process. (Adams et al., 2014, p. 152) The analysis of this study did not require a separate software, but the data was possible to be processed and adapted to the required themes manually through categorization.

## **4.2 The Gioia methodology**

The Gioia methodology provides a method to analyze data and identify a phenomenon and its key-features to explore the conceptual grounds for accommodating diverse approaches to theory building. This allows wide-ranging consideration of organizational phenomena, which are multifaced in their nature. (Gioia & Pitre, 1990) The Gioia methodology is based on Grounded theory, which was originally launched by Glaser and Strauss to clarify the basis of the phenomenon and in order to create a new theory. However, afterward, this has been developed over time and it has gotten different emphases and interpretations. (Glaser & Strauss, 1967; Gioia & Pitre, 1990)

The Gioia methodology is designed to bring qualitative rigor in order to guarantee the fulfillment of scholarly rigor. The core idea behind the methodology is that concepts are precursors to constructs in the organizational world, which is observed from different points of view. The fundamental concept in the Gioia methodology is to indicate that interpretations based on analyzes of interviewees are not merely enlightened guesses but are based on systematic analytical work and therefore gaining and deepening organizational understanding. (Gioia & Chittipeddi, 1991; Gioia, Corley & Hamilton, 2013)

The Gioia methodology seeks to create an accurate model for demonstrating the scientific nature of research and the content analysis performed by the researcher. The methodology is precisely a methodology, not a method, which enables flexibility and openness for new ideas in the field of qualitative research. Frequently traditional scientific method is highly weighted on the existing knowledge, by causing a risk that the research is delimited overmuch to the rooted knowledge that is already known. (Gioia et al., 2013)

Corley & Gioia (2011) emphasize the importance of encouraging originality in terms of theorizing by seeking wider scope from both scientific and practical points of view.

The Gioia methodology stresses the importance of “knowledgeable agents”, meaning employees in organizations as a crucial link to determine their thoughts, intentions, and actions. Therefore, the emphasis of Gioia methodology is particularly in the presentation of interviewees’ own opinions and notions. Organizations that are consisted of people and socially constructed make the conduct of research profound and the role of the researcher as a “glorified reporter” to give a sufficient account of the interviewees’ experiences. The voice of the informants is the ground of the analysis and reporting by creating diverse opportunities to discover new concepts rather than a declaration of existing concepts. (Gioia et al., 2013)

The Gioia methodology utilizes three different steps in the analysis of the data. In the first phase parts that are not necessary for the research material are deleted and the intention is to find similarities among the responses of the interviewees. In the second phase, the observed similarities are compared with the research theme questions by gaining knowledge of the phenomena of the subject under study. Lastly, in the final phase, the similarities of interviewees’ observation results are compared with the theoretical frame of reference in order to gain theoretical knowledge. (Corley & Gioia, 2011; Gioia et al., 2013)

### **4.3 Research interviews**

Qualitative research method often utilizes people as a source of information, due to their relevance in relation to business and management research. Knowledge of how things are, reasons why they happen and intentions of what they occur are all held by people. (Adams et al., 2014, p. 143) A purposeful and essential feature of qualitative research is to identify research participants, which are best suited for the interviews from their level of knowledge and skills. Interviews of qualitative research method are usually



implemented between two people, the interviewer and the interviewee in a face to face environment, via telephone or online using computer-mediated technology. Qualitative interviewer must concentrate on producing research data, which supports and contributes in the best possible way to finding relevant information for the research topic. (Eriksson & Kovalainen, 2016, p. 53, 83, 91)

Semi-structured interviews include pre-designed outlines and themes which will be covered, but simultaneously they can vary between each other based on the responses of the interviewee. This allows the conversational and informal tone of the interviewee, but at the same time keeps the materials of different interviews somewhat systematic and comprehensive. However, it is important for the interviewer to not strictly keeping in the pre-designed questions by preventing important raised topics, but still prevent inconsequential and a discussion that has gone too far from the planned matter. A semi-structured interview is a good design for research, which studies “what” and “how” questions. (Eriksson & Kovalainen, 2016, p. 94)

The semi-structured interviews of this study were built to gain knowledge about the factors and drivers of employee experience and customer experience and the reflection and connection of these themes. The interview was allocated to cover employees, who work at the customer interface and have experience and viewpoints on the subject under the study. Question technique was used to find out the interviewee’s view of the cause-and-effect relationships of what different factors contribute to a good customer experience and why. The idea of the interviews was to find a cause-and-effect chain in order to understand the big picture of how employee experience affects as a foundation for the formation of a customer experience.

Employees which were selected for interviews are operating in teams of global customer support, order handling, engineering, project management, and aftersales. In total, eleven employees were selected to conduct the interviews and represent their department. In the selection was taken into account the gender balance of the interviewees,

the time they had worked in their department, and their age in order to find the most comprehensive sample possible of the employees. The expertise of these individuals provides a comprehensive and broad perspective of the customer's journey as a customer of ABB.

All the individuals that were selected for the interviews are working closely with customers at different stages of the touchpoints of the customer journey. Global customer support provides quotation and support assistance in the pre-sales phase. Order handling handles the order and communicates with the customer about the commercial issues, while engineering takes responsibility for the technical dimensions of the order. The project manager is in charge of general matters and customer satisfaction and acts as a contact person if things do not work as they should. Aftersales is responsible for post-sales complications and takes care of post-delivery matters.

Interviews were held during weeks 48 and 49 by using Microsoft Teams online platform due to the Covid-19 situation. The length of the interviews conducted from 30 to 60 minutes depending on the interviewee and they were recorded to facilitate the analysis process. In the interview were three themes, where the first one was dealing with the circumstance of how good or bad customer experience manifests itself. The discussion was held both at the general level and in terms of ABB. The next discussion was pointed towards the reasons behind these good or bad experiences and why these experiences arise in the first place. The last theme concerned employee experience and the aiming point was to find out, which aspects of the customer experience are affected by a good or bad employee experience and why. At this stage, the intention was also to find a cause-and-effect relationship between employee and customer experience in order to understand better the formation of customer experience as a result of the state of employee experience.

## 5 Empirical findings

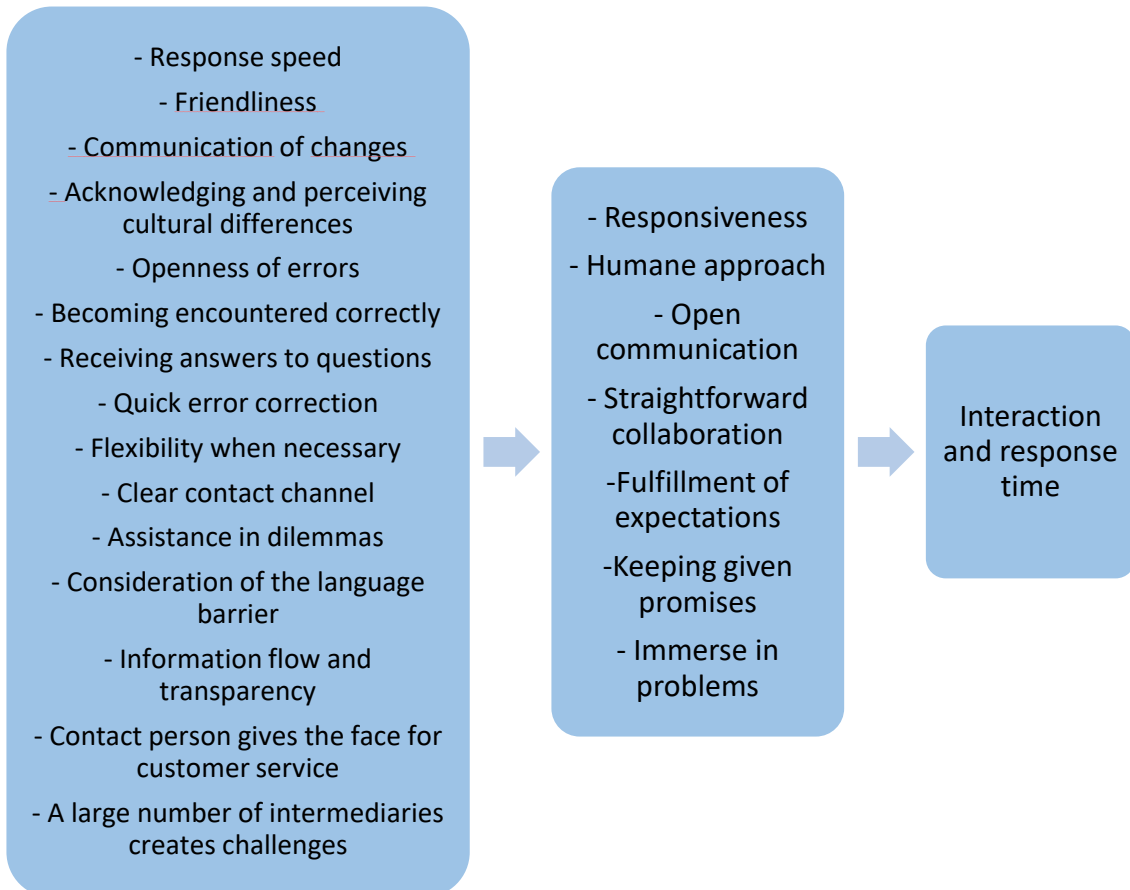
ABB operates in the industrial sales market and business-to-business environment, which differs massively from the consumer goods business environment. ABB consists of multiple sales units, who communicates the needs and wishes of end customers to FIMOT as a factory. Therefore, the concept of the customer can vary between employees' duties, by concerning with whom a certain team cooperates mostly. Nonetheless, behind the sales unit of ABB, the end customer is the final customer of the product, but the successful cooperation between the factory and sales unit affects massively the final experience of the customer. Different points of view to observe the relationship between employee experience and customer experience brought rich and fruitful viewpoints when each of the interviewees considered the matters from their own standpoint.

Empirical findings are based on interviewees experiences and opinions, which they expressed during the interviews. By conducting 11 interviews, six main and most relevant themes among the subject come to prominence at some level in each of the interviews. These themes were interaction and response time, workload and work community, skills and education, supervisory work and management, processes and systems and tools. Each of the topics will be concentrated on and go into detail in the following paragraphs. All of the results are analysed anonymously, and they represent the experiences of the interviewed employees. Interviewees are referred to as Interviewee A to K, to securing and assuring their anonymity.

The most relevant and central themes among the interviews were constructed into a graphic map to visualize the connection of substances, in order to simplify observing the results and their underlying factors and features. The map was constructed by summarizing and combining the notions of interviewees in order to form an integrated and harmonious content analysis. The aim of the content analysis is to highlight the most crucial and critical content categories which interviewees observed to have an impact on as root causes of employee experience to influence on the customer experience. Content

analysis and gathered results are also mirrored with the theory by concluding a theoretical interpretation of the conducted results.

## 5.1 Interaction and response time



**Figure 9.** Interaction and response time

Interaction is one of the key approaches to work in today's business world. No matter the nature of the employee's duties, all the interviewees mentioned at some level the importance of interaction as a key point to either satisfy or dissatisfy the customer. In figure 9 the key issues of interaction and response time are listed according to interviewees' experiences.

*“The pain of the customers is frustrating, and it is noteworthy that without the customers, there is no need to manufacture motors either.”*

Interviewee A emphasized the anthropocentric nature of daily business activities, where human approach and showing kindness and politeness towards customers brings positive experiences and enables successful service experience. The most crucial theme of interaction by affecting massively on the experience of the customer was pointed to be response time. A deep silence was named to be the worst factor in terms of customer experience.

*“By providing great customer experience does not automatically mean material matters, but a friendly approach already goes a long way in the people-to-people field of action.”*

In addition, the nature of the first impression matters, and the aim of every early response should cover as much forward-looking information as possible in order to achieve maximum driving force tasks to be performed. According to possibilities, providing a model of action guides the customer to stand the upcoming procedures and thus gaining trust and satisfaction.

*“Quick response is a prime of importance and communicating to the customer how the matter will proceed in order to give value-adding service without unnecessary excuses.”*

*“Silence makes the customer most frustrated and leads to the escalation of things.”*

Open communication and transparency of operations permit and generate knowledge of the current situation. To achieve this, the contact channel must be clear and known to each party. Interviewee F accentuates that transparent and a clear-cut contact channel minimizes tossing the ball back and forth by wasting everyone’s time and without

taking customers' matters forward. It is important to communicate and share the awareness that where to contact in order to guarantee that things can go right from the start without wasting precious time. Interviewee H states that the service what the final customer gets happens through many intermediary and therefore problem situations predispose to communication problems. Thus, the importance of open communication and undisguised talking about problems are extremely important factors to achieve things right at once and in this manner meet customer expectations.

*“Emerging cases need to be tackled with a demanding effort and commit as an employee to take care of them with the required commitment”*

Communication about incoming changes was pointed out to be critical to look over with the customer in order to avoid negative surprises due to unexpected changes. Interviewee G underlined the information of delayed delivery, where customers receive an automatic notification about the delay without any explanation of its underlying reasons. This lack of information leads to frustration and dissatisfaction among customers and requires extra work to keep the customer satisfied. Therefore, by enabling continuity of information flow and empowering transparency of operations and processes, customers are not left in an uninformed state and they are kept on track about their orders. In addition, Interviewee B calls for flexibility of the factory if necessary, so that the customer does not suffer too much from the changes.

*“The flow of information to the customer must be straightforward and changes must be communicated openly and as early as possible so that the customer understands the reason behind the changes, and they come not as a surprise at the end of the process.”*

Human errors and mistakes are always at some level part of business, but the fundamental question concerns the way they are being handled. Interviewees B and K stress the importance of the manner how error situations are handled. The fast act of reacting

must be a top priority in order to reverse the situation from a negative to a positive feeling when matters and cases are taken care of. Sometimes recognizing errors can be even a catalyst for additional business opportunities, when the root cause of the incident opens ideas for improvement. Interviewee K sums up that solving problems together with the customer gives a signal of shared understanding of the business objectives and generates satisfaction in the eyes of the customer when they can count on that occurring problems will be appropriately investigated and solved.

*“Reaction to errors are the real moments of truth tests – at best these bring the customer closer, by increasing trust and generating the feeling of a mutual objective.”*

Collaboration with other departments is crucial in order to achieve great results. Interviewee A highlights the component that all the employees in ABB are in the same boat and share the responsibility to generate a good customer experience. Therefore, communication must be uncomplicated and information easily available for employees in order to assist the customer with all the necessary information. Interviewee H suggests that collaboration between different departments should be increased and strive to break down departmental boundaries to obtain smoother communication and reducing the delay time for the customer to get their pending answer. Interviewee D criticizes that too often waiting is due to independent factors, which have a significant impact on how quickly the customer’s affairs can be reacted to in a timely manner. Interviewee K underlines that cooperation between different departments is an essential piece for the development of activities and it must be realized that despite the different departments, everyone is on the same boat towards the common goal, where each employee contributes with his or her work to the formation of the final customer experience.

*“The customer should not have to suffer due to slow and inefficient internal communication.”*

*“There is no understanding from the customer side why so much time is wasted taking care of some internal things.”*

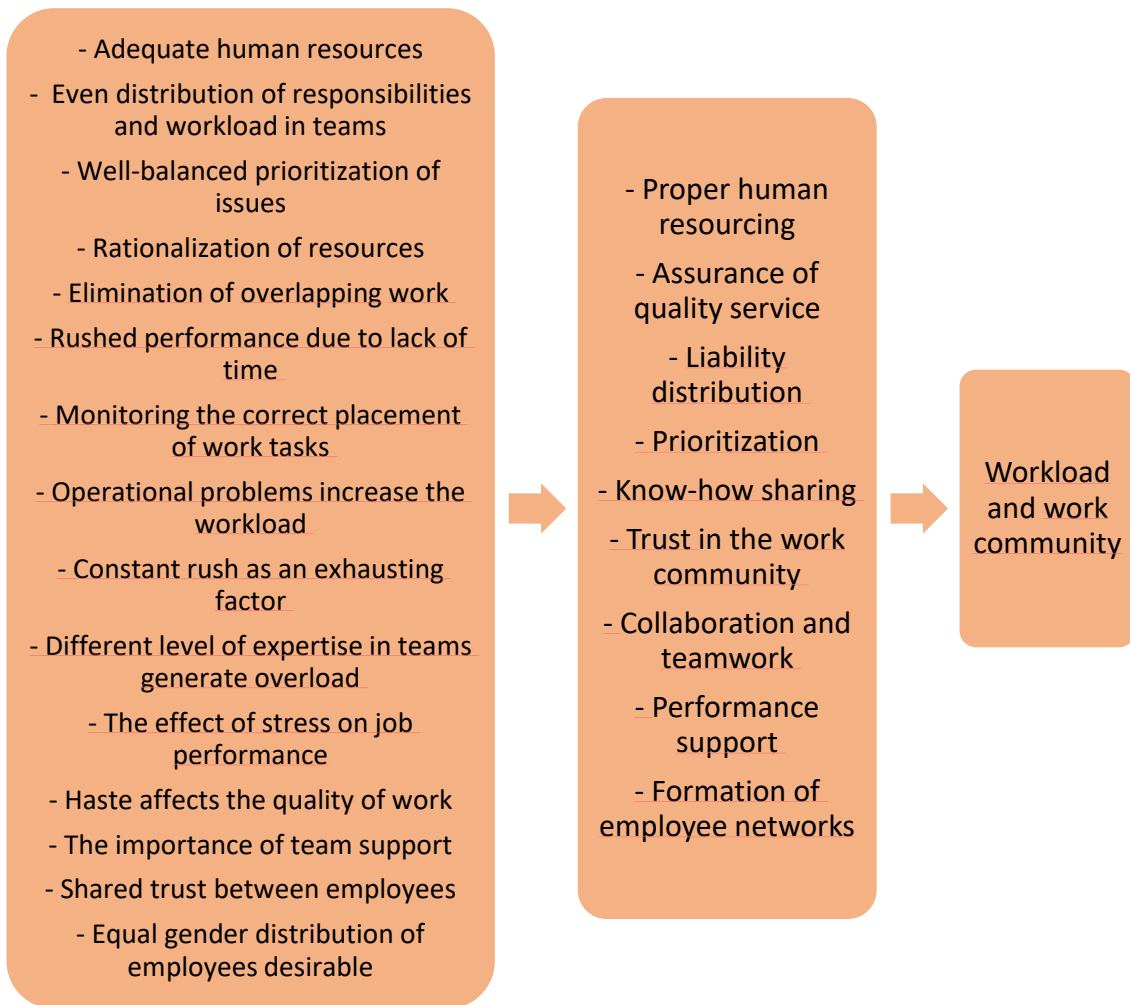
In a global organization like ABB, cultural differences and communication habits are noticeable and visible in everyday activities. A multicultural field creates challenges due to different expectations and attitude towards promises and hence knowledge of customers culture and its practices is valuable in terms of providing the right style of service. Interviewee I remark that common language is extremely important in human-centred service and understanding may be deficient if the other is not fully understood, even though the other is fully professional. Interviewee G also points out the language barrier, which can massively hamper cooperation and allow misunderstanding, when the other is simply not understood. These situations call for a better and more precise explanation to ensure that a consensus is reached.

*“Acknowledging cultural differences and understanding the world where the customer is living gives an edge to operate in a demanded procedures and practices as well as improving own understanding of customer’s certain behaviour.”*

*“Finland is an extremely trustworthy partner in business, and here it is not quite entirely understood how it should be emphasized as an advantage that the promises are actually kept, and we also do as we agreed. It is not necessary to go even far away in Europe and this is may no longer the case.”*



## 5.2 Workload and work community



**Figure 10.** Workload and work community

The workload for employees should be manageable and reasonable so that it does not crush the employees. Additionally, work community and atmosphere at the work affects massively on employees' feelings and experiences of satisfaction. In figure 10 the key issues of workload and work community are listed according to interviewees' experiences as affecting factors on customer and employee experience. All the interviewees spoke in favour of adequate human resources in order to ensure and achieve a quality work output. The excessive workload was seen as one of the biggest reasons as a barrier to the formation of a good customer experience.

*“I feel that a large workload prevents me to provide the best possible service and at the end of workday there are always things to await for whom there has simply been no time.”*

Unstaffed situation and rush appear in the quality of service, especially in time of reaction when time is simply not all that is required in order to complete all the required tasks. Without a proper time to immerse oneself in each work task, the risk of negligence increases, and there is a danger that something important can pass unnoticed which unfortunately pays off against the customer.

Interviewee D sees as a solution for the excessive workload to either hire more permanent employees or delegate work tasks to other departments. Similarly, Interviewee B points out that resources are poorly organized between departments and the workload is not evenly distributed at present. Interviewee C is also on the same lines and feels that there is too much duplication of work which prevents the efficient allocation of human resources.

*“Human resources are misplaced between departments, which has led to a circumstance that some employees are drowning the amount of their workload while for some part its amount is appropriate. This is not fair.”*

Rush is a central problem, that puts a strain on employees, and the constant correction of sick leaves takes up the juices of the remaining employees. Interviewee E sums up that the nature of things can be covered up for a while, but the real situation begins to show for the customers in the quality of service over time.

The importance of correct prioritization is emphasized when the workload is heavy and there is not enough time for everything equally. However, the ground rules of prioritization must be in place in order to guarantee a shared understanding where the reaction

is targeted during busy periods and Interviewee C underlines the prominent position of prioritization. Interviewee G notifies that the knowledge of prioritization is mainly learned in practice because there are not given any models that should be followed. This in turn allows for differences in performance and treatment of customers, when each employee assesses the importance of prioritization. Additionally, Interviewee A notifies that if customers have used to receive fast reaction and response time but due to the rise of workload the time frame has been gained, the experience and level of satisfaction of customers transform automatically negative.

*“It would be worthwhile to explore the ground rules of where to react and with what priorities that everyone has a clear picture of what is emphasized due to this prioritization has a big impact on how fast and straightforward service a particular customer receives.”*

In order to handle better the workload in terms of teams, the division of responsibilities must be more even to achieve a balanced distribution of the workload. The unequal distribution of responsibilities places a particular burden on skilled employees and deprives them of relatively more resources. Interviewee E emphasizes that the work community relies too much on one extremely skilled person which is expected to know and solve all challenging cases and even the manager counts on too much on this person's expertise. Too fragile and a narrow base of information is undesirable from an operational point of view and it is important to teach other team members to take responsibility as well, and not get into the habit that someone else will always handle difficult and problematic cases. The importance of team support is essential in terms of reducing individuals' workload and sharing knowledge through cooperation in order to achieve an evenly distributed workload. Interviewee J sums up that the availability of help and support has a significant effect on coping with one's own workload.

*“Finding the right people to get help and information on more peculiar things can take sometimes an enormous time and partially the reason behind this is a young team and too one-sided distribution of information.”*

*“Different levels of team expertise lead to a hassle of queries and this can take a significant amount of time from several different employees.”*

Long-term and continual rush has a significant effect on the resilience and intellectual resources of the employees. The attitude passes through from employees to customers inevitably when working conditions are not the most favourable. Stress affects job performance and the quality of work decreases when employees are overworked. Interviewee C cautions that over-employed employees tend to take care of things substantially correct but due to constant hurry, it easily becomes a new normal method to look after the duties due to lack of time. Consequently, the quality of the business can suffer when quantity precedes quality. Interviewee J is concerned that lack of quality and delays from the customer’s point of view tighten the surface of the customer and continuous problems cause the customer in the worst case to consider another supplier with whom cooperation is smoother and easier.

*“When the amount of work takes precedence over quality, the quality suffers forcibly and the tasks are performed at an ever-faster pace, which exposes to unnoticed errors.”*

A prerequisite for good customer service is the well-being of employees, which emphasizes the importance of the work community. Trust and well-being in the work community are reflected in the employees’ approach to implementing their duties and therefore work communities must invest in ensuring that things are in order to produce the best possible customer experience. Interviewee B experiences that when employees have things badly, it also directly affects negatively on the customer. Interviewee E remarks that job satisfaction gives the energy to take care of things at once properly without

moving things forward for the future when enough energy has been found for it. Furthermore, Interviewee K shares the notion that a satisfied employee does his or her job better, which is reflected in better care for customers and their needs.

*“Support and atmosphere of the work community have a significant impact on how seamless it is to carry out the work.”*

*“When everyone works together for a common goal, the pace of solutions speeds up and it creates a good basis for a development atmosphere.”*

A prosperous work community does not include internal skirmish and disagreements can be resolved. Interviewee C indicates that a wealthy work community supports employees working conditions, when employees get along with each other and cooperation comes to fruition. Interviewee E stresses, how the creation and deepening of employee networks simplifies and makes it easier to cooperate with other employees in different departments. This lowers the threshold to contact and communicate internally by making it easier to implement one’s own duties. Interviewee E highlights how it is extremely important to engage multiple members of a team to take further responsibilities and distributing development targets. There should not be too much responsibility on the shoulders of one person in the team, but the knowledge should be divided equally within the team, where also newer and less experienced employees are involved in the development work.

*“It is important that employees know each other within the company so that communication is easier and the threshold for contacting people is lowered.”*

### 5.3 Skills and training



**Figure 11.** Skills and training

Skilled and trained employees who are professionals in their duties are the fundamental element of generating quality service. In figure 11 the key issues of skills and training are listed according to interviewees' experiences as affecting mainly on the employee experience and thus affecting directly the customer experience. Interviewee F stresses that quality belongs to every member of the organization and its implementation must be ensured in each function in order to guarantee the uncomplicated functioning of the process. The competence of employees guarantees functional solutions for customers and Interviewee K emphasizes that "no" should be never an answer for customer

requests, but cases should be further investigated in order to find a suitable solution to satisfy the need of the customer. Additionally, Interviewee G highlights the importance of the attitude of employees to resolve and unravel demanding cases rather than announcing that does not have the required information or cannot be done. Interviewee E underlines the importance of motivated employees, which aim to do their best in order to satisfy the needs of the customers.

*“It is important to investigate the case enough and put emphasis on it in order to both understand its dimensions and customers preferences.”*

*“By understanding the environment where the customer operates it is possible to better acknowledge the big picture of the needs and therefore also understand things between the lines as a favour for the customer.”*

Taking responsibility for one’s promises and understanding their impact is essential in generating a good customer experience. Interviewee B highlights the importance to understand the overall picture of the promises made so that the customer is not initially promised anything that does not succeed from the production point of view. Interviewee A also states that promises that cannot be kept should not be promised to the customer in the first place and every employee must take responsibility that it is also possible to fulfil their own promises. Interviewee K reminds that the fundamental reason for market presence is the customer and their needs and therefore their cases and problems must solve by dedicating to things, properly responding, and taking responsibility as an employee that problems are solved and the customer is not left alone with them.

*“When making customer promises, the production perspective must be understood so that the promises can be fulfilled in the first place as promised.”*

Quality answers help the customer to understand better and Interviewee H gives prominence to raise and improve customer awareness in order to reduce and avoid similar

mistakes in the future. Thus, the probability to get things right from the very beginning acts as a positive factor by assisting both the customer and the employees. Sufficient skills must be secured right from the start of the orientation process so that employees have the keys to producing a good customer experience. Interviewee D comments that good job orientation of new employees is the alpha and omega and the process should be intensive enough and not hastily treated. Nonetheless, Interviewee E remarks that in the orientation process is simply impossible to remember every detail, especially when employee turnover is at a high level. Furthermore, it is more difficult for a new employee to internalize the overall picture of the job, which can affect the quality of the job.

*“In particular, the engagement of employees is important, in which training of employees is an essential part affecting both motivation and ability to do their job as well as possible.”*

Professionalism gains in performing work tasks, but employees should be even-handedly provided with training opportunities to develop their knowledge and skills. Unskilled employees have to spend a large part of their time on questioning, which is directly out of their time to take their duties forward. Interviewee B emphasizes the importance of personal competence and availability of know-how to enable learning as well as access to information so that it can be easily found. Additionally, Interviewee B demands clear limits and rules which are complied, with and thus the decisions taken can easily be relied on to explain to the customer on which the decisions are based and hence excluding arbitrary decisions altogether.

*“When there are clear boundaries and rules, decisions do not come out of the blue by making it easier to communicate for the customer that there are certain criteria behind the decision. This also makes it easier for the customer to understand the issue.”*



Interviewees share a viewpoint that one of the greatest challenges for ABB is the fragmentation of information into different departments. Queries of information and clarification take time by causing a longer waiting time for the customer. Interviewee D adds that besides the duration of the assistance, internal communication includes contradictions and difficulties of understanding which would require more clarity. Customer interface employees need all the necessary information in an intelligible form in order to produce the best possible customer experience. Interviewee G underlines that contact persons are the face of the customer service and employees in customer interface has a huge responsibility and accountability in the formation of the customer experience and therefore factory support has a significant impact on how to get fragmented information to the right place in a timely manner.

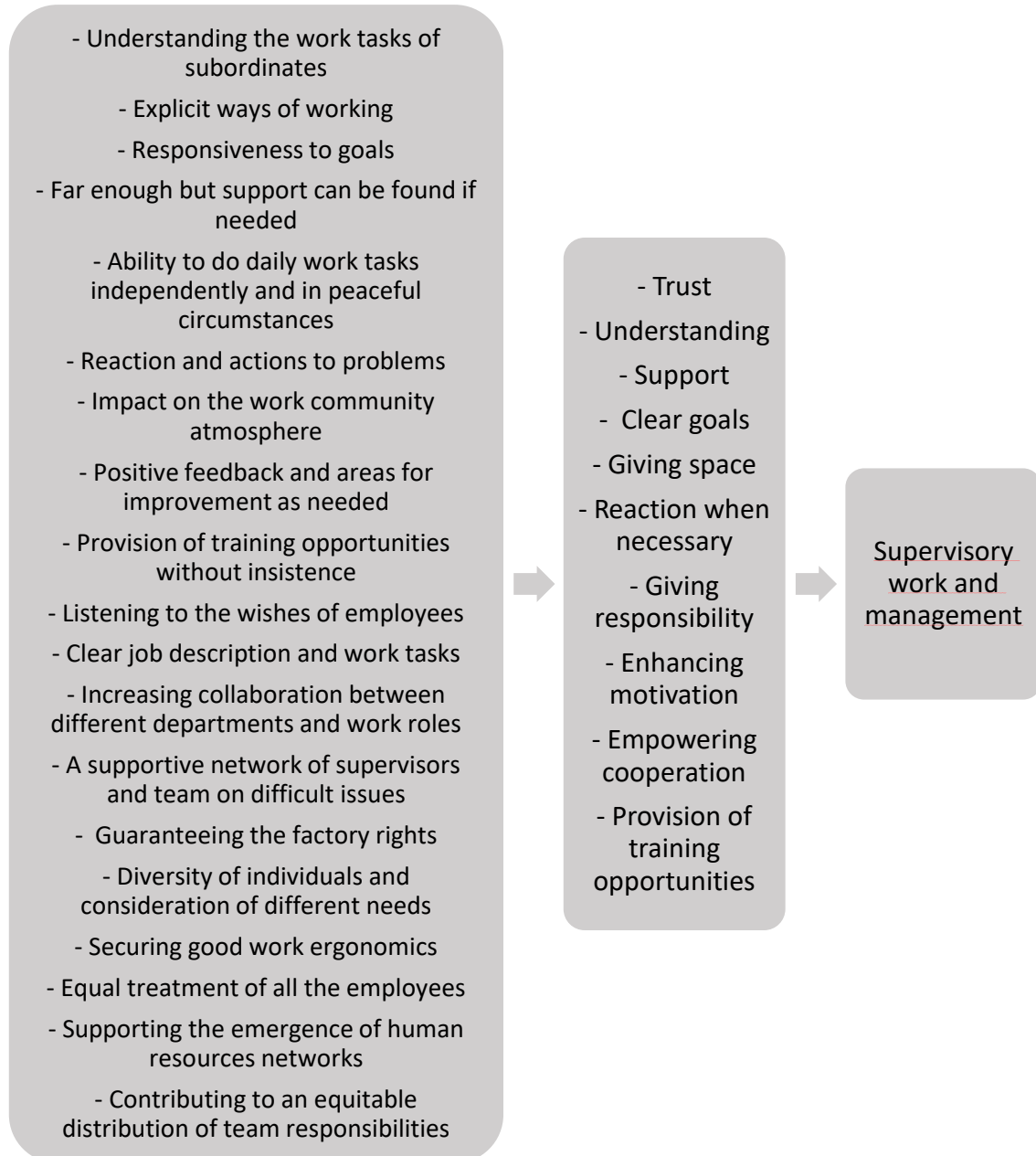
*“Unaware of the processes and operating models of different departments increases comprehension difficulties and contradictions.”*

*“The dissimilar goals of the different departments seem to take precedence, and these do not always support the customer point of view.”*

Interviewees share the agreement that the best possible customer experience is only possible to achieve through cooperation between different departments. Interviewee A notes that too often departmental objectives go beyond other tasks, which would most likely serve better customer perspective and the formation of customer experience. Furthermore, poor internal knowledge of the objectives of various units may at worst show up to customers by making the operation opaque and lack transparency. Interviewee E emphasizes that collaboration and teamwork between employees in different roles should be increased in order to gain and generate participation and lower the threshold of requesting assistance and receive the necessary information. Additionally, Interviewee J lay emphasis on the need of investing in making people know each other in order to allow transparency and smooth dialog both inside the factory and between the factory and the customer. Interviewee K sums up that cooperation between different

departments allows better customer service and supports to find the best solutions for customers' needs and therefore enables satisfied customers.

## 5.4 Supervisory work and management



**Figure 12.** Supervisory work and management

Management and supervisory work among employees influence massively the state of customer experience either directly or indirectly. In figure 12 the key issues of supervisory work and management are listed according to interviewees' experiences as affecting mainly on the employee experience and thus touching directly also on the customer experience.

*“Chemistry in both good and bad terms with a supervisor significantly affects the level of employee satisfaction.”*

Interviewee B sees that employees have in principle a direct impact on the customer experience because they are performing the work tasks but additionally management plays a major role in making it fundamentally possible for employees to do their jobs well. The necessary training, familiarization, and skill are the cornerstones of quality service and these must be provided by the company to its employees so that they have the necessary level of skills to perform their duties. Clear boundaries and rules need to be settled and communicated from the management to employees so that everyday solutions are supported by common decisions and policies.

*“The framework provided by management must be in place from the outset for employees that they are able to produce a good customer experience.”*

*“Managerial work is reflected in employee experience and it affects extensively on the entire work community and its togetherness.”*

Interviewee F underlines that a good supervisor is far enough, yet close enough to support if needed. As well other interviewees emphasized the need and existence of support, from both the supervisor and team member side. Interviewee I states that a supportive atmosphere is accentuated especially with challenging cases, where the availability of support is reflected directly in the quickness of customer service towards the customer. Interviewee J highlights how important connection the supervisor is for

subordinates and therefore support and understanding are crucial factors that the supervisor does not either drown the employee with the amount of work or on the contrary, there are not enough of them. In addition to providing support and assistance, supervisors need to understand to stay far enough away and give space and peace of mind to employees to implement their job duties. Interviewee D underlines the importance of peaceful working conditions without continuous interruption by supervisors and thus appreciation and respect of employees' urgent moments.

*"The supervisor must support and motivate the work community and its necessity is emphasized when employees face challenges."*

*"A good boss is like a judge in a sport – he or she does not have to intervene unless it is necessary. Employees must be given the freedom to carry out their daily duties without patronization and guarding. Employees ask for support when it is needed."*

Managerial work influences employee experience and hence it has a significant impact on the entire work community and its atmosphere. Since supervisors support advances to produce a great customer experience, it is important that the supervisor is on the map of what includes in the subordinate's duties. Interviewee E validates that lack of supervisor's incomprehension of basic work exposes to a lack of support by leading employees to work hard to find help and support for their tasks. Additionally, simple questions and interest are frustrating from an employee's point of view, when matters are not understood. Interviewee D is on common ground and underlines understanding and familiarity of the supervisor experience as an important target of knowledge and support. Introducing the supervisor to the job duties is an eye-opening experience and thus increases the understanding of the work itself by leading to an experience that promotes the whole work community.

*"It is difficult to get support from a supervisor when there is no experience of the*

*work of subordinates. As a result, support and a source for help must be sought harder and longer.”*

The goals chosen by management give guidelines for employees how and what they prioritize in terms of their duties urgency. Management’s reaction and response to goals have a strong impact on what employees emphasize in their daily activities. Interviewee C stresses that as long as the quantity goes above the quality targets, employees are more focused and concerned about quantity related matters. It is difficult to change a particular course of action without the example, support, and encouragement of management. Furthermore, Interviewee A ponders that grassroots problems are usually known to the immediate supervisor, but senior management may be completely in the dark about these ordinary and day-to-day problems.

*“Management response when setting goals is the only option to change the course from quantity focus towards quality focus.”*

Management must be able to react and respond to protracted problems in the correct manner required. The unattainability of goals and boundaries must not be ignored, but the situation must be assessed and responded to as necessary. Interviewee C criticizes that even though alarm limits of the certain problems flash red from months to months, they are not responded strongly enough. Well-known problem-causing situations require decent actions for improvement, not limited or insufficient attempts which only lead to the unfavourable situation gradually becoming normal. Interviewee A advocates for hazard warning lights, which would prevent problematic situations from drifting too far in internal operations, by appearing for example as delivery problems to the customer.

*“There are alarm limits to operational activities, but the measures to improve them are insignificant, although they remain weak from year to year.”*

*“Employees must be able to trust that supervisors will respond as required and needed to the challenges and problems that arise in their teams.”*

Reduction of unequal skills and know-how requires proper training opportunities and their provision from the side of supervisors. Interviewee E underlines how the different levels of competence of the team have a significant impact on daily work in a negative way. Interviewee E emphasizes that trainees are great additional assistance, but full-time employees bring more benefit and value from the team perspective. Additionally, Interviewee E highlights that training opportunities should be specifically provided by management nor should their availability be demanded by the employees themselves. Interviewee J points out that employees at different knowledge levels and training background do not always meet in the same duties, in which case a lack of skills has a significant impact on the effortlessness of the work and for instance attention should be paid to the need for technical training in order to minimize errors.

*“ABB would need a place for development in terms of sharing awareness and gaining an understanding and knowledge. Then, the interaction between the sales unit and the factory would be greatly facilitated when the expectations, responsibilities, and the progress of the process would be better understood.”*

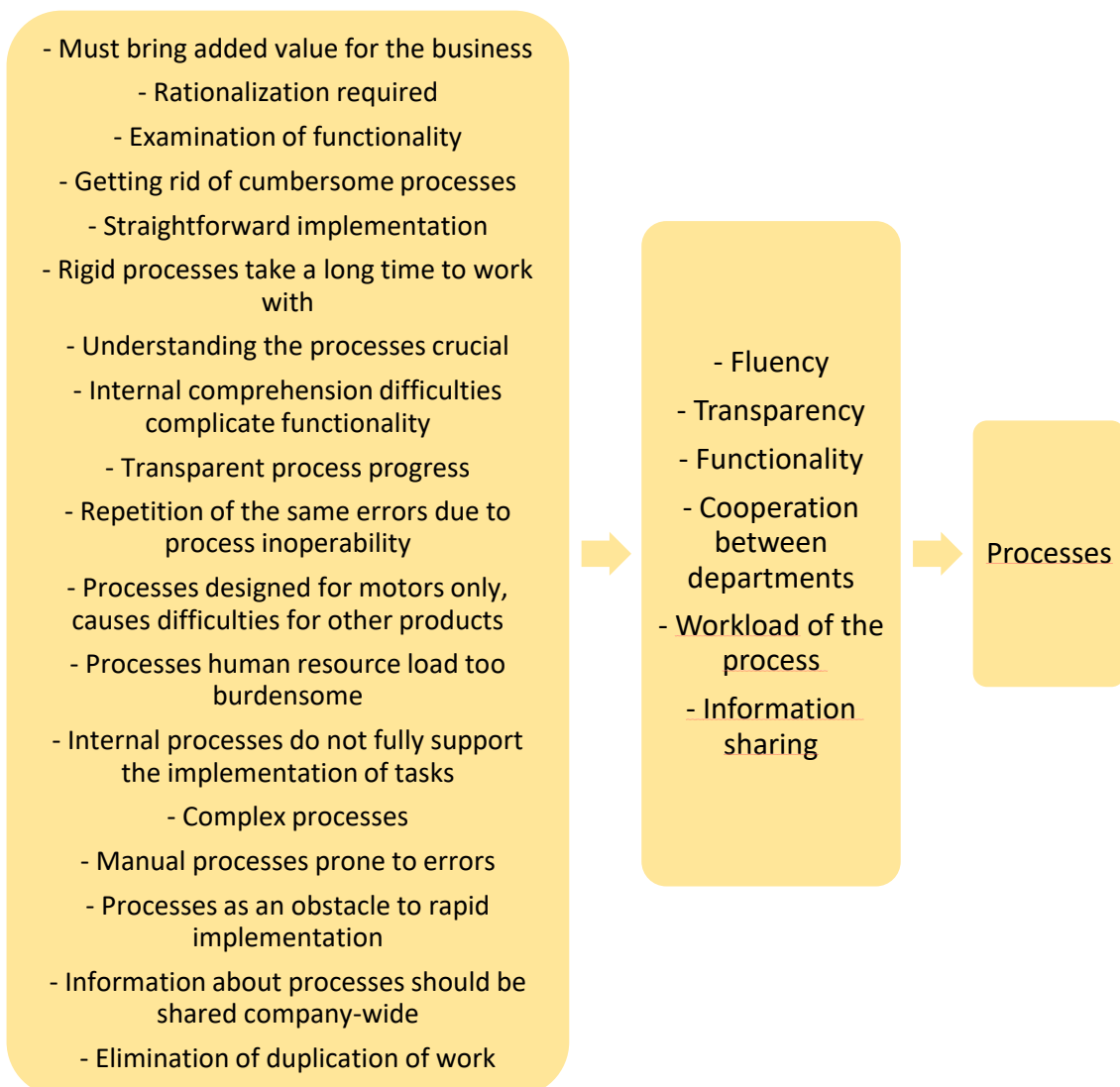
*“The high turnover rate of people creates challenges because one can never be sure how professionally skilled the other party is.”*

Positive feedback and when necessary, communication of development targets guide employees in their daily activities to both achieve desired outcomes and motivate employees to do their best. Supervisors are required to communicate goals and patterns on how to achieve these so that it is clear to everyone what is being sought and prioritized. Interviewee K underlines the importance of a clear job description and work tasks which allows for the right attitude to work and role when there is no uncertainty involved. Interviewee G sees the connection between working conditions and the standard of

customer service, which irretrievably reflects the customer as frustrated and uncooperative manner when the conditions of employees are not optimal.

*“There must be a reliable interaction with the supervisor, where the employee feels that his or her issues are being taken forward and the goals and patterns how to achieve them are clear and communicated together.”*

## 5.5 Processes



**Figure 13.** Processes

The smooth progress of processes is very important for both a good customer experience and employee experience. Functionality and transparency of processes bring value for both customers and employees when performance and proceeding are clear and visible to everyone. In figure 13 the elements of processes are listed as the fundamental components, which affect according to the interviewees for processes of the implementation of their duties and thus directly to the customer as well. Interviewee B demands the importance of straightforward processes, which would appear as a fast customer service by cutting unnecessary and slow cooperation between departments. Acting purely according to the process can lead to delays which can cost a waste of time from the customer's point of view. Additionally, Interviewee C emphasizes that occasionally processes prevent and hinders practical and rapid response of required actions due to the stiff nature of processes.

*“Some of the processes are very laborious for the employees, although the work task itself is not large in scale. However, this workload is not visible to the customer and the customer does not receive any added value from it, even though it is time-consuming for employees. This does not make sense from a resource perspective.”*

*“The straightforwardness and customer-friendliness of the processes should be considered in order to make the most functional use of employees' time.”*

*“Sometimes I have to warn the customer that it can take two weeks to make their requested changes when in reality the job could well be done during the same day.”*

The ultimate goal of the processes should be value-adding and the goal of process development should be aimed at rationalization of activities. A performance review is important to carry out in order to reveal grievances and areas for improvement. Interviewee K feels that the direction is correct when the direction away from the manual and risk-averse mode of operation seeks to replace with better solutions. Interviewee B sees it as an opportunity to raise the rate of automation as a resolution to make things



easier and a solution for slow performance. Additionally, by increasing the amount of automation, unnecessary work steps could be eliminated and therefore the number of similar errors would decrease, and resources could be rationalized.

*“Some of the work steps should be reviewed again if they are even reasonable to carry out with human resources. From the perspective of speeding up processes, the importance of the work steps themselves should be critically considered, whether it is essential or whether it would be more sensible to remove it altogether.”*

*“Manual stages of work are extremely vulnerable for human errors, not to even mention their time-consuming nature.”*

The more manually executed processes are included, the more action can be given to errors. Cumbersome and lengthy manual processes exhaust employees and they do not best serve the fluidity of the work. Interviewee D describes that transparent and clear processes not only serve the employee perspective but also customers benefit from it, knowing things are moving in the right way in which case they do not have to question the progress of the action. Such a process is, for example, an entered order by sales unit, which is handled by order handling but the understanding of how the process proceeds is more or less unclear. Interviewee D underlines how the functioning of the systems and the smooth progress of processes are important factors as the background factors for the formation of a good customer experience.

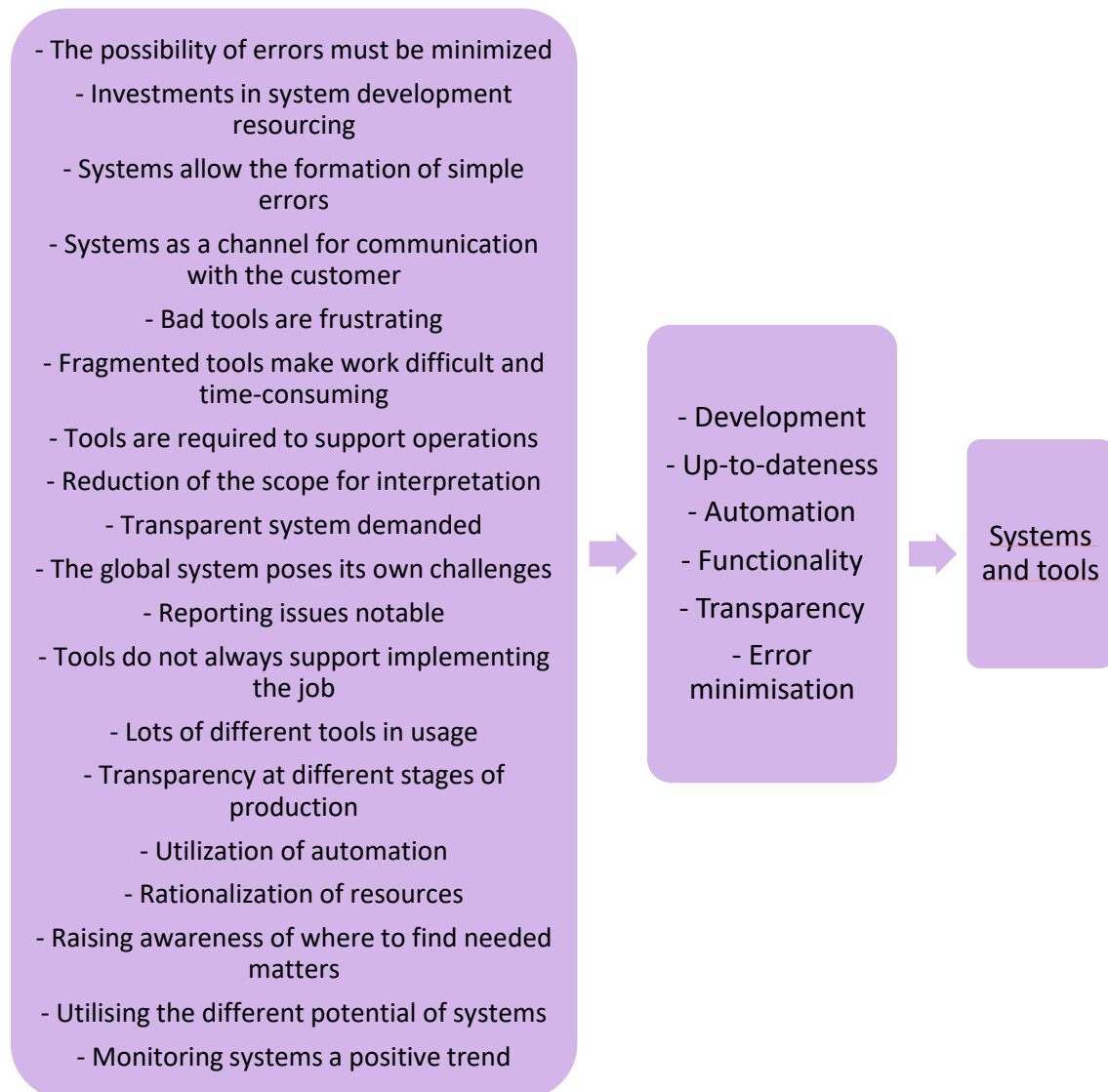
*“Raising the awareness of the processes and the expectations and requirements of the involved parties is really important in order to ensure that the processes run smoothly with as few interruptions and queries as possible. This would save considerable time and appear to the customer as fast and efficient service.”*

In addition to increased customer visibility, processes should above all support the performance of employees' daily work tasks. Dysfunctional processes tighten the nerves and make the execution of work unnecessarily laborious. Interviewee J highlights how a lack of information about the different stages of the customer path complicate operations and thus increase barriers to the flow of information. Especially bigger projects include multiple people involved, which increases the need for a shared understanding and open information distribution in order to complete big and valuable orders right at once. Interviewee J describes that transparency of processes usually reveals in problematic situations and negative circumstances, where the processes become truly visible and problems are revealed which could have been avoided with better prior information.

*“Especially for larger projects, it would be a good case to hold a joint meeting in advance as well as close contact with the customer so that valuable orders can be placed correctly at once.”*

It is good to review the functionality of the processes and take into account the rationality of their purpose. Interviewee F highlights how all the processes are not working ideally and as sensibly as possible, because their use is designed entirely for the manufacture of motors, not for example for spare parts, however, for which processes are also utilized. Long and complicated processes do not serve the interest of these needs, but they are anyway used and as a result, they require too many resources from departments and this is shown as a delay for the customer which is difficult to understand how a small operation can take so much time. One inoperative process that Interviewee B mentions is documentation control, where the availability is extremely good, but the process does not work in the best possible way from an employee perspective due to the unnecessarily laborious working stage. Additionally, Interviewee B is on common ground and calls for more straightforward processes that would not load multiple departments and therefore being better for both customers and employees, who are exhausted to continually explain the length of processes.

## 5.6 Systems and tools



**Figure 14.** Systems and tools

Systems and tools which are utilized in employees' everyday working days are required to support and further facilitate the work. Non-functioning devices give employees grey hairs and exhausts by decreasing energy and motivation to implement needed responsibilities. In figure 14 the opinions of systems and tools are listed as the central affecting matters for the implementation of interviewees duties and customers' experiences of the progress of the service and business. Depending on the nature of the work tasks, Interviewees' opinions and experiences varied between satisfaction and dissatisfaction

towards the systems that they use most often. Generally, the systems and tools were not stated as the main cause of the problems but in many conversations, systems were not directly praised as the best possible options. However, it was acknowledged that in a big organization like ABB, the possibility to influence systems that are used is minimal and out of the range of employees' wishes.

*"In a global system, everything does not work as one would desire, because it is built to serve so widely and as many needs as possible."*

Concerning systems and tools, attention should be paid to the development of systems so that they are as modern as possible and serve the current requirements and needs. Outdated systems slow down working and do not offer all possible features that benefit both the customer and the employees. Interviewee B emphasizes how the required development actions have not been taken in terms of system development resourcing. Interviewee B narrates that current systems do not meet today's requirements of agile and flexible solutions and that they are far too rigid to operate in a modern business environment. Changes in customer requirements and demands are difficult to keep up with when systems do not support the actions required for the change.

*"The systems used are rigid and not enough is invested in their development. This is problematic because the systems do not bend to the needs of both employees and customers, thus complicating the smooth running of employees' work."*

Business tools' main prior is a straightforward, transparent, and work supportive manner to operative from the perspective of employees. Problems and disruptions always occur to slow down operations, which is unfavourable from the customer's point of view. Interviewee E points out that the tools used do not support work and, for example, pricing leaves far too much room for interpretation, which should by no means be allowed to happen. Interviewee I sees the pricing process as too complex as well, where prices are being submitted without a proper understanding of the factory perspective or

knowledge of profit margins. Additionally, Interviewee I remarks that first of all there are way too many different tools in usage and second, they are complicated or does not fit for their use at all. This is for example Salesforce, which has not built to offer quotations for motors, which, however, are complex, valuable, and statutory documents in their nature.

*“There is always a risk when processes and systems allow for interpretation, and this formation should not be possible.”*

*“It is worrying that the system of important and statutory documents is so weak that it does not support the required features which, however, are very central and crucial in terms of business execution.”*

*“The tools are really fragmented and, in many ways, inoperable. Efforts should be made to share awareness of where to find the information needed to make the work more efficient.”*

In a modern business environment, most of the systems and tools are covering if not completely but at least for the most part communication with the customer. The connections must be in place to make the work possible in the first place. Interviewee F describes how online problems and system shutdowns as well as adaptation of the new system causes extra effort from employees, which, however, do not appear as added value in the service received by the customer. Additionally, remote working from home brings its own challenges to the team’s own internal communication by cutting constant discussion and exchange of ideas.

A system-centric way of working makes up-to-datedness of utilized systems even more central in order for organizations to keep up with developments. This was also highlighted in interviews with an emphasis on functioning systems and their requirement for development. Interviewee B criticizes that current systems allow the formation of simple

mistakes, which can have a massive impact on the outcome of the final product. High susceptibility to errors reduces the reliability of the service and increases the additional workload of employees. Interviewee H emphasizes how implementation tools to complete operative work requires support and continuous development actions in order to achieve work-enhancing tools. However, today it is still often the case that in order to get things right at once, things must be verified via phone besides the information received through utilized systems. This slows down the resolution of issues and therefore also affects the customer experience.

*“Bad tools are frustrating, and they also affect job satisfaction when you have to fight with them on a daily basis.”*

## **5.7 Interviewees perception of ABB’s employee experience**

Interviewees shared an opinion that from an employee perspective, ABB is a good employer that enables multiple options and opportunities for its employees. This is a good starting point concerning customer experience, due to the relationship between these features. However, Interviewees identified factors, that hinder and have an impact on the ability to produce a superior customer experience as an employee in terms of the level of employee experience. These factors are fundamentally related to the psychological contract, which employees have formed with their employer. Employees’ fundamental ability to generate superior customer experience is centrally connected with their feelings of appreciation and capability to create the desired service. The framework of employees must be in place so that the goals pursued by management can initially be achieved.

### **Workload**

The amount of workload came up in discussions and its unbalanced distribution. Interviewee D is not satisfied with the amount of workload and responsibilities what has been

laid upon employee's shoulders and feels that tasks cannot be dealt with within normal working hours. Interviewee A feels frustrated with the huge amount of work, where resources can be found, but too extensive workload prevents them from being fully utilized and prioritization and urgent matters control a large part of each working day. Interviewee G experiences that expectations for the tasks have been largely met, but their scope has come as a surprise and the limited human resources in the department.

Interviewee B remarks improperly organized human resources between different departments, which causes unnecessary delays and unreasonable workloads for certain departments, making it difficult for employees to cope. Interviewee H shares the same concern and experiences that the level of customer experience in ABB is quite good, but there are differences between departments due to failed resource allocation which is shown as an unevenly distributed workload. Additionally, Interviewee J stresses that human resources must meet the need of department that there is time to go into details of each case and with a time frame which does not stretch too long from the customer perspective.

### **Motivation and training**

Motivation and training are important aspects in both employees' personal life and in terms of expertise development, which was brought out in the discussions. Interviewee E stresses the importance of employees' skills and competence to implement their duties as a major contributing factor to the customers' experience. Quality and expert service are not possible to provide without employees, whose expertise and knowledge has been invested and prioritized. Interviewee I experiences that high employee turnover decreases the level of knowledge, which generates challenges and gains the risk of poor-quality service. Experienced employees can expand job-specific knowledge, which opens an opportunity to read between the lines and therefore exceed customer expectations. Interviewee A feels that with existing human resources there is no time for training or

increasing personal skills because this time should be taken away from the customers' time.

Interviewee E emphasizes the importance of employee motivation and commitment, which is visible to the customer outwards when the employee knows and has an ability to do their job with high quality. Additionally, Interviewee C feels that dissatisfied employees will most likely distribute in some level their view to up to the customer more or less obviously. Interviewee I stresses the importance of employees' willingness to learn and develop their competencies at the same pace as also products evolve and move forward. Interviewee J observes that provision of training opportunities and further education are important to both add knowledge and motivation towards own work tasks. Furthermore, Interviewee K emphasizes job rotation if necessary, and opportunities for progress as a significant factor that affects the perceived relevance of the work.

### **Social atmosphere**

Discussions indicated that the social atmosphere is mainly consisting of work community, where a large portion consists of co-workers and supervisor. Interviewee J emphasizes the importance of appreciation of work and work community with a common aim. The work atmosphere affects the smoothness of work, leading to a better and faster solution and furthermore creating a good atmosphere for progress and development. Interviewee G highlights the importance of a work atmosphere where good relationships with both co-workers and supervisors are paramount to a good employee experience. Additionally, Interviewee K experiences that the framework for work must be in order and the chemistry and communication connection must work with the supervisor in order to attain motivation and support for the performance of work tasks.

Interviewee C is satisfied that there is a possibility to work under one's own steam in completing activities in daily work, but if necessary, the support of a supervisor can be found. As for Interviewee D, criticism is pointed to managers, whose incomprehension



of the work of subordinates is not at a decent level, causing the frustration of employees. Interviewee D emphasizes the importance of peaceful working conditions where employees are not under constant surveillance of the supervisor in terms of breathing down employees' necks. Interviewee K highlights the need for collaboration and adoption of common purpose through both team and supervisor support, where there is no need to wrestle alone with problems. Mutual flexibility and understanding of each other's needs benefit both parties to discover solutions on the terms of the employee's personal life. Interviewee J highlights the importance of meaningfulness of the work which should include enough challenges, responsibilities, and faith. Interviewee G sums up that a satisfied employee, who can feel the appreciation towards his or her work input is visible for the customer through great and committed customer service.

### **Compensation**

Received compensation of the work input raised dissatisfaction and it was even felt amusing when it was taken under discussion. Interviewee A does not see that the compensation that is offered for the work input is compatible with the compensation received. Additionally, the main feeling is that work eats more knowledge than teaches new abilities. Interviewee B feels that ABB corresponds mainly to what is also expected in terms of working. However, the input is not in line with the compensation that is offered as an exchange for the inputs used in the work. Interviewee C feels that compensation of the work is too low concerning the amount of work, but the stress of work does not interfere with leisure time.

Interviewee G experiences that employee benefits in ABB are good, but the compensation that is provided as an exchange for job duties is not in line with the total amount of workload. The compensation that is provided, Interviewee F sees too small due to the importance and personal valuation of duties that are being handled in everyday working days. Additionally, customers appreciate highly employees' efforts and work for their

sake which is not however appearing as much on the employer side. Interviewee J perceives that employee benefits are good, but the salary is not at a sufficient level.

### **Organizational capabilities**

Organizational capabilities and policies were largely discussed when the focus was on what kind of factor employees perceive ABB as an employer. Interviewee I highlights the difference between consumer sales and industrial sales, where ABB's global presence at the markets and awareness influence fundamentally on customers and their expected value. Interviewee A recognizes that ABB can deliver a good customer experience for their customers and there is a lot of trying and flexibility in the services by leading to a good overall picture. As a special skill, Interviewee A describes that ABB can get out of trouble or difficulties time after time and the huge vantage is possible to receive through multiple options of customer specialities, which are exceptionally good for customers.

Interviewee C beholds that ABB has great products to offer for customers and due to ABB's spectacular product portfolio, it is possible to gain a competitive advantage compared to other companies. Although massive product range brings its own challenges due to difficulty to maintain so many different possibilities. However, Interviewee C experiences that even though there have been challenges, the negative experience of customers has even been able to be translated into positive through the efforts of employees. Interviewee F notes that the level of standards from the customer side has been increased, which requires employees to thrive their best quality in every detail of their actions.

Interviewee H experiences that the condition of customer service has been recently invested in and its importance has been understood in terms of customer experience. Interviewee G sees the level of customer experience of ABB quite positively since customer problems are supported relatively well. Interviewee I criticizes how the service of customers has shifted in the form of facelessness and the end customer of the product is

no more part of the communication channel. This increases the risk of a fundamental lack of information when the chains of communication are extremely long between the final customer and the factory.

Interviewee F experiences ABB as a great employer that invests a lot for the safety of its employees and supports their business traveling. A massive place for improvement Interviewee B highlights the lack of development of systems, which poses major practical problems by affecting massively both employee and customer experience in a negative manner. Interviewee I sees ABB's customer-specific solutions and flexibility to meet customer needs as a huge competitive advantage. Interviewee K sums up that ABB provides a good customer experience for its customers, which is supported via good market position, great service and aftersales functions, and diverse product portfolio, where even technically challenging solutions can be implemented according to the customer's wishes.

### **Development opportunities**

In discussions, the development opportunities of ABB collected praise, and employees were particularly pleased with it. Interviewee H is extremely satisfied with the opportunities that ABB offers as an employer. Interviewee A experiences that ABB offers possibilities as an employer, but personal development is difficult because the amount of work is endless and there is simply no time for personal expertise development. Interviewee G beholds that ABB as an employer offers great opportunities for employees, where the internal transition to other duties has been made easy inside the company. This gains appreciation and well-being in the work community as well as opens new opportunities to incorporate in employees' careers without switching the employer. Interviewee K experiences that job rotation works well in ABB and it provides a great opportunity to gain the perceived relevance towards the employee's own work.

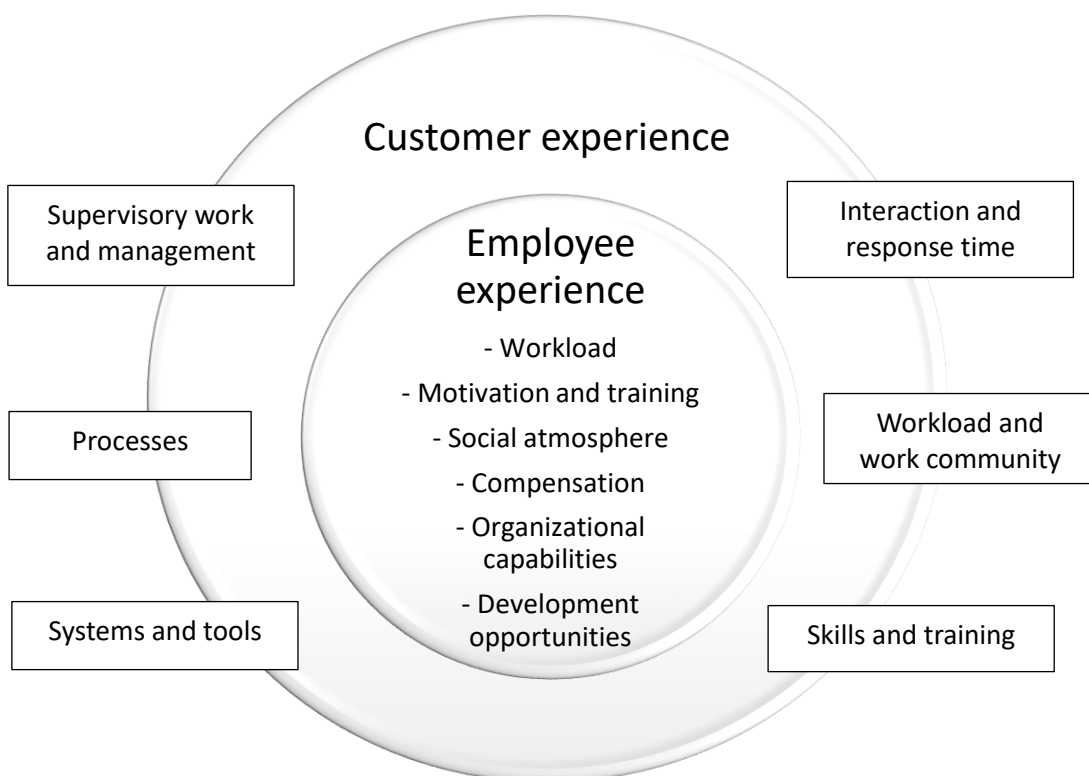
Interviewee B experiences that ABB offers opportunities and possibilities where it is possible to influence as an employee. Interviewee H experiences that as an employee, work duties are interesting, pleasing, and there is possible to learn a lot as well as get responsibility and perform work tasks independently. Additionally, Interviewee H is satisfied, how ABB has been flexible in terms of combining studying and working, which has been treated very positively. Especially for a recent graduate Interviewee H sees ABB as a valuable and insightful place to operate due to interesting work tasks and development opportunities according to one's own interest.

Interviewee J observes ABB as an employer that provides good training opportunities for its employees and the possibility for further educate themselves. Interviewee K experiences ABB flexible as an employer, where initiatives is supported, employees are trusted and appreciated. Additionally, Interviewee K sees development opportunities in ABB positively and observes how the organization's operations have been rationalized where the aimed ideas and efforts are more customer-friendly and intend to shape the activities more transparent and trouble-free in order to create a better customer experience for the customers.

## 6 Discussion and conclusion

### 6.1 Key findings and managerial implications

The purpose of this research was to understand the employee experience and its circumstances as a reflecting matter and connection for the customer experience. The understanding of employee experience generates the ability to target the organizations' resources to develop correct activities and operations in order to reach a superior customer experience in the future. It is essential to identify, that employee experience is at the heart of the organization, from which it is reflected in the customer experiences as well as the entire operations of the company. In figure 15 this has been visualized, how the internal factors and employee experience are the core of the organization and influencing the formation of the customer experience.



**Figure 15.** Employee experiences reflection to customer experience

The effects in terms of possibilities and risks of employee experience on the customer experience have been summarized in table 2. The implications have been reviewed based on interviews of the current situation of the effects of employee experience on the final customer experience. The elements which are recognized in the employee experience will have either positive or negative implications on the perceived value of customers. The impact of the connection has been represented in marks ++/+/-/--, by defining the rate of the risk or possibility of the relationship of the connection. Mark ++ reflects a great possibility to create a superior customer experience, whereas mark -- indicates the high-risk probability to affect negatively on the perceived experience of customers. It is essential to pay attention to the high-risk connections to develop these elements to respond better to customer needs and desires as well as guarantee the continuity of the connections, which cover a great possibility to offer a superior customer experience.

**Table 2.** The effects of employee experience on the customer experience

<i>Employee experience</i>	<i>Customer experience</i>					
	Interaction and response time	Workload and work community	Skills and training	Supervisory work and management	Processes	Systems and tools
Workload	--	--	-	+	-	+
Motivation and training	++	+	++	+	+	+
Social atmosphere	++	++	+	+	+	+
Compensation	-	-	--	--	-	-
Organizational capabilities	++	+	++	+	--	-
Development opportunities	+	++	++	+	+	-

Employees' workload which is too heavy reflects negatively on the customer experience when there is simply not enough time and resources to focus on work tasks at the required level. Additionally, a massive workload hinders the ability to develop own skills as an employee and time to spend on training, which may possess a risk that customer service to the customer is not as qualified as it could be. Employees experienced that through supervisory work, the amount of workload could be delegated more wisely through more allocated human resources by affecting positively the formation of customer experience. Ways to facilitate workload could also be found in the development of processes and systems and tools to attain better experiences for customers.

Motivation and training create a huge possibility for employees to both interact and provide a top service for the customers. Additionally, the effort for the work community, processes, systems, and tools are contributed to the development, when an employee is willing and motivated to do find ways to do things better and more efficiently. Furthermore, motivated employees tend to give feedback for supervisory work, how to reach the best possible outcome and what is needed to reach it. Motivated and skilled employees are a very positively visible element for customers which directly contributes to the formation of a superior customer experience.

The social atmosphere of employees affects the possibility to create a better customer experience. Especially in terms of interaction and response time as well as workload and work community, a great social atmosphere helps and encourages employees in the work community to cope and do their jobs better and more efficiently without sacrificing well-being at work. The social atmosphere is closely connected to the status of cooperation inside an organization, by directly affecting the service received by the customer. Togetherness and the level of cooperation appear in the service received by the customer, both good and bad, which is why its importance must not be ignored.

Employee compensation and its scarcity are risks at all levels in the formation of the customer experience. The dissatisfaction of employees, who feel that their valuation is

not at the required level, easily reflects in their actions either consciously or unconsciously to customers. Especially risky and harmful this is in terms of employees' willingness to develop their skills and participation in training when the perceived benefit does not appear in the rate of compensation. Low satisfaction on received compensation additionally weakens the relationship to the management of an organization and therefore also affects the degree of engagement and commitment in the entire organization. Employees who are satisfied with their own compensation and appreciation create a good basis to give and share a positive atmosphere and service for the customers by forming a better starting point for superior experiences.

Organizational capabilities are highly connected to the employee's ability to create and execute a great customer experience. The habits and culture of an organization create a basis for interaction in the company, which customers can observe while interacting with the company. Additionally, skills and training opportunities are firmly tied together with the organizational capabilities and therefore affecting the expertise and skills of employees to deliver service for the customers. When processes and systems and tools are not supporting the daily work, it becomes a hindering factor and a risk for the organization to provide a superior customer experience. Especially processes of the service must be in place and support the smooth progress of customer journey in order to bring value for the customer.

Development opportunities are affecting the satisfaction of the employees towards the employer and being reflected on the rate of engagement and willingness to stay in the organization. This is highly involved in the work community and the satisfaction on the company culture and ways to operate as well as the amount of workload to copy oneself. Opportunities to develop oneself as an employee and being offered training is a great advantage and possibility to maintain and guarantee a superior customer experience. Through development opportunities, a company secures its possibilities to create value for its customers both in the short and long term.



The literature on employee experience, psychological contract, and customer experience provided the basic understanding of the subject under the study and laid the groundwork for observing the interpretations of employees interviewed. Three research questions were addressed at the beginning of the study to define the purpose of the study:

1. What constitutes the form of employee experience in the employment relationship?
2. Which factors act as drivers in the formation of customer experience?
3. How employee experience is reflected in the state of customer experience?

The first and second research questions were set up a base on theory and identified via interviews. The key explaining factors for the formation of employee experience were acknowledged to consist of workload, motivation and training, social atmosphere, compensation, organizational capabilities, and development opportunities. The third research question sought to find the connection and reflection of employee experience to the status of customer experience. The aspects as drivers of the formation of customer experience were identified to encompass organizations' ability to succeed in six main themes: interaction and response time, workload and work community, skill and training, supervisory work and management, processes and systems, and tools.

According to the analysis of the study, it can purely state that employee experience is a massive driver as an explaining factor of the customer experience of an organization. The true nature and background of matters can be hidden for some time, but eventually, the condition of employee experience will reveal itself for the customers and frame the entity of customer experience. In close and human interaction feelings and experiences are always present, which makes their complete concealment challenging and almost impossible. Therefore, satisfaction and positive experiences among employees is so important matter for organizations to take care of, in order to spread well-being and quality service to customers as well. Superior customer experience is not possible to achieve without the essential link between the company and its customers – its own employees.

The managerial implications of this study are closely tied to the discovered themes which form and influence the form of employee experience. Superior customer experience is not possible to achieve without paying close attention and resources to maintain and develop these matters. The organization significantly loses the ability to provide a top-quality customer experience when it fails in the pursuit of offering a high-quality employee experience. Thus, the state of the organization's employee experience can serve as either a threat or an opportunity for the formation of its customers' experiences.

## **6.2 Trustworthiness of the study**

Validity and reliability of research are essential aspects in terms of the trustworthiness of the study. Research implementation includes a risk that the study does not actually measure what it is supposed to measure, or its findings are not consistent and stable. Qualitative studies require especially sensitivity due to the nature of the study in order to attain credible and trustworthy findings. The trustworthiness of the study in qualitative research consists of credibility, transferability, confirmability, and dependability of the research. The major sources of error in the qualitative research method can be categorised into four different subjects: the researcher, the subjects participating in the project, the situation or social context, or the methods of data collection and analysis. (Brink, 1993)

Researcher bias and the competency of the researcher can cause a massive threat to the results due to the inexperienced researcher, the researcher's own interpretations, or the researcher's influence on the research subjects. (Brink, 1993) As a researcher, my position was an insider, due to my employment relationship with ABB. There are multiple positive aspects when the organization under the study is familiar in terms of cultural norms and social relationships, however, it can affect the analytical and critical ability to analyse occurring matters. Insider position can be a challenge to act completely as a novice researcher by gaining the possibility to unconsciously influencing results or misunderstanding this by assuming them based on the own experiences. (Eriksson &

Kovalainen, 2016, p. 59) However, in this study, the previous knowledge of the practices and processes were advantageous due to a better understanding of ABB's business model and operations, which act as an advantage to better understand what the interviewees meant by analysing and criticising different aspects of business operations.

A subject error can concern interviewees' truthful and honest responses, where the bias may arise as a result of different characteristics of interviewees or the willingness to make things seem either better or worse than their real aspect is. (Brink, 1993) Additionally, negative responses may feel risky to give as an employee of the employer. The selection of the correct population to represent the condition under study is as well affecting the validity of the research. (Saunders, Lewis & Thornhill, 2007, p. 149) In this study, the anonymity of interviewees was highlighted to the interviewed employees in order to guarantee honest responses. Furthermore, the chosen interviewees represented the entire customer journey by ensuring diverse and comprehensive standpoints.

The attention of the validity of research is concerned, when there is an aim to find a relationship between different features. Studying connective associations has always a threat of potential confounding, which may affect the results by distorting its fundamental purpose. (Saunders et al., 2007, p. 150) Data collection and analysis methods may pose a risk to validity and reliability if the researcher is not capable to study the phenomenon with a valid method. (Brink, 1993) In this study, all the interviews were carefully documented and recorded in order to proceed to draw accurate conclusions. Based on these observations, was formed complete logical aggregation on the subject under study. The results were built based on the judgment of me as a researcher, which does not rule out the possibility that interpretations have been made incorrectly, especially when I am inexperienced to act as a researcher.

### 6.3 Suggestions for future research

As a subject matter, both employee experience and customer experience provide multiple options for further research. Additionally, each of the six discovered themes offers opportunities to delve deeper into the various influencing factors in the subject area as well as key opportunities and threats. Primarily it is only a question of which area is perceived to be particularly important and in need of further research. Combining theoretical knowledge and organizational state of affairs is an interesting and functional equation to develop desired aspects in the business world. Utilizing this is highly appropriate and desirable for the development of better and more sensible operations.

Interesting future research topic to further understand the components of employee experience could be employee engagement. A better understanding of how employees can be engaged serves the entire organization because then tacit information is not lost from the company and employees are better aware of the various activities within the organization. Especially in a large and multichannel organization like ABB, this would be highly useful and valuable.

Another essential and valuable further research could concern processes and their development. Interviews revealed that employees experienced across the company's operations that processes are not supporting the implementation of work tasks but mainly slowing down and making them stiff and difficult. The non-functioning of processes has a very significant impact on the co-operation of both employees and customers, which is why it is paramount that they support the work in the best possible way.

Lastly, the changes in the work environment have changed fundamentally in 2020 due to the Covid-19 pandemic and this causes multiple challenges for the way of working. Remote work has changed the way to communicate and operate, which would be an interesting topic for further research to study its effects on both the employee and customer sides. There will hardly be a return to a completely similar old form of work, which is why this is a very important research topic to guarantee effective future work.

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