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Service level -
A matter of workload or competence?

A study at the Customer Service Department of a global and world leading engineering business

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Tutor: Peter Beusch
Authors: Carl-Anton Genberg
Gürcan Özaksel

Abstract

Thesis in Management and Organisation, University of Gothenburg, School of Economics and Law, Department of Business Administration

Authors: Carl-Anton Genberg, Gürcan Özaksel
Title: Service level - A matter of workload or competence? A study at the Customer Service Department of a global and world leading engineering business
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Key words: Service level, workload, competence, competence management, change, change management

Background and problem discussion: It can be challenging for an employee or an organisation to meet the demand and levels of service expected by the stakeholders. The challenge could be caused by an excessive demand on tasks to perform, poor ability to perform tasks, ineffective competence management, or a combination of all. The causes the challenge evolves from can be difficult to identify. The focus for this study is a Customer Service Department, which has perceived a problem of increased workload and difficulties in meeting expected levels of service. This study is based on the following problem formulation:

Has the service level decreased and to what extent is it a matter of workload, competence or competence management?

Aim: The aim of the study is to investigate the causes to the perceived problems of workload and service level. This study will propose investigations and further solutions to the identified problems.

Method: Both qualitative and quantitative methods are used in order to respond to the aim of the study, i.e. interviews with key persons to frame the context, mail counting and time studies to investigate workload, employee survey to investigate employees' perceptions, competence survey and other information collection to investigate on service level and change.

Results and conclusions: A main cause to the problem of workload and service level at the Customer Service Department is a strained competence management process. Due to high employee turnover rate and an expansion of the operations, the department has struggled to acquire, introduce, develop and maintain the right competence. Thus the overall competence has decreased, which has influenced the effectiveness on tasks to perform negatively. As a result the service level has decreased to a level below expectations of the stakeholders. Finally it can be concluded that the service level is a matter of workload, competence and competence management mutually dependent on each other in a chain of cause and effect.

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Preface

This study was carried out in the Customer Service Department in a Subsidiary within Global Organisation. It is a part of the thesis in Management and organisation, University of Gothenburg, school of economics and law, Department of Business Administration. The research started in October 2013 and was finished in January 2014.

We would like to thank all employees in the Subsidiary, without their cooperation we could not have conducted this research.

Special thanks to our supervisor Peter Beusch who helped us by inspiring knowledge, guidance and motivation during this period.

Finally, thanks to our lovely families who supported us during these months.

Gothenburg, January 2014

Carl-Anton Genberg and Gürcan Özaksel

Definitions and abbreviations

BE:	Business Excellence
BS:	Business Support
BSD:	Business Support Department
COH:	Customer Order Handling
CMP:	Competency Management Process
CSD:	Customer Service Department (Consists currently of eleven representative employees, one support employee and one manager)
CSM:	Customer Service Management
DD:	Direct Dealer
DER:	Delivery Error Report
FCD:	Finance & Controlling Department
Global Organisation:	The global and world leading engineering business in Gothenburg, which the Subsidiary and the Customer Service Department is a part of
HR:	Human Resources
MarCom:	Marketing Communication
OEM:	Original Equipment Manufacturer
PSA:	Product and Service Agreement
PMP:	Performance Management Process
PSA:	Product and Service Agreements
SER:	Sales Error Report
SOC:	Sense Of Coherence
SU:	Sales Unit
Subsidiary:	The Subsidiary in Gothenburg to the Global Organisation, which CSD is a part of

Chapter 1 - Introduction

This chapter of the thesis provides a background to the problems the study will relate to, followed by a problem discussion, problem formulation, the aim of the study and delimitations. Finally there is a presentation of the thesis further disposition.

1.1 Background

This study is about the Customer Service Department (CSD), a subunit of a global and world leading engineering business (the Global Organisation) with headquarter in Gothenburg. CSD is a part of a unit called Eurotrade (the Subsidiary). The Subsidiary and its CSD supports the Sales Units (SU) of the Global Organisation to carry out sales operations in Eastern Europe and the Middle East, a total of 43 countries.

During the past 18-24 months the Subsidiary has undergone different changes, i.e. many skilled employees have left for other positions and new employees have been hired, the concept of Business Excellence as a pilot project for the Global Organisation has been implemented and tested at the CSD, several SUs hired new employees and the SUs are now defined as customers instead of partners to the Subsidiary. The managers and the employees of the Subsidiary have perceived problems of increased workload and difficulties in meeting expected levels of service to the SUs.

The assignment was introduced to us with the following statement. “The assignment involves carrying out a quantitative and qualitative study of the detailed tasks that are received by the Subsidiary (with 20 employees) primarily via email. The idea is to track how the development of incoming requests have been developed over the past 12-18 months, group different types of queries and responses, and to develop metrics that can be used to monitor and calculate the workload. The aim is also to see how the amounts of incoming requests affect actual and perceived service level (e.g. lead-time and the way that the answers were given on).”

At a first glance, according to how the assignment of the study was presented to us, there was need for extensive statistical analysis to verify and quantify a perception of increased workload. According to Mirilović & Pejin (2008) statistics contains of a group of methods used for analysis, accumulation, presentation, presentation and interpretation of necessary data for reaching to conclusions. To focus solely on workload analysis seemed, however to just frame the impact of the problems, rather than elaborate on the causes to the perceived workload increase. The perceived problems can stem from various reasons and in order to find solutions to problems linked to this it is important to find causes to the challenging circumstances (Deschamps & Nayak, 1995). Statistical analysis must therefore not shadow other valid theoretical methodologies for the study.

The assignment also included a request for finding how the workload affects actual and perceived service level. Measuring customer service levels allows one to be very specific about how customer service is or should be performed. LaLonde & Zinszer, (1976) and Perreault, (1973) states that service level in terms of customer satisfaction is an important measure for a customer service department and allows one to be very specific about how customer service is or should be performed. It can be challenging for an employee or an organisation to meet the demand from stakeholders and to perform against expectations when there are no clear numerical measurements stated from the management. Formulated numerical measurements needs to be understood by the employees and give them opportunities to influence their own work. Involvement of employees in the customer satisfaction measurements motivate employees to perform better which lead to higher productivity levels to be expected (Wild, 1980 and Hill, 1996).

It is also relevant to include theories around competence and competence management, as workload becomes a problem either from extensive demand on tasks to perform, poor competence to manage the workload, poor competence management, or a combination of all three. Dreijer (2000) defines competence as to do things according to the objectives for the output, which in turn is defined (generally) as a function of the demands of the customer. In order to meet the demand on service from customers, tasks are to be performed to a certain amount, certain kinds, in certain timeframe and with a certain quality.

According to (Boxall & Purcell, 2011), competence management can be summarized as the activities for supplying the right competence in the right place at the right time. This may include recruitment process, training and development and compensation plan. According to SIS – the Swedish Standards Institute (2011) and Dreijer (2000) competence is relative, meaning when the conditions change one’s competence may decrease in relation to the tasks one is supposed to perform. When there is a change in the amount or in the context of the tasks to be performed, changes in the quantity and quality of competence needs to be adapted. When changing character of tasks to perform it is relevant to conduct training of existing employees and/or hire new people who are ready to handle these new challenges. To replace employees that quit or when expanding an organisation’s operations it is also relevant to hire. Competence is supplied either from outside the organisation by attracting, hiring and introducing new employees or developing existing employees by learning and training (Boxall & Purcell, 2011).

When an organisation meets challenging circumstances it is important to find solutions and way to translate solutions into the daily operations. Different aspects of change and change management advocate either perspective of diffusion or translation in order to make change happen. The research of Paulsson et al (2005) shows that increased workers’ control of the learning process makes competence development more stimulating is likely to simplify the work and reduces learning-related stress. It is therefore important that learning at work allows employees to control their learning and also allows time for the process of learning and reflection, which not only supports processes of change but also may be crucial for the outcome.

1.2 Problem discussion

Service level in terms of customer satisfaction is an important measure for the CSD. It is therefore relevant to follow up how CSD meets stakeholders' needs in order to find whether the tasks performed by the employees meets, is over or below the demand from the stakeholders. Measured customer satisfaction must be translated into a number of measurable parameters linked to workers job, factors that the workers can understand and influence (Deschamps & Nayak, 1995) and by measuring customer satisfaction employee motivation to perform and achieve higher productivity levels are expected (Wild, 1980 and Hill, 1996). Measuring the workload could include similar choices to those concerning the measurement of service level, i.e. against a norm, measure perceptions such as importance and satisfaction or utility. To compare workload against a norm is easier if there is a norm available and if tasks are possible to measure. A norm would require that tasks are clearly defined and can be translated into measures corresponding to the customers demand.

According to Drejer (2000) it will be easier to perform tasks, with the right competence available and hence more easily to meet expected service levels in terms of customers demand. The right competence is also important in terms of engaging in longer-term tasks of learning and continuous improvement. The latter is indirectly linked to the demand of the customers however directly linked to other stakeholders, e.g. shareholders, management, colleagues and society. To experience excessive demand from one stakeholder, e.g. customers can lead to inability to meet the demand of other stakeholders. Hence does the right competence include more than what is linked to the daily and operational tasks in order to serve the customers and is crucial for meeting the demand from other stakeholders by engaging in tasks of longer-term importance (SIS – the Swedish Standards Institute, 2011).

According to SIS – the Swedish Standards Institute (2011) competence management is crucial for acquiring, developing and maintaining the right competence at the right time. A prerequisite for this is to understand which the core and key competencies are for now as well for the future. Without this knowledge a competence management process will struggle to uphold the competence and thus the performance of the business and its staff. There is a short and longer perspective where the latter demands proactive planning in order to maintain performance over time. As workload and competence can be challenged by unforeseen changes this comes also to competence management, however the consequences of this appears with a much greater delay than for changes regarding workload, and to some extent competence. The longer the time to acquire, introduce and develop competence, the longer the delay and the thus the need for effective and proactive management of competence, in order to maintain competence, level of performance of tasks and level of service. Hence, a result of decreasing perception of service level could stem from causes years ago.

When a business needs to make changes, it is likely an organisation may require positive results quickly. If the need for change lies in causes that affect the operations with delay, the necessary result will appear gradually and take time (Stjernberg, 1993). Todnem (2005) refers to change as emerging rather than planned and Nicolini (2009) refer to change as a process of translating conversations rather than diffusive with certain starting and ending point. Reflecting to this, change is a dilemma in terms of the need to balance the direction and control of change with support for employee autonomy and influence, who are supposed to make things happen. Another dilemma is in terms of learning with the need to balance the efforts for internal learning and development in the unit with diffusion activities and the creation of external legitimacy for the change (Stjernberg, 1993). In this study the workload itself has a strong legitimacy for being a problem and urgent to solve, at least initially of the study. But what if, the cause that needs change lies in something else, which demands much more resources and time to solve? This will most likely strain the change process and demand a strong competence for change management in the organisation to enable a successful outcome.

1.3 Problem formulation

It can be challenging for an employee or an organisation to meet the demand and levels of service expected by the stakeholders. The challenge could be caused by an excessive demand on tasks to perform, poor ability to perform tasks, ineffective competence management, or a combination of all. The causes the challenge evolves from can be difficult to identify. Based on the above discussion, we have defined the following problem formulation for this study:

Has the service level decreased and to what extent is it a matter of workload, competence or competence management?

- *Is there an existing service level problem?*
- *To what extent is it a matter of workload, competence or competence management?*
- *Which are the guidelines on how to solve the identified problems?*

1.4 Aim

The aim of the study is to investigate the causes to the perceived problems of workload and service level. This study will propose investigations and further solutions to the identified problems.

1.5 Delimitations

The Subsidiary has initiated this study where we focus on the operations of CSD within the Global Organisation and therefore it is limited to one case study. Furthermore, the study focuses on service level, workload, competence and competence management and how these may be causes to the perceived problems.

1.6 Outline

This thesis is divided into seven chapters. The introductory chapter has presented the background to the selected topic. The background then formed the basis for the problem discussion that led up to a problem definition and a purpose for the thesis.

Chapter 2 - Methodology

This chapter presents the methodological choices made for the study. This chapter also describes the choice of organisation, selection of respondents and methods for the collection of the empirical material. It concludes with a description of the data collection and reliability of the study. The different methods used are, interviews regarding context, mail count, time studies, employee survey, competence survey and other information collection.

Chapter 3 - Theoretical framework

Basic theories, which our study is based on, are described in this chapter. Areas concerned are service level, competence and competence management, change and change management. Theories are intended to provide a basis for understanding the empirical investigation.

Chapter 4 - Context

This chapter describes the Global Organisation, the Subsidiary and the Customer Service Department, which is in focus for the study in this thesis. Mission, activities and processes are described for the investigated unit. The purpose of this chapter is to describe the tasks to perform and to facilitate the understanding of the results from the empirical studies.

Chapter 5 - Results

This chapter presents the results from the different methods for data collection used in this study.

Chapter 6 - Analysis

This chapter presents an analysis of the results from the empirical studies based on the theoretical framework and the context.

Chapter 7 - Conclusion

This last chapter presents the authors' conclusions as well as thoughts and suggestions for further actions and studies.

Chapter 2 - Methodology

This chapter presents the methodological choices made for the study. In this chapter a description of the research method and scope will be presented. The choice of organisation, selection of respondents and methods for the collection of the empirical material will also be presented.

2.1 Research method and scope

This thesis is a case study at the Subsidiary of the Global Organisation, which is initiated by the Subsidiary and was conducted at the head office in Gothenburg. Over the last two years the employees in the Subsidiary have experienced an increase in workload. This thesis will investigate and try to find out if there is an increase in workload by investigating email conversations and perceptions by staff. Interviews will be conducted to investigate the context for the study and causes that may have affected CSD. After framing the context we continue to investigate the nature of different categories of tasks handled by the employees, the competence of the employees and competence management at the Subsidiary.

Figure 1 is showing the timeframe and different methods used for data collection in order to answer the problem definition of this study.

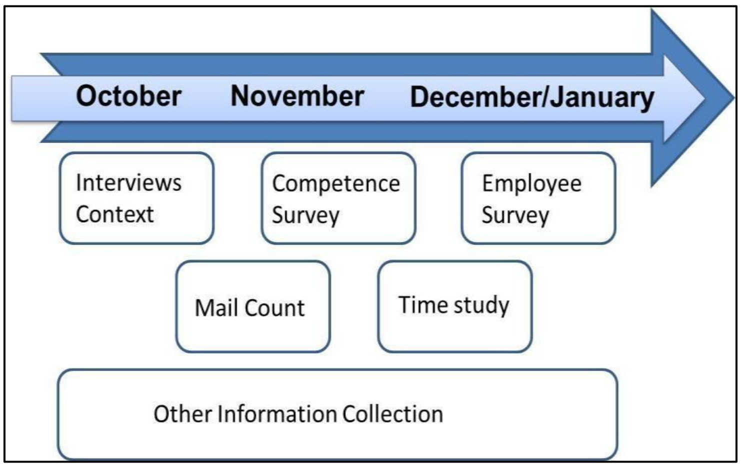

Figure 1: Methods used for data collection in the study

The purpose of this study is to describe a specific phenomenon rather than to statistically guarantee a result. According to Rosenqvist & Andrén (2006) the study's results only give an indication of the possible links between open questions and are more a general description of how the phenomenon actually looks like. By the chosen problem formulation the study can be considered to have mainly a descriptive character. Theory and empirics have been developed through oral and written materials and previous written student thesis, which is an approach that is suited for the study of qualitative character (Lekvall & Wahlbin, 1993). The methods, which we have used, are a combination of qualitative data with quantitative data. The most important question to answer is, if the used research methods are appropriate for the aims and objectives of the research (Wing et al. 1998). One should also consider if the chosen method fulfills the practical limitations in the study, such as time constraint, resources and access. This will be discussed under Data Collection for each method.

2.2 Data Collection

The first step was to make interviews with managers and employees to get their perception about the experienced workload increase. In parallel with the first step mail counting activity started, counting all the in/out emails to all employees at CSD in order to get an indication of the changes in experienced workload. A time study tracked occurrences and time spent on different performed tasks and processes carried out by the employees. An employee survey aimed at getting perceptions about several aspects important for the workload analysis; working time, competence, support systems, and support from others, time to learn the job and employment time was conducted. A competence survey was made in order to get the managers perception on the competence of the employees in CSD. Other information collection has been conducted during the whole thesis work and aimed at getting information about service level and changes that may have occurred affecting the Subsidiary and CSD. Other information collection has mainly come from corporate surveys, informal meetings with employees, information on intranet and from other studies made at the Subsidiary.

2.2.1 Quantitative and qualitative method

There are two different research methods for collecting, processing and analyzing results, quantitative and qualitative (Merriam, 1988). For the quantitative method, the research object needs to be measured and the results should be presented in numerical form. Quantitative method is used when the investigated subject is known in beforehand and the result is presented in figures, percentages and/or numbers and is coming from investigation of frequency or a phenomenon (Jacobsen, 2000). According to Eneroth (1984) the biggest problems with quantitative studies are to decide on what to measure and how to conduct this measurement, how to validate the measurement and finally how to present the measured result. The qualitative research method consists of unstructured observations, i.e. interviews or interview forms. The aim with qualitative research study is to understand the significance or an experienced phenomenon (Merriam, 1998). In qualitative method the researchers do not know exactly what he/she is looking for and the conducted interviews are important for the next step. The information the interviewed person is sharing is the key on how the context will be set. The qualitative method does not necessarily use pre-determined questionnaires to gather information from the interview person. The asked questions are wide and the results can be discussed openly (Jacobsen, 2000). The first chosen method was of qualitative character and was done to frame the context, which is in accordance with Merriam (1998), to understand the experienced phenomenon and elaborate on information for selection of further quantitative and qualitative methods. The next step was of quantitative character since we were asked to investigate the workload in number of incoming/outgoing emails and this method is used to study the frequency of number of emails, which also is supported by Jacobsen (2000). Mail count method was chosen because it is the best way to validate the performed measurements.

2.2.2 Interviews regarding context

To be able to frame the context and elaborate for further quantitative and qualitative methods for this study, we started with interviewing staff from the Subsidiary, who possessed long and extensive experience of the operations. According to Patel & Davidson (2003) interviews can be used to better understand current situation and our aim with the conducted interviews were to identify what have changed in the Subsidiary in the past 18-24 months, in order to build-up the context for this study. Three semi-structured interviews were conducted on a face-to-face basis at the office in Gothenburg. The interviews, which are of qualitative character, are limited to persons with long experience from working as CSD Representative employee and started their employment before year 2011, see Appendix 4 for the interview questions. The interviewed persons are employees from different hierarchical levels in the Subsidiary; these include the Manager of the CSD, the CSD Support Employee and one employee at BSD, which also has been working at CSD. The selection of interview persons was done on the basis that they have long experience and have served as a CSD Representative employee. According to Holme & Solvang (1997) selection of "appropriate" interview persons can increase the understanding and the information value in the study. We have guaranteed confidentiality and anonymity, the interviews were recorded by pen and paper and data collected from the interviews were only used for this thesis. A question relevant to ask: Is only three interviews enough? Guest et al. (2006) discuss in their journal article "How many interviews are enough?". They argue that it is the saturation point, which is important to decide if the number of conducted interviews is enough. Guest et al. (2006) identifies also the fact that the more similar the participants are in their experience, the sooner will saturation occurs.

2.2.3 Mail Count

Focus in this study was the incoming and outgoing emails to each one of the CSD employees. The emails were counted, mean value for the department calculated for each month and statistical analysis used to evaluate if there is a significant increase or decrease in the incoming and outgoing emails. To be able to elaborate on the existing and changing workload, number of mails had to represent a measure to the number of tasks performed. In October 2013, we were equipped with a room at the head office in Gothenburg, two computers and granted access to all of the mailboxes of the current employees at CSD and some employees at BSD and FCD, i.e. twelve plus two persons. We have counted the total amount of emails in their in/out box, for each month for the period of January 2012 to September 2013. According to Jacobsen (2000) frequency investigation can be used to investigate a phenomenon when the subject is known on beforehand. Workload is defined in the mail count method of the study as number of mails per month and employee. Statistical analysis and Trend line analysis was used in the analyses to identify if there were any changes in the workload. Regarding the overall workload we investigated the distribution of number of tasks, i.e. number of emails in average per employee at CSD. The most reliable data which are traceable and available are the incoming and outgoing emails stored in each one of the employees mailboxes. Therefore, a mail count method has been chosen for evaluating changes in workload.

2.2.4 Employee survey

To be able to understand and investigate more about the experienced workload increase we have decided to do an employee survey. The aim with this survey was to track the perception on employees own workload and competence levels and try to find out if there are some other reasons behind the experienced increase in workload. Focus in this survey was all staff at the Subsidiary, 19 persons in total. They were asked to rate and answer ten questions with answer options of a pre-determined scale which forces them select their answers, which were done to avoid getting answering patterns. According to Patel & Davidson (2003) fixed answering options on questions could prevent from getting answering patterns from the respondents. On all questions there were a possibility to comment with own words. They were also asked to sign the survey with their names in order to enable oral follow up questions from the authors. They were guaranteed anonymity and the results from each employee in this survey will only be used for the results of this thesis.

2.2.5 Competence survey

We have been informed that during the last two years several of the employees left CSD and new employees were hired. We wanted to compare the competence levels of former employees who quit during 2011-2013 with the competence level of current employees at CSD. This comparison is done by the results from a competence survey where we asked current and former managers to assess the competence level of the employees. The managers are; the existing manager for the Subsidiary, the existing manager for CSD and the former manager for CSD and they are considered to have strong knowledge of the competence of those they assessed. They assessed the general level of competence and the results from the survey compare the competence level of former employees who quit during 2011-2013 with the competence level of current employees at CSD. This is done with the purpose to evaluate if the competence level of the staff has changed by time. The method that we have used is a questionnaire with grading of the answers according to four levels, see figure 7 regarding definition of the levels. Competence assessment is done by perception from managers as well as from the person in focus him/herself, which is of qualitative character.

2.2.6 Time studies

The managers in the Subsidiary want to change current working set-up from country oriented to be more process oriented. The aim of the time studies is to track time spent, occurrences and complexity of tasks and processes. We have together with the manager of the Subsidiary created a template in Excel, to enable consistent tracking and comparable results between different employees. All twelve employees at CSD were asked to track all tasks and processes they performed during a period of two weeks. The structure of the time studies is outlined in Appendix 1 together with the frequency of responses. According to Jacobsen (2000) with this frequency investigation we will be able to give answer if some tasks are much more time consuming and happening often and how the competence of each employee is in comparison to its ability to perform their tasks. Beside this, we also needed to investigate the character and complexity of performed tasks. The complexities of performed tasks are more difficult to judge only from a quantitative base and may need a rather extensive approach to be valid and reliable from a quantitative perspective. A combination of quantitative and qualitative approach is done by allowing each to track and record tasks performed during a period of two weeks. The results from the time studies will be used for creating new process flow way of working.

2.2.7 Other information collection

In order to better understand the changes affecting the experienced workload and service level problem, other information collection has been conducted during the whole thesis work. Other information collection has mainly come from corporate surveys, informal meetings with employees, information on intranet and other thesis made at the Subsidiary. These are secondary data except from the informal meetings, which are primary data. Information regarding service level has been collected from Sales Unit surveys, conducted by the Subsidiary mainly in spring and fall 2013. Two older surveys 2010 and fall 2011 have also been investigated. These older surveys are not however fully comparable as the questions are to some extent different from the two more recent surveys. Respondents to the surveys are representatives from Sales Units and other customers and the information is used to investigate the level of service and to track changes over time.

The Subsidiary has been chosen as pilot unit to implement Business Excellence and we have investigated how the implementation of Business Excellence has affected the Subsidiary. Approximately one year ago, year 2012, the introduction of Business Excellence has been investigated in a student thesis. The thesis investigates how the processes have been and what kind of changes Business Excellence has brought to CSD and how the employees and Sales Units experience these changes. For this investigation we used results from a previous thesis, done at the Subsidiary, Luketa (2012).

2.3 Statistics

Statistics are analysis, accumulation, presentation, and interpretation of necessary data for reaching to conclusions (Mirilović & Pejin, 2008). Statistical analysis is divided into descriptive statistical analysis and inferential statistics. Descriptive statistics is used to describe or summarize collected data (Malim & Birch, 1997). In statistics, linear regression is used to model the relationship between a dependent variable denoted y and an explanatory variable denoted x. Data in linear regression models are modeled by using linear predictor functions, also called linear models. Linear regression has many practical uses, (http://www.wikipedia.org 1). Most applications fall into one of the following two broad categories (quote from Wikipedia):

- *"If the goal is prediction, or forecasting, or reduction, linear regression can be used to fit a predictive model to an observed data set of y and X values. After developing such a model, if an additional value of X is then given without its accompanying value of y, the* *fitted model can be used to make a prediction of the value of y".*

- *"Given a variable y and a number of variables X1,..., Xp that may be related to y, linear regression analysis can be applied to quantify the strength of the relationship between y and the Xj, to assess which Xj may have no relationship with y at all, and to identify which subsets of the Xj contain redundant information about y".*

2.3.1 Trend line

A trend line is a simple analytical tool, showing changes in data over time. Trend lines are important tools in statistical analysis for identification of different trends and for confirmation, (http://stockcharts.com 1). Trend line tells if a particular data set have increased or decreased over a specific period of time. A typical trend line is a straight line, which connects two or more points and then extends into the future to build up a support line and could be drawn from a set of data points. The slope of the line can be calculated by using statistical techniques, linear regression. The more points used to draw the trend line, the more validity is the result. Trend line has low validity due to lock of scientific validity in case where other potential changes can affect the data, (http://www.wikipedia.org 1).

2.4 Reliability of the Study

According to Merriam (1994) the research report should give a "true and fair picture of the reality, which means that the result must be credible and trustworthy. The demand for producing good research results with validity and reliability are high, this means that the demand of the quality of the information is high and is produced ethically acceptable ways.

2.4.1 Reliability

According to Merriam (1994) reliability means that the result from a study can be repeated more than one more time and the result would be the same. For the credibility of the study it is essential to discuss and verify the validity and reliability. If there is high reliability in the research study then the research results are not affected by the researchers' performance. Reliability of studies is mainly preferred in studies of quantitative character (Ejvegård, 2003 and Kvale, 2008). There are many different ways of testing the reliability of a research study; repeat the study many times and another option is to run two parallel tests at the same time and evaluate the results (Abnor & Bjerke, 1994). This thesis is a combination of qualitative and quantitative data and its credibility will be discussed below on the basis of its validity.

2.4.2 Validity

According to Wing et al. (1998) the study depends on whether the research methods are appropriate for the aims and objectives of the research. The perceived validity of a study increases if there are good preparations of questionnaires and interview questions (Lekwall & Wahlbin, 1993). We have had continuous discussions with the manager of the Subsidiary to validate our problem identification and on the next step in the study. Continuous discussions with employees in the CSD and with the managers increased the opportunities to capture the information needed for the problem formulation in this thesis. To increase the study's validity some employees were asked to complete and confirm the obtained information from the interviews. According to Patel & Davidsson (2010), semi-structured interviews are used as basis for the empirical study, which may affect the validity of the thesis negative. To have full validity of the recorded tasks in time study, every employee was asked to track their tasks. If one or more of the employees do not fully record their tasks the validity of the results will be affected in a negative way.

Chapter 3 - Theoretical references

This chapter describes the theoretical framework and consists of previous research in the chosen areas. The chosen theories start with how to measure customer service and demand on tasks to perform, followed by competence and competence management and finally we present theories of change and change management.

3.1 Service level

Service level is a limited measure of customer service because one can only use services about which management has formulated numerical policies or goals for. Measuring customer service levels allows one to be very specific about how customer service is or should be performed. Such measures also offer an opportunity, through conjoint analysis, to derive utilities and, thus, quantitatively to trade-off customer services (LaLonde & Zinszer, 1976 and Perreault, 1973).

Measuring customer satisfaction is one of the most important issues concerning business organisation, Lord Kelvin (19th century) said that "…if you cannot measure something, you cannot understand it…", (Grigoroudis & Sisko, 2010). Customer service can be measured in a number of ways; one can compare service levels against a norm, measure perceptions such as importance and satisfaction or measure utility. The measurements provides direct, meaningful and in an objective way the expectations and the preferences of the customer (Gerson, 1993). It is important that customer satisfaction measurements can be translated into a number of measurable parameters linked to workers job, factors that the workers can understand and influence (Deschamps & Nayak, 1995). Customer satisfaction measurements are now considered to be most reliable feedback for business organisation's and by measuring customer satisfaction, employee motivation to perform and achieve higher productivity levels is expected (Wild, 1980 and Hill, 1996).

3.1.1 Customer service management

The term "Customer Service" is described as a host of different but critically interrelated activities (Frances, 1983). Customer Service includes different services and activities, which bind a corporation and its customers together to a sales relationship (Christopher, 1974 and Hopkins, 1970). LaLonde & Zinszer (1976) and Perreault (1973) describes customer Service as a package of measurable activities, which provide utility to customers, or optimum levels of service.

Customer Service Management (CSM) is the process within supply chain management, which represents the firm's face towards the customers (Yemini et al., 2003). The CSM includes the management and administration of product and service agreements. It is the integration with other internal functions and other members of the supply chain that defines customer service management as a supply chain. The goal with customer service centers is to provide a single source of customer information, product availability, shipping dates and order status. The goal of

CSM is to develop the necessary infrastructure and coordination for implementing the Product and Service Agreements (PSA), and to provide a key point of contract to the customers. PSAs are documents that match specific customer or customer segment needs with a firm's products and services and the customer service management consists of two processes, strategic and operational (Yemisi et al., 2003). In the strategic process, the management team of the company establishes a structure for managing the process and in the operational process the established processes are implemented:

- Customer Relationship Management – How relationship with customers are developed and maintained, including the establishment of PSAs between the firm and its customers.
- Customer Service Management – The firm's face to the customer, including management of the PSAs, and provides a single source of customer information.

3.2 Competence and competence management

Competence is relevant for the service level in both a quantitative and qualitative aspects, i.e. the number of resources available and their level of ability to perform tasks. When there is a change in the amount or in the context of the tasks to be performed, changes in the number of resources and their ability to perform needs to adapt. The opposite occurs when there is change in the number of resources or their ability to perform tasks, the outcome in terms of level of service changes (SIS the Swedish Standards Institute, 2011 and Dreijer, 2000). These are the bases for making references to theories around competence and competence management.

3.2.1 Competence

Dreijer (2000) defines competence as to do things according to the objectives for the output, which in turn is defined (generally) as a function of the demands of the customer. According to SIS the Swedish Standards Institute (2011), "Competence is ability and ambition to perform a task by applying knowledge and skills". Where ability = to be able to carry out in practice - to do; ambition = attitude, commitment, courage and responsibility; knowledge = facts and methods - to know; skills = experience, understanding and judgment to translating knowledge into practice. Both definitions imply the level of competence affects the output from performing tasks and Dreijer (2000) that it also includes to meet the demand the customers. According to SIS the Swedish Standards Institute (2011) the expected level of service shall serve as an input to the needed competence for meeting the demand from the customers. In that perspective one may be competent to perform its tasks under certain conditions. However when the conditions change one's competence may decrease in relation to the tasks one is supposed to perform. Level of competence is in these terms relative to the demand on performance of tasks. (SIS the Swedish Standards Institute, 2011 and Dreijer, 2000). In that perspective one may not easily state whether struggle to meet expected level of service stems from the nature of tasks to perform or the level of competence. As Leonard-Barton (1995) notes, a competence may be viewed as a system, i.e. it is very difficult to focus solely on individual elements as they are related to each other.

Other perspective that influences the competence is four elements and their relations: technology, human beings, organisational (formal) and cultural (informal) (Dreijer & Riis, 1999); Technology is sometimes referred to as hard competencies. It consists of machinery, tool, equipment, software, programs, databases, and so on. It is the most visible part of the competence since it represents the tools human beings use to do activities. Human beings are the most obvious part of competence and the most focal for competence development. The ability and motivation to use the technology is in the hands of the humans and nothing happens if not doing anything. Organisation consists of planning and control systems, reward and pay systems, communication channels, hierarchy of responsibility and tasks. Culture consists of shared values and norms. These informal organisational aspects influences and guides the human beings and their activities. All four elements are important to be competent. Lack of competence may due to lack in one or several of these. Strong competence can due to fulfillment of all elements or more in one, which to some extent compensate for less from another element.

Csikszentmihalyi & Mihaly (2003) and Antonovsky (http://www.wikipedia.org 2) refers to the sense and perception people experience may influence their ability. Besides being able to perform expected tasks according to Csikszentmihalyi & Mihaly (2003), to much of demand in relation to week ability to carry out the tasks in practice may lead to worry and anxiety. On the other hand too little demand in relation to strong ability to carry out the tasks may lead to demotivation and boredom. Aron Antonovsky (http://www.wikipedia.org 2) argues that the sense of coherence (SOC) affects our ability to manage the challenges one face and also one's health. The concept of SOC comprises three sub-components. A fundamental experience of what happens in and outside of the individual are predictable, understandable and structured (intelligibility) and that the resources of these events require are available (manageability), and that life's challenges are worth investing their involvement in (meaningfulness)

There is also valid to talk about individual vs. collective competence. Sandberg & Targama (1998) mean that common understanding is the basis of collective competence and its development. Thus individual training and development should include development of the common understanding of one’s task, mission and vision.

3.2.2 Competence management

Competence management can be summarized as the activities for supplying the right competence in the right place in the right time. This may include a well- planned recruitment process in order to attract the best candidates. Another practice is a training and development program to further improve the recruited employees’ abilities. A third practice is a compensation plan to motivate the employees to perform well in accordance with the company’s goals and targets. These are just a few practices, which companies can use in their strategy to help them reach their goals (Boxall & Purcell, 2011), SIS -The Swedish Standards Institute (2011) does not include compensation. It describes competence management as activities and all steps of attract, hire (also includes acquire operations, short term contracts “to hire or for hire”), develop, maintain which are similar to what

Boxall & Purcell describes, and it also includes to exit and end competence and validating competence. Validating competence means activities to identify and define competence need and to assess actual competence. If there is a discrepancy between needed and actual competence that is defined as a gap and activities of competence management may fill this gap.

Since competence is a prerequisite for the organisation's long-term success there must be an awareness of future needs of competence to be included in the organisation's strategic work. Without a conscious strategy for competence supply it is impossible to successfully respond to changes in the business environment, and difficult to respond to internal changes, reach short and long term objectives and to maintain attraction from clients, employees and stakeholders. This means an organisation and its employees may lack competence to perform tasks and therefore fail to meet expected levels of service. On the other hand, if an organisation and its staff may foresee changes that influences need of competence it may also be able to supply and develop the right competence at the right time, (SIS the Swedish Standards Institute, 2011)

According to SIS the Swedish Standards Institute, (2011) there is a standard called SS 62 40 70, which is to support the implementation and to maintain a management system and process for strategic competence supply.

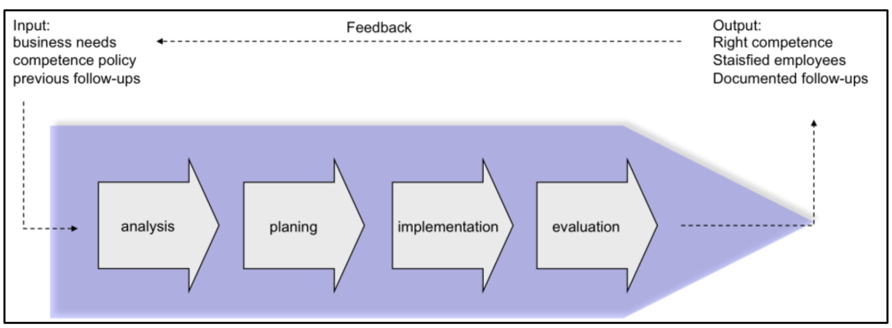

Figure 2: The model of the standard SS 62 40 70 process for strategic competence supply

The competence process and different steps, supports to structure the work providing the right competence available in the right time to achieve goals on short and long term, see figure 2. The input to the process is business needs, competence policy and previous follow-ups. The output from the process is right competence, satisfied employees and documented follow-ups. The process consists of four steps:

1. Analysis of competence: Bases for which competence needed on short and long term is derived from the demand of the organisation. This is divided in three natural steps: (1) Identify the needs for competence of the organisation, (2) Map existing competence in the organisation and (3) Compare the needs for competence with existing to identify the competence gaps.

2. Planning of competence: Secures that short- and long-term competence goals and plans are established on organisational, group and individual level. To accomplish planning of competence

the following three steps are important: (1) Formulate goals for competence on short and long term considering priorities for the organisation, (2) Establish and maintain plans for activities of organisational competence supply and (3) Establish and maintain development plans of competence for every employee.

3. Implementation of competence: Different activities from the planning step of the process are to be executed, documented and evaluated. Examples on actions for competence supply are:
(a) Attract, (b) Hire, (includes takeover of operations, short term contracts “to hire and for hire”), (b) Develop, (d) Maintain, (e) Exit and end and (f) Validate.

4. Evaluation: Follow up and evaluation to continuously improve competence and the competence supply process.

3.2.2.1 Competence development

Competence development is assumed to happen via a process of learning to do things better and better-better meaning closer to the objectives for the output of the competence, (Dreijer, 2000). The training and development process is crucial for a company or a team in order to ensure that it is able to retain prospective employees. This will allow them to remain strong, gain competitive advantages and add value to the stakeholders (Boxall & Purcell, 2011). Boxall and Purcell (2011) identify three different types of approaches to training and development: (1) Informal learning, (2) short-term training and (3) long-term development. Informal learning and short-term training is usually associated with “on-the-job” training where the employee learns by doing, i.e. while performing different tasks, watching experienced workers and asking new colleagues for help. According to Becker (1994) on-the-job training has proven to be very effective in terms of human capital, employment and economical values. Long-term development is often “out-of-the-job” training where the employee receives training through formal training, education, participation of courses etc.

In order to have actually learned something, according to Kolb's learning cycle one must go through a full cycle turning one's actions (and their results) into experiences, complete reflection on these experiences (what can be learned here), develop and plan for new actions, decide on a course of action, and change (if feasible) one's actions according to the solutions decided on, (Dreijer 2000). One issue is according to Dreijer (2000) the starting point for developing the competence further and another is the means for creating the organisational learning (as well as individual learning, author’s reflection to Dreijer). According to the situational approach an individual may be not-consciously incompetent, consciously incompetent, consciously competent and not-consciously competent. What can add extra strain to learning is if both the learner and the trainer does not identify the right starting point and therefore choose inappropriate means for learning, see figure 3.

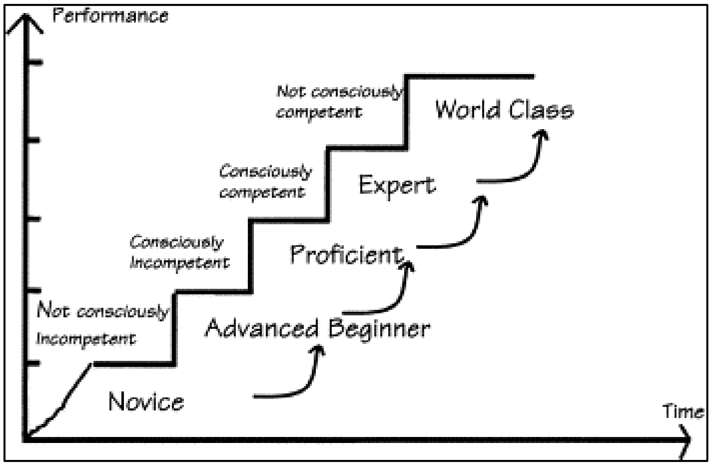

Figure 3: The starting-point for learning at each stage

As non-standardised processes for competence development we regard concepts and theories around learning- and knowledge creating organisation. The concept of “Learning organization”, has five main features; systems thinking, personal mastery, mental models, shared vision and team learning (Senge, 2006). According to Nonaka (1991) making personal knowledge available to others is the central activity to the knowledge-creating company. Concepts of learning organisation and knowledge-creating company are interesting in both how to build motivation for training and development, but also to build awareness to and align what to learn. This is to some extent supported by Schön (1987) who emphasizes the need for feedback and control over the learning process. Schön describes two levels of control: single looping and double looping. Single-looped learning enables learners to learn from past experience. In double-looped learning, learners assess and reinterpret lessons from past events. Double- looped learning focuses on learning how to learn through questioning and reflection. Learning that aims to be optimally efficient, ought to allow the learner control of the process of learning, including any changes in the learning topic and the learning goals.

Learning at work can however lead to stress rather than competence development. The research of Paulsson et al (2005) shows that increased workers’ control of the learning process makes competence development more stimulating, this is likely to simplify the work and reduces (learning-related) stress. It is therefore important that learning at work allows employees to control their learning and also allows time for the process of learning and reflection. Arnetz (1996) suggests that what adds to mental strain is: ‘‘poor performance feedback, sub-optimal organisational efficiency and a mismatch between skills and competence available in the workforce and those required for new product development’’ (Arnetz, 1996). Csikszentmihalyi & Mihaly (2003) states to much of demand in relation to week ability to carry out the tasks in practice may lead to worry and anxiety and to undertake learning or conduct training may be considered as tasks to carry out. There is a risk learning at work can lead to stress rather than competence development.

3.3 Change and change management

3.3.1 What is change

Todnem (2005) refer to change as emerging or planned and Nicolini (2009) refer to change as a process of translating conversations or diffusive with certain starting and ending point. Translation means that there is no distinctive starting or ending point. The changes translate through conversations and reformulate the reason for change as well as the outcome of change activities. Diffusion means that sometimes change happens, someone initiates change, something directs change, and somewhere change ends. Organisation development practitioners have always seen organisational changes as a process of adapting, i.e. translating, or re-inventing some ideas to the context where they are to be realized. In other words – “implementing” ideas always means that the final result is not identical to any original ideas, which is why viewing change as a learning process is more reasonable than viewing change as an implementation of a package of ideas and solutions (Stjernberg, 1993). Resistance to change can be seen as a hinder or as an opportunity to change. If one views change strictly from a diffusive perspective, one may consider resistance as a hinder. From the translation perspective, resistance is prerequisite for conversations and views that may improve the change Dent (1999).

3.3.2 Change management

One main message is whenever one engages in a change project; one must understand that it needs legitimacy, both from top management and bottom up. In order to get legitimacy, the change must make sense – and arenas and interventions are often necessary to give the employees a chance to develop a shared sense and understanding of the change processes (Stjernberg, 1993).

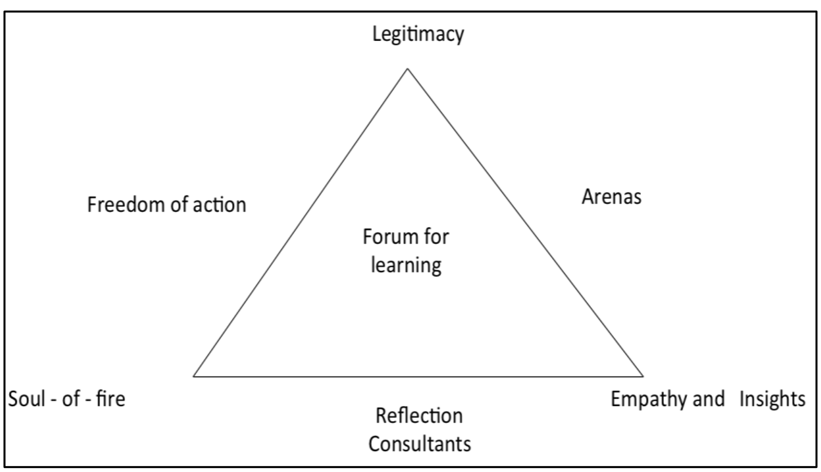

Figure 4: Prerequisites for change

Change needs several prerequisites to be successful. Firstly it needs legitimacy, e.g. in the form of top management support for the changes. However, legitimacy is not enough. There is also a need for some soul-of-fire (i.e. change champion). That is a person or persons that is/are willing to commit a lot of time and energy for the changes and that really believe in the value of the changes. In the change process there must also be sufficient competence, i.e. empathy and insights with regard to how changes in social systems take place, such as by using different arenas and interventions where those concerned may meet and discuss the changes. A soul-of-fire without top management support lacks the necessary freedom of action. Consultants may have a role as supporting the change process – perhaps more importantly by bringing reflection and knowledge about the process of change in social systems than by bringing in organisational solutions, see figure 4 (Stjernberg, 1993).

Legitimacy and sense making are strongly linked to commitment – getting a wide support for the changes. In order to get commitment, the people involved need to, in some sense, "own" the changes and the change process. Focusing on the transition, i.e. the process of change, and making sure that the employees get a reasonable chance to individually translate the ongoing changes into consequences and requirements. This needs support and empathy and commitment from the soul-of-fire. There is however no standard recipe on how to create a widespread commitment for change (Stjernberg, 1993).

The soul-of-fire faces two major dilemmas: first, the learning dilemma, i.e., the need to balance the efforts for internal learning and development in the unit with diffusion activities and the creation of external legitimacy; second, the change dilemma, i.e., the need to balance the direction and control of change with support for employee autonomy and influence (Stjernberg, 1993).

3.3.2.1 Models for change management

There is no "one-size-fit" all approach to change management and therefore one needs to be careful when following any of the consultant approaches of managing change. One of the primary contributors to research about change was Kurt Lewin (Todnem, 2005). His three step theory would ensure successful change: (1) Unfreezing the existing state, (2) Reorganise to the desirable state and (3) Refreeze to the desirable state. This approach is more appropriate when taking on the diffusive perspective on change. When looking at change from the translative perspective Todnem (2005) refers to several but highlights three different frameworks, namely: Kanter's 'Ten Commandments for Executing Change', Kotter's 'Eight Step to Transforming Your Organisation' and Luecke's 'Seven Step', see Appendix 2. All frameworks stresses the importance of creating a vision and to make the new approach institutionalized in the culture of the organisation. Kotter emphasizes the need for quick wins, which spurs producing more change. Kanter and Luecke underline strong leadership and identification of the need for change in the organisation as important. Kanter and Kotter highlighted that establishing a sense of urgency is crucial for change together with a guiding coalition, empowerment, facilitating structures and communicating the vision. Luecke pays attention also to monitoring progress and adjusting to emerging problems.

Chapter 4 - Context

This chapter describes the Global Organisation, the Subsidiary, which initiated the investigation, and its CSD, which is in focus for the study. Mission, activities and processes are described for the investigated unit.

4.1 Organisation

4.1.1 General about the Global Organisation

The Global Organisation was founded in 1907 and is a leading global supplier of products, solutions and services within rolling bearings, seals, mechatronics, services and lubrication systems. The Global Organisation has around 45.000 employees, 140 manufacturing sites in 28 countries and is represented in over 130 countries through its own sales companies and over 15 000 distributor locations. The vision is “to equip the world with the organisation's knowledge. To take all the knowledge gained over more than 100 years to develop and deliver products, solutions and services which enable customers to be more successful and profitable in their business”.

4.1.2 The Subsidiary and CSD

CSD, which is in focus for the study, is a part of the Subsidiary. The Subsidiary supports the Sales Units of the Global Organisation's operations in Eastern Europe and the Middle East, a total of 43 countries. The Subsidiary consists of seven different departments where CSD is one of them. The other departments are FCD, Export Control, BSD, HR, Quality and MarCom. Sales from the Sales Units cover all different types of the Global Organisation's products, i.e. bearings and related products, services and solutions. Customers include OEMs, end-users and distributors. The mission of the Subsidiary is to “Make it easy for sales units to manage and grow the business! -by developing effective and efficient support processes and identifying synergies between markets and functions”. The number of employees is 25 and all based in Gothenburg. CSD consists currently of eleven representative employees, one support employee and one manager.

4.2 Customer Service Management

CSD is responsible for serving and supporting Sales Units and clients in the following areas: Order registration maintenance, monitoring invoicing, transport administration, handle letter of credits, bank guarantee, claim and return handling, credit check of customers together with finance department and daily contacts with customers, suppliers, forwarding agents and support units. The CSD Representative employee works performs tasks in the daily operations, with a lot of correspondence with people at the Sales Units and clients. The Support employee do also engage in daily operations like the Representative employee, however also takes on tasks like supporting, training and maintenance of customer information in support systems. CSD receives lots of requests and correspondents, which are to be treated within certain time frames and routines. Order Communication with the sale units can be done by phone calls, FAX and by emails. All emails are to be answered within 24hrs, regardless if the issue is solved or not. All orders coming before 12am (Sweden 4pm, Norway 2pm and Finland 3pm) are to be booked in the same day and if the order comes after 12pm, the order should be booked before 12 a.m. the following day.

4.3 Competence and competence management - the Global Organisation

We will focus on some areas around competence and competence management for the organisation.

4.3.1 Competence and competency

The organisation define different meaning of competence and competency, see figure 5. They define competence as the set of knowledge, skills and experience one possess.

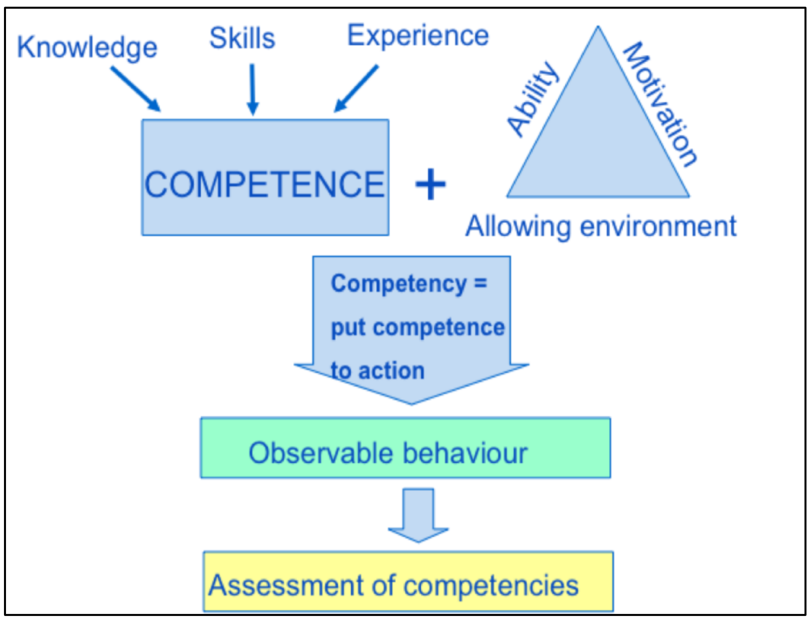

Figure 5: The Global Organisation's definition of competence and competency

By adding ability, motivation and "allowing environment", competence is possible to put to action. A competence put to action is per definition equal to competency. Thus the behavior a person makes use of when carry out tasks represents the actual level of competency. Observable behaviors are possible to assess and can be a measure on level of competency.

In the competency model for the Global Organisation, see figure 6, there is a collection of the most important competencies necessary to perform well in the different jobs. They are structured under different types of competencies.

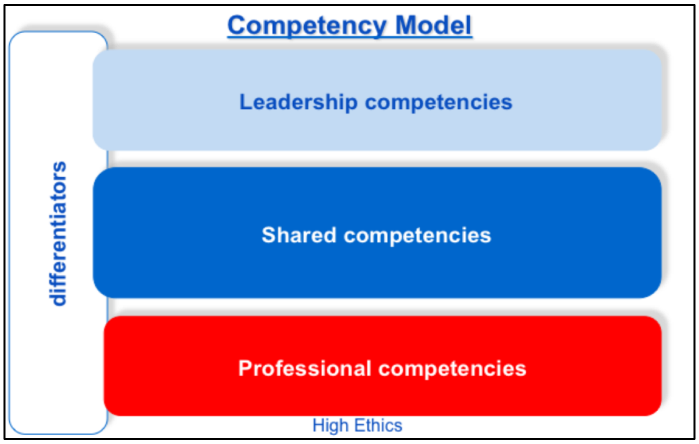

Figure 6: The competency model of the Global Organisation

The model defines different types of competencies. Leadership competencies are a set of competencies (behaviors) that help the managers to be successful at work. Shared competencies are a set of competencies (behaviors) that help all the employees to be successful at work. Professional competencies are a set of specific skills and knowledge that help the employees to perform well in their job. The differentiators of the Global Organisation are competencies that distinguish superior from average performers.

4.3.2 Competency management

The Global Organisation has a Competency Management Process (CMP). Competency management involves all employees facilitating the organisation has the right competencies at the right time in the right place ensuring that the Global Organisation reaches its business goals and meet its customers' needs. That means to facilitate that all the Global Organisation's employees have competencies and capability to bring the vision, strategic goals and values to life; to provide a consistent method and tool for planning and evaluating performance & leadership; supporting the professional development of the individuals; building up organisational competencies to achieve the long-term goal; safeguarding the organisation's core competencies. The organisation also has a process for and performance management (PMP) in order to support the employees their personal, professional and competency development.

In the Subsidiary assessment of competence is according to four levels, see figure 7.

1	2	3	4
I know knowledge is required but I don't have it	I have some knowledge and can work in this area with guidance and support, unless there is a problem.	I have good knowledge and can work in this area. Support needed if there are problems or complex situations	I have very good knowledge, can solve problems, can conduct training in this area and rarely need help

Figure 7: Levels of competence - definitions

Every employee is assessed according to these levels for each competence and competency needed for the actual job role. These levels follow definition in line with the CMP. All employees, just hired or existing are involved in the CMP and PMP. They have personal programs for learning and people development.

Every new employee coming to work for the Subsidiary attends to the introduction program for new employees. The program is 3 months long from the day the employee first working day and/or at new position within the Subsidiary. The program is made for the whole induction period and it starts with things that need to be done before the new employee arrives, and ends with an evaluation to be filled in after the induction is completed. All actions in this program are mandatory. For internally recruited employees some of the actions could already have been fulfilled, see Appendix 3 The new employee at the Subsidiary gets a Mentor within the team. A two weeks education plan exists with checklists.

4.4 Change and change management - Business Excellence

Business Excellence is a method in order to manage change, continuous improvements and learning. The method has its origin from Manufacturing Excellence at the Global Organisation, which has been very successful and been ongoing for some years. According to the Global Organisation annual report 2012, “Business Excellence is about bringing value to customers in the most effective and efficient way and at the same time enabling the Global Organisation to reduce costs by eliminating waste. Within Business Excellence, The Global Organisation is creating a culture of continuous improvement with involvement from all employees.” The Business Excellence has a bottom-up approach which means that top managers introduce Business Excellence and the employees in the operating level has the opportunities to shape the way Business Excellence is affecting their daily work in the Global Organisation. The vision with Business Excellence is to create “one company mentality” in order to deliver value to the customer in the most efficient and sustainable way for customers, employees and shareholders (Luketa, 2012).

Business Excellence is built up of three equally strong areas: Culture, Six Sigma and Quality.

- Culture includes values, drivers, behaviors and principles for guidance along the value chain.
- Six Sigma is process methods and tools to improve quality.
- Quality on the other hand includes business processes to sustain quality.

Each of these areas has their own specific uniqueness and strengths and the Business Excellence-triangle shows how these are related to each other and how they interact, see figure 8.

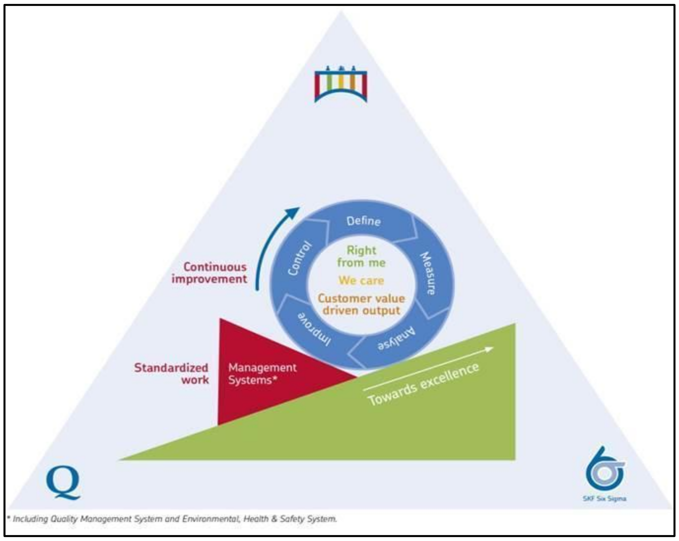

Figure 8: The Business Excellence triangle (enlargement in Appendix 5)

CSD became a pilot department during 2011-2012, with the aim of testing and improving the concept of Business Excellence for the Global Organisation. The Global Organisation reviews the results from the pilot with the comment, *"By using the structured methods in Business Excellence, the team has achieved some impressive results".* The Subsidiary has created a new mind-set and a "no blame culture" which have had positive effect on the unit. The Manager at CSD comments with, "We realized that it is not often that people make mistakes – instead it is the processes that don't provide the right prerequisites for doing a good job" (Global Company annual report 2012).

The Bridge of Business Excellence gives a guideline for employees and managers to adjust their work to the spirit of Business Excellence, see figure 9.

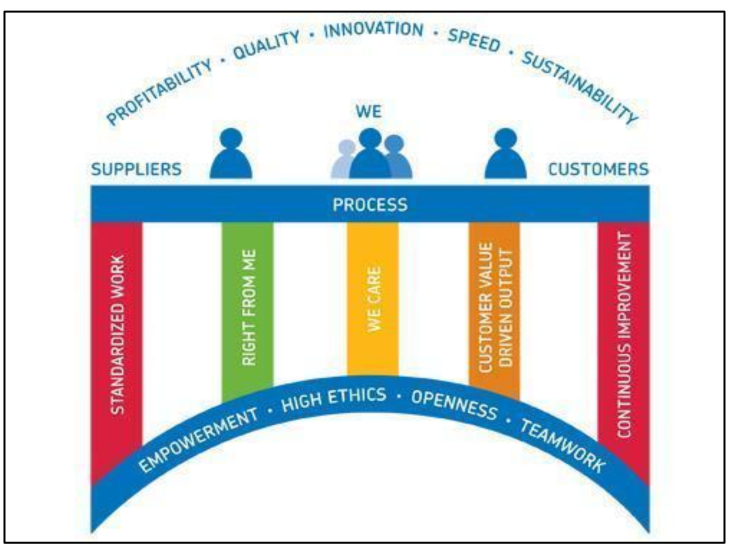

Figure 9: The Bridge of Business Excellence

At the base of the Bridge, the Global Organisations four values form the lower arch that supports the five Business Excellence principles that forms the pillars. These pillars support the drivers and the values of the organisation. Above the bridge, the five drivers, provide direction and guidance for decision-making processes that are at the heart of the Business Excellence module. This module is used to increase value-adding activities, reduce the non-value adding but necessary activities, and eliminating the non-value adding unnecessary activities. According to Luketa, M. (2012) Business Excellence is promoting a leadership that gives employees' empowerment, immediate action taking in order to eliminate problems permanently, encourages learning among employees and visit to other entities to see with your own eyes and be inspired.

The Excellence model provides the framework to make the right decisions, continuously and dynamically linking our Values and Drivers to results. The Global Company wanted to clarify the Bridge model so they introduced the Thinking model.

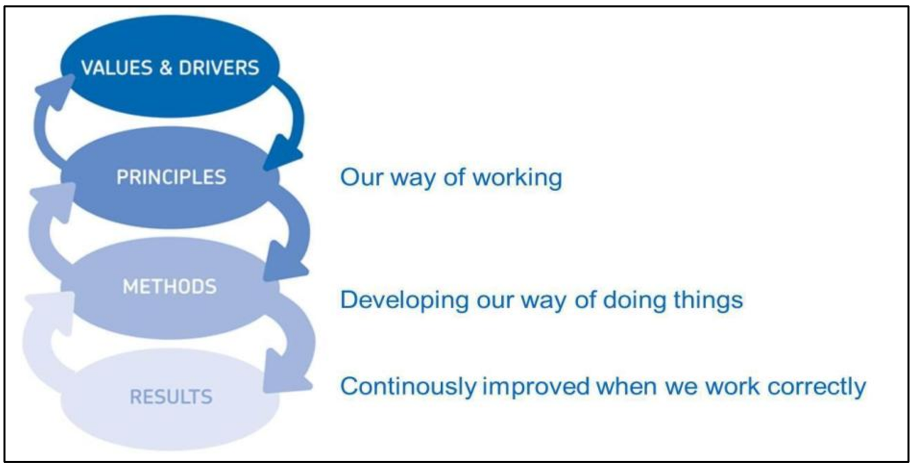

Figure 10: The Thinking Model

The Thinking model illustrates how the values and drivers are affected by the principles and vice versa, see figure 10.

Chapter 5 - Results

This part of the thesis will present the results from the different methods used; (1) Interviews regarding context, (2) Mail Count, (3) Time study, (4) Employee survey, (5) Competence survey and (6) Other information collection.

5.1 Interviews

Three interviews were conducted at the Subsidiary, (1) Manager at CSD, (2) Support employee at CSD and (3) employee at BSD. The subjects for the interview questions were prepared in advance where all were covered in the interviews, see Appendix 4. The Manager of the CSD started in current position in July 2012 (17 months), however has been employed in the Global Organisation since twelve years at present. The Manager started as CSD Representative Employee and has had an assignment within the Global Organisation's Business Excellence project. As a "Champion" within the project, the Manager initiated in 2010 the Pulse meeting method at CSD. The CSD Support employee has been employed in the Subsidiary for eleven years, started as a CSD Representative employee. (3) The employee at BSD started to work for the Global Organisation seven years ago. The first four years as CSD Representative Employee and the last three years as an employee at BSD.

Before year 2011 there were eight employees working at CSD. The CSD handled less Sales Units compared with today and focus was on Eastern European countries. In 2010/2011 the CSD took over responsibility for the Nordic countries, (Sweden, Norway and Finland) from other units within the Global Organisation. To be able to meet the new demands, two new employees were hired. The CSD needed to reorganise themselves and the group was divided into 3 different sub-groups, Nordic, Middle East and Europe. The interviews reveal that after this reorganisation the CSD experienced high turnover rate of employees. To be able to meet the demand from all Sales Units, new employees were hired. The incoming requests have increased but also the number of employees working to meet these inquiries has also increased.

All the interviewed persons express that the experienced workload has increased after year 2012. General support questions have increased a lot compared with earlier years, due to many new employees at CSD and at the Sales Units, who need a lot of support. There has also been a vacant position in the finance manager position (during a period of one year). Even though this position does not engage in daily operations at CSD it does affect supportive functions, which indirectly affect the workload at CSD. This change has negatively affected the Sales Units perception on service level from CSD. Key findings from the interviews were that the problem includes competence and change perspectives to a great extent.

One comment from one of the interviewed person is: *"When you do the mail count, you will discover an increase by many percent. My workload has increased a lot if you compare my in/out - box from 2009/2010 with 2012/2013."*

"The incoming requests and questions have changed character, I need to support the Sales Unit much more now, compared with earlier years", was a comment from one of the interviewed person and this comment was also supported by answers from another interviewed person.

"To be able to build-up right competence you need time, at least three years" was another comment from one of the interview persons.

During the past years (2011-2013) tasks have changed character, from being simple order booking to handle more complex tasks, i.e. export control, paperwork for military applications, price correction, trade finance, more paper work special orders, more debit-/credit not handling, accounts payable issues and shipment control. It is important that these complex tasks are handled in a correct way because there are no rooms for making mistakes. Some of the tasks do not occur often enough to enable the employees to develop routines. When these seldom-occurring tasks occur they take longer time for a CSD Representative employee to solve and may need support from others. Interviews show that it takes approximately 12-18 months for a new employee at CSD to learn all of the tasks they are responsible for handling.

5.2 Mail Count

In this section we present the findings from the workload in terms of number of tasks, ie counting number of mails for each employee from January 2012 to September 2013. The aim is to find whether there is an increase in number of task to perform or not. Even though one mail does not equal to one task, it is still relevant in order to track changes in workload over time. Most of the tasks performed involve correspondence over mail. The number of employees investigated was 14. As not all has been working the whole period and as we do not have access to former employee's mail we cannot get a full picture from all involved in the performance of tasks.

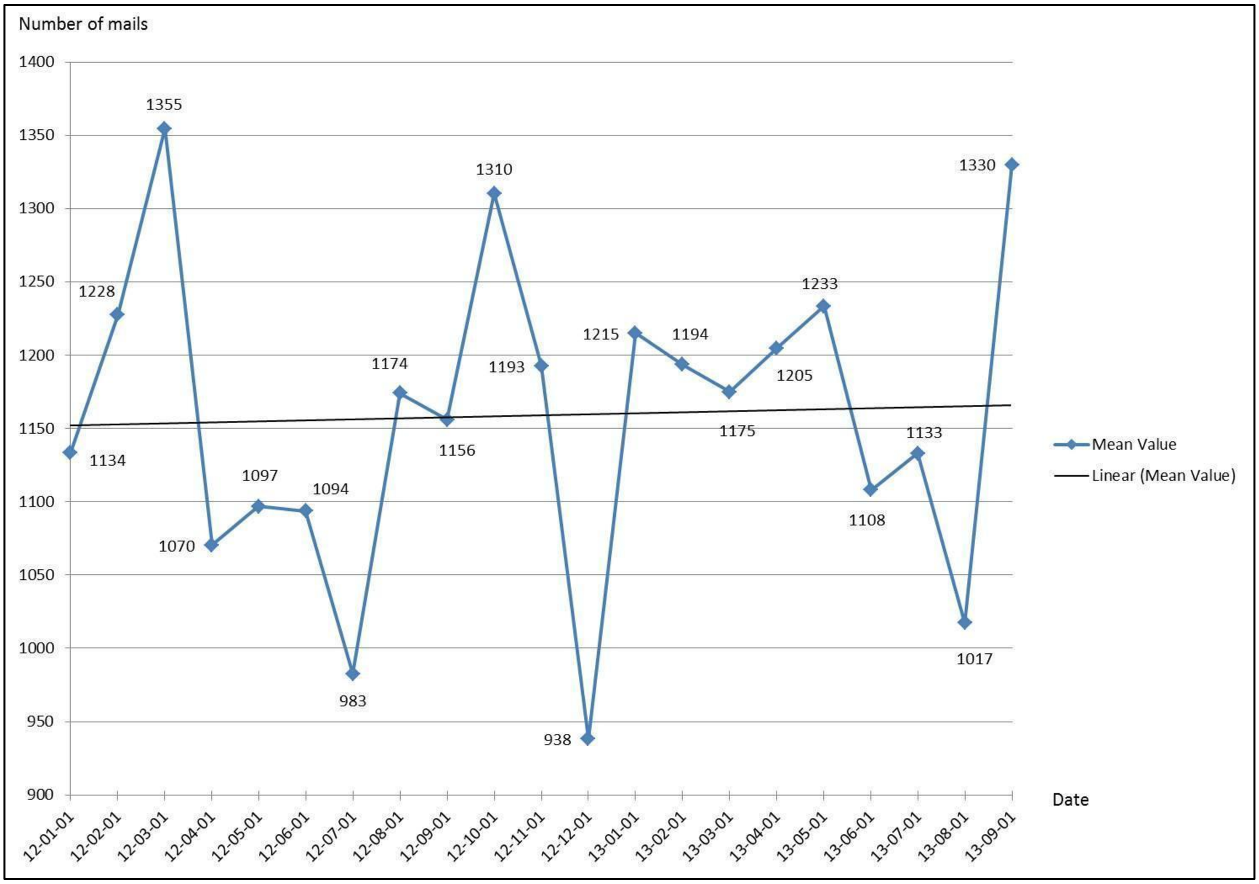

Chart 1: Presenting mean value per employee of incoming and outgoing mails per month

Chart 1 is presenting the results of our performed mail count. According to our calculations, there is a mean value of *1159 mails per month* for each employee in CSD, distributed over the whole investigated time period. The lowest value is in *December 2012, 938 mails* and the highest values is in *March 2012, 1355 mails*. There is a significant variation of errands over time, there is a decrease in number of email correspondence during Eastern, summer vacation periods and Christmas vacation and an increase in number of incoming/outgoing emails after vacation period is over. This variation may imply that the workload temporarily exceeds the ability to perform the tasks during scheduled working hours.

The results show that there is change in workload from one month to another to a degree, which may be challenging in order to perform the tasks. Investigation of the trend line in Chart 1, we see an uptrend line, indicating that there is a slightly increase in the net demand. It is also important to investigate the slope of the trend line. Trend line with significant slope is easier to analyse compared to a trend line where the slope is slightly showing an increase, such as in this case. The outcome of the trend line investigation is that, there is an increase but not as much as expected to be. However the results do not show a trend of significant increase of workload during the investigated period.

5.3 Time study

The aim is to track tasks that may be challenging to employees to manage efficient and effectively. We present the findings from the study on number of occurrences and average time spent on each category of task. Any variation between different employees is also interesting in terms of need for additional training and support, development of routines or support system.

In Chart 2 we present for all different categories of tasks and processes performed and recorded the total number of occasions a task and process that was performed by all and the average time spent on each task.

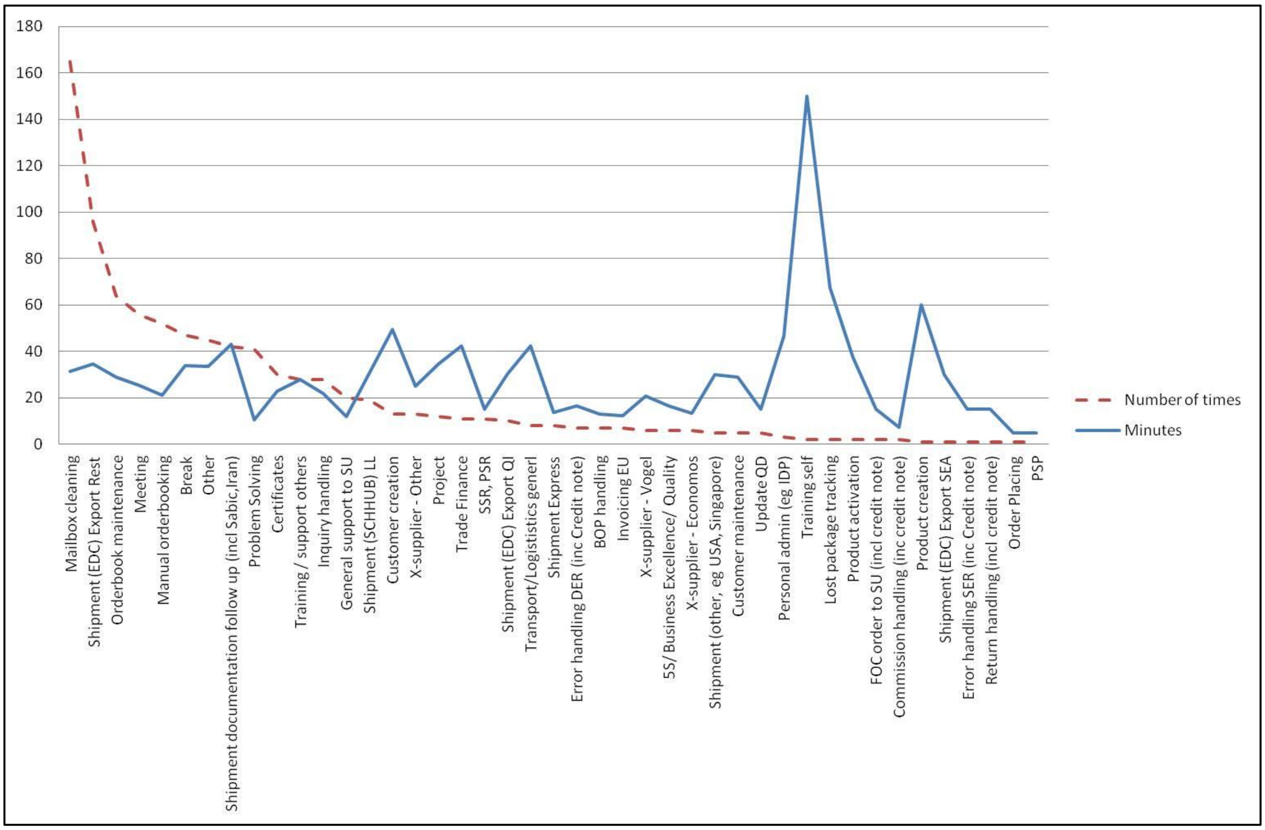

Chart 2: Categories of tasks performed in number and average time spent on a task

The method we have used to calculate the most occurring task has been to summaries the number of times they have occurred for all participants. The most occurring tasks takes in general approximately 30 minutes to solve. The most occurring task was Mailbox cleaning which is related to some other tasks in their daily work and this task occurs 165 times and takes 31 minutes in average to handle. Mailbox cleaning was followed by Shipment (EDC) Export Rest, Order book maintenance, Meeting and Manual order booking.

Least occurring tasks are Return Handling, Order placing and PSP. They occurred only 1 time each and took 5 minutes to process. These tasks were followed by Error Handling SER (inc credit note) and Product creation.

The most time consuming tasks are: Training self, Lost package tracking, and Product creation. Training self-task occurred on two different occasions but the time spent on training was 150 minutes, for Lost package tracking employees in CSD spent 68 minutes in two different occasions and for the Product creation employees in CSDs spent 60 minutes for this occasion. We have tried to identify which tasks are common for all CSD Employees. The data analyses show that all employees in CSD are handling Problem solving, Order book maintenance, Project, Shipment (EDC) Export QI, SSR/PSR and spend more time on these task compared with all the tasks performed for the rest of the tracked tasks we have a wide individual variation due to different requests from their Sales Units.

5.4 Employee survey

The focus for the employee survey were all employees and one manager at the Subsidiary. They were asked to rate and answer a number of ten questions regarding workload, working time, own ability to perform tasks, available support from others and in systems, time required to learn the job, and time in current position. They were asked to sign the survey with their names in order to enable oral follow up questions from the authors. They were guaranteed anonymity in the thesis and to others except for the authors. 18 of 20 answered the survey; a few did not complete all answers. The answers and comments from the respondents in the employee survey are presented one by one for each of the 10 questions. The distribution on each alternative answers in number of employees and percentage of employees can be found in Appendix 6.

The results regarding workload shows that employee’s perceived workload has increased during the last 12-18 months and they experience some to large variation over time, see Table 4 in Appendix 6. 50% of the respondents think that they have reasonable amount of tasks to perform and the remaining 50% think that the amount is more than reasonable or much more than reasonable, see Table 1 and Table 2 in Appendix 6. In the Employee survey we have asked if the complexity of errands have increased or not. Majority of the employee state that the complexities in errands have increased during the last 12-18 months, see Table 3 in Appendix 6. Employees state that they need to spend more than scheduled working hours to be able to handle all the incoming questions, errands and support to Sales Units during a working day, which means that all the incoming requests are not met during the same day, see Table 5 in Appendix 6.

In this survey we have asked the employees to assess themselves regarding their own perception about their own ability to perform their daily tasks according to the four-grade scale used in competence management for the Global Organisation, see figure 7. To be able to manage their daily tasks at least a level of 3 in the competence level is required. The results show that all the employees assesses themselves to be at level 3 or 4, which means that they are have good knowledge and can do their daily tasks or they have very good knowledge and can solve problems of their own. The result in the survey are following: 67% of the employees assess themselves to have good knowledge and work independent in their area, level 3 in the competence level and 33% of the employees assess themselves to have very good knowledge in their work are, rarely need help and can solve upcoming problems, level 4 in the competence level. None of the employees have rated themselves at level 1 or 2, see table 6 in Appendix 6.

Employees state that the existing systems and processes are good enough to support the employees in their daily tasks and gives the required support, see table 7 in Appendix 6. Support from others is requested to a greater extent given however everyone do not get the fully support when they require it, one person has expressed that he or she do not get any support at all when support is needed. The result from question 8 shows that everyone needs some support sometimes, 94% of the employees state that they get some support but not the fully needed support to solve their problems and none of the employees are capable of handling and solving upcoming problems on their own which means that none of the employees are at level 3 or 4 in the competence level as presented in figure 7. This result shows that none in of the employees get the full support they need to solve their upcoming problem, although 6 employees have ranked themselves to be able to solve all upcoming problems and can conduct training in their area, see table 8 in Appendix 6.

Employee survey shows a widely spread result regarding how long time it took for the employees to learn all the tasks required for their current role, table 9 in Appendix 6. Time to learn the job and to reach required level of ability to perform the task on their own is significant, most respondents answer 6 months or longer. Many employees are hired during the past years, only 30% have more than 3 years of working experience in their current position, which indicates that the learning cycle for CSD work is long and a strategy for competence development and competence management is required, see Table 10 in Appendix 6.

5.5 Competence survey

In the competence survey three managers were asked to assess the competence of the current CSD manager and the employees at CSD. Assessment is according to the four-grade scale used in competence management for the Global Organisation. This survey is done to evaluate if there has been a change in the competence level average between current and former employees. Among the existing employees' assessment, the employees themselves were asked to do a self-assessment, which was a part of the employee survey. The figures presented in table 11 and 12 are calculated from the average of assessment from the three managers and the assessed person self, i.e. self-assessment is among current employees only.

5.5.1 Average competence level

Average competence level aims at showing the level of competence among the workforce, i.e. the ability to perform their tasks. The results show that the average competence level among the workforce at CSD has decreased from 2,9 to 2,6 in average, which below 3, see table 11 in appendix 6. See also figure 7 regarding the definition of the different levels of competence for the Global Organisation.

A competence level under three means most of the workforces does not reach up to a level of competence where there is needed “good knowledge and can work in this area, support needed if there are problems or complex situations”, i.e. definition of level 3 in competence.

5.5.2 Level of competence

From the competence survey results we were able to build-up a distribution between numbers of employees with certain level of competence. The results clearly show that the distributions of employees with a high level of competence have decreased and poor levels of competence have increased which is in line with the decreased average competence level. Number of and percentage of employees, with certain level of competence, is presented in table 12 appendix 6.

The distribution shows that among existing employees at CSD there is a higher share with poor level of competence than among the former employees, i.e. 38% of existing vs. 28,5% of former employees. There is also among existing employees a lower share with the strongest level of competence than among the former employees, i.e. 8% of existing vs. 28,5% of former employees has very good knowledge, can solve problems, can conduct training in this area and rarely need help, i.e. more employees that needs training and less employees capable of providing “on-the-job” training.

5.5.3 Time of experience in current position

This aims at showing the time of experience among the workforce in current position and how it affects competence for the BSD. This is based on follow up investigation on the competence and employee survey. Working time for each of the employees and their level of competence, is presented below, see chart 3.

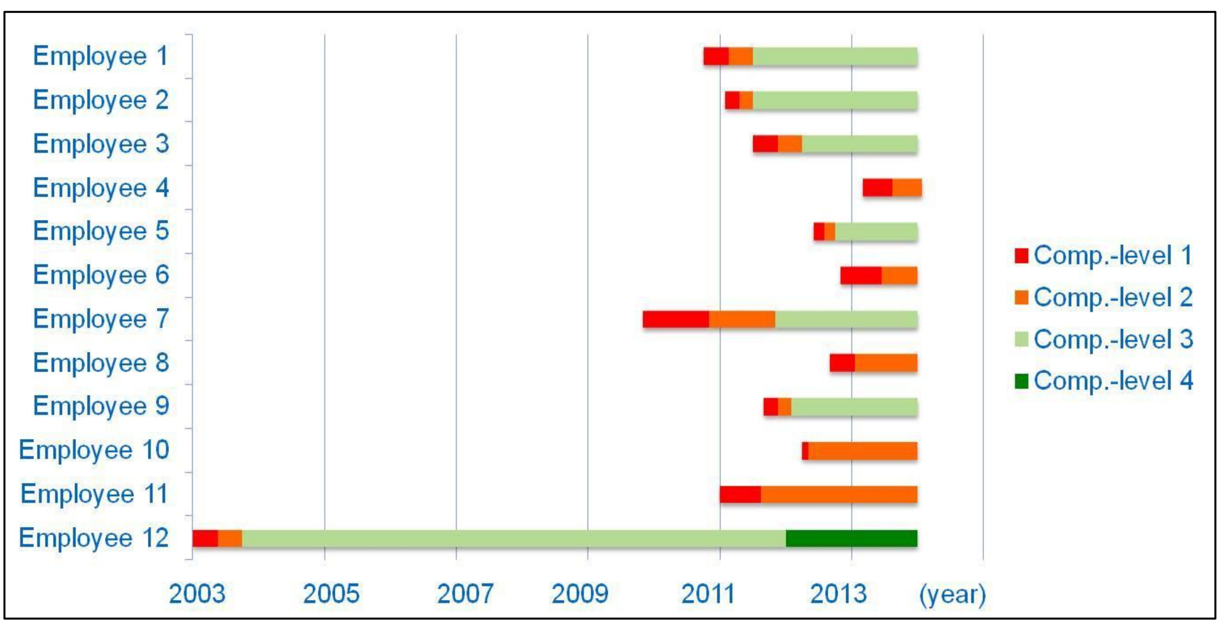

Chart 3: Working time and competence at CSD

The starting point for employment at CSD is at the point where the coloured part of the bar starts. Red colour represents competence level 1, orange represents level 2, light green represents level 3 and dark green represents level 4. The time for development of competence through level 1 and 2 for each employee is based on the employee survey. The answer on the question, how long time it takes to learn all the tasks required for the current role, represents that time period. Chart 3 shows that during the last year (2013) there have been five out of a total of twelve employees that lacks the ability to perform their daily tasks. The current staff at CSD has less working time experience within the unit in comparison to those who worked during previous years, i.e. the people that quit 2012-2013 had worked for 60 months as an average (six persons), compared to current, which is 26 months.

5.6 Other information collection

This section presents result from other information collection, in order to track level of service and how they have succeeded in managing change. The sources for information are corporate surveys regarding service level and a thesis regarding change.

5.6.1 Service level

In this section we present findings from different surveys done by the Subsidiary asking for the perception on different aspects regarding service level to the Sales Units. The respondents are people with experience from the services of the Subsidiary within the Sales Unit's and to some extent Direct Dealers (DD). The numbers of surveys are four and carried out in:

- November 2013, 65 respondents from all countries, sales units and DD, on line survey.
- April 2013, 70 respondents from all countries, sales units and DD, on line survey.
- Fall 2011, 37 respondents were of 22 sales units and 15 DD from 30 countries, phone interviews.
- 2010, 24 respondents, interview over phone.

For this thesis we present only the results for four of the questions, which we found most valid for this study. The two more recent surveys are directly comparable and are presented with one chart each, for each question. The survey from November 2013 is on top and the survey from April 2013 is under. When applicable, results from the other two surveys, fall 2011 and 2010 are presented. These results are only to some extent comparable with the other surveys, as the questions were not expressed in exactly the same terms.

5.6.1.1 Quality of answers

The first result is regarding how satisfied the respondents are with the quality of answers from the Subsidiary in Gothenburg to questions and solutions to problems? It shows that there is a decrease in the total satisfaction level regarding quality of answers, see chart 4 in Appendix 7. The level of satisfaction has decreased from 22% are Mostly unsatisfied (Nov 2013) compared to 4% (April 2013). Results from the two oldest surveys indicate a higher satisfaction of service in the years of 2010 and 2011.

5.6.1.2 Response time

The second result is regarding how satisfied the respondents are with the response time. It shows that there is an increase in the total satisfaction level regarding response time, see Chart 5 in Appendix 7. The results show that most respondents are Mostly or Completely satisfied and that the level of satisfaction has increased to some extent. In the survey done in November 2013, 18% are completely satisfied compared to 12% in April 2013), however a decrease in Mostly satisfied 72% (Nov 2013) compared to 77% (April 2013). This is still in favour for an increase in the total satisfaction level regarding response time.

5.6.1.3 Backup during vacation and absence

The third result is regarding how satisfied the respondents are with the backup during vacations or other absence of their regular contact. It shows that the overall satisfaction level of backup has decreased, see Chart 6 in Appendix 7. Results from the older surveys: 2011 survey results shows 32 of 37 find the backup of their contact to be working good. 2010 survey results shows 18 of 24 are satisfied with the backup of their contact. However the amount of completely unsatisfied respondents has increased. Results from the two oldest surveys indicate a higher level of satisfaction of backup in the years of 2010 and 2011. The overall satisfaction level regarding backup has decreased.

5.6.1.4 Level of service compared to last year

The fourth result is regarding the respondents' perception of the level of service compared to last year. The results show that about the half of the respondents considers the level of service is unchanged now compared with previous years. For last year the results shows that the level of service is better than there are respondents considering it worse. However the amount of respondents considering the service level been Better has decreased (35% Nov 2013 compared to 40% April 2012) and Worse has increased (22% Nov 2013 compared to 8% April 2013), see Chart 7 Appendix 7.

5.6.2 Thesis regarding Change

The Subsidiary was elected to run a pilot for introducing Business Excellence within the Global Company. To be able to trace and map the changes done in the CSD a change study was carried out by a student thesis at Chalmers in 2012. Before introduction of Business Excellence the Subsidiary have had a lot of communication issues and misunderstanding which created problems and affected the employees in a negative way for a long period, (Luketa, 2012). According to Luketa (2012) the employees started by agreeing on a contract which helped them to shape their way in the new way of working. In order to be able to eliminate these issues the Customer Service Manager used tools in the Business Excellence package. The Subsidiary started to have regular value meetings where they discussed how to work together and to express their feelings and concerns. They have started to visualize KPIs and targets. The group also started to implement time management and 5S methodology (sorting, stabilising, systematically cleaning, standardising and sustaining) to be able to reduce waste (Luketa, 2012). The management team continued with the introduction of daily Pulse meetings with the employees to provide an opportunity for everyone to bring up problems and report deviations. For identified problems the group chose the most suitable person to be responsible for driving improvements and the problem was followed up in the daily meeting, without neglecting or forgetting it. The rotating role in leading the Pulse meetings created more awareness towards other colleagues and to their work. The outcome from introducing Business Excellence is that the team has now much better control over processes and can solve deviations much faster. The drawback with being the first unit to implement Business Excellence was the poor understanding of the concept (Luketa, 2012). According to Luketa (2012) the management team needed to have separate meetings to understand the concept. The facilitator who runs the Bridge meetings made sure that nobody left the meeting without understanding every step of the concept. In the beginning there was big resistance among employees to adopt Business Excellence. The employees thought it took too much time and the number of meetings was too many. Many employees said that it took more time to attend to the meeting then time for work. The facilitator and the manager decided to make sure that there was enough time between each Bridge meeting and the number of meetings was adjusted. The main problem, which was eliminated by implementing Business Excellence, was the back-up routines during absence of colleagues. The short-term wins with starting to have Pulse meetings, putting up charts, diagrams, notes, and sharing information, where the opportunity to quickly solve problems. Introduction of Business Excellence gave very soon the expected leverage back, which motivated the employees to continue to follow Business Excellence principles (Luketa, 2012).

Chapter 6 - Analysis

In this chapter, the results will be analysed on the basis of chosen theoretical framework and context. The analysis forms the basis for achieving the purpose of the study and answer the problem formulation. This chapter is divided into four parts based on the theoretical frameworks, Service level, Demand on tasks to perform, Competence and Competence management and Change management.

6.1 Service level

Grigoroudis & Sisko (2010) refer to Lord Kelvin (19th century) who said that "…if you cannot measure something, you cannot understand it…", meaning measuring customer satisfaction is one of the most important issues concerning business organisations. According to Gerson (1993) one can compare service levels against a norm, measure perceptions such as importance and satisfaction or measure utility. The surveys conducted by the Subsidiary measure satisfaction, as no norm is available and questions regarding utility and importance are not used. There is a gap between surveys from 2011 to 2013, no surveys have been conducted during 2012. Even though the surveys from 2010 and 2011 are conducted differently to the surveys of 2013, the results are to some extent comparable and show that the SUs perception on service level was significantly higher in 2010 and 2011 than in 2013. Since the results from the surveys during 2010 and 2011 are only to some extent specific, it is difficult to compare the out-coming results and draw specific conclusions from them. The two surveys of 2013 are however rather specific and directly comparable with each other, enabling more accurate conclusions on perceived service and its development over time.

As no surveys have been conducted during 2012, it is very difficult to identify when the changes in service levels started to occur and establish corrective actions in order to stop the negative trend in time. According to LaLonde & Zinszer (1976) and Perreault (1973) customer service is described as a package of measurable activities, which provide utility to customers or optimum levels of service and measuring customer service levels allows one to be very specific about how customer service is performed or should be performed. During 2010 to 2011 there was one conducted survey each year. These two surveys were conducted over the phone by one person and allowed the Subsidiary to achieve specific results to some extent. Service level is however a limited measure of customer service because one can only measure services, about which management has formulated numerical policies or goals for (LaLonde & Zinszer, 1976 and Perreault, 1973). The answers to questions in the surveys of 2013 are graded and when analyses are done, measurable and rather specific results can be obtained. However by formulating numerical policies for level of service and to measure utility and importance, would enable more accurate conclusions and possibilities for CSD to affect the service level. The results from the surveys from 2013 may also enable analysis of results regarding different employees and comparing service level changes over time more accurately than from the surveys done in 2010 and 2011. The way the latest surveys are conducted, do, however, not meet what Gerson (1993) state needs to be fulfilled in order to compare the out coming results against a norm. If the results of the surveys would be compared against a norm and also measure utility, the surveys would contribute to make more specific conclusions to be drawn. If measurements were translated into a number of parameters linked to employees work would let them understand and influence their own working situation better. According to Deschamps & Nayak (1995) it is important that customer satisfaction measurements needs to be translated into a number of measurable parameters linked to workers job, factors that the workers can understand and influence. Involvement of employees in the customer satisfaction measurements motivate employees to perform better which lead to higher productivity levels to be expected (Wild, 1980 and Hill, 1996). The way the surveys have been conducted over the past three years has only to a little extent contributed for the employees to change and improve. Anyhow, it is still beneficial for the Subsidiary to carry on doing these surveys on a regular basis as the comparisons over time gives crucial information from improvement activities.

Results from surveys confirm that there are negative impacts on the real service level, as the surveys conducted by the Subsidiary can be considered to be reliable. The results indicates also that there is a down trend which means the level of service will become even lower if changes in order to break this trend not takes place. Reasons behind this decrease in service level can depend on many factors. The CSD has undergone many changes during the last two years and the factors that we have identified as contributing factors to the decrease in service level are following: introduction of Business Excellence, new managers at CSD, new CSD employees, shift in how Sales Units should be defined- from seen as partners to the wanted position as customers, and lacking measurement of service level in 2012. Since the service level surveys have not been done periodically it is difficult to identify which one of the identified reasons is the most contributing factor to the decrease.

Regarding the question about “Response time on questions”, there have been improvements over the last two surveys, which is a positive development, see Chart 5 in Appendix 7. The results show that most respondents are Mostly or Completely satisfied and that the level of satisfaction has increased to some extent. This service level measure is rather clearly linked to workers job, a factor that the workers can understand and influence (Wild, 1980 and Hill, 1996), which could be one explanation to the improvement. Another explanation could come from allowing the employees to elaborate on the surveys making this measure understandable which may motivate them to perform better (Deschamps & Nayak, 1995). This measurement may be perceived by the employees to be the easiest one of the four to understand and to take control of and according to Antonovsky (http://www.wikipedia.org 2) if a situation or task is predictable, understandable, structured, manageable and meaningful it affects one’s ability to perform positively. Regarding the service level of “quality of answers from the CSD” there is a decrease in the satisfaction level see chart 4 in Appendix 7. Even though responses are perceived to be quicker the quality of the responses has decreased.

The survey results show that the overall "satisfaction level regarding backup during absence" have decreased, see Chart 6 in Appendix 7. Today, CSD has a country-oriented setup and a personal relation with the Sales Units in each country is very important. The given services to Sales Units are personalized and the Sales Units' are expecting the same service from the backup person, which always is not the case. Results from the survey clearly show that the amounts of completely unsatisfied respondents have increased. Results from the two oldest surveys indicate a higher level of satisfaction of backup in the years of 2010 and 2011. According to the Subsidiary, introduction of Business Excellence the employees at CSD created a better backup solution during vacations and other absence, (Luketa, 2012), which is however not supported by the results from the surveys.

"Service level compared to last year's" was the fourth investigated question from the last two surveys. The results are positive in terms that more respondents consider the level of service better than consider it worse compared to last year. However the number of respondents considering it better has decreased between the two surveys. This supports, together with the other results from the surveys, that there is a downtrend of service level that is important to brake. CSD would benefit from making reflection on how improvement came true regarding "response time", in order to translate this into learning regarding other service level measures (Schön, 1987), e.g. to learn from past experience and assess and reinterpret the learning.

6.2 Demand on tasks to perform

The incoming demands on tasks needs to be logged and measured in order to evaluate if given service by CSD employee meets the required service level expected from customers (LaLonde & Zinszer, 1976 and Perreault, 1973). CSD lacks a relevant tool to log and measure the demand on tasks to perform which makes it difficult to evaluate whether the perceived workload problem stems from increased demand or not. For evaluating workload, the numbers of emails have therefore represented this measure and we have used Mail Count method. The number of emails has been analysed statistically containing a group of methods, which are used for analysis, accumulation, presentation and interpretation of necessary data for reaching to conclusions (Mirilović & Pejin, 2008). We have used descriptive statistics which can be used for description of statistical data or for summarize collected data (Malim & Birch, 1997).

The measurements made in Mail Count of the numbers of tasks performed per employee do not confirm the expected increase in workload. It can however not be excluded that other types of tasks to perform are incurred or increased alongside those made by email. To analyse the change over time of number of emails, we have used trend line analysis showing the movement of trends in a time series. Trend line tells if a particular data set have increased or decreased over a specific period of time, (http://stockcharts.com 1). The slope of the line can be calculated by using statistical techniques, e.g. linear regression (http://www.wikipedia.org 1). The trend line analysis shows that there is little upwards going trend, however the slope of the trend line is too small, and signifying the workload in terms of number of emails per employee has not increased. Thus the results regarding perceptions from the Interviews and the Employee Survey regarding an increase over time is not supported by the results from Mail Count, see Chart 1.

From the statistical analysis we identify that variations of workload between different months are about 30% from largest to littlest. The variation comes both from variation in demand on tasks to be carried out, seasonal variation and absence of employees. The perceptions from the employees and managers support the results from Mail Count regarding the variation of workload.

According to Antonovsky a sense of coherence is fundamental for the ability to handle challenges and also maintain health. A sense of coherence includes that an individual experience intelligibility, manageability and meaningfulness. The workload variation from one month to another can differ up to 30%, which sometimes can be too demanding to handle, and we identify lack of time for recovery after a period of high workload. What we also can see is that some of the employees at CSD have both high workload and need to give support to other colleagues. Since these persons do not feel they have had enough time for recovery their perception of high workload may be perceived to be even higher than reality. According to Csikszentmihalyi & Mihaly (2003), too much of demand in relation to week ability to perform tasks in practice may lead to worry and anxiety among people. On the other hand too little demand in relation to strong ability to carry out the tasks may lead to demotivation and boredom.

Employee Survey shows that the amount as well as the complexity of tasks to perform have increased, see table 3 and 4 in Appendix 6. The survey also shows that a majority need to work longer hours than scheduled, see table 5 in Appendix 6. However employee and managers perceptions from the employee survey underline an increase of complexity, which may have impact on CSDs ability to meet the demand from their stakeholders. Interviews with employees also show that the demand on tasks to be performed differs from the expectations from the Sales Units. Several of the employees still relate to the SUs as partners instead of customers, despite the Subsidiary changed definition of the SUs a year ago. The different views on how to relate to the SUs may influence different expectations on what, how and why to perform certain tasks.

6.3 Competence and Competence management

When there is a change in the amount or in the context of the tasks to be performed, changes in the quantity and quality of competence needs to be adapted. According to SIS (2011) and Dreijer (2000) competence is relative; meaning when the conditions change one's competence may decrease in relation to the tasks one is supposed to perform. During the years numbers of served customers have increased and in order to meet the increased demand new employees have been employed. The number of employees in CSD increased from eight before 2011 to twelve in 2013 and together with the employee turnover rate, seven employees have working time experience less than two years in current job role. From a competence management perspective, introduction and development of these can be challenging, as this needs to be done while regular operations and tasks need to be performed, see chart 3.

The results from the employee survey clearly show that employees do not get the amount of support they want, see table 8 in Appendix 6. This becomes also challenging to experienced employees as they need to train and support new employees while handling their own daily tasks. According to the Competence Survey, there is currently only one experienced employee with the required level of competence to both manage daily tasks and to train others, among those who quit between 2011- 2013 there were two. This means, there are currently fewer able to give training and support at the same time more people needing training and support. Those who need training and support have difficulties of finding time to receive the needed support and the one who can train others has difficulty keeping up with others need for training. This situation gets more challenging for every employee that quits and every new starts at CSD.

6.3.1 Competence

Dreijer (2000) defines competence as to do things according to the objectives for the output and the Global organisation defines competence as knowledge, skills and experience. By adding ability, motivation and an allowing environment to their definition of competence, the Global organisation defines this as competency. The Global Organisation´s definition of competency has similar meaning as Dreijer defines competence and to large extent according to (SIS - the Swedish Standards Institute, 2011). The assessment of each individual according to the employee survey and the competence survey is according to the meaning of competency of the Global Organisation.

Sandberg & Targama (1998) argue that common understanding is the basis of collective competence and its development. There is a risk that the perception of stressful and not manageable workload may win over the common understanding from the principles of Business Excellence and influence the competence of CSD negatively. The CSD and the Global Organisation does however communicate expectations on values of Business Excellence with intention to impact positively on competence which according to Dreijer (2000) could be referred to as Cultural (informal). Business Excellence consists of five principles that forms the pillars, i.e. standardised work, right from me, we care, customer value driven output, continuous improvement, which they according to the employee survey and interviews struggle to maintain. The Thinking model of the Global Organisation outlines how Business Excellence and its principles shall influence peoples way of working, which in turn shall develop their way of doing things and finally lead to results that are continuously improved.

The results from the employee survey and the competence survey indicate that they struggle to maintain work according to the thinking model, see figure 10 and the principles of Business Excellence, see figure 8. Employees feel high level of stress during periods when the demand on task to perform is high and partly unmotivated to perform tasks important for the longer-term when the demand is lower. This works against the intentions of the thinking model and principles of Business Excellence and counteracts crucial improvements in way of working. The investigation by Mail Count, Interviews and Employee Survey shows that periods of lower workload should, but does not provide sufficient time for recovery. These periods should also provide time and motivation for performing important tasks for the longer-term, such as learning self and training others to a greater extent.

Changes that have occurred in recent years and have affected the competence, lies largely in working time experience. The turnover rate of employees at the Subsidiary and in particular the CSD has been high, six new employees in the CSD. The results in Table 12 show that only 30% have more than three years of working experience in their current position. The former staff at CSD, the people that quit before 2012-2013, had more working time experience than existing, former staff had worked for 60 months as an average (six persons), compared to current, which is 26 months. One person less than one year, another five people less than two years and five for approximately three years and one for about five years. Chart 3 shows that during the last year (2013) there have been five out of a total of twelve employees that lacks ability to perform their tasks, which means that the level of competence has decreased. The level of competence has decreased from a level (2,9), nearly the acceptable among former employees to 2,6 among current employees at CSD, see table 11. A competence level lower than 3means that most employees do not reach up to a level of competence needed to meet the demand from the stakeholders, regarding definition of levels of competence, see Figure 7. There is also a higher share among existing employees with poor level of competence and a lower share with the strongest level of competence than among the former employees. Even though the assessment of the competence of each individual has been on a general level it shows that it is lower among existing twelve employees than among those seven who quit during 2011 to 2013.

6.3.2 Competence management

According to (Boxall & Purcell, 2011), competence management can be summarised as the activities for supplying the right competence in the right place in the right time. This may include recruitment process, training and development and compensation plan. According to SIS - the Swedish Standards Institute (2008), to accomplish planning of competence the following three steps are important: (1) Formulate goals for competence on short and long term considering priorities for the organisation, (2) Establish and maintain plans for activities of organisational competence supply and (3) Establish and maintain development plans of competence for every employee. Recruitment of new employees along with a high and unplanned employee turnover rate has strained processes of competency management. To be able to acquire, develop and maintain competence in the long term and be prepared for unexpected changes, planning of competence and adhering to competence management principles of the Global Organisation is crucial.

The Global Organisation's Competence Management Process (CMP) involves all employees aiming at the organisation has the right competencies at the right time in the right place. The interviews with employees and competence surveys reveals that the Subsidiary struggles to uphold the intention of the CMP, however challenging when the turnover rate exceeds normal levels. The results of the interviews and follow up questions on competence survey show that competence management focus more on professional competence but not yet to the same extent for shared competencies according to the competency model of the Global Organisation. Many of the shared competencies aim at enabling behaviour supporting principles of Business Excellence, which may be one explanation to lower results from continuously improved working methods. People involved in the competence management process in the Global Organisation underestimate required level of competence for job roles at CSD, as well as the time for introduction and training of new employees. To replace experienced employees that quits takes a lot of effort in terms of assessing right competencies and introducing and training them to be able to perform expected tasks. Perhaps the most important aspect is how one formulates goals for competence on short, as well on long term and considering the priorities and mission in terms of demand from customers, level of service and nature of tasks to perform. There is scope for a more effective and accurate evaluating and planning of competence supply and to adopt a more effective competence management process.

Boxall and Purcell (2011) identify three different types of approaches to training and development: (1) Informal learning, (2) short-term training and (3) long-term development. Informal learning and short-term training is usually associated with “on-the-job” training where the employee learns by doing, i.e. while performing different tasks, watching experienced workers and asking new colleagues for help. According to Becker (1994) on-the-job training has proven to be very effective in terms of human capital, employment and economical values and this is also verified by the employees at the CSD to be most efficient way to learn how to perform required tasks. Most employees at CSD get informal and short-term training by colleagues. On the job training for new employees and for existing employees takes more time than planned, is not efficient enough and do not give expected results. The results from the employee survey show that the employees in CSD do not take the time needed to learn, they feel stressed when facing the need to learn new tasks and at the same time not have enough time to do their ordinary and everyday tasks. At the same time several employees and the manager of CSD confirm that learning is not conducted sufficiently due to prioritising performing of daily tasks. The requirement of learning does not lead to the necessary competence development rather it leads to increased stress. The research of Paulsson et al (2005) shows that increased workers’ control of the learning process makes competence development more stimulating, is likely to simplify the work and reduces (learning-related) stress. It is therefore important that learning at work allows employees to control their learning and also allows time for the process of learning and reflection. Furthermore, there are not enough employees with skills enough to teach and train others.

In order to have actually learned something, according to Kolb's learning cycle, which shows many similarities to the cycle for continuous improvements of the Business Excellence model of the Global Organisation, one must go through a full cycle. I.e. turning one's actions (and their results) into experiences, complete reflection on these experiences (what can be learned here), develop and plan for new actions, decide on a course of action, and change (if feasible) one's actions according to the solutions decided on (Dreijer, 2000). These learning cycles are seldom completed, as time is not available and allocated to reflection at CSD. One issue according to Dreijer (2000) is the starting point for developing the competence, depending on what level of competence one posses the means for learning may differ in order to achieve effective competence development. We see differences in competence level on many employees depending on who does the assessment. In general the employees themselves assess their competence on a higher level than others, i.e. the managers. In order to give control over own learning it is important that one perceive oneself on the true level of competence, otherwise learning can be stressful as the employee do not achieve the results from learning as expected. On the contrary if the trainer or coach, e.g. skilled person at the CSD or a manager, has a too low perception on others level of competence, their support for training will also start from a wrong level of competence and the means may be less effective. Schön (1987) who emphasizes the need for feedback and control over the learning process describes two levels of control: single looping and double looping where the first enables learners to learn from past experience, e.g. Kolb learning cycle. In double looped learning, learners assess and reinterpret lessons, which focus on learning how to learn. Neither single nor double looped learning are on a level corresponding to the needs of competence development and learning at CSD.

According to the employee survey, one of four consider it takes more than 18 months to learn the job and nobody gets the required support they need. Effective single as well as double loop learning could increase effectiveness. Both the learning cycle and single as well as double looping is in line with the Business Excellence purpose of continuous improvement, which would enable allocation of time for learning, however currently does not happen. According to Nonaka (1991) making personal knowledge available to others is the central activity to a knowledge-creating company and is interesting in both how to build motivation for training and development, but also to build awareness to and align what to learn. Senge (2006) elaborates five features in the concept of “Learning organization”; systems thinking, personal mastery, mental models, shared vision and team learning. Some results from the surveys points out mental models of “little hope of being able to manage workload and to achieve better working conditions” among the employees. According to (Senge, 2006) and Nonaka (1991) this is most likely counterproductive to initiatives for learning and in the comments from interviews and from follow-ups on employee survey where this is supported.

Regarding high turnover rate of employees after the Global reorganisation has resulted in a decrease in the overall competence of the CSD. It is evident there is a higher need among existing employees for support from colleagues when at the same time there is a lower amount of these available that has the ability and time than among the former ones. A high degree of poor level of competence, demands at the same time a high degree of strong level of competence among colleagues, in order to compensate for the lower level of performance of tasks and to provide support and possible training.

6.4 Change management

One of the primary contributors to research about change was Kurt Lewin (Todnem, 2005). His three step theory would ensure successful change: (1) Unfreezing the existing state, (2) Reorganise to the desirable state and (3) Refreeze to the desirable state which is in line with the diffusive perspective on change. Diffusion means that sometimes change happens, someone initiates change, something directs change and somewhere change ends. According to Stjernberg (1993) change should be seen as a learning process than as implementation of a package of ideas and solutions, which means that the final result is not identical to any original ideas. Nicolini (2009) refer to change as a process of translating conversations or diffusive with certain starting and ending point. Translation means that there is no distinctive starting or ending point. To be the pilot department in the Global Organisation for Business Excellence can be seen to some extent as a distinct starting point for CSD. The CSD has developed their own way of working with Business Excellence implementation and are influenced by others in how to make change. Through this study we see that a change needs to be implemented at CSD and this change is more part of a continuous learning process rather than a new distinct starting point for improving activities at the Subsidiary and CSD.

When we analysed the results from the interviews of the context and the Mail Count, new perspectives revealed a more complex and holistic cause to the problem at CSD. The changes that have occurred that have significance to the problem at CSD can be summarized as; larger amount of clients, larger work force, new managers, vacant positions, high turnover rate on employees, change in scope and implementation and emergence of Business Excellence, all which have had a great impact on the daily work in the CSD. According to Luketa (2012) the implementation and emergence of Business Excellence resulted first in frustration and lack of time to perform their own tasks during an ordinary day. The CSD has started to have Pulse meetings where problems are openly discussed and important information is visualized and upcoming problems are quickly solved. The main problem, which was eliminated by implementing Business Excellence, was back-up routines during absence of colleagues and employees in the CSD are motivated to continue to follow Business Excellence principles.

Surveys show that the Sales Units are still not satisfied with the way back-up routines are handled, see chart 6 in Appendix 6. All these on-going change activities have had impact on both perceived and real levels of service, workload and competence. However, the performed changes have today the most significant negative impacts on the service level during 2013 service level surveys. Despite having implemented routines of Business Excellence with successful results one to two years ago, some of the positive aspects have vanished. This supports there is a big challenge for the CSD to recover from low level of competence and weak performance of competence management.

According to Stjernberg (1993) change needs several prerequisites to be successful. Firstly it needs legitimacy, secondly some soul-of-fire (i.e. change champion in the terminology of the

Global Organisation) and thirdly in the change process there must also be sufficient competence, i.e. empathy and insights with regard to how changes in social systems take place. It must also make sense to the people involved. There is a great sense of urgency shared among employees and managers at CSD, which would positively contribute to sense making of change. The outcome and presentation of this study may contribute legitimacy and sense making. Still they need to find one or a few soul-of-fires willing to invest time and energy and really believes in and has empathy and insight about change.

Chapter 7 - Conclusions

The purpose of the conclusions is to answer the problem formulations of the thesis. This chapter is divided into five sections where we conclude our findings for each of the problem formulation followed by a discussion of the conclusions from the authors' perspective and finally presenting the limitations of the thesis and suggestions for further research.

7.1 Conclusion problem formulation I

Is there an existing service level problem at CSD?

Results from the surveys show an existing service level problem and that the service level has decreased. There are also results indicating that there is a down going trend, i.e. the level of service will become even lower in the future, if appropriate actions in order to break the trend are not taken (http://stockcharts.com 1). Besides low level of service is a problem in itself, there are also other aspects of importance for CSD to consider, i.e. how to define the service, what to measure in terms of service and how often (Gerson, 1997). Furthermore, we see indications on differences in the main stakeholders' perceptions about what is in the CSD's mission, who is relevant to workers' perception on service and how they choose to serve their customers (Wild, 1980 and Hill, 1996).

Over the last two years several changes have occurred at CSD; change of management, many skilled employees left the CSD, new employees were hired with a potential negative impact on service level (Boxall & Purcell, 2011). Backup during absence and quality of answers to customers are the most significant results in the surveys supporting the existence of a service level problem. The surveys also show that the response time from the CSD employees have improved which affects the service level positively. The numbers of respondents considering the service from CSD being worse compared to last year have increased, which is supporting that the service level is an increasing problem over time. Respondents considering the service is better than last year, are still in majority

In the previously conducted surveys from 2010 and 2011, the Subsidiary measured mainly the satisfaction of services. The service level could also be measured against a predefined norm and include aspects of importance and utility (Gerson, 1997). Furthermore measurements could and need to be more clearly linked to factors which employees can understand but most of all are able to affect and improve (Deschamps & Nayak, 1995), e.g. measurement of response time which actually has improved. During 2010 to 2011 the service level measurements, which were performed through phone interviews, were not followed up with surveys during 2012. Grigorous & Sisko (2010) states it is beneficial to make service level measurements on a regular basis in order to identify and take appropriate actions on problems in time. The fact that the Subsidiary did not do service level measurements until 2013 and currently experience an increasing problem of workload and service level do support the theories of Grigorous & Sisko (2010) that more regular measurements would enable them to take action earlier.

7.2 Conclusion problem formulation II

To what extent is it a matter of workload, competence or competence management?

The study does not show a clear result, but rather that the problem is a combination of workload, competence and competence management however with an emphasis on the latter. Results from the study indicate an unchanged workload, opposed to the initial outline for the study, which included expectations of increased workload. From Mail Count the number of emails, which in the study represented number of tasks performed and thus the workload, had not increased per employee during the past two years (http://stockcharts.com 1). This is however conflicting to the results of the employee survey and interviews with both managers and employees expressing clear expectation of increase in workload, including number of emails. Results from the same surveys show a perception that the complexity of the tasks has increased, which we also have tried to find support for in time studies and tracking of tasks performed. The results from the time studies are however on a too small amount of data, why conclusion on complexity of performed tasks cannot be drawn (Jacobsen, 2000). Variation in the workload is high and is supported by results from both individuals' perceptions in the employee survey and facts regarding the number of email from Mail Count. It is likely that the high proportion of relatively new hired employees require training and support by colleagues (Boxall & Purcell, 2011), leading to extra workload not correlating to number of emails in Mail Count. As well, poorer level of competence makes performing of tasks more time consuming and that error occurs and need to be corrected more frequently (Paulsson et al, 2005 and Drejer, 2000). This may support the perception of increased workload together with the results from the employee survey, that a majority struggle to perform their tasks within scheduled working hours, i.e. overtime needed.

The Competence Survey clearly shows that the level of competence has decreased over the past two years and is lower than required in order to accomplish the mission and perform expected tasks of CSD (Drejer, 2001). The average level of competence has decreased, as well as the number of employees with high level of competence has. The ability to train others is a critical competence (Boxall & Purcell, 2011), currently held by only one employee at CSD compared to three two years ago which makes it difficult to provide on-the-job-training. According to Becker (1994) this has proven to be the most effective way to learn and as this is not provided to the extent it is demanded, the lack of on-the-job training may contribute to decreasing competence and learning related stress at CSD. This supports the theories of Becker (1994) and also those of Paulsson et al (2005) which argues that learning leads to stress rather than competence development if workers lacks control over the learning process.

The results show that the competence management process is considerably more strained today than two years ago. A significant change affecting competence management is the high rate of hiring new employees which has occurred both planned by the ambition to expand the business as well as unplanned due to a high turnover rate. This has strained the supply process of competence, resulting in, not sufficiently managing to acquire the right competence at the right time (SIS – the Swedish Standards Institute, 2011). Key competence in terms of ability to train others lacks to the extent required, the complexity of the tasks to perform and competence needed for the roles at CSD has been underestimated, CMP and Business Excellence and its principles could been applied to a greater extent, which affects the effectiveness of acquire, develop and maintain the right competence.

7.3 Conclusion problem formulation III

Which are the guidelines on how to solve the identified problem?

Our first guideline on how to solve the problem at CSD has to do with Change management, i.e. treat the perceived problem as a challenge according to practices of change and change management (Todnem, 2005 and Nicolini, 2009). It is important to identify and define the problem and build commitment among the staff at the Subsidiary and in particular CSD. Our study also shows that it is challenging for the Subsidiary to implement necessary changes and improvements but there are good prospects to support them in solving their problems, see figure 11. Existing approaches, methodologies and tools within the Global Organisation for both continuous improvement, Competence and Performance Management, has potential to yield results in the improvement process to a much greater extent than today.

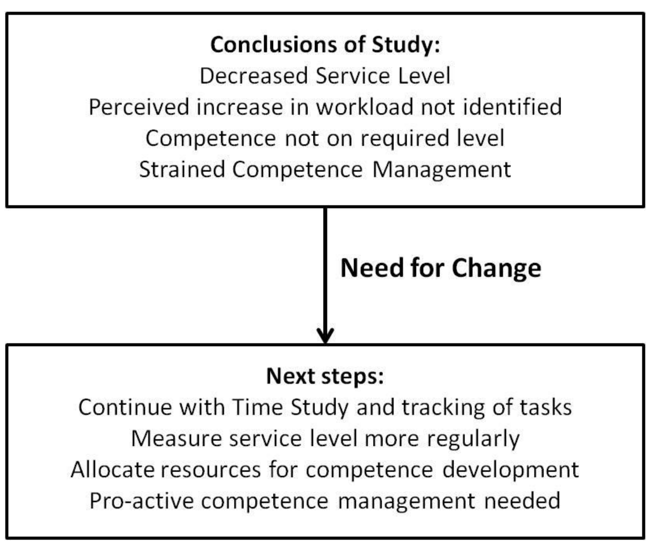

Figure 11. Guidelines for next steps.

To resume tracking of tasks and processes is essential for finding future solutions of routines and processes at CSD. Study the frequency and time spent according to the time study presented in this thesis. The amount of data was not large enough to draw reliable conclusions from and did not reach the saturation point. This supports the theories of Jacobsen (2000) and Eneroth (1984) that it is important to collect enough data and to a point up to the amount of data reaches saturation. Make analysis and elaborate on similarities and differences between different employees (Mirilović & Pejin, 2008).

Continue doing surveys on service level on a regular basis. Compare results and track development over time (LaLonde & Zinszer, 1976 and Perreault, 1973). If possible, make use of more measures easy to translate and understand from the employee perspective and divide the results between different employees in order to allow feedback on performance more accurately (Drejer, 2000 and SIS – the Swedish Standards Institute, 2011).

Make training compulsory and make it more effective, i.e. learning in terms of development towards goals of level of competence within a certain timeframe, rather than in terms of number of training occasions (SIS – the Swedish Standards Institute, 2011). Allocate time, introduce incentives for learning and training (Paulsson et al, 2005).

To identify and define core and key competencies for the positions within CSD are also essential. To be able to perform the tasks as an employee or manager at CSD is complex and challenging and there are an indication of this is underestimated by applicants and people involved in the recruitment process. In order to make the recruitment more effective it is important to have identified and defined the right core and key competencies and the required levels of competence. To take on a process for strategic competence management in order to acquire, develop and maintain the right competence in right time would be beneficial (SIS – the Swedish Standards Institute, 2011).

As a positive consequence succession planning becomes more effective. In particular to supply staff for training and support position becomes more effective. Staff able to provide training and support is crucial for an on-going success of CSD and should always come from a proactive supply of potential candidates in pipeline (Boxall & Purcell, 2011 and SIS – the Swedish Standards Institute, 2011).

7.4 Discussion on the result

The most significant cause to the perceived workload at CSD stems from competence management. During the past three years there has been a high employee turnover. Only 30% of the employees in the Subsidiary have held their current position longer than three years. At CSD, 77% was employed during the past three years, identify only three persons of 13 have been employed longer than three years. Two of these three are however new in their positions. That makes only one of the staff at CSD, holding its position longer than three years, actually not more than three years and nine months. Average time of employment among current employees is actually only two years and two months. The predecessors that quit during this period had five years employment as an average. This in turn leads to the perceived workload with a poorer level of competence among current than in comparison to former employees. Neither does the current level of competence meet the needed competence required, to perform tasks to levels of expectations from self and others. There are only two employees that meet the needed level of competence to perform their tasks, when the others struggle, perform poorly, needs training and support. This is very challenging to CSD in many aspects, see section 7.1.

Beside the general and poor level of competence, as a consequence, the ability to supply on-the-job training for employees is poorer. Among the employees that quit during the past three years there were two employees with such high level of competence to provide training sufficiently. Among current there are only one person with that competence level. As on-the-job training has proved to be the most efficient method for learning (Boxall & Purcell, 2011), ability to share knowledge and train others, in order to develop others competence, is essential. Scarce and lacking ability of this kind within CSD, leads to a longer time period for learning the job, i.e. as a new employee, when taking on a new position, changing or extending area of responsibility or when scope or context for the position changes.

As the former employees held generally a higher level of competence, there may be an impact on what is expected in terms of performance of tasks, time for learning the job, ability to share knowledge and train others. This may influence the expectations of competence and performance among current staff. As the job at CSD to some extent lacks common processes and routines, there is a challenge to know what is required in terms of different knowledge, skills and experience. This influences learning as well as the ability to train others. Even though an employee possesses competence in terms of knowledge, experience and skills, lack of common routines and processes influences ability and the “allowing environment” negatively. As well the amount of different knowledge required becomes higher with scarce routines and processes, which do have a negative impact on performance of tasks, learning self and training others.

In this study, it became rather evident that the high turnover rate and consequently the competence and competence management have the major impact on the problem they experience (SIS – the Swedish Standards Institute, 2011 and Drejer, 2000). A study like this one in another organisation may not include such clear and “tangible” causes. Therefore, the methods used must be reliable and valid to an extent that differ measurements of problem from cause, i.e. workload and service level vs. competence. As perceptions on problem are influenced by the degree of cause and vice versa it is therefore important to be able to distinguish between perceived and real facts.

Below, figure 12, we illustrate a summary of how we found the different areas of the study depend on each other. Included are also the main conclusions including the guidelines on how to solve the problems from perspectives of change management.

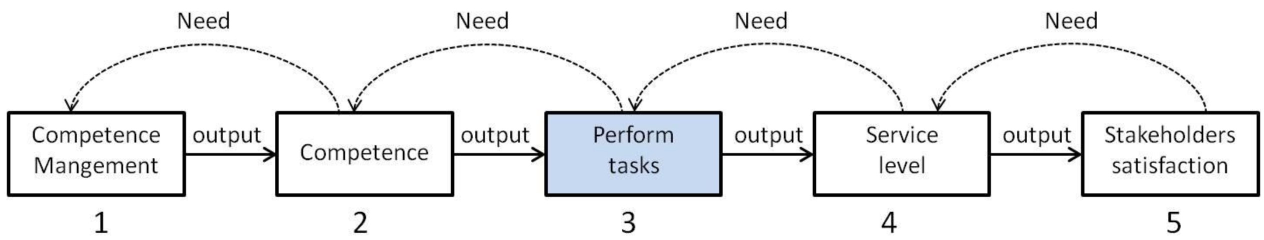

Figure 12. Modelling of conclusions.

1. *Competence Management* is about processes, work methods and tools to provide the business with the right competence at the right time in order to achieve goals for an organisation. Need of *Competence*, demands a certain output from *Competence Management*. The need is represented by a feedback to *Competence Management,* e.g. results from assessment of competence for different functions, job roles and employees, compared to the requirements of needed competence now and for the future.

2. *Competence* is the result from *Competence Management* and can be defined as, to perform tasks according to the objectives for the output. Need of *Perform tasks*, demands a certain output from *Competence*. The need is represented by a feedback to *Competence*, e.g. measurements of output in terms of *Perform tasks,* for different categories, functions, different job roles and different employees.

3. *Perform tasks* is dependent upon the level of *Competence*. Need of *Service level,* demands a certain output from *Perform tasks*. More and higher level of the right kind of competence means that an organisation and its staff perform more tasks according to the objective for the output. The need is represented by feedback to *Perform tasks, e.g.* measurements of the perceived *Service level*, regarding categories of tasks performed and regarding the different employees performing the tasks.

4. *Service level* is the result from *Perform tasks* in terms of perceptions from a stakeholder, e.g. customer. The need of *Stakeholders' satisfaction,* demands a certain output from *Service level*. The Service level can stem from comparison against a norm, perceptions such as importance, satisfaction and utility. The need is represented by a feedback to *Service level, e.g.* measurements to what extent an organisation meet *Stakeholders' satisfaction* and get the result in different categories of service level.

5. *Stakeholders' satisfaction* is the result from *Service level*. The *Stakeholders' satisfaction* is high if *Service level* exceeds expectation of the stakeholder and low if it is less than expectation. *Stakeholders' satisfaction* is in the longer-term a result from *Competence Management* as well as *Stakeholders' satisfaction* serve as feedback to *Competence Management.*

By analysing the links between the different steps, it is possible to find the causes to service level and workload problems. The conclusions are presented in previous sections of this chapter, which in turn enable to find appropriate guidelines for solutions

This study has led to an increased interest for studying dilemmas around workload, service level and customer satisfaction problems. These problems may by nature include many, broad and holistic business related aspects. According to Senge (2006) and his theories about systems thinking, it is essential to find true causes instead of fighting against the symptoms that gain short-term wins and may make it worse in the long-term. His theories are supported by the study as employees at CSD have to a large extent prioritised urgent daily tasks over important on-the-job training with a negative impact over competence and service level, and hence making it worse in the longer-term.

A relevant approach to a study like this could be to evaluate methods on how to approach and conduct these kinds of studies under different organisational characteristics.

We found the answer to the title of the thesis is actually found beyond the two alternatives.

Service level - A matter of workload or competence?

The answer is Competence Management!

7.5 Limitations of the study

As the study takes on a rather broad perspective it is challenging to carry out and design methods accurately, that meets the expected level of reliability and validity. As the study began, the scope changed gradually, as we found relevant aspect, too important to the problem to neglect, i.e. the high turnover rate of employees found through the interviews. Considering this, the time frame was a limiting factor.

Some evident factors around validity of the study are the lack of responses in the time study, which led to that we could not find valid results around similarities, differences and complexity of different tasks and processes performed by different employees. As CSD to some extent lacks standardised routines and processes, it becomes more difficult to assess workload as well as competence. Mail Count might be representative for tracking workload. However, what if they already have hit the ceiling regarding possible amount of emails to handle? In that case the number of emails will not increase even though the workload has increased. There is also a risk that the overwhelming workload is a real fact, e.g. due to higher complexity. The struggle to manage this possible workload can be perceived by those assessing that it is a matter of poor competence meaning assessment of competence, in the way it was carried out in the study, may be subjective and biased.

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Appendix 1 - Template for the Time study

Below are the different categories that employees at CSD choose between when tracking and recording the tasks they perform. In every column is a list of categories to choose from. This list was designed with a drop down menu. “Hits” is occurrences of a certain category.

Name	Hits	Process	Hits	Country	Hits	Time Spent	Hits	Month	Day	Hits	Month	Day	Hits
Employee 1	0	5S/ Business Excellence/ Quality	6	ABC	1	< 5 min	84	Nov	1	0	Dec	1	0
Employee 2	0	BOP handling	7	Albania	1	5-10 min	154		2	0		2	32
Employee 3	0	Break	47	Azerbaijan	2	10-15 min	131		3	0		3	52
Employee 4	186	Certificates	30	Belarus	0	15-20 min	130		4	0		4	35
Employee 5	49	Commission handling (inc credit note)	2	Bosnia	0	20-25 min	73		5	0		5	36
Employee 6	0	Customer creation	13	Bulgaria	20	25-30 min	66		6	0		6	35
Employee 7	178	Customer maintenance	5	Croatia	2	30-40 min	54		7	8		7	0
Employee 8	150	Error handling DER (inc Credit note)	7	Egypt	78	40-50 min	62		8	12		8	0
Employee 9	0	Error handling SER (inc Credit note)	1	Estonia	0	50-60 min	27		9	0		9	11
Employee 10	141	FOC order to SU (incl credit note)	2	Gulf / ARE	52	> 1 h	62		10	0		10	0
Employee 11	175	General support to SU	20	Inner East	33	> 2 h	34		11	11		11	0
		Inquiry handling	28	Internal	89	> 3 h	7		12	9		12	0
		Invoicing EU	7	Iran	64	> 4 h	2		13	12		13	0
		Lost package tracking	2	Israel	140	> 5 h	0		14	10		14	0
		Mailbox cleaning	165	Kyrgyzstan	2	> 6 h	0		15	20		15	0
		Manual orderbooking	52	Kazakhstan	15	> 7 H	1		16	0		16	0
		Meeting	56	Latvia	0				17	0		17	0
		Order Placing	1	Lithuania	1				18	31		18	0
		Orderbook maintenance	64	Macedonia	12				19	51		19	0
		Other	45	Malta	0				20	109		20	0
		Personal admin (eg IDP)	3	Other CIS	1				21	27		21	0
		Problem Solving	41	Romania	14				22	67		22	0
		Product activation	2	Russia	2				23	0		23	0
		Product creation	1	Saudi	126				24	0		24	0
		Project	12	Serbia	25				25	99		25	0
		PSP	1	Slovakia	10				26	47		26	0
		Return handling (incl credit note)	1	Slovenia	1				27	57		27	0
		Shipment (EDC) Export QI	10	Turkiye	2				28	48		28	0
		Shipment (EDC) Export Rest	96	Ukraine	1				29	24		29	0
		Shipment (EDC) Export SEA	1	Uzbekistan	1				30	0		30	0
		Shipment (other, eg USA, Singapore)	5									31	0
		Shipment (SCHHUB) LL	19										
		Shipment documentation follow up (incl Sabic,Iran)	42										
		Shipment Express	8										
		SSR, PSR	11										
		Trade Finance	11										
		Training / support others	28										
		Training self	2										
		Transport/Logististics generl	8										
		Update QD	5										
		X-supplier - Economos	6										
		X-supplier - Other	13										
		X-supplier - Vogel	6										

Table 13: showing categories and occurrences from time tracking activity

Item “>7 H” wrongly recorded and is removed from the chapter of results.

Appendix 2 - Change theories

Kanter *et al.*'s Ten Commandments for Executing Change (1992)	Kotter's Eight-Stage Process for Successful Organisational Transformation (1996)	Luecke's Seven Steps (2003)
1) Analyse the organisation and its need for change		1) Mobilise energy and commitment through joint identification of business problems and their solutions
2) Create a vision and a common direction	3) Developing a vision and strategy	2) Develop a shared vision of how to organise and manage for competitiveness
3) Separate from the past		
4) Create a sense of urgency	1) Establishing a sense of urgency	
5) Support a strong leader role		3) Identify the leadership
6) Line up political sponsorship	2) Creating a guiding coalition	
7) Craft an implementation plan		
8) Develop enabling structures	5) Empowering broad-based action	
9) Communicate, involve people and be honest	4) Communicating the change vision	
10) Reinforce and institutionalise change	8) Anchoring new approaches in the culture	6) Institutionalise success through formal policies, systems, and structures
	6) Generating short-term wins	
	7) Consolidating gains and producing more change	
		4) Focus on results, not on activities
		5) Start change at the periphery, then let it spread to other units without pushing it from the top
		7) Monitor and adjust strategies in response to problems in the change process

Table 14: Showing comparison of three different frameworks for emergent change theory (i.e. translating change theory)

(Todnem, 2005)

Appendix 3 - Introduction plan new employees

1st month new employee covers below topics:

Introduce office rules and hardware (fax+printers+xerox+scanner) kitchen etc.
Present The Global Company products (bearings, CoMo, MaPro, Seals)
Introduction to countries we're dealing with
Present external suppliers and how it functions
Learn the Lotus Notes mail system
Learn the order handling and invoicing systems in COH
Learn about the Global Company product classification system (PCC).
Learn the ICSS and COH availability systems.
Learn about the logistic set-up for the Global Company CEE-ME
Learn the issuing of the loading list and issuing of certificates.

Most of the time the new member will sit together with another member of the dept.

2nd month new employee covers below topics

To learn about the customer maintenance in COH and Siebel.
To learn about the product maintenance in COH
To learn about the Global Company structure in general and in The Subsidiary in particular.
To learn about Letter of Credit's (if applicable)

This month the new team-member will work at least 50 % independently.

3rd month new employee covers below topics

To learn the Croesus system
To learn about different systems, ex. Endorsia, WCL, Spider.
To learn Debit/Credit correction + Claim & Return handling.

(The Subsidiary Introduction Program)

Appendix 4 - Personal interviews - questions

Purpose: See if there are any differences in process now compared to previous years , which possibly could affect the workload and service level.

How: Identify the work process by interviewing three key people in the Subsidiary, between 28 Oct. and Nov. 1, 2013

Areas to explore:

1. The respondent's role and background
   - Is she/he answering for herself/himself and / or others?

Overall:

2. Describe the department's " mission"
3. What objectives have the Department?
4. How it performs its " mission" , KPIs ?
5. Describe the functions and roles in the department
6. Any recent organizational change?
7. Skills and staffing "now and then "
   - number, skill level
8. Major / significant changes in the department or affected department
9. Learning and improvements:
   - Introduction of new employees
   - Skills, how and to what extent
   - Appraisal interviews
10. The working process:
    - The various components
    -Differences/similarities regarding time variation between countries, between clients, between "office", between groups , between providers , between distributor
11. What are the routines for the various parts?
    - Are there any procedures, do you followed them?
12. How is quality assurance done?
    - error rate, etc..

Experience of :

13. Workload?
14. Service level?
    - Any. difference "now and then "?
    - Why are they differences?
    - Any major / significant changes?
    - personal , job specific , organizational, business environment
15. Own ability to solve their tasks , "now and then "?
16. Other people's ability to solve its tasks?
    -colleagues , superiors
17. Own ability to interact:
    - with colleagues
    - with customers , suppliers, distributors etc.
18. Sick leave/Maternal leave, Absence, presence , health figures , NMI?
    -Department vs. The Global Company

Appendix 5 - The Business Excellence triangle

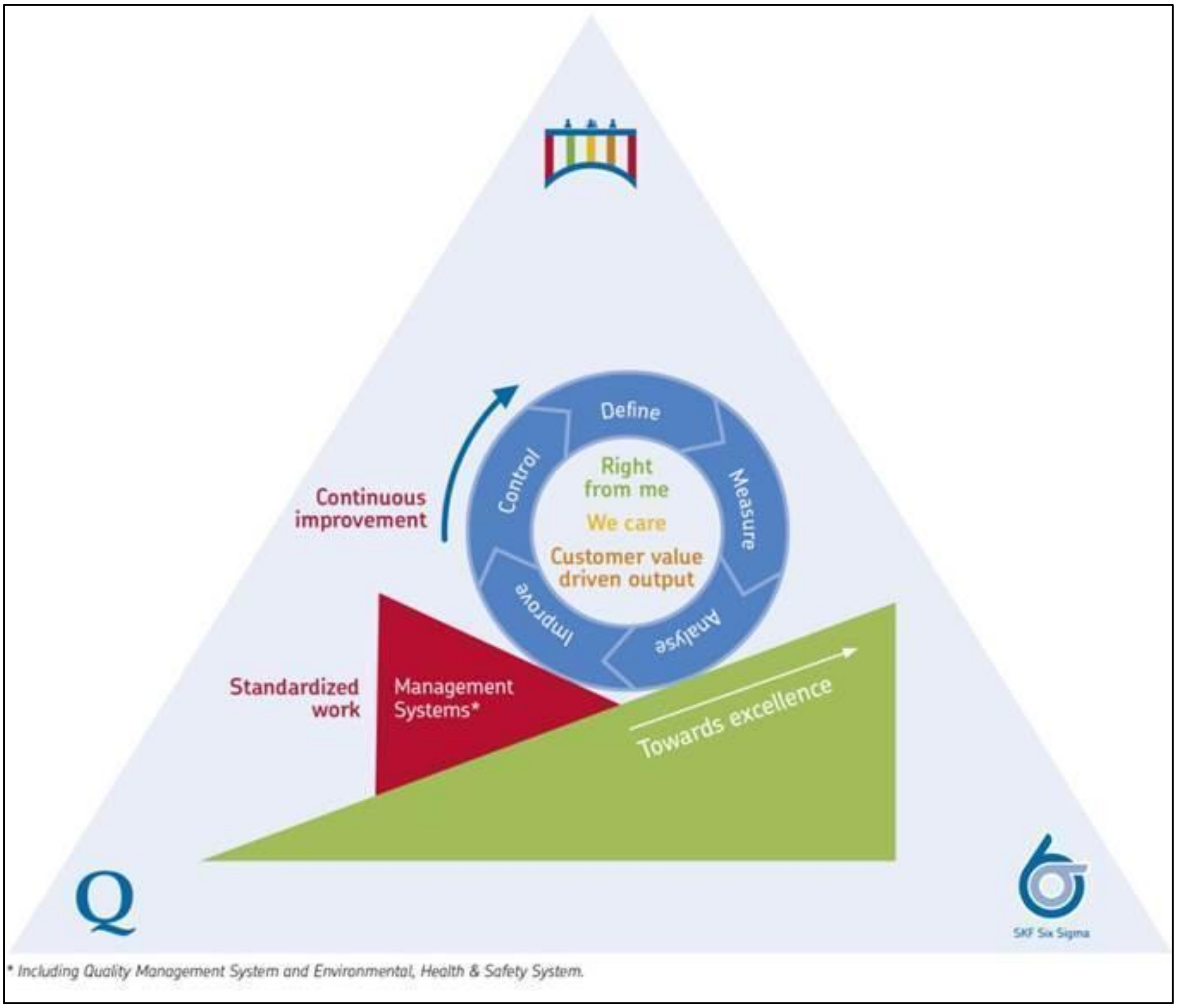

Figure 8: The Business Excellence triangle

Appendix 6 - Results from the Employee and Competence Survey

The first question in the employee survey is regarding how they perceive the number of tasks they are to perform.

	Very few tasks	Few tasks	Reasonable amount of tasks	More than reasonable amount of tasks	Much more than reasonable amount of tasks
Number of employees			9	8	1
Percentage of employees			50%	44%	6%

Table 1: Distribution of answers on question: My perception regarding number of tasks?

Comments from the respondents are:

- I like having different tasks.
- I don´t find my WL reasonable my daily routines is 100% of working day. No space for extra responsibilities as logistic, super user´s. team, etc.
- The amount of tasks is reasonable, but when multiplied with the number of countries we support, the total workload is overwhelming.
- Sales Units need more knowledge and training and CSD also.

The second question in the employee survey is regarding how they perceive the change over time, whether the number of tasks changed, during the last two years.

	Highly decrease	Slightly decrease	No change	Slightly increase	High increase
Number of employees			3	7	7
Percentage of employees			18%	41%	41%

Table 2: Distribution of answers on question: My perception regarding change over time .

Comments from the respondents are:

- Many changes in Iran market; Changed work areas; Worked with many countries during my part time contract
- Mostly due to new responsibilities. Spec. teams.

- Yes, for the one of the functions in BS, new tasks/processes have been introduced (to replace the process that CSD used to have), but nothing has been removed.
- We, BS also offer more service to Sales Unit's, which led to a slight increase of tasks.
- I've only worked in my current role for 1,5 years.
- I have taken over more responsibilities as a function at the Subsidiary was closed a year ago and still do some tasks when reopened.
- More knowledge enables to deliver within more fields, meaning I have learned more and more.
- Have changed responsibility countries and there were no agreed way of handling the new Sales Unit.

The third question in the employee survey is regarding how they perceive the complexity of the tasks and if there have been any changes during the last two years.

	Much less complexity	Slightly less complexity	No change	Slightly more complexity	Much more Complexity
Number of employees			5	8	4
Percentage of employees			29%	47%	24%

Table 3: Distribution of answers on question: My perception regarding complexity of the tasks.

Comments from the respondents are:

- New tasks and new set ups with low competence drains lots of time and forces to find the right way to act and proceed. Badly spread info and instructions.
- I have improved some of my own processes, leading to slightly more complexity but in a more consolidated and controlled way.

The fourth question in the employee survey is regarding how they perceive the variation of workload, between different days and weeks.

The fourth question in the employee survey is regarding how they perceive the variation of workload, between different days, weeks, see table 4.	No variation	Some variation	Large variation
Number of employees	1	11	6
Percentage of employees	6%	61%	33%

Table 4: Distribution of answers on question: My perception regarding variation of workload.

Comments from the respondents are:

- Fridays are holidays in my area, but Sundays are not. So, Mondays are usually pretty heavy.
- Some week's it´s more, some total opposite.
- Mostly within a month.
- Generally high workload during the month (ad hoc requests take time to investigate); much higher workload both before and after the month ends and closing (accounting, booking before month end, analysis after month end).
- Depends on bigger processes like business panning, very heavy workload during this period.

The fifth question in the employee survey is regarding how they perceive their own working time, compared to the scheduled working hours, i.e. overtime needed or not.

	Less than 100%	appr 100%	appr 125%	appr 150%	More
Number of employees	1	4	11	2	
Percentage of employees	6%	22%	61%	11%	

Table 5: Distribution of answers on question: My perception regarding Own working time.

Comments from the respondents are:

- Due to personal reasons cannot do it so far.
- Overtime is normal especially during month end, but not rare in normal weekdays, as long as one has respect for deadlines. Working hours also have something to do one´s level of ambition and sense of responsibility.

- We are not allowed overtime, but the flex is always very high, i.e. working more hours than scheduled.
- During fall I often work like six days a week but during spring it´s less to do.
- Very different, goes in waves.

The sixth question in the employee survey is regarding how they perceive own ability to perform current tasks.

	1	2	3	4
	I know knowledge is required but I don't have it	I have some knowledge and can work in this area with guidance and support, unless there is a problem.	I have good knowledge and can work in this area. Support needed if there are problems or complex situations	I have very good knowledge, can solve problems, can conduct training in this area and rarely need help
Number of employees			12	6
Percentage of employees			67%	33%

Table 6: Distribution of answers on question: How do you assess your own ability to perform your current tasks?

Comments from the respondents are:

- Some tasks are “number 3” and some are “number 4”.
- I’m still learning.
- But there are complex problems just due to bad instructions and communication.
- I have very good knowledge, however I work with a lot of complicated areas where regulation changes often and therefore I need managerial support, as I don’t have the authority to make changes alone.

The seventh question in the employee survey is regarding their perception to what extent do systems and processes supports them.

	Systems and processes supports poorly	Reasonable	Supports well
Number of employees	2	12	3
Percentage of employees	12%	70%	18%

Table 7: Distribution of answers on question: To what extent do support systems and processes support you?

Comments from the respondents are:

- For most of my investigations I contact a certain employee at BS for COH and queries and Wim Post for Sara support. Get the help I need within reasonable time frame. Finance supports me very promptly and well.
- The systems were such as COH was not configured with an organisation such as the

Subsidiary in mind in some fields, such as pricing (manual updates of approx. 44 countries.

- Not sure I got the question completely. In daily routines it´s fine. For extra and unordinary it´s poor.
- Problems with some IT-program to frequent. Nothing has been done yet.

The eighth question in the employee survey is regarding how they perceive the support and help from others.

	When required, I do not get any support	When required, I get some support	When required, I get the amount of support I need
Number of employees	1	17	
Percentage of employees	6%	94%	

Table 8: Distribution of answers on question: My perception regarding support and help from others?

Comments from the respondents are:

- Help and support from CSD is very mixed. From some, within one day, but from others, it can be months and years for pending issues despite regular reminders. Some of the processes of CSD are either flawed or not followed strictly. Discipline and sense of responsibility/accountability can be improved in CSD.
- Historically I have not at all received the support I have needed. I've been forced to investigate and find solutions myself (in current position)
- Cannot always find support within the Subsidiary.
- Depends on which area you need help and the person you need help from, most of the time. I receive the help. But sometimes I need to sort out the problem myself.
- Due to colleagues workload, most are overloaded.
- If you look around and asking you will get support (at least answers on your questions) but hardly work to do help.
- I seldom get support, as I am alone in my job and partly due to others do not have the time.

The ninth question in the employee survey is regarding their perception on how long time it takes to learn all the tasks required for your current role?

	Less	3-6 months	6-12 months	12-18 months	More
Number of employees	1	5	4	3	4
Percentage of employees	6%	29%	24%	17%	24%

Table 9: Distribution of answers on question: How long time did it take you to learn all the required tasks?

Comments from the respondents are:

- Learning in the Subsidiary is an on-going process. There are many areas and tasks to have knowledge of.
- My current position require knowledge from other fields in order to understand the current tasks 100%
- The more experience the better this role can be done. I use a lot of my skills from previous positions in the Global Organisation. I guess one can take on the position with less but not delivering the same service.
- Still learning, still adding new things.
- Continuous learning is required and applied in my role, but for the initial handover, it took only a few weeks, then I got help from my manager regularly.
- Just for my daily country-wise routine. Lots of stuff I'm still learning, specially within special teams.

The tenth question in the employee survey is regarding working time in current role.

	<1year	<2years	<3years	<4 years	<5years	<6years
Number of employees		7	5	3	1	1
Percentage of employees		41%	29%	18%	6%	6%

Table 10: Distribution of answers on question: Number of months in my current role?

Average competence level of employees (and the number of people the average is based on)

	Former employees who quit 2011-13	Current employees
CSD	2,9 (7)	2,6 (13)

Table 11: Average competence level of employees (and the number of people the average is based on)

Number of employees with a certain level of competence at CSD

	1	2	3	4
Assessment of employees at CSD	I know knowledge is required but I don't have it	I have some knowledge and can work in this area with guidance and support, unless there is a problem.	I have good knowledge and can work in this area. Support needed if there are problems or complex situations	I have very good knowledge, can solve problems, can conduct training in this area and rarely need help
Existing employees		5	7	1
Existing employees in percentage		38%	54%	8%
Former employees who quit during 2011-2013		2	3	2
Former employees in percentage		28,5%	43%	28,5%

Table 12: Number of employees with a certain level of competence at CSD

Appendix 7 - Results from the Service Level Surveys

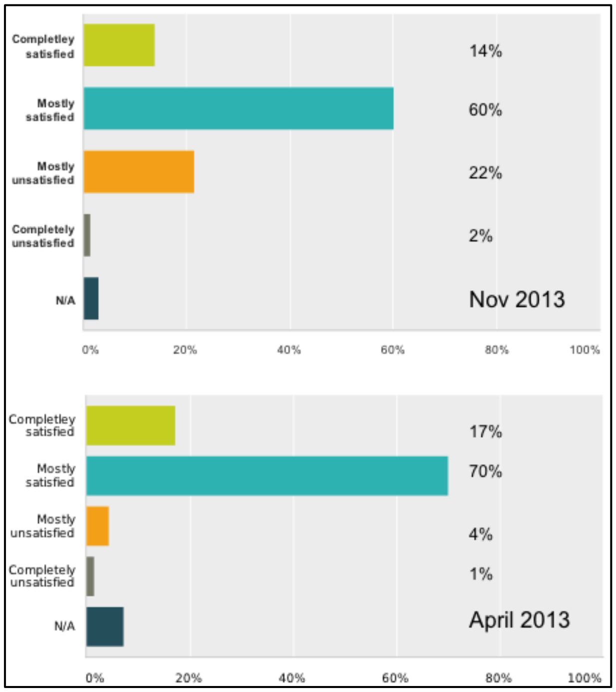

Chart 4: Results from answers: How satisfied are you with the quality of answers from CSD?

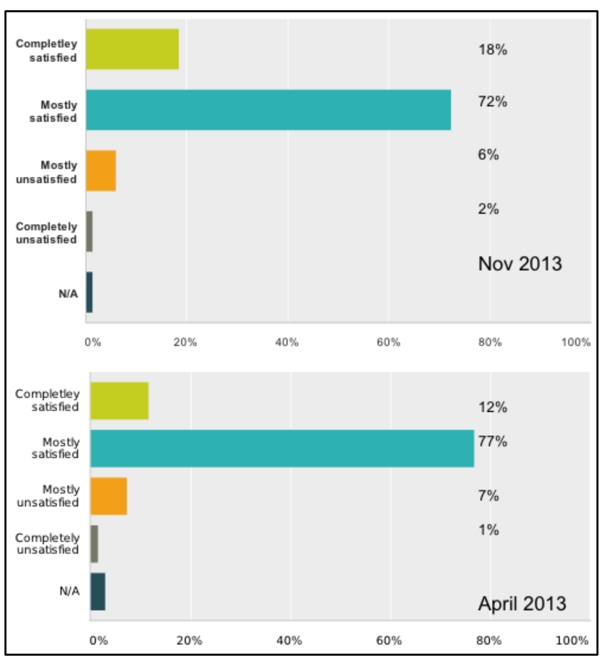

Chart 5: Results from answers: How satisfied are you with the response time from the Subsidiary?

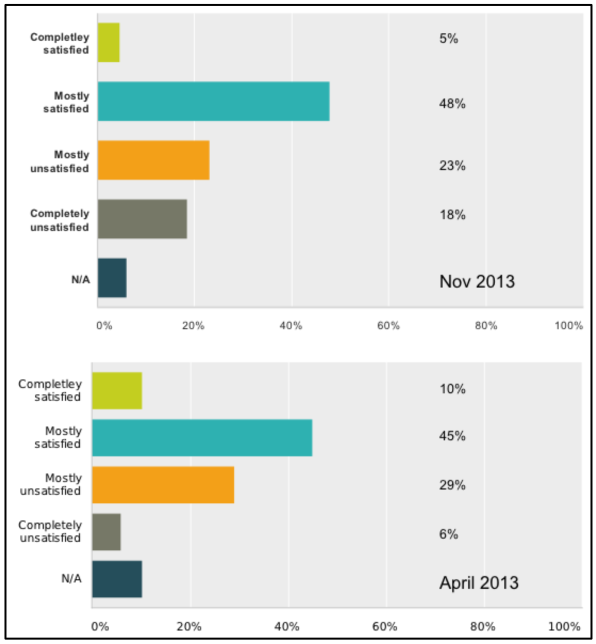

Chart 6: Results from answers: How satisfied are you with the backup during vacations or other absence?

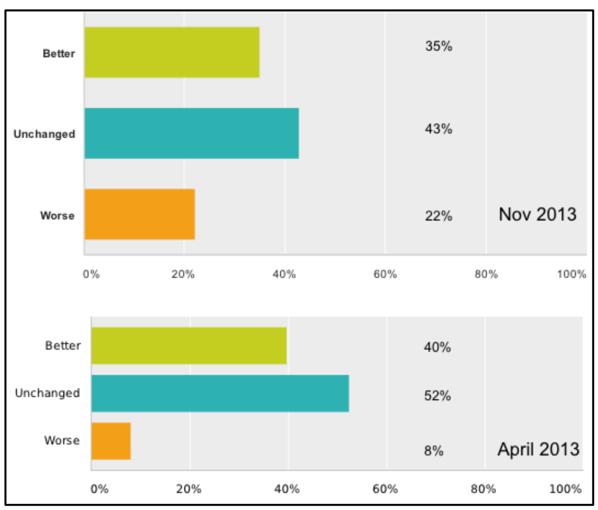

Chart 7: Results from answers: Is there any changes in the given services compared to last year?