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School of Business and Management
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The Employees' Competence and Tacit Knowledge on Customer Encounters in Sales Organisation. Case: Hardware Store

Master's Thesis 2021

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ABSTRACT

Title of thesis	The Employees' Competence and Tacit Knowledge on Customer Encounters in Sales Organisation. Case: Hardware Store
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The purpose of this work was to study the competence which was needed in a sales customer encounter situation and any tacit knowledge that may be related to it. These customer encounter situations were vital to the success of the hardware store. This success could be contributed to by leveraging all available knowledge and competence that had not previously been utilised. The organisation's sales management wanted to develop operation models that improve the competence and courage of sales personnel in connection with the existing sales model. The aim was also to study the topic by comparing the sales units operating within the organisation. Based on the results of the study, conclusions could be drawn, and the development suggestions and their orientation could be done when planning future development measures. In the initial situation, it was quite clear that the sales personnel needed to communicate knowledge and experiences trough the sales organisation. Because of the nature of experience related competence and tacit knowledge, the appropriate data collection method of this qualitative study was a thematic interview, and the target group was the most experienced employees in their own sales section.

During the study, it became clear that the most experienced of the sales personnel, who followed happenings in their own product area on a general level, were also the boldest and most competent to meet customer needs in customer encounter situations. The tacit knowledge referred to here was most obviously related to the ability to evaluate people, patterns of action, quality, quantities, and time periods. As the result and conclusion of this study, it could be considered the inclusion of these topics at the center of future development actions in the organisation.

Tiivistelmä

Otsikko	Työntekijöiden osaaminen ja hiljainen tieto myyntiorganisaation asiakaskohtaamistilanteissa. Tapaustutkimus: rautakauppa.
Hakusanat	Asiakaskohtaaminen, osaaminen, hiljainen tieto
Sivunumerot, kuviot, taulukot ja liitteet	76 sivua, 21 kuviota, 3 taulukkoa ja 5 liitettä
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Työn ohjaajat	Professori Kirsimarja Blomqvist Professori Karl-Erik Michelsen

Tämän työn tarkoituksena oli tutkia asiakaskohtaamistilanteessa tarvittavaa osaamista ja siihen mahdollisesti liittyvää hiljaista tietoa. Nämä asiakaskohtaamiset olivat ratkaisevan tärkeitä rautakaupan menestykselle. Tähän menestykseen voitiin vaikuttaa hyödyntämällä kaikkea käytettävissä olevaa tietoa ja osaamista, joita ei ollut aiemmin hyödynnetty. Organisaation myyntijohto halusi kehittää toimintamalleja, jotka parantavat myyntihenkilöstön osaamista ja rohkeutta asiakaskohtaamiseen liittyvän myyntimallin osalta. Tavoitteena oli myös tutkia aihetta vertaamalla organisaation sisällä toimivia myyntiyksiköitä. Tutkimuksen tulosten perusteella voitiin tehdä johtopäätökset ja kehitysehdotukset sekä niiden suuntaaminen tulevaisuuden kehitystoimien suunnittelussa. Alkuperäisessä tilanteessa oli aivan selvää, että myyntihenkilöstön tarvitsi jakaa tietoa ja kokemuksia myyntiorganisaation sisällä. Prosessiin liittyvän hiljaisen tiedon ja kokemusperäisen osaamisen luonteesta johtuen tämän kvalitatiivisen tutkimuksen tiedonkeruumenetelmäksi valikoitui temaattinen haastattelu ja haastateltavaksi kohderyhmäksi rautakauppayksikön myyntiosastoittain kokeneimmat myyjät.

Tutkimuksen aikana kävi selväksi, että kokenein myyntihenkilöstö, joka seurasi omalla tuotealueellaan tapahtumia yleisesti, oli myös rohkein ja pätevin vastaamaan asiakkaiden tarpeisiin asiakaskohtaamistilanteissa. Tässä tarkoitettu hiljainen tieto liittyi ilmeisimmin kykyyn arvioida ihmisiä, toimintamalleja, laatuja, määriä ja ajanjaksoja. Tämän tutkimuksen lopputuloksena ja päätelmänä voidaan pitää näiden osaamisalueiden sisällyttämistä keskeisinä aiheina rautakauppaorganisaation tuleviin kehitystoimiin.

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I would like to thank all those individuals who were supporting this master's thesis project with their positive influence and contribution. The special thank you goes to HR Manager Sanna Virtainlahti, Store Manager Marko Heinonen and the sales personnel of the case organisation, as well as to Mr. Kari Kolehmainen from Lahti and, of cource to LUT university's supervisors; Professor Kirsimarja Blomqvist and Professor Karl-Erik Michelsen. – Thank you.

Lahti, 1.6.2021

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1 INTRODUCTION

This introduction presents the challenges which are integrated to customer encounter situations and the requirements of individual salesperson's essential competence. The tesis observes and restores the tacit knowledge, which is associated to experience related competence (figure 1), back to explicit forma via structured theme interviews. Furthermore, the research process collects the essential data and analyses it with using appropriate data set. Finally, the results of the analysis will be reported and interpreted in sense of the initial question and organisational development measures.

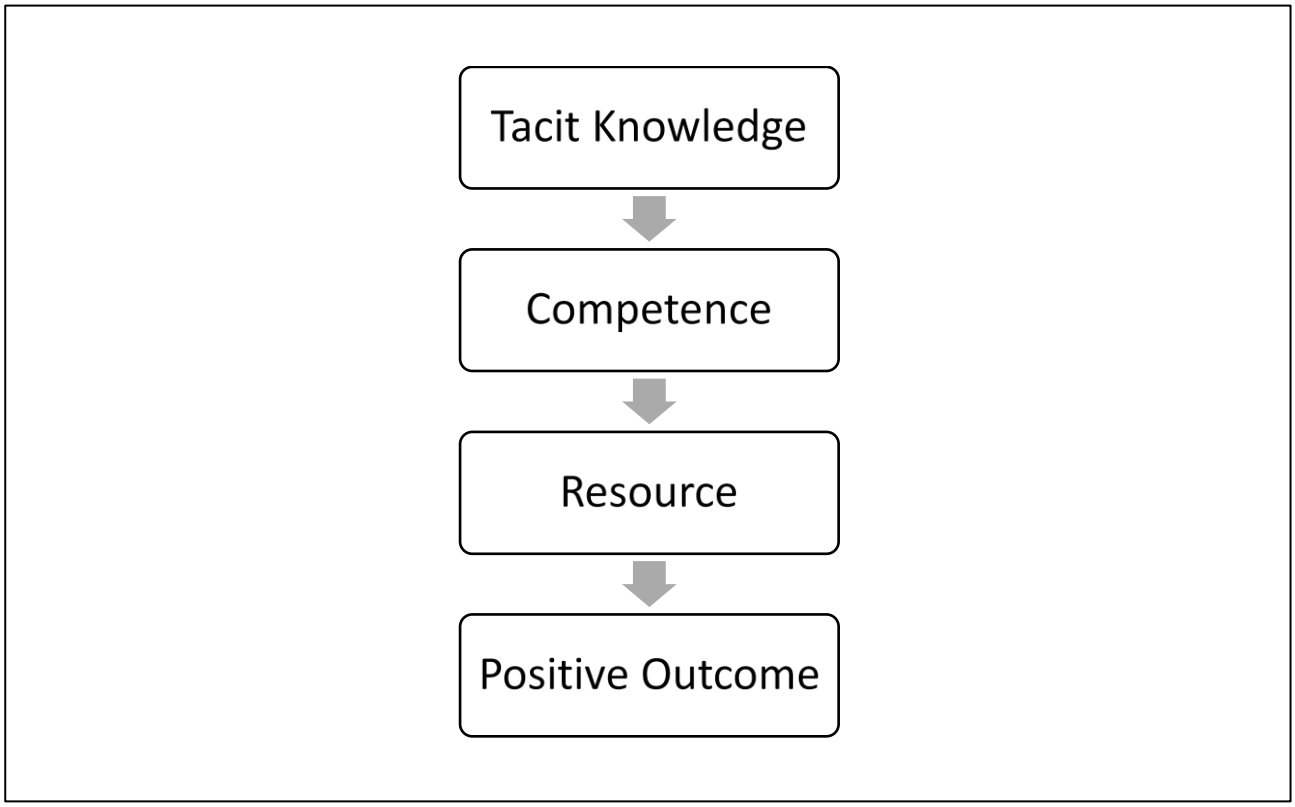

Figure 1: Hypothetical process from tacit knowledge to organisational resource.

1.1 Background of the study

Almost every conceivable business sector requires diverse expertise. The need for versatail competence, case by case, can be short-term or long-term. Sometimes such a need may arise quickly and in some of the cases the different skill requirements were carefully planned without any pressure. Various business change situations, such as a structural change in the specific industry for some reason, the organisations were forced to a new situation in terms of competence. For example, according to the Finnish Ministry of Employment and The Economy's (TEM) latest forward-looking report on trade, the competence became one of the key topics of the report. According to the report,

the trade sector suffered from the poor availability of skilled workers, the challenge of matching competencies and excessive personnel turnover (TEM 2020, 22).

The researcher himself worked in specialty trade business and service sales in various levels of positions. He served most recently for more than ten years in the positions of supervisor in different companys as sales manager and trainer. According to his experience, the personnel's operational tasks were divided into innumerable competence levels based on the need for certain sector. Multi-level competence was required due to the wide and diverse product offering in the retail sector. As a general challenge, it was very difficult to assess an employee's suitability and level of competence solely based on previous work experience or training. In most cases, the desired competence became visible later, during practical work tasks. In trade-intensive jobs that required special skills, the employee was able to work independently usually only after a period of months of induction and training. In these situations, the induction, which was carried out with the help of organisation's experienced employees, provided the new employee the tools to combine practical work tasks and theoretical training. Moreover, the experienced employees benefited from the knowledge which was gained from the organisational process if favorable conditions were created for it.

In the specialty trade, it was significant, that when the level of familiarisation and training was seemingly the same, the performance of the personnel at similar work tasks could differ in a very decisive way when assessed individually. Indeed, the employee's ability to analyse his or her own knowledge and skills became a key challenge when evaluating competencies during employment. On the other hand, this also led to a difficult situation, because each employee's ability to assess their own competence in accordance with their own development curve, at any given time, was unique. It was therefore unclear whether an individual employee was able to point out deficiencies in his or her own competence when necessary. Did the work community pay enough attention to the employee's personal knowledge capital and analytical ability in reflecting on their own knowledge and skills? Regard to the individual employee's competence, could there be something to develop in relation to the various work tasks and processes in the work organisation?

According to cientific knowledge, the connection between tacit knowledge and competence was indisputable. Moreover, a high level of personnel productivity, i.e., efficient utilisation of resources, improved business returns and reduced thus personnel costs. For example, Marko Kesti presented the relationship between personnel competence, its development and sales growth. However, he saw a fundamental dichotomy in managing personnel and their productivity (Kesti 2010, 17, 26.) Kesti addressed previously the importance of tacit knowledge in the development of the competence in

work organisations. According to him, the constant utilisation of tacit knowledge separated high-productivity organisations from medium-productivity level companies. The project-based development of operations among these medium-productivity level companies clearly differed from the continuous and more process-oriented development activities of top-producing organisations. These same top-level organisations produced innovative solutions down the line, while improving the productivity (Kesti 2007, 20.)

1.2 Research gap and the research questions of the study

The purpose of this study is to investigate the phenomenon where experiences, knowledge and tacit knowledge or lack thereof affects the success of a customer encounter situations in a sales organisation. The research gap is evaluated in terms of the competence which is needed in customer encounters. Individual salespersons are interviewed about the exixtence of this competence and its sets of particulars as well as the context of the phenomenon. Existing knowledge and any related tacit knowledge are assessed on the bases of the interviews provided. Suggestions and practices are formed based on these interviews to improve the organisation's sales processes in the future. The research gap and questions are presented on the following figure 2.

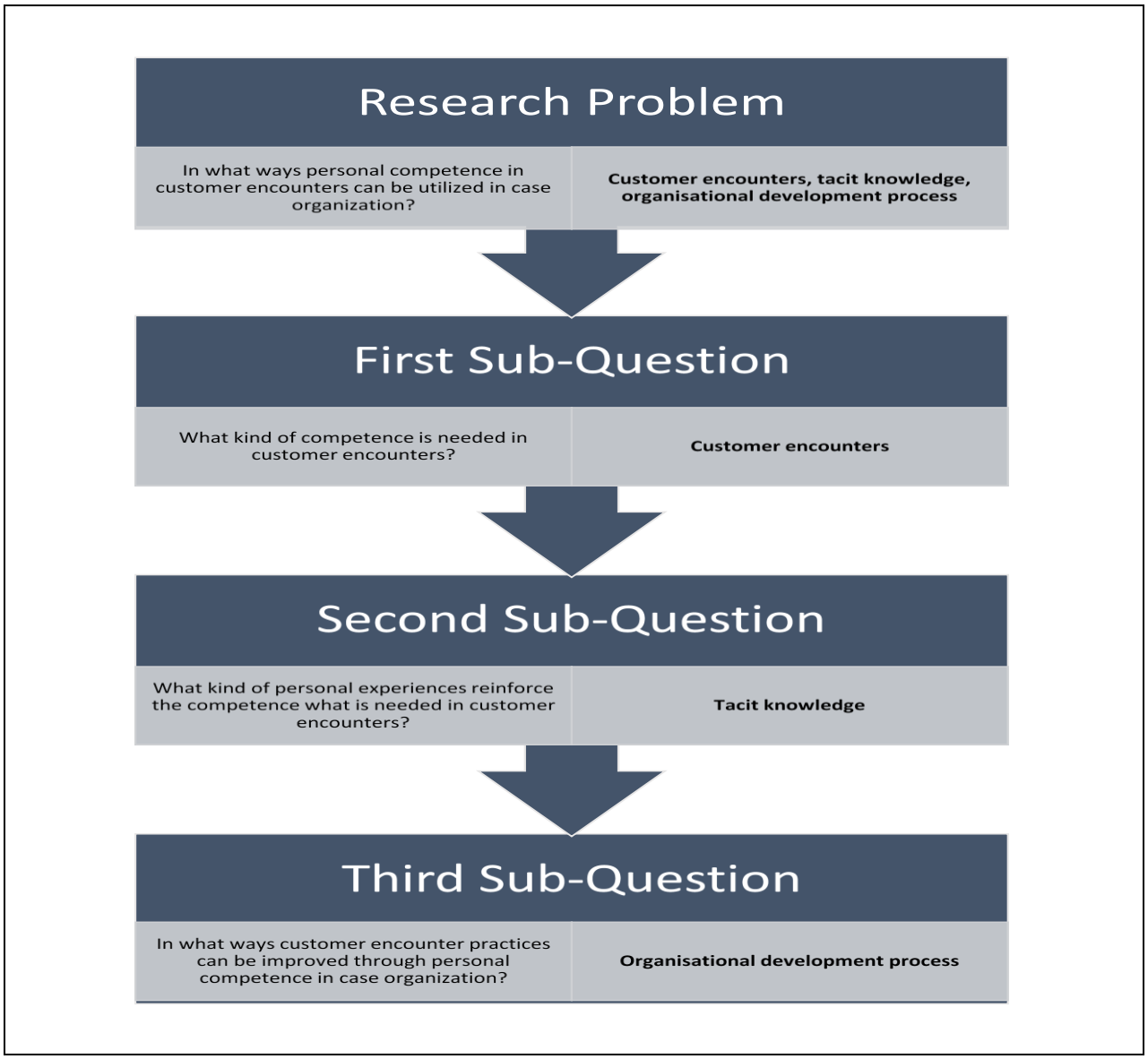

Figure 2: Research gap and the research questions.

2 LITERATURE REVIEW

2.1 Customer service and customer encounters

The service situation to meet a new customer was often referred to as ‘the moment of truth’. These customer encounter situations were often attached to the idea that all customers should be treated equally (Valvio, 2010, 86). This could require a large number of personnel with versataile skills and experiences, but often companies had to cope with only a few customer service employees (Valvio 2010, 68.) Therefore, the competence of the persons who were working in the customer interface on different occasions was important.

Key themes and operating models which were presented in scientific publications and were also related to customer encounters included, the level of service quality and service competence in general. The customer encounters' processes were studied for a long period of time, and the research literature as well as the essential articles were published during the last decade, for example from the following perspectives: ‘Managing Post-Purchase Moments of Truth: Leveraging Customer Feedback to Increase Loyalty.’ (Voorhees, Fombelle, Allen, Bone, & Aach 2014), ‘Understanding Customer Experience Throughout the Customer Journey’ (Lemon & Verhoef, 2016) and ‘Service Encounters, Experiences and the Customer Journey: Defining the Field and a Call to Expand Our Lens’ (Voorhees, Fombelle, Gregoire, Bone, Gustafsson, Sousa & Walkowia 2017).

There was an interesting integration between tacit knowledge and customer encounters was the topic of service innovations, such on the article ‘Service Encounters as bases for innovation’ (Sundbo, Sundbo & Henten 2014), which presented seven reasoned proposals based on previous applicable scientific research. As a new perspective, compared to previous publications, these researchers interpreted the topic via organisational conditions and individual employee's factors. The unifying topic was further explored because of the fact, that this narrowed focus on core service delivery was led to situations where service providers did not fully identify changing customer needs. That was referred in terms of customer experiences. For that reason, organisations were not able to notice the needs for further development of the customer experience they offered (Voorhees, Fombelle, Gregoire, Bone, Gustafsson, Sousa & Walkowia 2017, 11.)

2.2 Competence and tacit knowledge

The definition of ‘competence’ was introduced into scientific literature and research in 1959 by R. W. White. In his article at the time, White pondered the performance motivation. Subsequently, several researchers used the word competence to express the range of means or their features that were related to improving work efficiency. In 1973, researcher David McClelland suggested in his article that in the worklife and the related tests, it would be more useful to emphasise competence rather than intelligence. He pondered whether the intelligence tests of the time were suitable to adequately highlight abilities that contributed to work efficiency improvement (McClelland 1973,1,3.)

McClelland became acquainted with the prevailing testing movement and sought to develop recommendations for competence testing that differed from general intelligence testing. He suggested that the best testing was ‘criteria testing’ because there was evidence that a sample of actual work skills predicted competence in the job. On the other hand, this kind of a suitable test could reflect a change in a person’s learning. Third, the properties to be tested could be generally and publicly known. These tests should also assess the skills related to “clusters of life outcomes”. This meant personality variables that embodied, for example communication skills, patience, moderate goal setting and ego development. The behavior of the test subject and the test recipient should not be assessed on predetermined process. The thought patterns of the test subject could be sampled so that the results could be generalised into different patterns of behavior (McClelland 1973,10-13.)

Hayes suggested in 1979 that a competence consisted of certain defined skills that are required by different organisations at any given time (Hayes 1979, 2-3). In 1982 Boyatzis emphasised the parameters related to an individual’s behavior that led an employer to hire an employee (Boyatzis 1982, 66-67). In 1991, Woodruff summed up the competence which was requred to refine employee’s performance and merits (Woodruff 1991, 2). In 2002, Rankin stated that the intended competence was a collection of behaviors and skills that individuals could demonstrate in their organisations. Rankin stated also that this kind of competence was coming one of the most dominant models for management (Rankin 2002, 2, 21.) In 2009, the College of Registered Nurses of British Columbia (CRNBC) stated that competence was a collection of knowledge, skills and judgement ability which allowed to bring out individual competence for those who did not otherwise have sufficient practice or specialised knowledge on the subject (CRNBC 2009). In 2018, the ARZESH competency model proposed that competence was consist of different knowledge, skills, abilities, experiences, and behaviors that led to the effective performance of an individual in different situations. According to

the model, competence could be measured and further developed through practice (Maaleki 2018, 2-4.)

There were different and specific competency models, which were developed to help organisations to create their own business strategies. These competence models helped to surpass the challenges in corporate governance, productivity requirements and career planning. These models included reviews and models related to career planning (Akosah-Twumasi, Emeto, Lindsay, Tsey & Malau-Aduli 2018), identification of skill gaps (McKenney & Holly 2019), performance management (O'Boyle 2013), job candidate selection (Huang & Cappelli 2010), succession planning (Alvani, Souteh, Jandaghi & Inaloo 2016), as well as to training and development operations (Hodge, Smitt & Barratt-Bugh 2016).

There were different definitions of the types of competencies which could be found in the literature. The different types were behavioral competencies (Albino 2018), core competencies (Edgar & Lockwood (2009), functional competencies (Nguyen 2008), management competencies (Aslan & Pamukcu 2017), organisational competencies (Sparrow 2007) and technical competencies (Shah, Shahjehan, Afsar, Afridi & Saeed 2019). These presented attributes illustrated the individual's potential to performance in different work situations.

A key concept which was presented in the literature and was related to organisational competence was core competence. According to one definition, core competencies were 'in-depth expertise related to technology, production processes or customer needs' (Sarala & Sarala 2010, 34-36). According to the second definition, core competencies were 'the most strategically significant of a company or community, and common competencies' (Tuomi & Sumkin 2012, 83-84). The core competencies of an organisation consisted of the most vital competencies related to the issues described above for its strategy and competitiveness. From a strategic perspective, a key determinant of core competencies was a vision that provided direction for the core competencies which were needed in the future. Thus, core competencies could vary significantly even for players in the same industry. Central to core competencies was also the fact that they were developed over a long period of time and could not be easily copied such as from one organisation to another (Otala 2008, 53–56; Viitala 2005, 82,83; Kamensky 2015, 180-183).

The core competencies were based on the knowledge, skills, and personal competencies of the individuals in the organisation. These formed the organisation's key competencies and strategic competencies. Key competencies were competencies required for a company's operations. Strategic

competencies, on the other hand, were those competencies which were necessary to achieve strategic goals. Based on these competencies, core competencies were able to be formed as a combination of one or more key and strategic competencies. Thus, the core competencies were used to create a competitive advantage over competitors and added value for customers (Otala 2008, 54,55).

Gilbert Ryle argued, as early as in 1945, that the one-sided view of the 'knowing that' of the time was not enough, but it had to be accompanied by the rejected dimension of 'knowing how' (Ryle 1945, 212, 217). Actual interpretations of tacit knowledge originated from Michael Polanyi's earlier conclusions on article Science, Faith and Society (1946) and lectures on 'Science and Reality', 'Authority and Conscience', 'Dedication and Servitude' (1951-52) and on the book of Personal Knowledge (1958). He put forward later his masterpiece idea that one knew much more than he or she could tell (Polanyi 1966, 4-6). According to him, the described tacit knowledge like this was constantly a combination of different pieces of knowledge. The individual generated this kind of knowledge which was linked to surrounding requirements, by analysing his or her own observations and insights at any given time. According to him, it was possible to achieve functional tacit knowledge through to processing of the active experiences. Polanyi also presented the functional principle of tacit knowledge in relation with the design process of an inanimate machine which was designed by engineers (Polanyi 1964, 138-140; 1966, 6, 40.) Sternberg and his fellow researchers argued that tacit knowledge was a single dimension of practical intelligence (Sternberg, Forsythe, Hedlund, Wagner, Horvath, Williams, Snook & Grigorenko 2000, 11). In Auli Toom's work, according to the Swedish Bertil Rolf, the tacit knowledge consisted of a combination of tradition and subjective thinking that helped individuals to face reality (Rolf 1995, 28). Toom suggested similarly that the tacit knowledge was combination of culture and individual thinking (Toom 2008, 34-35).

In the scientific literature, tacit knowledge was often seen as the opposite of explicit knowledge that was easy to process and share. Since 1964, Polanyi, other philosophers, and scholars of tacit knowledge, as well as scientific theorists after him (such as Nonaka & Takeuchi, 1995; Alavi & Leidner, 2001; Holste & Fields, 2010; Latupapua, 2016) highlighted the differences between explicit and tacit knowledge in various ways. In 2008, Viitala stated that tacit knowledge served as evidence of the veracity of explicit knowledge (Viitala 2008, 131-132). As early as 1995, Nonaka and Takeuchi published the SECI model, based on the dichotomy of knowledge, which illustrated the various stages of a series of events related to the tacit knowledge sharing and transfer in the organisation (socialisation, externalisation, combination, internalisation). The model sought to clarify the interaction of explicit and tacit knowledge according to this 4-step progression model (Nonaka & Takeuchi 1995, 70-74).

Holste and Fields argued on their study in 2010 that, unlike explicit knowledge, individual's competence such as tacit knowledge was often difficult to produce and presentate by writing, so it was usually presented in the form of analogies, metaphors, stories, and personal strategies (Holste & Fields 2010). In 2012, Pohjalainen and Haldin-Herrgård in 2004, as well as Haldin-Herrgård and Salo in 2008 sought to classify concepts (figure 3) related to tacit knowledge into mental, sensorial, social, and practical functions and their epithets (Pohjalainen 2012, 5; Haldin-Herrgård 2004, 12; Haldin - Herrgård & Salo 2008, 290).

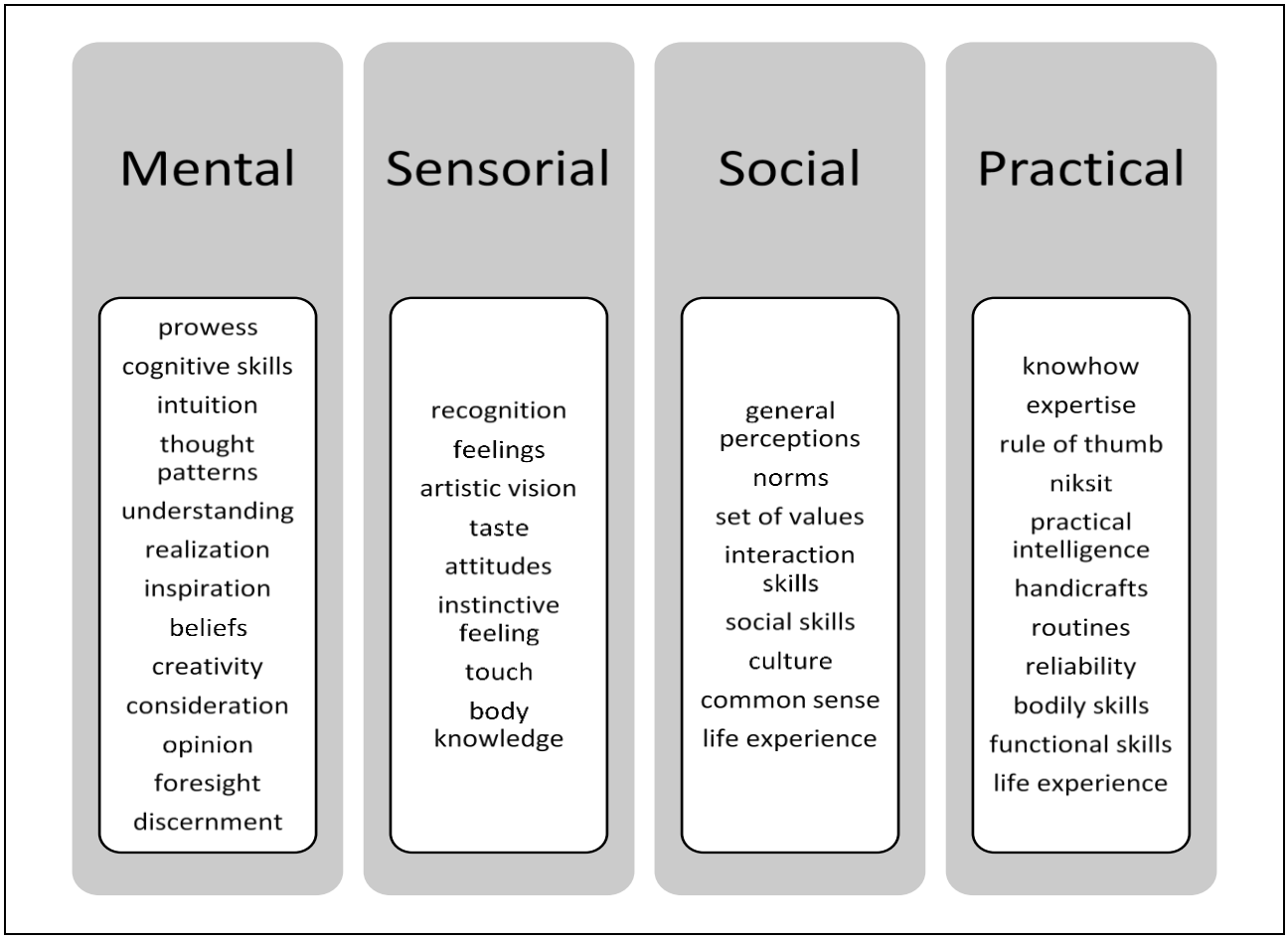

Figure 3: Epithets related to individual functions (Haldin-Herrgård 2004, 12).

According to a study conducted in the 2010s, tacit knowledge was considered as a crucial resource for expertise and all kind of innovations in organisations (Liu & Cui 2012; Mohajan 2017, 22). Therefore, tacit knowledge was considered the basis for a modern understanding of learning as well as the competence and innovativeness of organisations. Learning, education, competence (Hakkarainen & Paavola, 2008, 59–66) and innovations are key themes in recent research. The topic of tacit knowledge can be identified as the dominant factor in relation to the world's most prestigious primary school curricula today (Finnish National Agency for Education 2014, 17).

In other words, according to these scientists, the tacit knowledge provided a person to cope with various challenges of daily practical life. The tacit knowledge was composed of sets of particulars from different sources and thereafter it was combined to large entities with the individual's personal knowledge capital, and thus it formed a kind of tool to support the performance of practical actions. Tacit knowledge helped the individual to utilise the accurate and defined knowledge needed at any given moment and allowed the tacit and explicit knowledges to interact with each other, as well. Because of this, tacit knowledge enabled new learning and the development of competence, both at the individual level and in different communities. Because of the tacit knowledge was a resource, it also allowed individual to reach personal and collective achievements which could be considered to cause economic benefit. The most significant examples of these benefits were various innovations and top expertise. The findings which were mentioned here were also applicable to the study conducted in this paper.

2.3 Phenomena and study related to tacit knowledge

Many interesting phenomena were associated with tacit knowledge alone. Numerous scientific publications presented research cases on tacit knowledge from a variety of disciplines. At a general level, research may be related e.g., to philosophy, theology, education, or the information sciences. The study of tacit knowledge in economics often treated with phenomena related to the organisations, information, and business management. Based on the topics of scientific publications and their amount, the most interesting phenomena in general had been the transfer of tacit knowledge and its significance in the organisations.

Over time, there was also some criticism about the conclusins in scientific publications. Among others, Tom Wilson criticised Nonaka's and Takeuchi's interpretation (SECI model) as incorrect compared to the views expressed by Michael Polanyi. According to him, after when an individual was able to articulate his perception, it was no longer tacit knowledge (Wilson 2002). In her own research, Auli Toom also dealt with features of tacit knowledge published earlier by Bertil Rolf (1995) and considered them unclear. However, she recognised these traits in the notions of tacit knowledge presented occasionally in the social and scientific debate (Toom 2008, 35–36.)

Pohjalainen presented on her publication in 2012, that based on the research and collected data over time, a clear distinction could be seen in the considered division of tacit and explicit knowledge. According to her, this novel way of thinking became more meaningful because these two extremes were no longer seen as mutually exclusive opposites, but rather as different dimensions of the same

knowledge. By this she meant the idea, which was put forward by Haldin-Herrgård and Salo (2008), about the iceberg metaphor of tacit knowledge in which explicit and tacit knowledge were perceived as the same mass of knowledge and basis of experience. Pohjalainen summed up tacit knowledge as a repository of experience, the utilisation and presentation of which could be seen as a process of knowing. In her opinion an interesting topic, which was also the new view in the research of tacit knowledge in the 21st century, was the study of the epithets, or the characteristic attributes attached to it. Epithets are properties that were associated with tacit knowledge in the scientic literature. According to the study, the most common epithets were views, intuition, skill, know-how, beliefs, practical intelligence, and mental models (Pohjalainen 2012, 4, 5.) At the same time, there were thoughts of tacit knowledge and related corporeality phenomenons, which were clearly different from the previous research tradition. Among other things, learning hand skills generated kinesthetic knowledge that consisted in part of the body's internal processes. While working with the outside world, the individual perceived the sensations that made up this kind of kinetic knowledge (Parviainen 2006, 67.)

Tacit knowledge phenomenon attempted to justify the human intelligence in scientific literature. In 2017, Guo, Zhou, Zhao, Zhang, Lian, Wei, and Zhang even built study case based on gray theory (Gray Theory) and mathematical intelligence modeling (Radial Basis Function Network or RBF Neural Network) as well as various strategies to achieve a tacit connection between knowledge and intelligence (Guo, Zhou, Zhao, Zhang, Lian, Wei & Zhang 2017). In the same year, Walker brought up a philosophical perspective on the study of tacit knowledge and intelligence. In this scientific paper, he put forward the idea according to which was imagined too easily, that the tacit knowledge was containing intelligence behind standard conclusions. However, behind the real tacit knowledge was our own informality and informal assessment. This, in turn, refered to and advocated Polanyi's skepticism about the idea of Unbridled Lucidity in 1966 (Walker 2017, 267; Polanyi 1966, 18).

2.4 Studies and research methods in organisational context

The ability of an organisation to utilise tacit knowledge became an interesting theme in the scientific literature of the topic. Researchers utilised companies' product development projects and described the associated key working processes to describe the transformation of skills into the tacit knowledge in the work organisation. In 1991, Ikujiro Nonaka took advantage to use the study of tacit knowledge which was linked to organisation's work processes. Based on his observations, he interpreted the different stages of the so-called knowledge spiral. According to him, the process, in which the tacit

knowledge transformed into an explicit form and futher to personal internalisation of this knowledge, were the most critical steps of the spiral. After these steps, it was possible to standardise and combine the information into production instructions or products. After the process went through this stage, the employees of the organisation were able to internalise the tacit knowledge related to this process, into their own knowledge capital (Nonaka 1991, 15-21.) Later he developed the process further and came into the conclusion that work-related knowledge could be classified and divided into tacit and explicit knowledge (Nonaka 1994, 14-37). After a few years later, he developed futher the model representing the knowledge spiral and SECI- process (figure 4) in collaboration with Hirotaka Takeuchi (Nonaka & Takeuchi 1995, 70-74).

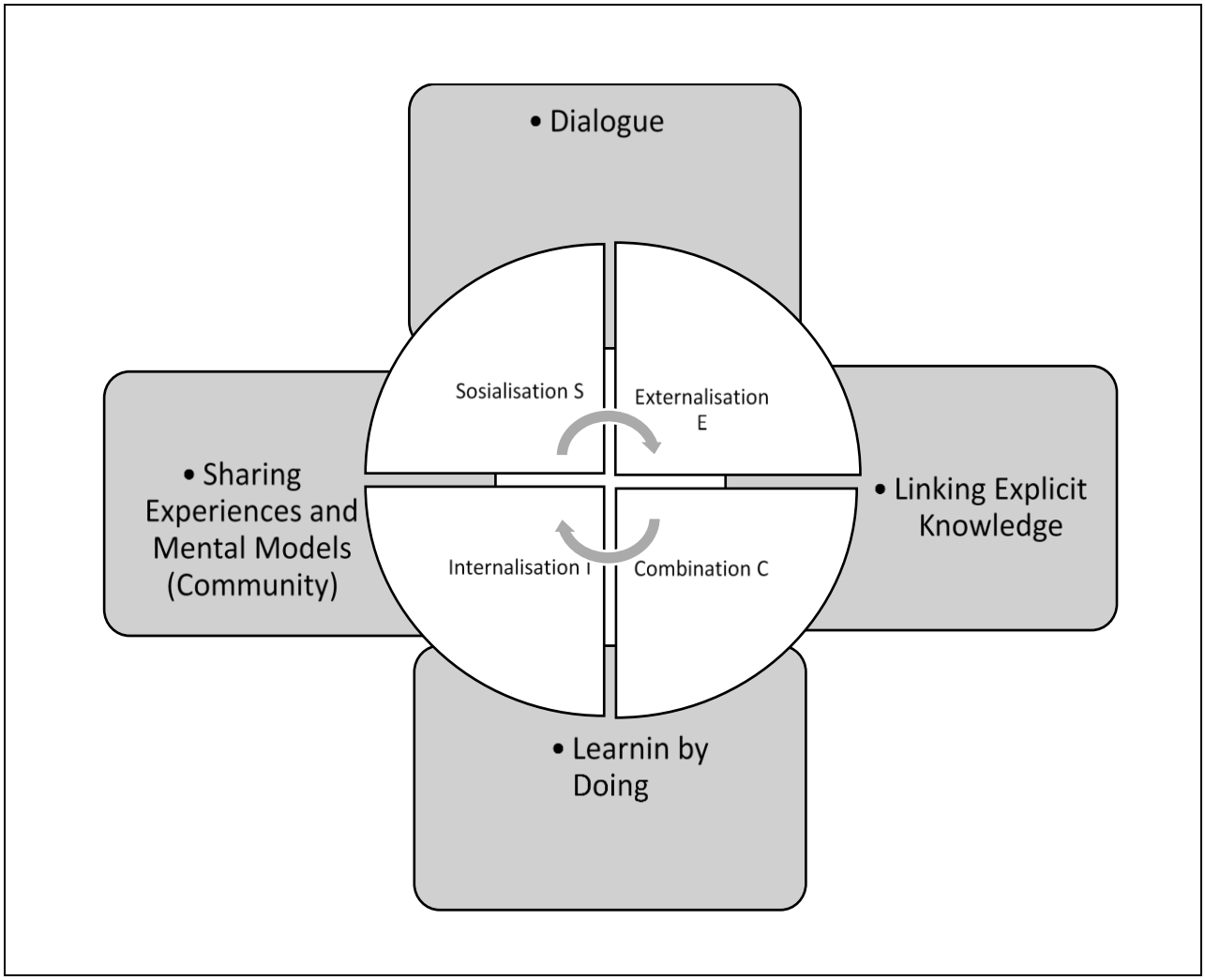

Figure 4: The spiral of knowledge and the SECI model (Nonaka & Takeuchi 1995, 70-74).

The one aim was to make distinguish between the different areas of professional skills and competences in conducted studies related to organisations. The implemented projects compared the utilisation of tacit knowledge were done with individual employees and in working groups. Scott

Cook and John Brown, among others, discussed about knowledge and skills related to the organisations in 1999 in their new theory focused article. The presented topics were e.g., organisation's collective competence, knowledge-based organisations and creative companies. The themes in these papers were collective thinking and organisational brains. Cook and Brown wanted to explore the relationship between knowledge and skills in the work organisations by dividing functional knowledge into tacit, explicit, and as well as to individual's and group's knowledge. They complemented their model by distinguishing between concepts, skills, stories, and genres as on table 1 (Cook & Brown 1999, 383, 391.)

	Individual	Group
Explicit Knowledge	Concepts	Stories
Tacit Knowledgr	Skills	Types, Genres

Table 1: Functions of knowledge (Cook & Brown 1999).

There were many more scientific publications related to tacit knowledge on the work processes by the turn of the 21st century. In 2001, Alavi and Leidner presented the view that tacit knowledge could be shared mainly only in interactions between individuals (Alavi & Leidner 2001, 108-135). Two years later, in 2003, Ipe found that the success of tacit knowledge sharing depended on interpersonal relationships to a large extent. In this case, the presence and exposure to interaction of the counterparties was a prerequisite for the successful work processes (Ipe 2003, 337.) In the same year, Nonaka and Toyama suggested that the SECI model resulted a brand-new knowledge that enabled new learning and innovations (Nonaka & Toyama 2003, 90).

Individual characteristics and interpersonal trust became a central theme in the transfer processes of tacit knowledge within the organisations. In 2004, Levin and Cross found that the reception of knowledge was influenced not only by the individual's state of mind, but especially by the

appreciation of the teachers' knowledge, ability and competence (Levin & Cross 2004, 1480). After this, Chowdhury stated, among other things, that the additional resources received by the entire organisation depended on the abilities of the work community to share information throughout the organisation (Chowdhury 2005, 310-325). Thus, the conducted research and literature related to organisations' activities concluded that collective and large-scale work organisation's management alone was not sufficient. Therefore, employees' activities had to be considered with the same appreciation at the individual level (Sundvik 2006, 12-13). This was partly due to differences in individuals 'personality, intelligence, values, and beliefs (Steptoe-Warren 2013, 114-115).

In 2007, according to Lin, the trust between employees and their commitment to organisation greatly influenced their willingness to share tacit knowledge. His research also made it clear that conveying particularly important issues from company's management directly to the employees, reduced the time spent on trial and error, which in turn increased the company's resources for other uses (Lin 2007, 413). In the same year, Kesti presented the high-quality management which enabled the personnel' tacit knowledge capital transfomation into the capabilities and success factors of the organisations (Kesti 2007, 60-61).

Success factors and competitive advantages which were important for work communities, such as creativity and innovation, were studied as a part of the organisations' knowledge management processes. In his article, William H.A. Johnson highlighted tools for tacit knowledge transfer in the work organisations which were explored and evaluated through thinking-related structures (PRS model). In this article, tacit knowledge was strongly associated with the work organisation as one of its competitive advantages. His paper suggested that the transfer of tacit knowledge in the organisation was also possible through individual practice (Solo Individual Practice). The observation reinforced the idea that the transfer of this kind of knowledge could not always require face-to-face interaction. Indeed, the face-to-face interaction was found to has more to do with trust and media richness than with the actual transfer of tacit knowledge. This kind of 'individual work' also enabled the emergence of creative knowledge, while collaboration and learning from the master ensured rather the accuracy of the knowledge. However, because of the 'individual work', this process consumed more time resources. In big organisations, employees passed on tacit knowledge and created a competitive advantage more effectively after when they were divided into the smaller work units. On this study, so-called codified knowledge was also interpreted more like as pure information or potential knowledge, and the knowledge management was seen more like as human leadership (Johnson 2007, 133-135.)

The multicultural business organisations that gradually became more widespread also brought challenges to the tacit knowledge linked research and processes. In 2008 Otala considered necessary to introduce new methods and working processes to pass on tacit knowledge (Otala 2008, 26). The following year, Wilkesmann raised the point that knowledge processing in organisations must consider the scope of their domain. In his study, employees' cultural backgrounds were also found to play a role in sharing and receiving tacit knowledge (Wilkesman 2009, 465-470.)

The means of identifying and sharing tacit knowledge were explored because business organisations wanted to retain core competencies and associated success factors. According to Viitala, the disclosure of tacit knowledge in these organisations required the fulfillment of certain conditions. The essential tacit knowledge had to be identified and the individuals had to be able to identify their own knowledge and share it further. This was not reality since not all persons were able to articulate their own tacit knowledge (Viitala 2005, 109-111.) In 2009, Virtainlahti presented these deficiences as challenges to observe and highlight employees' own tacit knowledge. According to her, the original goal of companies was to reduce dependence on individual workers. Therefore, he concluded that the knowledge management in the organisations was more precisely the management of tacit knowledge. At the same time, she highlighted the essence of that kind of knowledge, which was considered a resource deviating from a normal resource, but which was known to be able to meet various challenges in the business organisation. According to her, this had also the effect on which the organisation could lost its operating preconditions in challenging situations if knowledge and skills decreased or disappeared (Virtainlahti 2009, 70-71.)

The management of tacit knowledge was studied extensively from a variety of perspectives. According to Heisig (2009, 12), the consept of knowledge management in companies was based on people-oriented, organisational, technology-based, and management-based factors. In his study, he saw the human-driven factors were divided into three critical factors. In addition to managerial work, these factors included employees and the prevailing culture. Heisig presented a framework for competence management in organisations, based on his research, which consisted of decentralised stratification measures which were distributed across business, knowledge, and resources (Heisig 2009, 3-31).

Diverse transfer projects which were related to tacit knowledge played a key role in the 2010s because the masses of retiring employees were thought to diminish the competence which was important to work communities. Based on his research, Vaahtio expressed dissenting opinion on the projects in question and stated that they were quite normal induction and experience transfer processes in the

organisations (Vaahtio 2010, 72). However, according to Polanyi, the transfer of knowledge from one generation to another, required mainly the transfer of tacit knowledge at a certain point of time. And because of that specific time, there were also the prevailing reality behind the explicit knowledge (Polanyi 1966, 61). In connection with this, in 2012, Marjut Pohjalainen presented empirical studies which tried to bring out such concrete concentrations of tacit knowledge and were also important for the case study organisation (Pohjalainen 2012, 2, 9–10).

The share and transfer of tacit knowledge was studied in numerous different contexts. Haldin-Herrgård presented in 2000 the challenges of tacit knowledge in relation to its transfer (diffusion) within an organisation (Haldin-Herrgård 2000, 357-365). Suppiah and Sandhu investigated the effects of organisational culture on tacit knowledge sharing in 2011. In their quantitative study, they presented the level of prevalence of behavior associated with the certain types of organisational culture (Suppiah & Sandhu 2011, 463, 465-473.) About the same time, Uotila interpreted tacit knowledge, which was difficult to understand, to some extent as a problem for company management and a challenge for implementing various measures in organisations (Uotila 2010, 11). However, Polanyi argued much earlier that tacit knowledge could be communicated if the right means were found to do so (Polanyi 1966, 4-5). According to Pohjalainen, employees' skills and tacit knowledge formed a fundamental resource and enabled the formation of new practices and innovations. She noted that tacit knowledge consisted of thoughts, images, beliefs, and views beyond the professional competence and the diversity of which posed challenges to identify tacit knowledge (Pohjalainen 2012, 1-2.) In this context, also Bretschneider and Zogaj combined and equated this kind of multidimensional tacit knowledge with insights, ingenuity, and innovation. (Bretschneider & Zogaj 2016, 3-4, 8-12).

The different strategies and difficulties of sharing tacit knowledge were perceived challenging in business organisations. Mentoring and storytelling methods contributed to overcome these challenges. In 2010, Holste and Fields studied the effect of emotions and mutual trust on experts ’willingness to share tacit knowledge. Some years later, Latupapua also studied the challenges of tacit knowledge sharing and the preconditions of the tacit knowledge sharing process. She concluded that the biggest challenges were specifically related to the willingness to share expertise within the organisation. As Holste and Fields noted in their article, Latupapua also suggested that tacit knowledge was the best to be conveyed through observation, practice, and mentoring. However she stated, that there were certain difficulties to get employees to share their own tacit knowledge within the organisation and therefore it required a specific strategy for more effective knowledge sharing required (Holste & Fields 2010, 130-131; Latupapua 2016, 22, 25.) In 2014, Karabey studied the

attitudes and tendencies of service workers to share tacit knowledge. In the article in 2017, Margaret Burnette presented the background factors related to tacit knowledge sharing in terms of cultural factors and the mentor / learner relationship (Burnette 2017, 382-397). Shao, Feng, and Wang, in turn, investigated the impact of the leading person's charisma on individual employees' behavior with respect to tacit knowledge sharing in 2017 (Shao, Feng & Wang 2017, 194-208). Later Chen and Vogel presented examples of tacit knowledge sharing via mentoring (Chen & Vogel 2016) while Shaw and Liu addressed this topic in terms of storytelling process (Shaw & Liu 2016, 1-6).

Internet and social media became a part of the research of tacit knowledge. Panahi, Watson, and Partridge utilised social web tools on the Internet in their research on tacit knowledge. They concluded that although there were significant theoretical claims and observations about the social network's ability to facilitate the sharing and transfer of tacit knowledge, there were not enough empirical evidence to support those claims. Therefore, in their view, the topic required further research (Panahi, Watson & Partridge 2013, 393.)

The level of education of the employees was found to affect the utilisation of tacit knowledge. Henttonen, Kianto, and Ritala studied the effects of individual-level knowledge sharing on the performance of public organisation employees in 2016. In their study, they found an unfavorable phenomenon in the effects of tacit knowledge sharing on performance level when compared to employees' education. The study highlighted the employees with primary or secondary education who did not appear to benefit much from sharing the tacit knowledge if compared to their colleagues with higher education (Henttonen, Kianto & Ritala 2016, 751-752, 761.)

It was also observed that Finnish companies did not necessarily make effective use of tacit knowledge. Hakkarainen, Saramäki and Makkonen presented in their recent article that the results of their research were conducted in a small target group. Based on them, there were no very often attempts to utilise tacit knowledge in Finnish business organisation. Although, many organisations woke up fearing decreasing knowledge when they losted the experienced employees. However, according to the researchers, the concept of tacit knowledge was understood quite well. Most commonly, individual employees created models and controlled important information themselves. The management of tacit knowledge was often left to the employees 'own responsibility', and this process took place as a secondary in most companies. Based on this, they argued that tacit knowledge management could not be seen as a mere process of knowledge transfer. Rather, it was about promoting an organisational culture that facilitated and encouraged the knowledge creation, sharing,

and exploitation. Practically, the focus was on cooperation, discussion, and commitment (Hakkarainen, Saramäki & Makkonen 2018.)

Tacit knowledge was also explored in several other contexts such as Ancori, Bureth, and Cohendet presented the complex relationship between codified knowledge and tacit knowledge in industry and business change (Ancori, Bureth & Cohendet 2000, 257). In 2009, Gal, Kasturiranga, Pfeffer, and Richards published their article and wanted to redefine completely the basis of tacit knowledge relating individuals work duties, the practices to be copied and those actions to be connected to tacit knowledge (Gal, Kasturiranga, Pfeffer & Richard 2009). Hecker, for his part, researched the importance of collective knowledge capital in the work organisation (Hecker 2012). In the same year, Schmidt studied the challenges associated with computer-assisted work and tacit knowledge and their research methods (Schmidt 2012). Innovation management was also addressed in several contexts, such as on the Aswoll's study, which created a research setting for the utilisation of reflective and intuitive knowledge in innovation management (Aswoll 2017).

Various research methods were applied in the study and in the theoretical evaluation process related to tacit knowledge. They were depended on the phenomenon and the characteristics of the object under study. In the early 2000s, Pope, Smith, Goodwin, and Mort researched tacit knowledge in a medical team using qualitative research methods such as the ethnographic method. They observed team members and presented them feedback with research information obtained from the observation. They continued to conduct follow-up interviews with the target persons based on the given feedback and evaluated the material collected from them as well. In this way, researchers captured data on the perceptions and interpretations of the members of the case study organisation (Pope, Smith, Goodwin & Mort 2003).

Cowan and his fellow researchers made an interpretive conclusion about the connection between tacit and coded knowledge. According to them, the understanding of knowledge depended on the interpretation of coded knowledge. The nature of knowledge could be understood explicit for an individual or an entity, but at the same time it could be understood as tacit for another party. It also followed that the same knowledge could remain a complete mystery to a potential third party (Cowan, David & Foray 2000, 225.)

According to a study which was published at the same time, the coding processes related to the exploitation of tacit knowledge often meant facilitating the exchange or transfer of competence. In this case, however, the source of the knowledge obviously should have the motivation and desire to

transfer the competence. If the organisation's management promoted and made tacit knowledge transfer as positive experience as possible, employees tended to encode tacit information more easily into an electronically transferable format. However, coding process involved challenges such as e.g., the identification of tacit knowledge, the meaningfulness of the transfer of competence and, more generally, the retention of employees with tacit knowledge in the work community. Thus, related to coding, the biggest challenge was not to implement a suitable information system, but to how to process individual human behavior. (Desouza 2003.)

Upon 2010s, Kothari, Bickford, Edwards, Dobbins, and Meyer utilised a narrative research method to understand the tacit knowledge which was related to the design and implementation of public health care. The collected data from individual interviews were analysed using the content and thematic analysis (Kothari, Bickford, Edwards, Dobbins, & Meyer 2011.) In the same year, Yi Ke and Zhouchun exploited the results of their previous study and captured survey data in preparation for the construction sector-related tacit knowledge research. Their purpose was to find out the extent of the importance of tacit knowledge and especially the implications for management tasks (Yi Ke & Zhouchun 2011.) According to an article which Pohjalainen published at the same time, traditional one-way survey and interview methods did not reach tacit knowledge sufficiently. In her opinion, the target person had to be supported because it was often difficult to illustrate the tacit knowledge alone (Pohjalainen 2012, 9.)

In 2015, Khera and Gulati used quantitative research methods in the case related to IT company's education and the ways to explore the sharing of tacit knowledge. They utilised a research instrument and the Likert scale selected for this purpose (Khera & Gulati 2015). As in this study, the quantitative methods as well as the breakdown, comparison, and analysis of the results were mainly related to the statistic representativeness of the findings. Toledo and his research colleagues utilised quantitative data when analysing the change in performance level of strategies related to tacit knowledge (Toledo, Chiotti & Galli 2016, 22).

In 2016, Bretschneider and Zogaj presented a number of different methods and strategies to make more effective use of 'customers' tacit knowledge' and the similarities associated with this knowledge in the new product development process (NPD) combined with interactive value creation. They argued the importance of the issue based on the thinking that the knowledge held by customers also contained tacit knowledge. The research report highlighted shortcomings in traditional and straightforward research methods. For this reason, the researchers' presentation comprised of a variety of alternative methods, which were presented extensively on the report. Many of the presented

methods were characterised by some degree of interactivity of the research method. These methods included e.g., Emphatic Design, Product Clinic, Concept Testing, Security Trading and Listening In, as well as leveraging a virtual presentation to achieve the desired knowledge or information (Information Pump) (Bretschneider & Zogaj 2016, 5-8.)

The latest major research that focused holistically on business organisation's competence and tacit knowledge brought together resources, critical success factors, and knowledge management measures. This meant the harmonising of existing models of knowledge management. The used research methods were a qualitative and quantitative content analysis of the existing knowledge management models presented in the scientific literature and conference publications related to the topic. The analysis process was utilised with coded data and the determination of its frequency. This knowledge management framework was published by Heisig in 2009 (figure 5). This framework incorporated the principles of the SECI model, as well as the operational functions, processes and structures of the business organisation in respect of success factors.

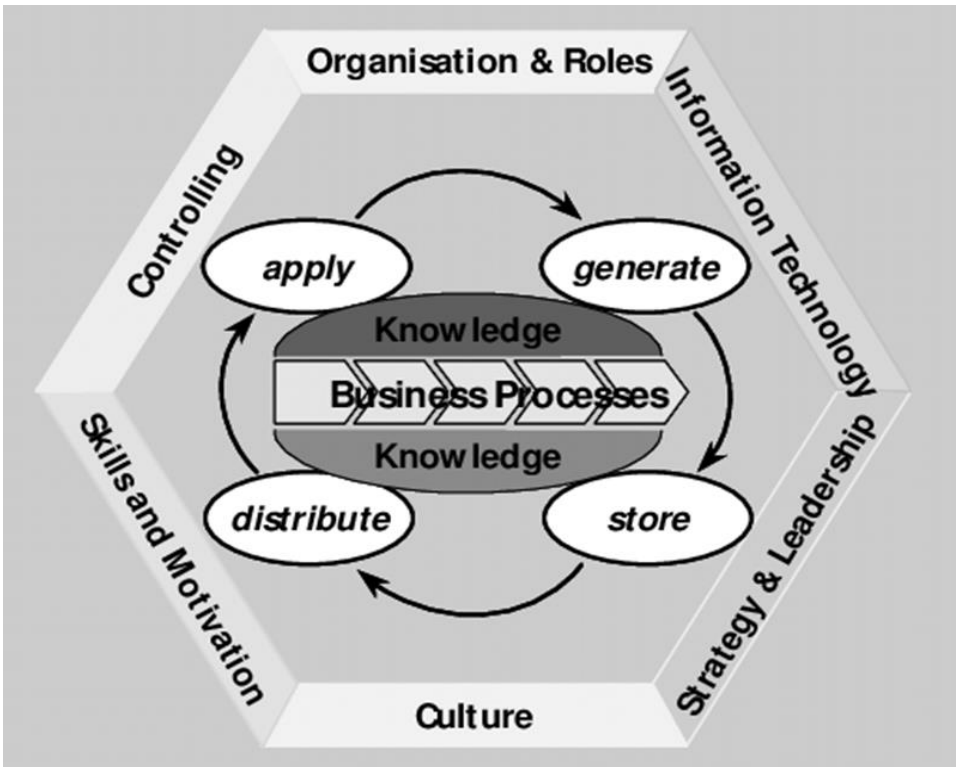

Figure 5: GPO-WM- framework (Heisig 2009, 15)

According to Heisig, on the knowledge management process, which only emphasised individual functions such as ‘knowledge sharing’ and only individual critical success factors, such as ‘information technology’, were found to be insufficient (Heisig 2009, 13–15). Based on the GPO-WM framework, it could be observed that the work tasks of the employee, i.e., the role and the prevailing culture in the organisation, as well as the coordination of competence and motivation, played an important role while developing the knowledge management processes.

There were certain challenges associated with the research cases of tacit knowledge that can be identified from previous scientific publications. One of the biggest challenges was that only a negligible proportion of knowledge management professionals wanted to explore the relationship between operational management and tacit knowledge management. Even fewer of them wanted to explore the relationship between strategic factors or social skills and competence. This was partly due to the fact that often important personal information was not perceived to be accessible by the methods of knowledge management. Based on the study, dichotomy was also associated on knowledge management. Professionals on the specific sectors saw its usefulness either only on a general level or only as an advantage, related to a specific project or special competitive advantage (Dayan, Heisig & Matos 2017, 9-10.) Marko Kesti, who published several scientific publications related to this topic, considered the dichotomy of tacit knowledge even as the distinction between useful and harmful tacit knowledge (Kesti 2010, 68-69).

2.5 Interesting themes included in the theory

Based on the presented theory, the intention was to study the sales organisation's competence related to customer encounters and the related dynamics. On the topics which were presented in the literature review, those related operations to the utilisation and transfer of competence and tacit knowledge, in organisations, were particularly interesting. Such kind of observations were the attitude of the organisation's management and the impact of its managerial activities, the transfer of competence and knowledge as well as means of communication, training background and trust between employees, the impact on productivity and innovation, and the presented research and development processes.

Management attitudes affected most obviously to the organisation's ability to utilise employees' experieces, competence and tacit knowledge. However, according to some observations, these processes were entirely and exclusively in the hands of individual employees in some organisations.

On the other hand, it could be seen that the most successful organisations took advantage of these opportunities in a long-term and process-like manner. The tacit knowledge share and the communication measures were influenced by the employees' ability to assess and highlight their own skills, the ease of communication, and the effectiveness of the used communication methods. For example, analogies, metaphors, stories, and employees ’own strategies were mentioned and utilised in some organisations.

Some observations were made about the importance of educational background, but the dynamics and trust between employees proved to be particularly interesting. The utilisation of experiences and tacit knowledge was influenced by the cultural background of the employees and the trust between the colleagues and supervisors. Regarding development measures, emphasis was placed on the impact of employee views on those measures and their store, identify, apply, create and share within the organisation. In this context, the theory warned against short-term development projects and emphasised the benefits offered by long-term development processes. Also, the productivity and innovativeness increased based on the presented theory.

Based on the literature review, a significant association between tacit knowledge and competence, or other words between strengths and resources can be observed according to figure 6. In terms of theory, it can be said that the success of a customer encounter situation depends in partly on the operating models of the sales personnel and the quality of the service they provide to the customers. Thus, the consistent quality of service i.e., the succeed of a single customer encounter situation, depends to a certain extent on the competence of the individual salesperson.

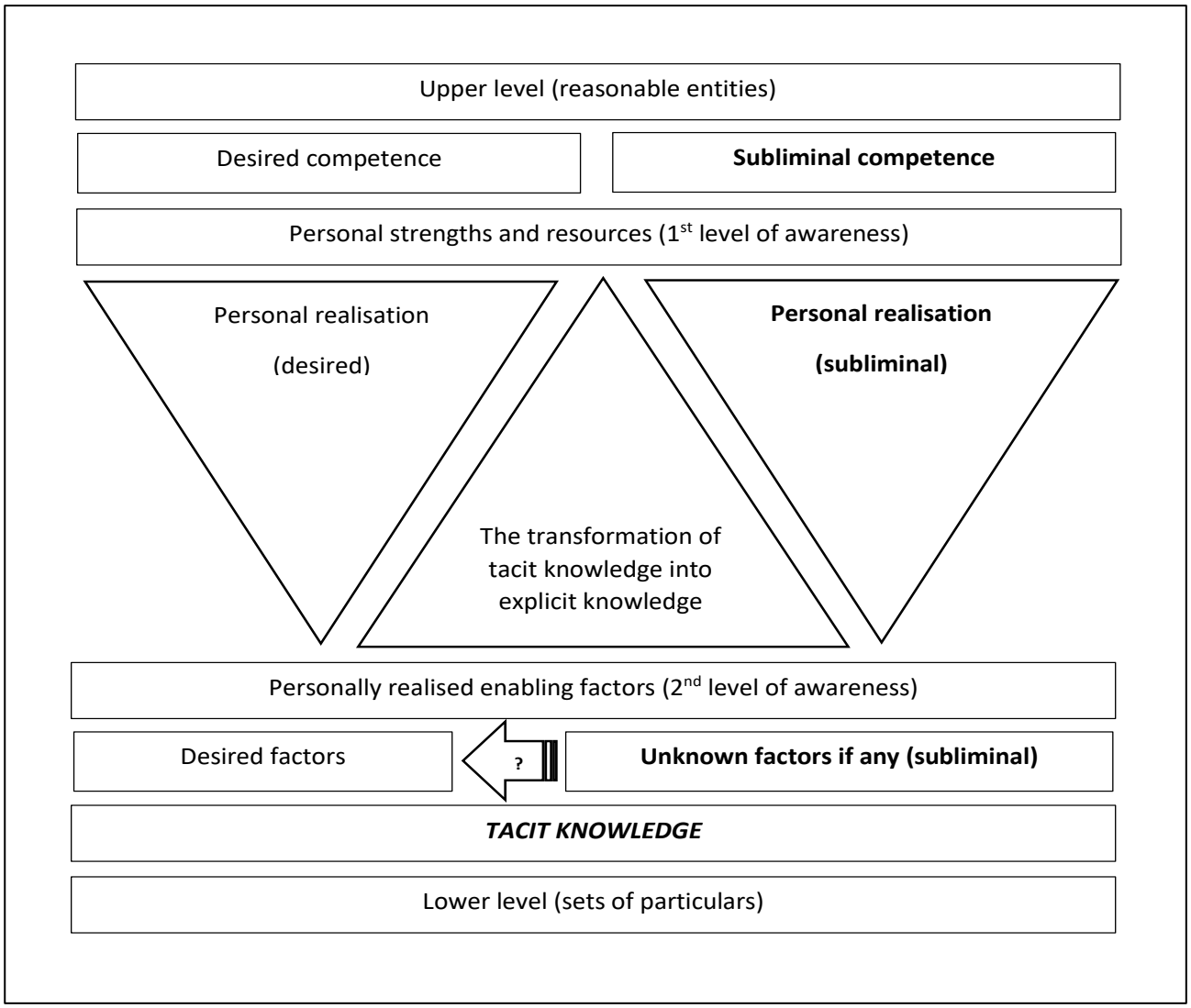

Figure 6: Connection between competence (strengths & resources) and tacit knowkledge adapted from Michael Polanyi's theory (1966).

A business organisation's operations and different processes usually involve several different levels and stages. The strategic starting points of the organisation are implemented into productive business processes in accordance with the views of the management. In the big picture, nested levels which are connected and largely interdependent can be easily detected. There can be observed generally universal levels and steps between the business idea and the operative business it creates, as well as the goals of the business, which are illustrated in figure 7 (Viitala 2005, 82,83; Otala 2008, 53–56; Baisya 2010, 10-18; Kamensky 2015, 180-183; Bland & Osterwalder 2019, 16-22).

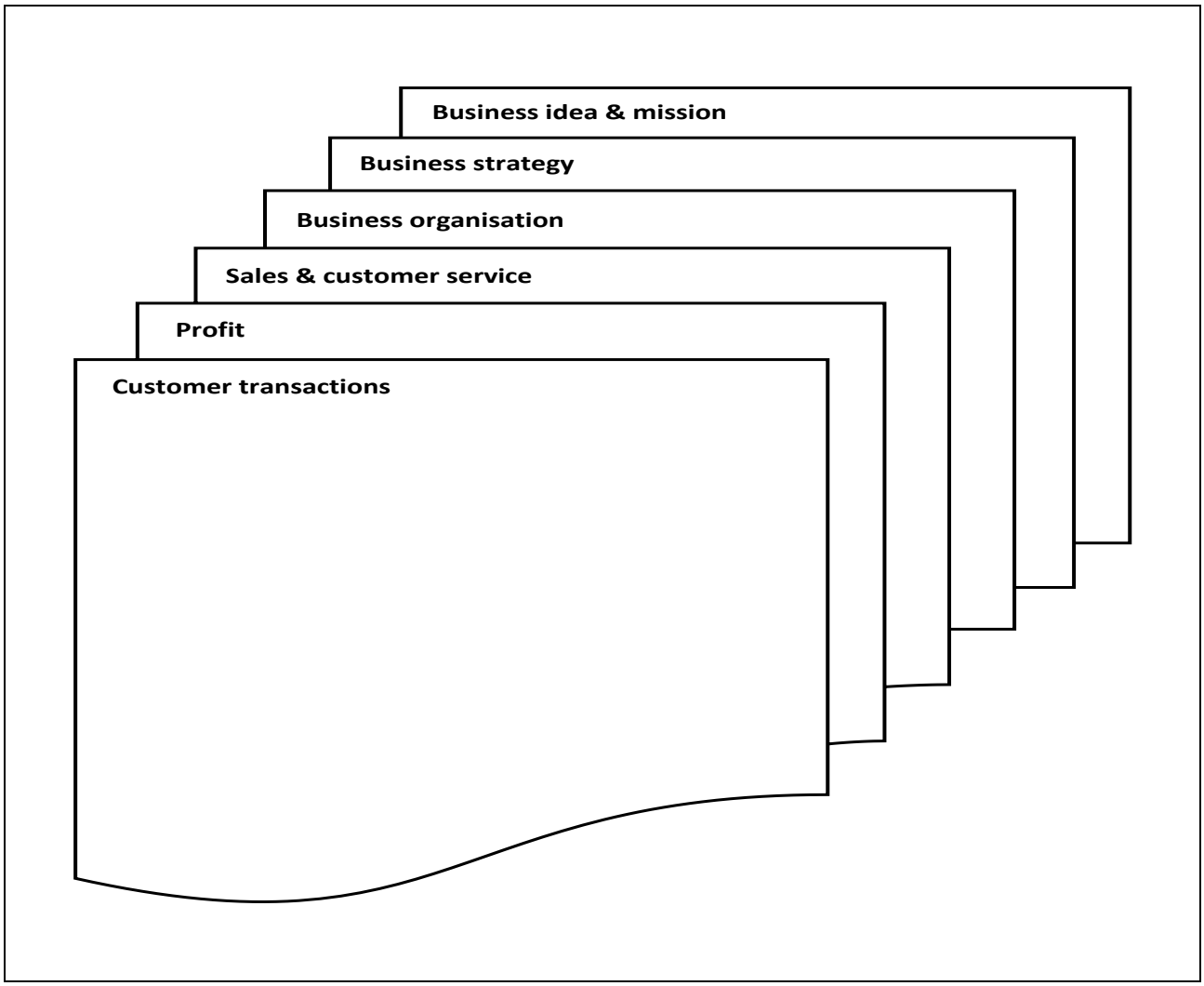

Figure 7: The general levels, processes, and tasks of business organisation (Baisya 2010; Bland & Osterwalder 2019).

According to figure 8, the theoretical framework of this study focuses on the formation and development of the competence which is needed on customer encounter situation and is based on individual salesperson's experiences, competence, and related tacit knowledge. The tacit knowledge that becomes visible during the research, and the competence generated based on it, is further utilised to develop the processes needed in customer encounter situations throughout the sales organisation in the future.

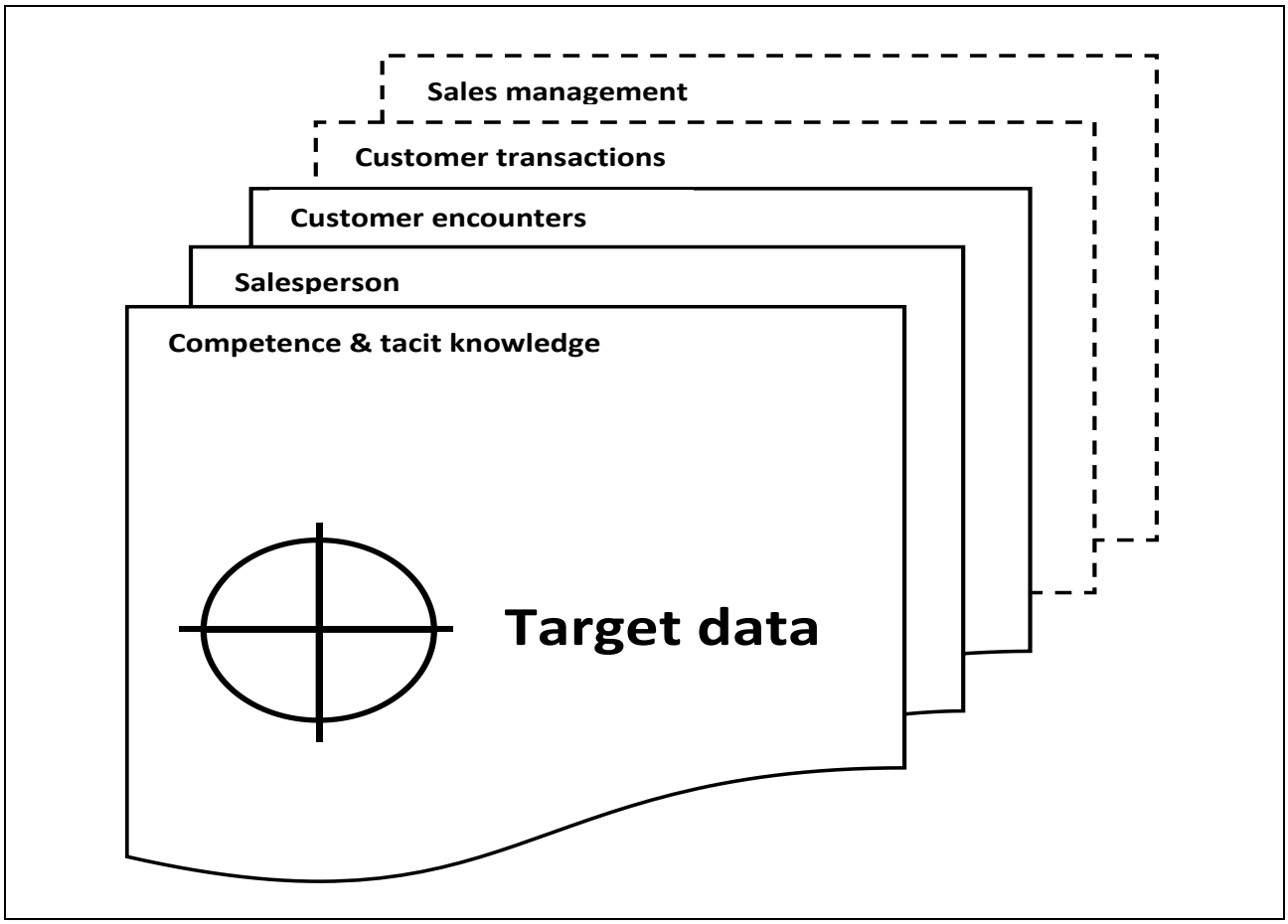

Figure 8: Customer encounters, competence & tacit knowledge.

The utilisation of experiences and tacit knowledge as well as the development of competence will take place in the near future. The actions will be based on the guidelines indicated by the results of the research within the sales organisation's own development processes according on figure 9. For example, Heisig 2015, Åhman 2012, Kesti 2010 and Hassi, Paju & Maila 2015 worked on mutually reinforcing models and they presented development stages of organisational competence, which can be utilised in accordance with development suggestions and measures. The development of the organisational knowledge and competence can be condensed to the processes described on figures 9 and 10 to the benefit and competence of the entire sales personnel and organisation.

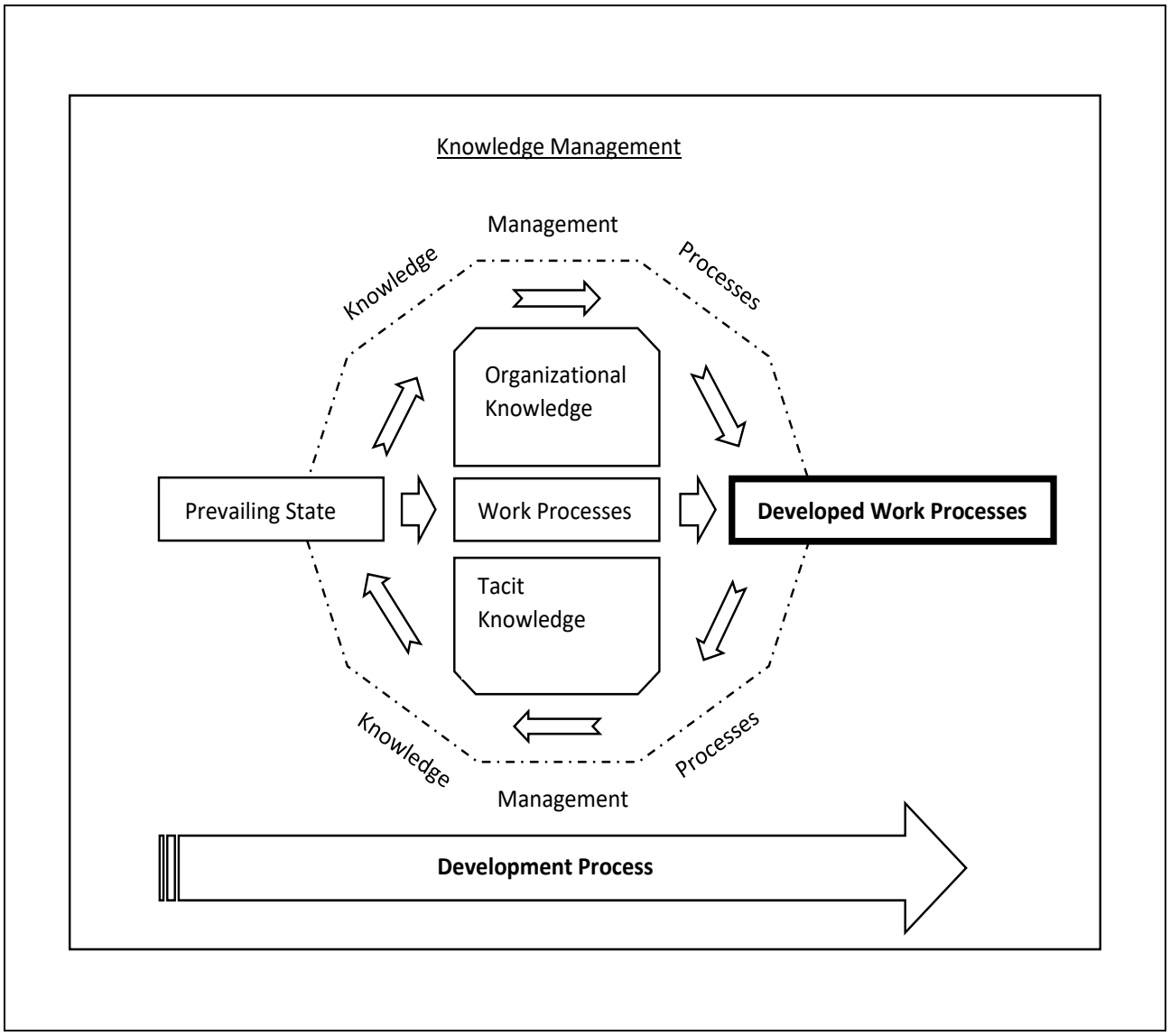

Figure 9: Organisational knowledge development process adapted from Heisig's GPO-WM model.

The organisational competence and the related development process (figure 9) is based on the GPO-WM framework (Geschäft Prozess-Orientiertes Wissens Management; Heisig 2009, 16.) According to the framework, the development of organisational knowledge management and competence (Development Process) can be divided into store, identify, apply, create, and share functions and steps as follows (figure 10): Description of work community work processes (Store). The identification interfaces between work processes such as personnel, job role, prevailing culture in the work community, work skills, motivation and competence (Identify). Experimentation, evaluation and applicability of processes related to tacit knowledge (Apply). Development measures (Create). And the implementation (Share) of the development measures (Knowledge Capability Assessment Guide; Heisig 2015.)

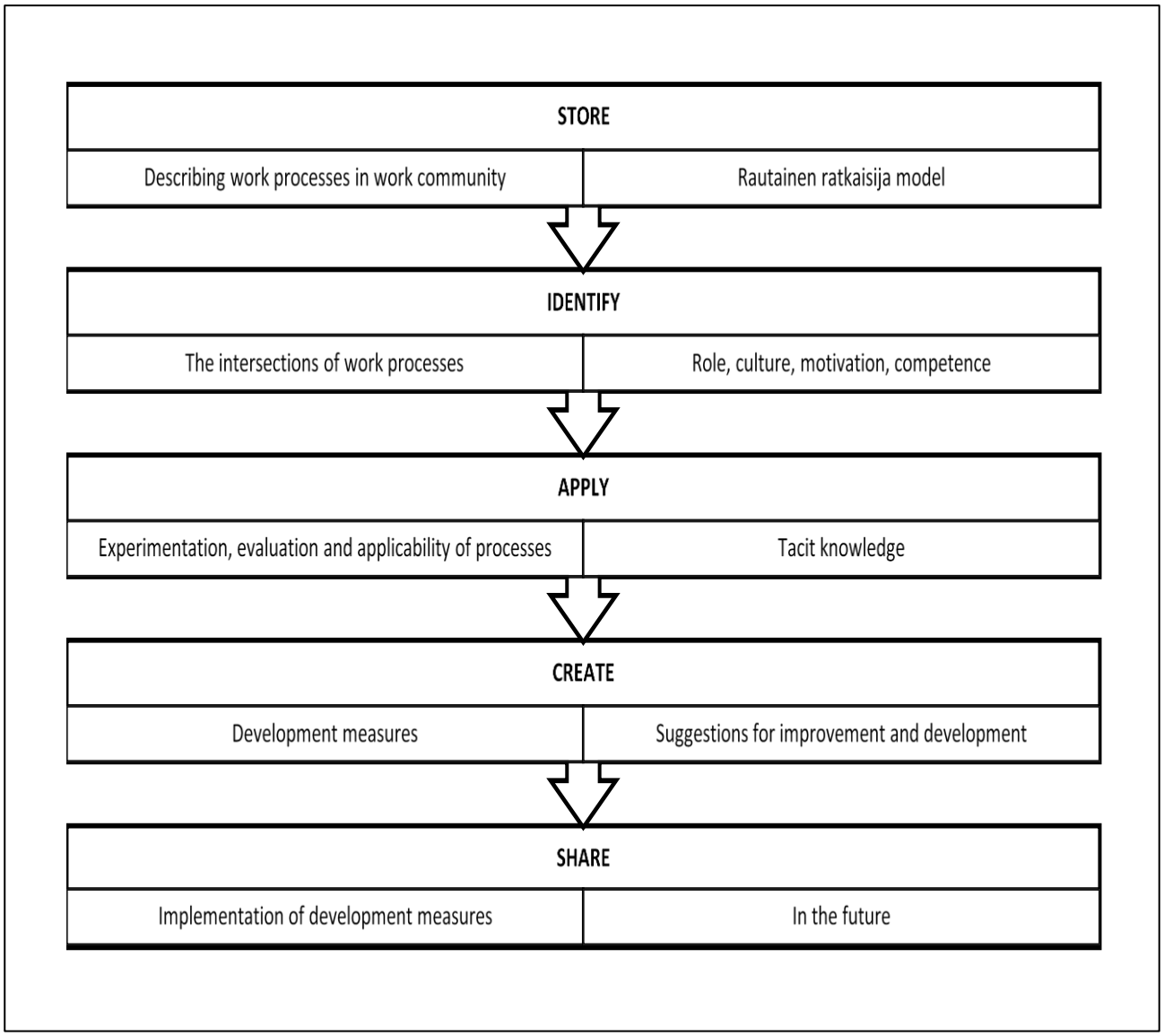

Figure 10: Organisational development process (The presented method is described separately in the Knowledge Capability Assessment Guide published by Heisig in 2015.)

Helena Åhman's presentation on mind management in organisations and the derived mind's management model reinforce in some respects the method presented by Heisig, which can also be equated together. In this model, thinking is simplified and clarified, so that the whole, the core issues and the connections between different things become visible, and different perspectives and their analysis become possible (Store & identify). The mind's experiences are influenced, guided and evaluated (Apply). Next, the experiences are discussed, and the key thoughts and themes are modified, which leads to a new thinking of the mind. (Create). After this, space is given to new thinking, which makes thinking concrete, and it is easier to take (Share) new ideas to the practical level (Åhman 2012, 188.)

Marko Kesti, such as Heisig and Åhman, presented also the key elements of the development model in a learning organisation on his publication related to personnel productivity. On this model, work tasks are clarified (Store & identify). All personnel are involved, and attention is paid to work supervision (Apply). A culture of experimentation is created in the organisation, after which new knowledge and competence are shared (Share) in cooperation and teamwork (Kesti 2010, 63.)

Lotta Hassi, Sami Paju and Reetta Maila also presented a similar but simplified development model on their organisation manual. The first assession phases are the goal and needs (Store & Identify). Next starts an evaluation of the ideas to be developed (Apply), after which they are taken into practice (Create). Finally, follows a phase in which the results are utilised (Share) across the organisation (Hassi, Paju & Maila 2015, 35-43.)

3 RESEARCH METHODOLOGY

This chapter explores the research and data collection methods which are used in the thesis. The purpose of this chapter is to justify the reason why this research method is chosen and why the research work is implemented in the chosen way. In addition, this chapter presents the data collection method and material which is used in the study and also evaluates the reliability and validity of this research.

3.1 Case study

One of the basic issues in the design of a case study is in fact, what is the 'case' under investigation. Because it is easy for a researcher to succumb to temptation and gather any available information that is irrelevant to the subject being studied, it is necessary to delineate the material for research management. This one is an embedded single case study which can involve several different subunits (embedded cases) for analysis such as on figure 11 (Yin 1994, 41–42).

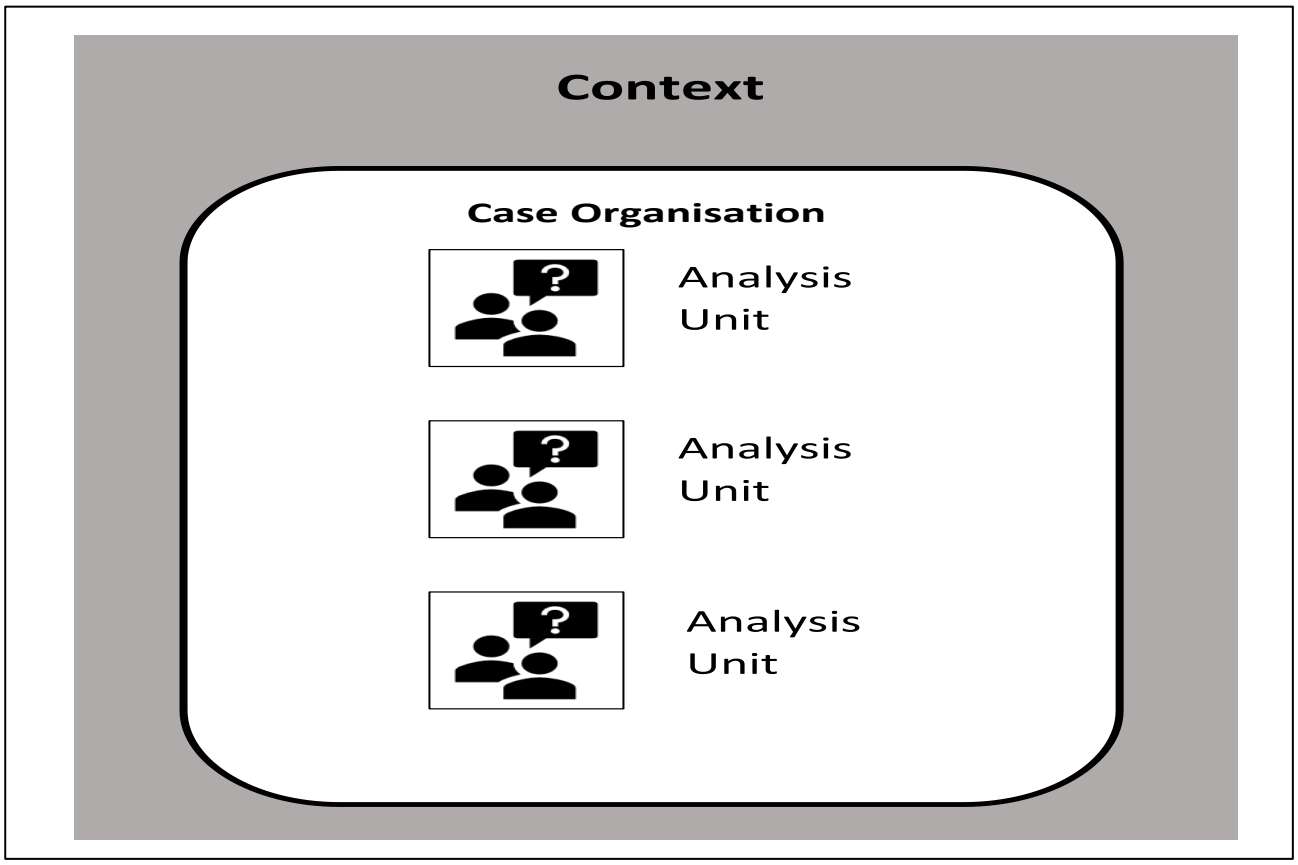

Figure 11: Embeded Case Stydy

Often case studies are performed with the principle of single case. Thus, the case is usually dealt thoroughly as an independent subject of study. In this case the structure generally involves the exploitation of qualitative phenomena and narratives. The embedded case study setup is utilised in studies with multiple items or cases. In this case, the research is limited to qualitative data analysis. Evidence data is assessed, at least in partly, by comparing it to parallel cases. This setup of research can be used especially in organisational research, which often involves different departments or business units in the same company (Scholz & Tietje 2002, 2.) In general, the Embedded case study method allows a combination of qualitative and quantitative methods (Scholz & Tietje 2002; Bortz & Döring 1995; Campbell & Stanley 1963). According to Yin, there must be a special connection between the cases under investigation and the ensamble, which supports the aim of the research. On mentioned case, several cases are considered with the same logic as several experiments (Yin 1994, 45.)

3.2 Case organisation and data collection

The case study was carried out for organisatio's sales services. The case company is a hardware store chain belonging to the nationwide business group. The hardware store chain serves customers' needs for construction, renovation, interior design and gardening. Store's selection includes 35,000 products and approximately another 35,000 products for consumers and professionals are available through delivery sales. The organisation also provides installation, design and transportation services. The stores are located Hämeenlinna, Jyväskylä, Kokkola, Kuopio, Pori, Rovaniemi and Tuusula. The case organisation's range of services includes e. g. the following product sectors: yard and garden, construction, tools and machinery, paints and finishes, home and interior design, sauna and bathroom, pets' supplies, as well as electricity, air conditioning, plumbing and heating (S Group 2020.)

The administration of the hardware store is chain-controlled, and organisation is lean. Marko Heinonen is the director of this local business unit and he supervises one Sales Manager and several Sales Coordinators. He completed his studies at business school and got several supervisor trainings which were associated to his job duties. He has worked as Sales and Department Manager and as Store Manager on the other business unit. Marko Heinonen, 51, was starting a business in the start-up phase of a hardware store in another city. After that, he moved to lead the current business unit, which included two stores at the time. Marko Heinonen strived to develop himself continuously and his 23-year lasts career included numerous of trainings (Heinonen 2021.)

The year 2020 was the best in history in terms of sales. The hardware store was the top of group's sales units. For Marko Heinonen, as a competitive director the obtained sales result was a big and important thing. He realised that the corona pandemic helped the organisation to improve sales numbers. Nevertheless, he hopes that the sales result will continue increase on the same direction (Heinonen 2021.)

This hardware store business unit follows the chain's concept and offers for its customers products in accordance with it. In terms of sales and customer service, the store uses a specific sales model (appendices 1, 2 & 3), according to which e. g. the operative customer encounter sales and service activities are organised. The aim was to create a model for the hardware store that differed from the general sales models and was especially suitable for the concept and the sales unit's environment. This model was introduced in 2018. Over the years, the sales model has developed to be more suitable for operational activities. The aim is to embed the model into hardware store chain's corporate culture. In terms of customer encounters, the model includes activity and quality measurement, metrics, and quality development. The model guides also the actions of the sales manager and service managers. The hardware store Sales Manager is responsible for the actual sales management (Heinonen 2021.)

The sales model monitored and measured e. g. the operational activity in customer encounters. The hardware store wanted to build actively a solution that suits for the customers. They did not want to sell a mere tool, but the purpose of the model was to find out more about the customer's material and service needs. In addition to the need assessment, the management wanted to create trust between the customer and the seller. In the autumn of 2020, the renewed sales model was introduced, which included four sales elements to be monitored, which are comprised of following pheses: assessment, solution creation, transaction proposal and closing the transaction. The sellers recorded sales actions on the IT system twice a day. The results of the activity were communicated to the staff in the form of a ranking list, which included in the weekly bulletin. However, for operational and customer-specific measures, it was difficult to measure the realibility, because of practical reasons. In spite of this, the organisation's intention was to create as a clear and a seamless model as possible for measure sales-related actions (Heinonen 2021.)

The aim was to embed the sales model in hardware store chain's corporate culture. The model, which was developed by the group with the assistance of an external partner, was utilised and further developed for about a total of three years. In the first stage, training sessions for to introduce management responsibilities were offered to supervisors. Then the sale staff conducted a half-day training periods by an external training consultant. Team meetings were held with supervisors to

measure progress. According to Marko Heinonen, the model required a lot of sparring and monitoring from sales management. In addition, he saw that supervisors needed to know sales staff and their strengths or weaknesses such as their areas for development, as well as possible. The aim was to increase the multi-competence of salespersonnel with the help of online materials in the future. The supervisors had also to participate for the monitoring tasks of customer encounters in real time. The sellers in case organisation's sales store were at different stages of development with regard to the model. The whole sales group has a total of seven stores, and the model was developed independently in each of them at its own pace (Heinonen.)

This case study was clearly focused on the sales activities of a hardware store. The study was unequivocally limited on customer encounters which were related to daily basis sales service. As the customer encounter situations were instructed on behalf of the sales management in the case organisation, the theme to be studied was focused on the required competence of the sales personnel in the customer encounter situation. The study sought to identify the strengths and challenges of an individual salesperson's experiences or competence in terms of the associated tacit knowledge.

This qualitative study was utilised throughout a semi-structured thematic interview process. The method of thematic interview was chosen because the case to be studied, i.e., the customer encounter and the construction of the related competence, may be ambiguous or even difficult to understand for some interviewees. In addition to the thematic introduction, the semi-structured thematic interview method allowed the interviewee's thinking to be introduced by means of scientific definitions, related illustrative presentations, diagrams and notes taken by the interviewee himself (e.g., mind map).

The study looked at sales staff working in three different product sectors. The material was easily comparable because of the sales management's guidelines for customer encounters were practically the same in each product sector. The two most successful salespersons in these three different product sectors were selected for interview phase. This choice was also a wish of sales management, although the participation of salespeople in the interview was entirely voluntary. During the interview, the employees were also asked about their willingness to share competencies related to the organisation's work processes through their personal competencies and related tacit knowledge.

3.3 Data analysis

Qualitative data can be interpreted in many ways, which explains why there can be many interpretations. The same material can be interpreted from different perspectives, in which case there

can be several interpretations. The interpretation also depends on the researcher. The interpretation of qualitative data is guided by questions derived from the research problem to which answers are sought. Qualitative data can be interpreted by the methods shown on figure 12 (Kananen 2015 88-94).

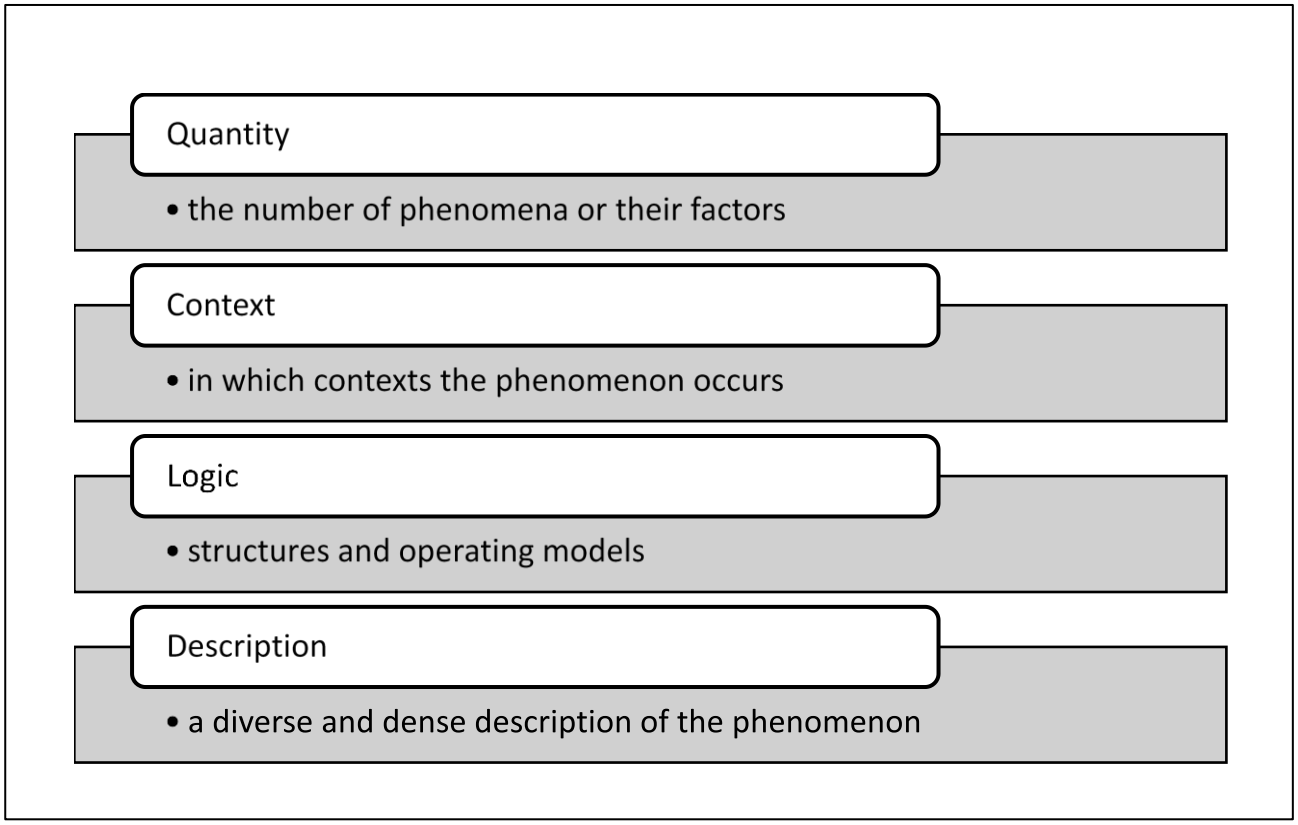

Figure 12: The methods to interpretate qualitative data (Kananen 2015, 94).

The analysis part was carried out in stages by first identifying the topics sought from the interview obtained data. This collection and coding of input data was managed according to the original theoretical framework. In the second stage, the prevalence of themes within the analysis unit was assessed by dividing the data obtained into relevant and non-relevant categories. All data was first divided into the necessary categories (figure 13) based on their relevance. Irrelevant data were completely excluded from the scope of the material obtained.

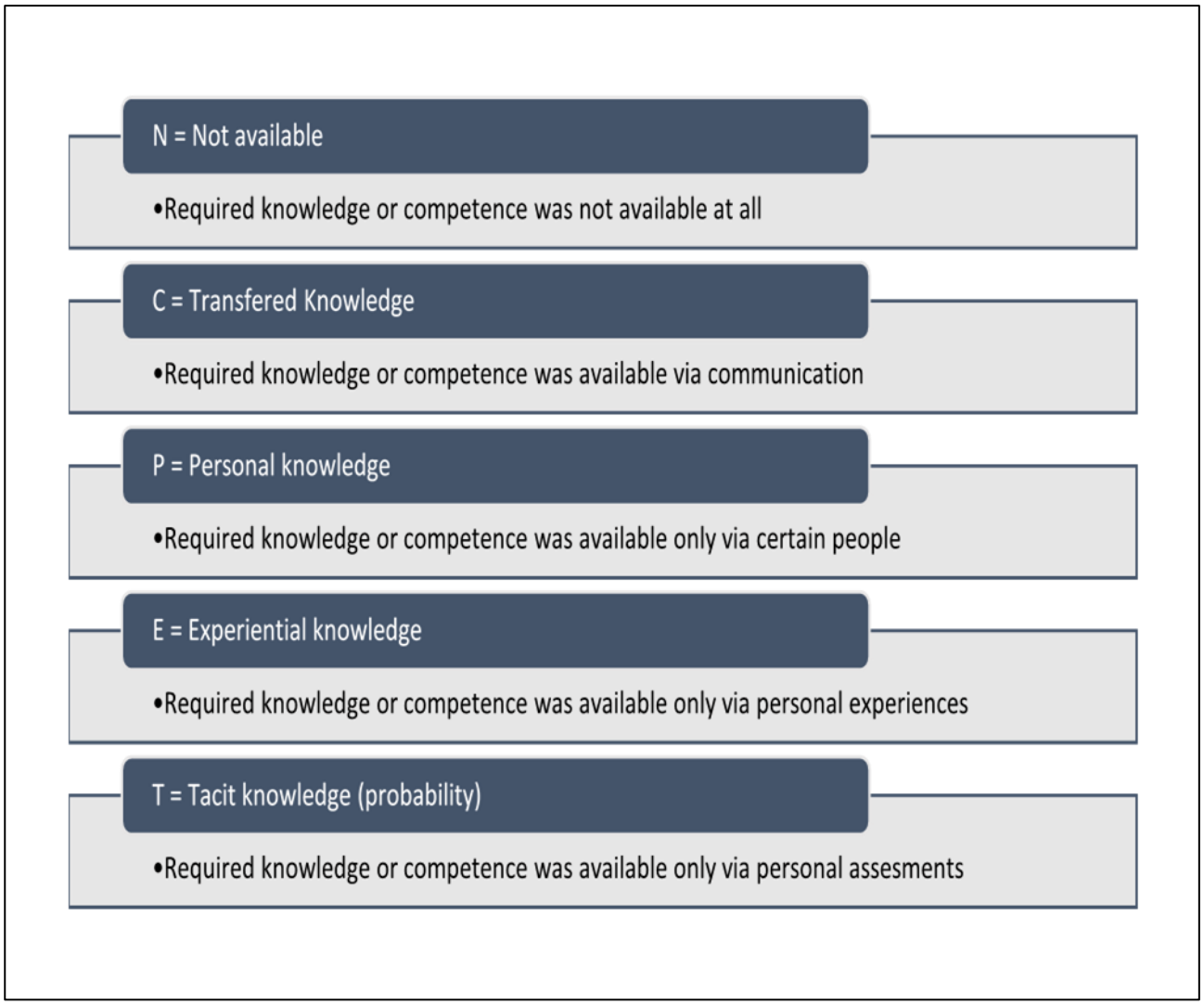

Figure 13: Division of data categories.

In practice, the interview material was divided and combined into five different categories on a case-by-case basis: The situation in question involved knowledge that was not available at all. The situation involved knowledge transfers (communication) that was not otherwise as readily available or transferable. The situation involved personal knowledge that was identified based on its requirements. The situation involved personal knowledge that was identified as experiences on a personal level. The situation involved knowledge that was not defined, systematically stored, and usually it was not even identified on a personal level. Because the used terminology varied in terms of the guidelines used by the interviewees and the organisation, matching words, and utterances such as skills, knowledge, knowhow, expertise, and competence were placed in the same category. Furthermore, the means and targets of communication (figure 14) were analysed to determine the flow of knowledge and competence if available.

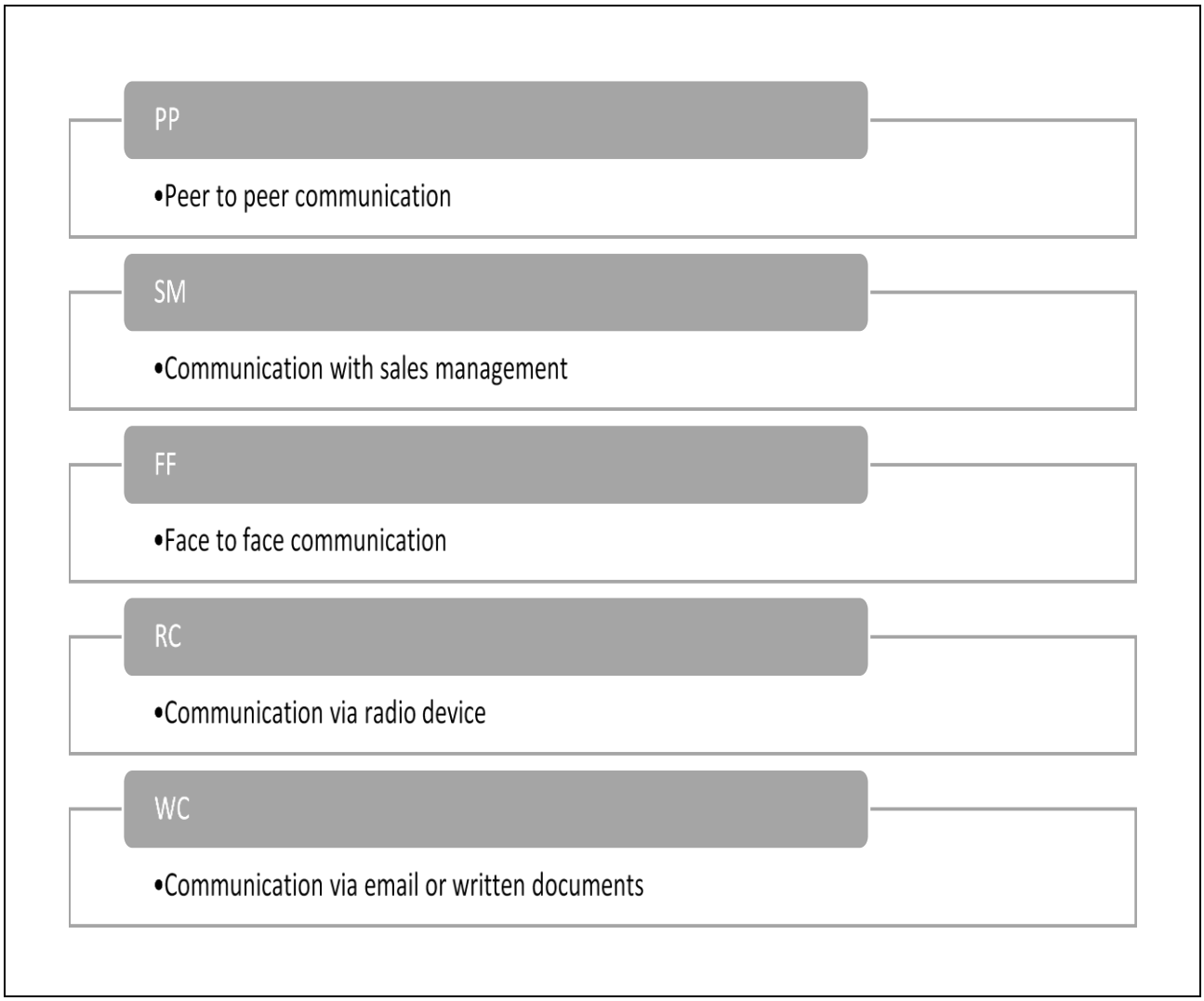

Figure 14: Means and targets of communication.

Next, the relevance of the existing data was assessed (figure 15). If in some cases there was not enough data available to assess relevance, then the data from secondary sources was used as an aid. This was obtained, for example, from materials provided by the case oraganisation's sales management. Then the tables were made to arrange the transcribed data by analysis units. Finally, the data were compared between separate analysis units based on the embedded case study prosedure. The results from the interview analysis formed a conceptual collection of salespeople's understanding of customer encounters and related tacit knowledge. Based on this, it was possible to form an understanding of the challenges and the development needs related to customer encounter situations.

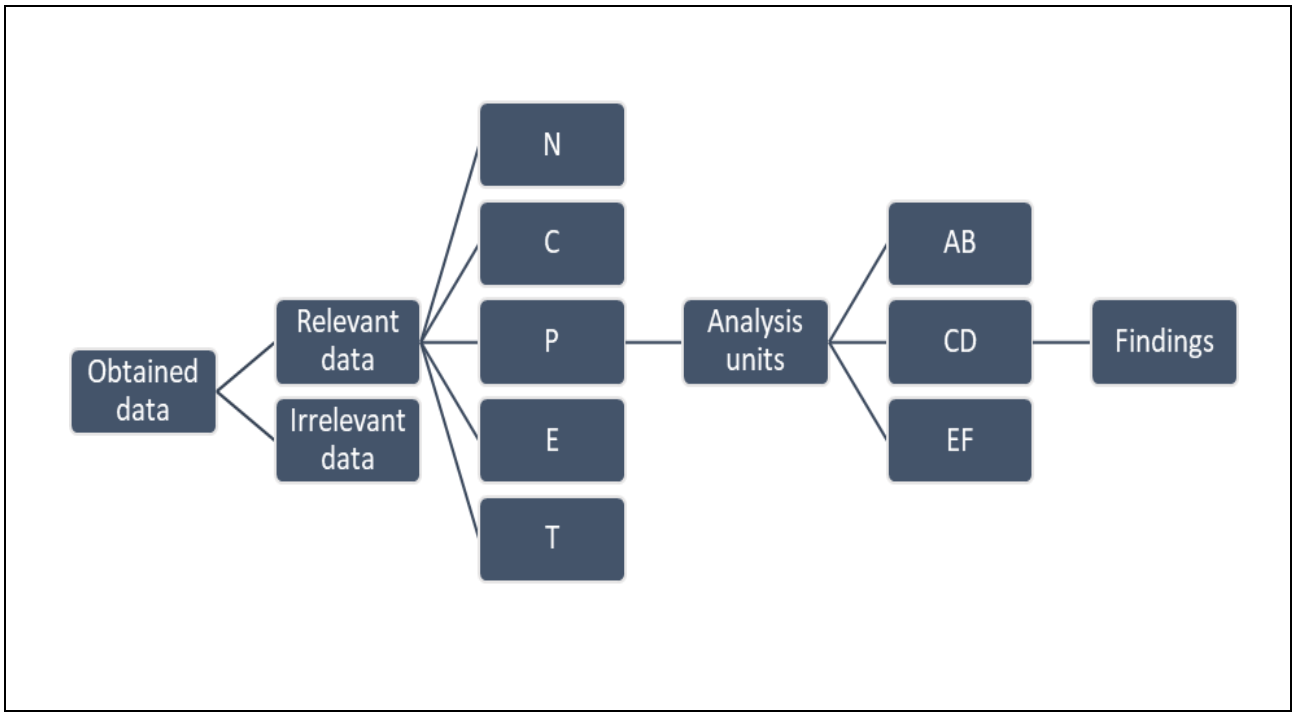

Figure 15: Data analysis process.

In order to solve the research questions, the findings were organised into sub-areas formed by the research topics, which were analysed on the basis of theoretical framework. They were also discussed with respect to the findings of the literature review.

3.4 Theme interviews and process

The store manager Marko Heinonen described the situation of the business unit he managed in a preliminary interview on January 7, 2021. According to Marko Heinonen, the mission and strategy of case organisation can be described as follows:

> *We are a customer-owned hardware store with strong garden expertise.*
>
> *The customer experience should be so that everything worked here, it was nice to visit our store, the staff was friendly... they found everything they needed, and the service was consistent quality and good.*

He told also what kind of challenges hardware store's sellers confront during the working day. He also presented the processes and goals related to the customer encounter situation from the point of

view of sales management. He described the informal instructions given to sellers, for example in the following way:

> *You should think about how you win that customer's trust. How to get that customer to tell or how that customer would start telling him or herself. Hey, I want to buy from him/her, (s)he seems to know what (s)he's talking about...(s)he took these things into account as well.*
>
> *We want to awaken our salespeople. What are tose things which creates a good feeling in that specific situation... and for the customer to feel him or herself important.*
>
> *The main goals are friendliness...greets...everything else is interrupted...genuinely present...encounter with a good attitude and feeling.*

In addition to customer satisfaction surveys, competitor analyses, customer feedback and weekly sales reports it is important to know the employees. Marko Heinonen evaluates his salespeople e. g. through discussions:

> *When I get to know the staff, it creates an image of individuals… the image changes over time when I talk with them.*

Marko Heinonen continued to share his own views on the organisation's resources and goals as following:

> *The biggest challenge is to increase multi-competence. With a small number of employees, joint work is done to get excited about achievments and all the operations towards a common goal...using available strengths.*
>
> *Customer is the number one...customer should always take precedence over everything else.*

According to him, the biggest challenges in terms of customer service and more precisely of customer encounters are related to different assessments and competence:

Prioritisation of things... understanding what the most important thing is... and multi-comtence.

The research material was collected by interviewing the case organisation's sales pesrsonnel (table 2). This set of employees assigned by sales management and consisted of the six most experienced salespeople in their own sales department. They were interviewed of the phenomenon under study in a thematic interview with two question sections (appendix 5).

Interviewees	Work function and sales unit (sales unit) *differentiated sales unit	Work experience (years)	Self-considered level of competence (1-4)	Duration of the interview (minutes)
Store Manager	Management	23	n/a	89
A	Sales (AB)	10	4	45
B	Sales (AB)	11	4	69
C	Sales (CD)	1,5	3	39
D	Sales (CD)	1	3	58
E	Sales (E*)	11	4	70
F	Sales (F*)	5	3	48

Table 2: Summary of interviewees.

Undoubtedly, the easiest task of the analysis phase was to highlight the clear situations in customer encounters for which there were no precise or defined instructions, and which therefore required the salesperson's former experiences, knowledge, and various assessments. The knowledge referred to here, often contained ambiguities as to the origin of the knowledge and competence, so that even the target person him or herself could not tell it very accurately. The fact, which the seller could not very often know in advance, were the customers' individual needs and the situational context, which also caused more challenge to the salespersons during the customer encounter situation. There were situations like described, which were found to be either easy or difficult to resolve on an individual level. Likely, this was due to either a large amount of experience and knowledge, or a lack of them. In these situations, the collected data included that kind of knowledge which origin was not clearly understood. The salesperson A gave a convincing example of this matter:

> *A: Well yeah, of course I could already compare it to my own work, it's like the kind of thing that I just definitely get from somewhere. It's hard to say how much and why. It just comes to my mind what I'm going to do or say. I don't need to think at all, I do it every day. I don't need to think today about how much of this and that. Probably it's the same situation when I place the orders, when I know exactly what I have to take and what will sell, and how much. I don't order anything that won't sell and it's hard to explain such thing to anyone else.*

In theory, there were situations and challenges like this, which were related to competence, and which were often described through various narratives, chronologies, and descriptions. The interviewees had also certain types of thumb rules on their mind, which they utilised to solve a challenging customer encounter situation. In terms of the data, the specific challenges were related to the concepts of human knowledge, quality, quantity, and time periods. The human knowledge was most often seen as the most challenging and the accurate assessment of different amounts as a personal achievement as well as tacit knowledge-type knowledge. On this basis, it could be argued that a salesperson who knows how to assess the type of customers, the correct qualities and quantities, and the required time periods, owns certain tacit knowledge in some level, which is required in these sales operations.

The scientific community and various studies tend to describe the origin of functionality related tacit knowledge as often unclear. However, this focuses on quite objective factors. This interview study contributed to the reinforcement of the notion that the 'master' was confident with his or her own personal competence, knowledge, and abilities and as well, was aware of the unclear origin of the tacit knowledge associated with those. Interviewee A's above reflections on the formation of one's own subjectively perceived competence, and the incorporation of tacit knowledge through insight into different work tasks, are convincing. Persuasiveness is increased by the sincere attitude and body language of the interviewee at the time of the interview. Interviewee A said and appeared to know and understand the competence requirements related to his or her own areas of responsibility, and in addition he or she had apparently clear understanding of the nature and unclear origin of the required tacit knowledge.

The first part of the interview dealt with the actual practical work situation, i. e. the customer encounter, and the second part with the experiences, competence, and related tacit knowledge. The interviewed sales personnel were between the ages of 30 and 50, and they all had either commercial

or technical training. The length of employment of these employees varied between one year to eleven years. All the interviewees considered their own level of competence which was related to their own job on a scale 1 to 4 (figure 16) to be on level 3 or 4.

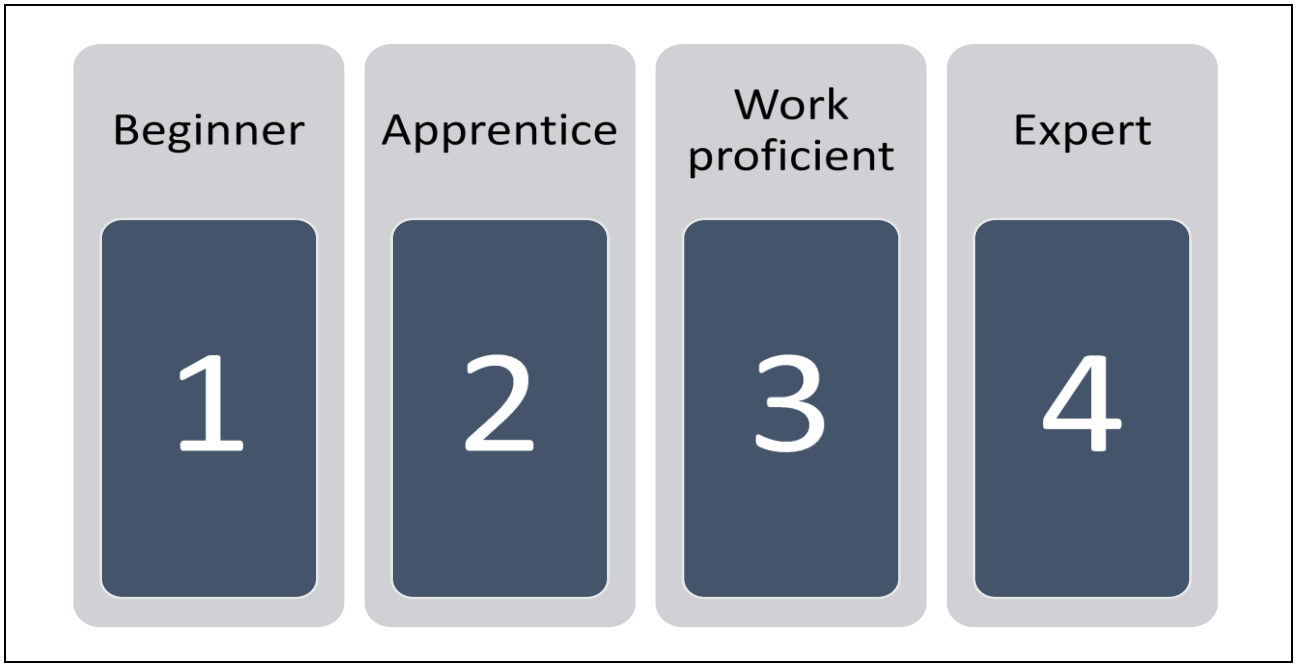

Figure 16: The level of competence related to sales personnels' own responsibilities.

The interviews were held (appendix 4) in a quiet location designated by the case organisation for two days on February 15 th. and 17 th., 2021, and they lasted approximately 45-70 minutes for the single interviewee. The atmosphere at the time of the interviews was appropriate and relaxed. The interviewees wanted to justify their answers to the posed questions. The interviews, without any exceptions, went smoothly, naturally, and conversationally. None of the interviewees showed distrust for the interviewer or the asked questions.

3.5 Reliability and validity

This chapter takes a position on the reliability and validity of this research process. Since this study was conducted as an interview study, reliability in this case refers to the reproducibility of the study results, i.e., whether different researchers could obtain similar results if the research activities were

repeated. Validity, on the other hand, refers to the focus of the study, i.e., whether the research method used to measure the correct phenomenon and whether the questions were correctly asked (Hirsjärvi, Remes & Sajavaara 2009, 231). Reliability and competence were originally developed to meet the requirements of quantitative research, but they are still applied in some respects also in qualitative research because there cannot utilise completely similar concepts and evaluation methods (Hakala 2017, 218).

Hirsjärvi, Remes & Sajavaara found that in case studies, cases are often unique and traditional reliability estimates may not be applicable. The reliability of qualitative research is often considered to depend on how objectively and critically the research process is implemented and how openly it is presented (Hirsjärvi, Remes & Sajavaara 2009, 232; Hakala 2017, 218). In this study, the research process is presented as accurately as possible, step by step, so that all reproducibility characteristics of the study are reliably highlighted.

The chosen research method should measure the studied phenomenon as well as possible. To this end, competence should be assessed in different areas of the research process. According to Hirsjärvi and others. (2009), assessment is based on the suitability of the research target group and correctly formulated interview questions. In assessing competence, attention is paid to whether the research work and the methods included in it correspond to the phenomenon under study. In addition to this assessment, the researcher's relationship with the research subject, the case company and the interviewees should be taken into account and assessed. Special attention must be paid to this if the researcher has a close relationship with the organisation being researched (Hirsjärvi, Remes & Sajavaara 2009, 155, 231-232.)

For this study, the same concepts have been used throughout the process, so both the theory and the concepts and themes of the empirical part are identical. By comparing the above concepts with the research framework and the research questions posed, it can be said that the things to be measured are properly targeted. Eskola & Suoranta (2000) stated that the quality, predictability, usability, and scope of the material to be processed must also be taken into account in the validity assessment (Eskola & Suoranta 2000, 60-65). As a result, an attempt was made to interview the most experienced sellers in the case organisation. The number of interviewees comprised about one third of hardware store's salespeople. As a result, the actual target group of the case organisation was treated completely. Based on the theory, this particular target group can be interpreted as the most important and the highest-quality target group before all other stakeholders in the organisation. In addition to focusing specifically on the interviews of that group, the researcher sought to identify differences between the

different units of the organisation that were relevant to the research. As a result, the target group was interviewed in order to process the analysis units which were formed in advance. Respondents were asked for their opinions, especially regarding personal and experience related knowledge. At the beginning of the study, it was quite clear that obtaining the best possible information required a high level of trust against the interviewer and the interview process.

As already mentioned, the researcher's impact on the research work should be assessed, especially if the researcher has a close relationship or connection with the research organisation. This is not the case in this study. The researcher did not work nor receive money or other incentives from the research organisation. On the other hand, the researcher had a long-term personal experience with such management activities comparable to case organisation’s sales management. Therefore, the researcher was able to focus his attention on the most relevant data from the perspective of important topics and utilise the perspective in the selection, collection, and processing of data. On the other hand, the situation has also led the researcher to continuously assess the possible effects of his own understanding on the research process. The interviewer’s own experience of business was conducive to contributing a confidential atmosphere on interview situations, but the accurate transcription of the interviews has in turn ensured, that the researcher’s own opinion was not influence the research results in any way.

4 RESEARCH FINDINGS

The aim of the interviews was to analyse various manifestations of knowledge related to customer encounter situations and competence. The data was roughly divided into transferable, personal, experience related, tacit and unavailable knowledge. The interviews revealed different views on the utilisation and coordination of competence in the joint efforts of the organisation's sellers, as well as assessments of the significance of the prevailing sales model, which guides customer encounter situations. Based on the obtained results, it is possible to influence the operational sales of the entire organisation and develop certain areas of competence. These actions are related to customer encounters by utilising the experience related competence which is integrated to tacit knowledge that becomes visible to individual employees. The development measures related to these findings and results are best accomplished by utilising the organisational competence development models and through means and actions that are jointly discussed among the salespeople.

4.1 Summary of main findings

In the analysis phase, the processes related to experiences, competence and tacit knowledge were emphasised, while the results related to concreteness were particularly aimed at practical aspects and were related to the improvement and success of the customer encounter. Based on the interviews, experiences or tacit knowledge were realised to be related to work actions for which there were lack of written instructions or precise operating models. Tasks that were based on experience related knowledge were often critical and some of them were also found to be important of economic aspect. Examples of the mentioned challenges were customer type identification, product knowledge and quality, operating models, chronologies, and quantity estimations. The main findings related to the challenges and requirements of customer encounter situations are presented on the following table 3.

Key topics	Description	Related to tacit knowledge	Impact
Human knowledge	Customer identification	Experiential	Critical
Product knowledge	Wide range of products	Experiential	Critical
Practical work tasks	Operating models	Exemplary	Critical
Perception of offering	Offering of products	Perception	Critical
Perception of demand	Demand of products	Perception	Critical and economic
Time periods	Operative or time intervals	Chronologies	Critical and economic
Quantity	Required volumes	Experiential	Critical and economic

Table 3: Summary of challenges and requirements in customer encounter situations.

The classification of the presented table into the category economic is based on, for example, product losses. The other classification critical is based on, for example, a lost trade or a lost customer. These classifications are based directly on the context of the hardware store customer encounters. The method of analysis used, and the collected data, are related to the losses and lost trades, although no attempt has been made to analyse them in more detail.

The analysis phase revealed shortcomings in the storage and utilisation of knowledge, which were related to customer encounters, the identification of strengths, challenges and practices related to the situation and an understanding of the different stages of the situation. On the other hand, hobbies, experiences, interests, stories told by customers and received feedback were attached with customer encounters and tacit knowledge. Competence mapping, joint work, teamwork, the Internet and product knowledge were considered to be strengthening factors. Face-to-face chatting and radiotelephony conversations were the most common and the most useful means of communication. In terms of knowledge and competence, the target person for communication was generally an equal

colleague and only in a few cases a supervisor. All in all, based on the analysis, customer encounter required diverse knowledge and competence, as well as the ability to make comprehensive assessments based on these knowledge and competencies.

The intention to share and receive tacit knowledge was desirable if the related activities were not perceived to be detrimental to salesperson's area of responsibilities, the actions were perceived to be useful to the parties involved, and direct personal benefits were perceived as a result. Based on the interviews, it also became clear that the competence in the limited area of responsibility performed obvious benefits in customer encounter situations. In contrast, the requirements in other salespersons' areas of responsibility also raised notably challenges in terms of customer encounters. One of the main observations was, that the customer encounter management did not actually involve significant or specific processes which were aimed at competence and its improvement. However, the used sales model combined the concept of competence and customer encounter theory as part of reporting.

4.1.1 Customer encounter

In the beginning of the customer encounter process involved the seller's need to identify the customer and customer's needs. The customer could be either an ordinary consumer or a B-to-B customer. Another need for identification was related to the client’s state of mind. Some of the customers wanted to explore the product range first on their own. The most challenges were related to the setup when the sellers did not have a specific product or operating sector. The beginning and formation of the customer encounter went more smoothly and effortlessly if the salespersons trusted their own human knowledge or have a good product knowledge. Operating in a narrow and limited area of responsibilities facilitated the initial phase, and smoothned the customer encounter situation when the staff relied on their own expertise.

> *B: I must stand by and give the space that the customer needs.*
>
> *C: Sometimes difficult and demanding.*
>
> *E: We just start with some casual chatt.*

At the general level, the interviewees emphasised the issues raised by the customer related to a good customer encounter. Only one of the interviewees said that his or her own assessments are important

on a general level. According to him, these assessments were related to customer identification, which often requires different information based on communication, and which may be personal knowledge acquired from personal experiences, or which may also include knowledge that becomes visible in the situation through insight.

> *F: I need a lot of information to identify the customer.*

When interviewees were asked to identify the different stages of customer encounter, almost all stressed the importance of personal knowledge and competence. Half of the interviewees said that they make assessments at different stages of the customer encounter process. Several of them could not identify the issues on which the estimates are based. Only one of the interviewees stated that the estimates are based on experiences or knowledge, which is related such as hobbies and, on the other hand, the kind of knowledge which origin cannot be clearly determined.

> *A: Comes naturally, what I think they need… additional sales… care instructions…*

When inquiring about support materials and means, the help of other sellers was the most popular option. Only one employee stressed in some respects the importance of his or her own experiences or related knowledge. At a general level, for example, acquiring product information was perceived as challenging because it was not always available. Nonetheless, when inquired about the storage and utilisation of related matters, two thirds of the salespersons relied on their own memory. With regard to storage processes, emphasis was also placed on sharing information to peer employees and, for two cases via email. In most cases, radiotelephone devices were used as the means of communication. Half of the sellers perceived that their own knowledge was related to their personal learning and experiences or tacit knowledge.

> *A: All those experiences. I remember, I don't need to find out.*

> *F: I use radio device, I instruct customers to the right department, I use internet and technical line.*

The knowledge which was commonly required on customer encounter situations highlighted the human knowledge, one's own style, service rhythm, courage, articulation, word choices, atmosphere, and peace of mind. The sellers knew how to combine the assessment skills, which were required in the situation, with tacit knowledge, but some individuals also pointed out shortcomings in forming assessments. When inquiring about their own experiences, contradictions were identified in some cases, and sellers became aware of the strengths and weaknesses in their own competence.

B: I'm worried about human knowledge and product awareness, these are scary things.

B again: Work experience and product knowledge are my best parts.

In certain cases, emphasis was placed on accuracy, consistent quality and required amounts. According to several sellers, accuracy was a way to avoid situations where the customer could be disappointed for the provided service.

E: I'm precise and I keep my promises.

The question, which was asked to describe the salespeople's preparation for the customer encounter situation, caused a clear confusion based on both the responses and body language. The preparation phase clearly needs attention in the future as the organisation's operating models are developed. Also, there were no answers which suggested actual reflection phase after the customer has already left.

Salespeople communicate with their colleagues about their challenges through conventional means. There were no specifically agreed or developed methods related to ways to communicate competence related issues. However, the interview themes raised the importance of storytelling. Some sellers admitted hearing stories about customer encounters. By no means, can the discussion about competence to be considered as an everyday phenomenon within this organisation.

D: If someone asks, I don't want to show off, stories are heard.

The aim was to strengthen competence, especially with off-the-shelf training, which in turn explains the importance of product knowledge in customer encounter situations. Suppliers' training events

were also considered important. The interviews also revealed indications that there are false assumptions attached to the competence required on customer encounter situations. The assessment of sellers' competence in customer encounter situations may sometimes be based on assumptions alone.

> *B: Sometimes situations look desperate. Who will be in charge? Who will decide who is competent?*

The prevailing sales model was mainly seen as 'some kind of goal' and most salespersons identified more disadvantages than advantages on the model. The model was often not suitable for practical work tasks.

> *A: It doesn't always correspond to reality, good to be aware, good basis.*

> *D: A new employee gets start, otherwise inefficient.*

4.1.2 Tacit knowledge

In terms of the impact of experiences and tacit knowledge, important issues were the individual's interests, hobbies, and ability to evaluate different things. Interests and hobbies could easily be linked to at least experiences related knowledge. In addition, the ability to make assessments may include different combinations of knowledge, in which case the existence and utilisation of tacit knowledge also became possible. Even the first question, which directly addressed personal competence and possible tacit knowledge, challenged the interviewees' understanding of bringing out their own personal competence, challenges and related communication. The nature of articulation varied from seller to another, and a few of them were able to present chronologies and patterns of action related to the issue. The ability to assess competence can be seen as a reference of the existence of possible tacit knowledge.

> *A: I am aware, but articulation is difficult.*

> *C: I can ask, I need concrete and models.*

> *E: Experience and work will teach.*

F: I will test the competence.

The sellers presented a pragmatic range of factors which were influenced the formation and reproduction of their own competence. Some of them were very simple and others quite comprehensive processes. The ability to understand the importance of sharing knowledge and competence may indicate an understanding of the meaning of tacit knowledge and also the drivers to transform it visible and explicit.

A: By doing it myself.

B: I make notes.

C: By learning, reflecting, thinking, I learn from example.

D: I dig and browse information.

E: We research things together and I follow events in the construction industry.

F: I think lifelong experiences, learning and sharing things with others.

On a general level, salespeople felt that positive feedback strengthened their competence related to customer encounter situations. Concrete experiences such as good deals and successes, so that the situation clearly benefits the customer, were mentioned several times as experiences that promote the competence. Challenges, new things, enthusiasm, hobbies, and stories told by customers were seen as things that improve and increase knowledge of individual sellers.

F: Positive feedback, customer's stories, ability to help, concreteness during the customer encounter situations.

Joint informal personnel meetings such as coffee breaks were generally perceived as situations in which personal competence on customer encounters can be assessed and compared. Despite this, some sellers wanted to consider the matter on their own. The organisation's sales management was felt to focus mainly on profit-related themes. On the other hand, sales management was seen as the

most capable of assessing salespeople's competence and it was also seen to has an important role as a training provider and resource allocationer.

> *A: Competence assessment by management, additional training and important sales areas.*
>
> *D: Sales figures are the main issues in meetings*

Personal interest was perceived as the primary incentive to share knowledge which was related to personal competence and thus also the tacit knowledge behind it. In some cases, an employee in the role of competent master could set the conditions for sharing and utilising his or her own knowledge. The sharing of knowledge and competence therefore also includes challenges related to personal relationships.

> *A: I wouldn't necessarily share with everyone; I need to feel it's useful for that person.*
>
> *C: It makes my own job easier.*

4.1.3 Analysis units

There was also a desire to look at competence and the importance of tacit knowledge within the organisation's different units. In this respect, the Embedded Case Study model was chosen as the analysis model. The interviewed employees were divided into three different analysis units based on the views and recommendations of the employer. The employer was asked to combine those experienced salespeople into the same unit who could perform each other's work duties without special familiarisation or training. All salespeople who participated in the interview, confirmed that there is a person in the organisation who can perform their duties when needed. Based on this, three analysis units were formed from the sellers interviewed and named with the letter combinations AB, CD, and EF.

Based on the analysis, differences were found both when comparing all the units together and also for the individual units in certain respects. However, the most significant difference was related to

the self-confidence of the unit's representatives in handling the customer encounter and understanding the significance of its structural stages as follows (answers in randomly nubered order):

 # 1: It comes naturally.

 # 2: If I succeed then…

 # 3: I will close the deal.

 # 4: The customer knows…

5 #: I will ask, otherwise it's quite automatic operation.

6 #: Awkward.

The salespeople who relied most on their own competence took the structure and course of the customer encounter situation for granted, while the salespeople who were uncertain about the competence required by the situation, found the situation challenging. In the comparison of units at a general level, salespeople who were working on their own and limited area of responsibility, were more confident in a customer encounter situation. Four of the six interviewees were confident on the customer encounter situation. As a result, not all designated units were at the same level in terms of competence, and therefore not also in terms of experience related competence. Due to the limited number of interviewees, it did not make sense to make more detailed comparisons between salespersons or units during this study.

4.1.4 Sales model

Based on the interviews, the prevailing sales model created some kind of basis for sales activities. Some sellers felt that the model served as a general-level guide which indicated the goals of the sales organisation’s operations. According to some salespeople, the model merely measured salespeople’s activity in the job. Despite this, several employees linked the offered product training and the existing sales model. The model was not considered particularly encouraging and it was not actually considered to be related to practical work tasks. Some sellers considered the model unsuitable for managing customer encounter situations and hoped for more support to the development measures the competence in the future.

The existing sales model should be developed to be more competence-oriented, as it was not considered to be a particular effective to increase competence. The model should also be developed to be more practical and in line with the real customer encounter situations. The model should encourage salespeople to record more effectively insights and ideas gained in day-to-day work that were not recorded at all at the time of the interviews. As several sellers felt that the sales model's operations were located on the periphery of business, it would be more useful to develop of it a centric and practical competence model which should strengthens the sellers' courage in a customer encounter situation.

4.1.5 Customer encounter requirements

In summary, the analysis of the interview phase revealed that the customer encounters required at least customer and human knowledge, the ability to listen to the customer, getting exited about in his or her case, find out his or her needs, and the understanding where to find the needed information and knowledge. The knowledge which was required on the situation included at least: product information that required the use of models, brochures, the Internet, technical support, price lists, sales programs, and means of communication. The seller's own memory, experiences, previous customer encounters, related emails, human knowledge, product awareness, quality and quantity awareness, intelligence, service rhythm, correct word choices, clear articulation, and the ability to create a positive atmosphere helped the seller to cope. The personal style, willingness to help, ability to speak, ability to interpret customers 'state of mind, accuracy and the calmness were desirable characteristics of the seller. In summary, the seller's desirablequalities could considered to be the ability to ask, understand, and make a variety of assessments.

Discussion with other colleagues, as well as the tools that were already available in the organisation were considered a priority to support the requirements and features above. These means included training provided by the organisation and suppliers, the use of a radiotelephone, as well as lectures and meetings wich were already included on the existing sales model. With regard to the handling of encounter situations, it became clear that the existent sales model did not often meet these requirements and challenges presented above. Regarding the classification of customers, only consumer and business customers were mentioned. The various stages of the customer encounter situations were identified in some way, but no particularly important knowledge or competence requirements were attached to them on their own. Only the sellers of the standalone analysis units identified certain opportunities for this kind of experience related competence at different stages of

customer encounters. Before and after the real customer encounter situation, there were no signs of joint actions or implemented processes related to knowledge, competence, or tacit knowledge.

The categories which were used in the analysis revealed also shortcomings in the storage and utilisation of knowledge related to customer encounters, the identification of strengths, challenges and practices related to the situation and an understanding of the different stages of the situation. On the other hand, hobbies, experiences, interests, customers' stories and received feedback were combined with customer encounters and tacit knowledge. Competence mapping, joint work, teamwork, Internet and product knowledge were considered to be knowledge strengthening factors. Face-to-face chatting and radiotelephony conversations were considered to be the most common and useful means of communication. In terms of knowledge and competence, the target person for communication was generally an equal colleague and only in a few cases a supervisor. All in all, based on the analysis, customer encounter situations required diverse knowledge and competence, as well as the ability to make different assessments based on the knowledge and competence.

5 DISCUSSION AND CONCLUSION

Previous research and theory revealed that companies and organisations sought quite often to utilise certain types of competence and presupposed tacit knowledge only in the short term (Viitala 2005, 109-111; Otala 2008, 26; Virtainlahti 2009, 70-71; Uotila 2010, 11). This meant that the relevant guidelines and models were project-like and superficial. In some cases, for example, this kind of knowledge which was related to tacit knowledge was often ignored, forget, or even completely rejected (Kesti 2010, 17, 26; Hakkarainen, Saramäki & Makkonen 2018; TEM 2020, 22). However, previous research presentated that the best performing companies knew how to utilise such tacit knowledge and related competence in a long-term and process-like way (Ancori, Bureth & Cohendet 2000, 257; Kesti 2010, 20; Pohjalainen 2012, 2, 9–10). The primary contribution of this study was to present the utilisation of development models aimed at sales management in customer encounter situations of a case study organisation (Haldin-Herrgård 2000, 357-365, Heisig 2009, 16; Kesti 2010, 63; Åhman 2012, 188; Hassi, Paju & Maila 2015, 35-43; Bretschneider & Zogaj 2016, 3-4, 8-12).

The study started from the set-up that some employees succeed in the same organisational environment and under the same conditions better than others. As a solution to this, it was suggested that these successful individuals tended to have knowledge or competence that were not available to others. This kind of knowledge and competence which were not available universally to everyone in an organisation can be considered, at least in part, tacit knowledge. This tacit knowledge seemed to be strongly related to kind of an experience related competence and, at least in some extend, to critical competence which was needed in sales operations.

In line with the presented theory and research framework, the findings supported the importance of these processes for understand and exploit individual sets of particulars and reasonable entities based on them. This was interesting in the sense that these tacit knowledge resources should be made available to the entire organisation. The aim of the study was to find out how this kind of personal knowledge can be utilised more widely in the customer encounter situations of sales organisations. First, it was clarified what this competence is, and what kind of experiences reinforce such a competence. Based on the findings, suggestions were made to utilise models related to the development of organisational work processes.

5.1 Organisational contributions

The development of business operation is generally based on the pursuit of profit. Individual organisations and their employees are also constantly striving to improve their operations and productivity. For this reason, it is important for organisations to develop different strategies and proven operating models in line with their own mission. The development activities of these versatile suggested model exambles (figure 10, 11 and 12) should not be a project nature, but according to research literature, they should be constantly advance useful processes.

The simplest example is related to the customer type. Before a customer type can be defined, the sellers need to know which types are possible. Even the simplest process will be ruined if someone decides, without the bigger reason, that there are only two different customer types. This means consumers and B-to-B customers. But what are the other types of customers which salespeople should to identify in customer encounter situations? There are a wide variety of options, individual customers, families, communities, renovators, property managers, maintenance workers, plumbers, carpenters, builders, and so on. They are not only consumer and B-to-B customer types.

Unlike computers, humans have the ability to make mistakes and irrational decisions. Simple operating models help the seller to implement the jointly agreed actions even during a hectic customer encounter. This kind of simple and unambiguous modeling can be created for the sellers, according to which the important functions should proceed. The models provide the basis for jointly agreed activities so that sellers may focus on essential work tasks. Models can be made in intention to guide, remind, and even inspire salespeople for specific work tasks. They can be used to present different kind of processes to the sellers, such are the available benefits when an organisation’s tacit knowledge transforms to visible multicompetence during the customer encounter situation (figure 17).

Figure 17: An example of a process model in which tacit knowledge is transformed into multicompetence and the benefits that can be derived from it.

Brief work instruction models can be introduced how to provide more versatile salary components and incentives. In this example (figure 18), salespeople are encouraged to write product blogs with competence and knowledge content to increase different incentives.

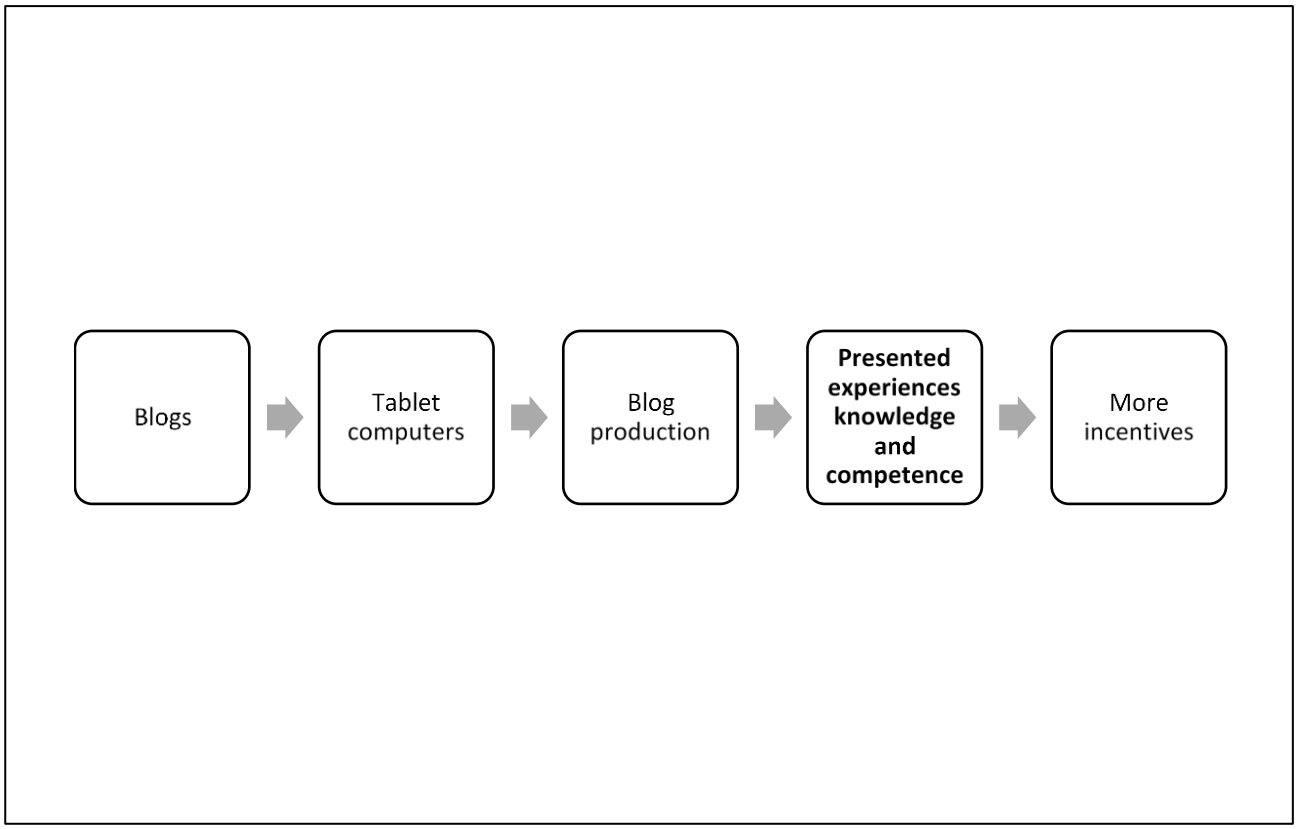

Figure 18: An example of a process model that increases the incentives paid to sellers.

Operating models for various critical situations can be designed, tested and implemented so that they are existing as ready-made operating models. This allows salespeople to be confident that they will have the opportunity to prepare for a variety of challenging situations. In this example (figure 19), the knowledge and competence required in a failed customer encounter situation are created and stored for the future use. A model like this can make it easier for salespeople to prepare for subsequent customer encounters and thus for example, increase the courage of individual sellers in those situations.

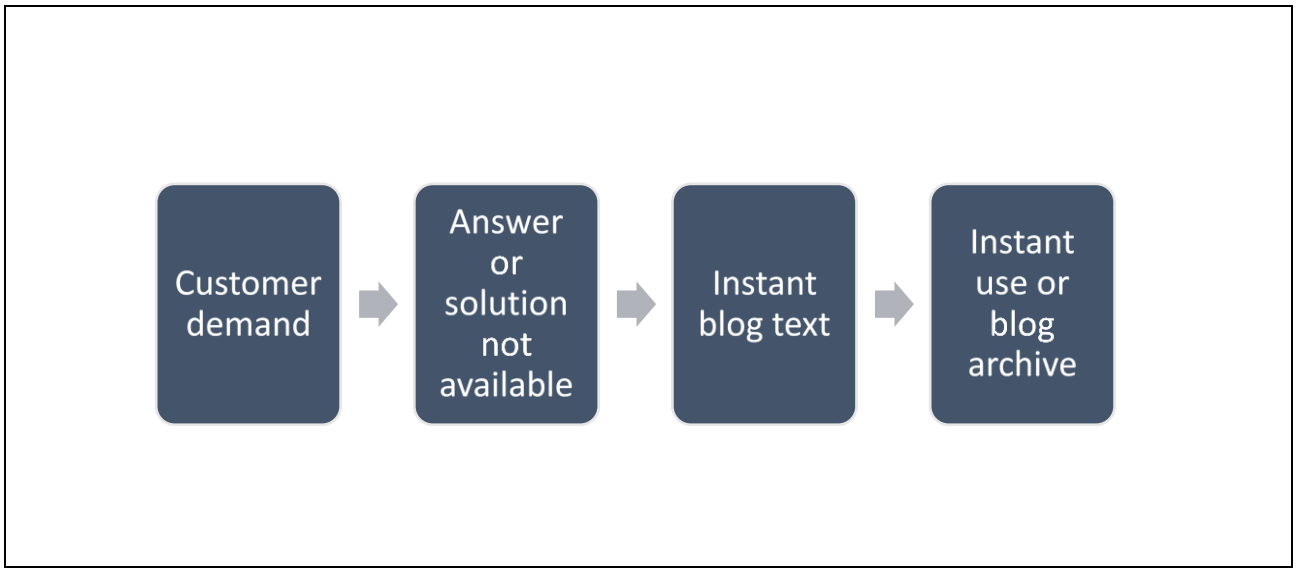

Figure 19: An example of an operating model for a critical customer encounter situation.

Almost all the customer encounter operations in the organisation were accompanied by tacit knowledge to some extent. If the required knowledge was formal, well-defined, and readily available, then the importance of tacit knowledge diminished. If the knowledge was informal, vague, or indefinite and its availability was conditional as well as dependent on individual employees in the organisation, then the importance of tacit knowledge increased. The availability and utilisation of experience related knowledge was thus very strongly related to the way according to which the individual sellers thought and communicated.

A single salesperson needed a wide range of competence in customer encounter situations. He or she had to be able to identify the type and demand of each client. In addition to clear product information, the seller's expertise included the ability to evaluate, recommend and create different images about the meaningfulness of the solution which was offered to the customer. The seller's challenge in this situation was the availability of the combination of knowledge and competence which were most often needed at a certain moment. This meant that experience related competence and potentially supporting knowledge in its various forms reduced the challenges for individual sellers in customer encounter situations.

The availability of formal knowledge and related competence were clear to the sellers. However, the measures of the organisation’s existing sales model were not perceived as useful in practical customer service encounters. The experience based tacit knowledge which was behind the required competence was needed at the specific moments, and it was shared in the organisation in very small batches, mostly via radiotelephone equipment. In order to increase this kind of competence, some formal operations had been set up in the organisation, such as shortlists about training hopes.

Thus, the customer encounter situation was often accompanied by a special moment when the seller had to be able to search for the right kind of knowledge and this knowledge had to be available at that very specific moment. The sources of the knowledge in this situation were the customers and other sellers. At this stage, the situation was affected at a general level by the availability of specific knowledge and communication opportunities. The common challenges in accessing the knowledge were related to either the product areas, or to the seller's own ability to communicate or otherwise apply different methods on a hectic service situation. However, the actual competence on customer encounters was often related to the seller's ability to make various assessments and recommendations.

Based on the findings of the study, the successful management of a customer encounter situation was often related on experiences, knowledge, and the transformation of tacit knowledge into visible and usable information. As a result, formal operating models could not be used very often benefically in customer encounter situations. As the success of the actions required by the situation was largely based on peer support from other sellers, and consequently future development activities in this regard should also focus on interaction between salespeople. The hardware store can utilise the models presented in the theoretical framework of this paper, during the required development activities which are specially developed for to enhance organisational management and competence. Overall, employees' strong input and involvement in development efforts is important.

5.2 Future development and suggestions

The preparation phase before the moment of customer encounter caused a great deal of confusion in terms of actions. Most of the salespeople needed guidance and new operating models to this stage of the process. The organisation should consider appropriate mind maps and operating models that facilitate the salesperson's operations at the time of the actual customer encounter. Based on this research, it could include a review of what has been experienced and learned in the past and increase of required knowledge about seasonal products. Since preparation requires a repetition of previous experiences, some activities should also take place at the end and after of the customer encounter situation. With regard to increasing competence, it would be useful for example, to record in IT systems or blogs the key output of the customer encounter and the solutions which was offered to the customer, including the related details and experiences. In this way, the key challenges of the customer encounter and the solutions applied in them would become available to the entire organisation.

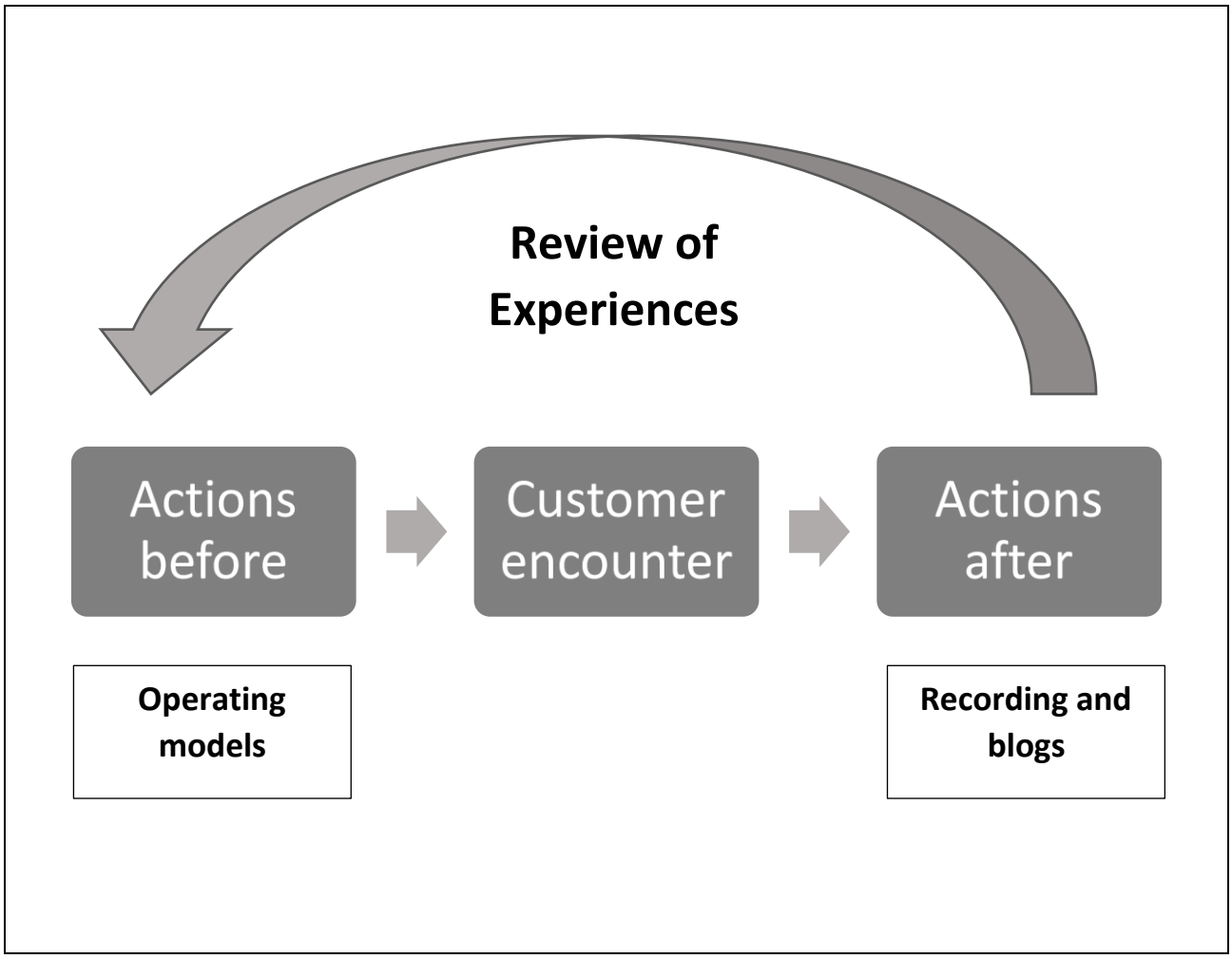

Figure 20: Actions before and after customer encounter situation.

The organisation's sales management could work with sellers to develop new operating models (figure 20) to increase the competence, which is needed in a customer encounter situation, and furthermore, which at the same time allows the sellers to highlight their own experiences and competence. This kind of new operating models would increase the transfer of knowledge from one seller to another and the importance of sellers' personal competence, as well as provide an opportunity to reward salespeople who have participated in the development and implementation of operating models. The case organisation's business would be strengthened as the competence required in customer encounter situations would increase and the customer experience, trust and satisfaction would improve.

Transforming experience related tacit knowledge into explicit knowledge and the benefit of the entire sales organisation requires personal credit for the usefulness of operating models and mutual trust between the sellers. The existing sales model did not seem to have a particularly strong connection between the model and the utilisation of tacit knowledge. In the future, the existing sales model could serve as a platform for the development, testing, implementation, and utilisation of competence-based

operating models. The sales model could thus manage the processes suitable for developing hardware store's organisational competence.

A concrete example (figure 21) and suggestion of such an operating model is the blog process, which combines product knowledge and personal competence. The experienced salespeople with the professional experience and product knowledge have opportunity to tell voluntarily and spontaneously, in words and pictures about single products or services on their own product sector, and the related issues affecting to the sales and customer encounter process. The blog process could be largely self-directed and would only require rewarding of salespeople and periodic evaluation of management. As a result, customer confidence could improve as salespeople’s product awareness and courage could increase on customer encounter situations.

This kind of a blog process could be implemented in such a way that it is coded, for example, based on encounter phases, customer types or product codes. The system also ensures that experience related competence or tacit knowledge will not completely be lost from the organisation under any circumstances. Alternatively, the blog process referred to here could be, for example, an essay, a poster, a social media update, a file or other presentation that meets certain requirements. The content of the presentation could be defined to meet the needs of the organisation’s sales operations and could be as easy to implement, store, find, utilise, and modify as possible for the individual seller. The purpose of all this would be to emphasise the competence of experienced employees and allow the tacit knowledge to become visible through an organisation’s self-developed process.

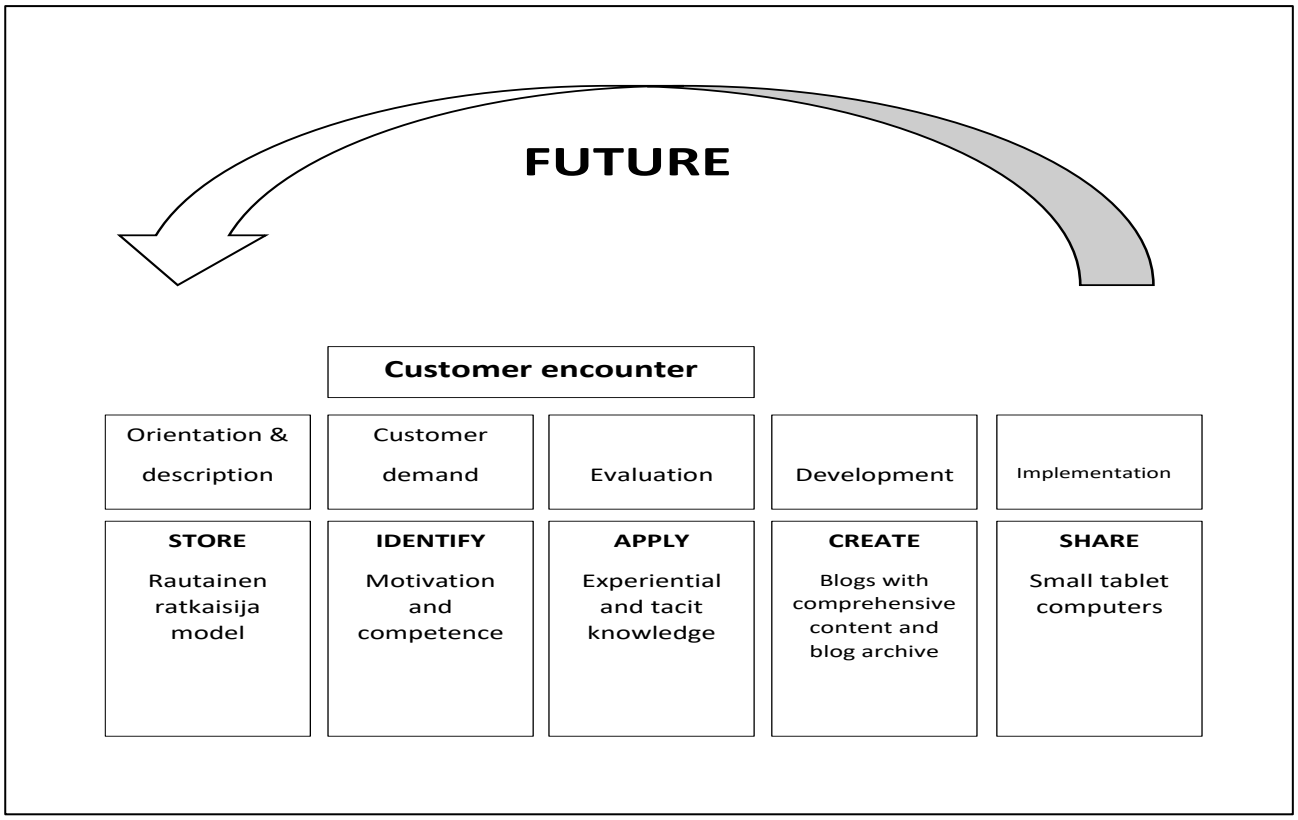

Figure 21: Example of future development suggestion (according Heisig's organisational development model).

The business unit's sales management could approach easily even challenging topics in the form of blog post or some other suitable platform. Topics like this could be related to experiences and tacit knowledge, which require the seller's own assessment of the case. The sales management actions could thus be directly related to the issues that emerged in the results of this study, such as human knowledge, scheduling, quality, quantities, valuing operations and multi-skill requirements. The exact knowledge should not be anyhow the subject of speculation. The important information, such as the effects of sales seasons on operational sales activities, should be stored and distributed to sales personnel as accurate facts to avoid estimation errors.

This study has captured and identified challenges related to the competence which is required on customer encounter situations. This paper therefore demonstrates a number of areas for improvement related to the development measures should be taken account in the case organisation. The measures related to these areas of development should be applied, tested and evaluated in practical work processes, so that knowledge and competence, especially those related to experience related knowledge, can be appropriately linked to final suggestions for improvement. Thus, it is the responsibility of the organisation and its employees to experiment, create and implement the measures identified in accordance with the proposed organisational development models in the future.

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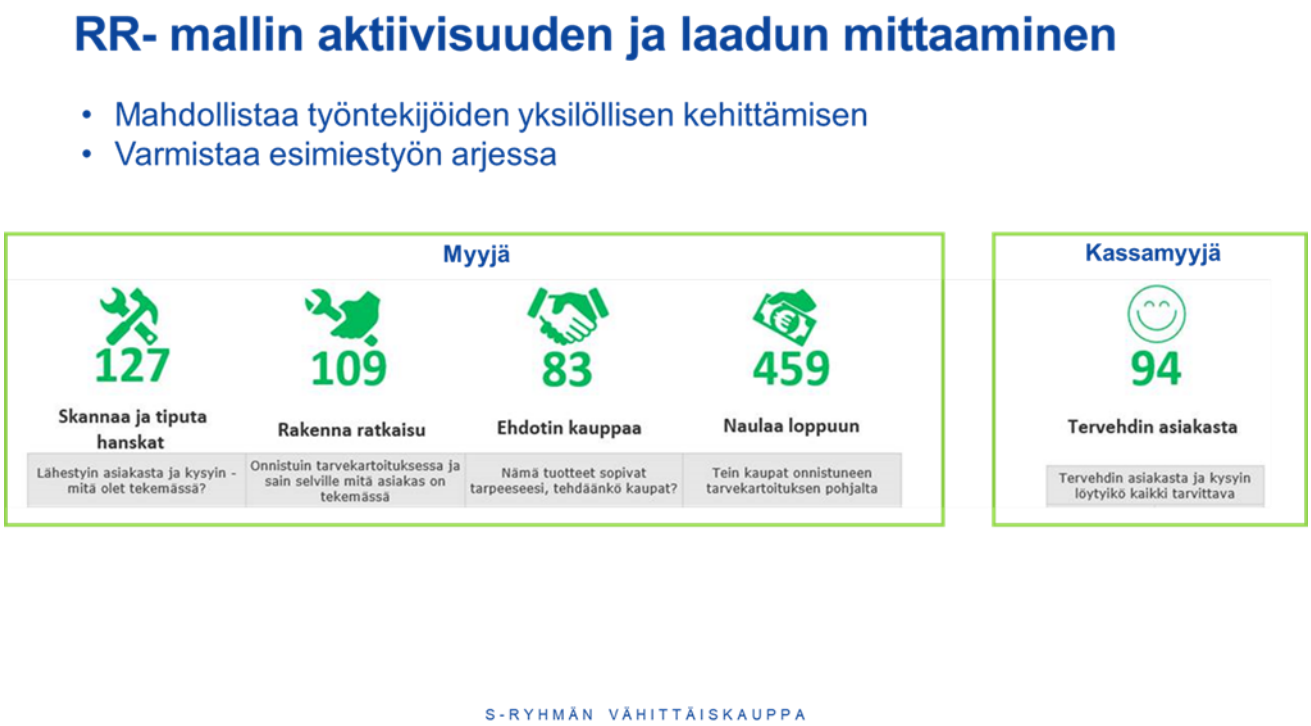
APPENDICES

APPENDIX 1: EXISTING SALES MODEL INDICATORS



APPENDIX 2: EXISTING SALES MODEL COMPETENCE

OSAAMISEN KEHITTÄMINEN

1. Osaamisen vahvistaminen tuotealueittain niin että myyjien rohkeus kohdata asiakkaita vahvistuu
2. Kokonaisratkaisuiden myynnin kehitys. (Toimitusmyynti ja palveluiden myynti.)
3. Työvälineiden käytön osaaminen (esim. Ratsu, Kamu, E-Jollas, kassajärjestelmä, maalikone jne.)
4. Havainnot ja johtopäätökset

APPENDIX 3: EXISTING SALES MODEL CONVERSATION

Rautainen henkilökohtainen keskustelu:			
Myyjä:			
Kuukausi:		pvm:	
RR -mittariston tulokset edell. kk Keskiarvo /päivä		**Tavoitteeni seuraavalle kuukaudelle Keskiarvo /päivä**	
Taso 4	Yhteensä tasot 1-4	Taso 4	Yhteensä tasot 1-4
Myyntintaidon sovitut kehityskohteet (Määrä, suunta ja laatu) :			
Myyjän tuoteosaamisen sovitut kehityskohteet:			**Aikataulu:**
			pvm
			pvm
			pvm
Muut osaamisen kehityskohteet:			**Aikataulu:**
			pvm
			pvm

APPENDIX 4: INTERVIEW INVITATION

Kodin Terra, Hämeenlinna

Interview Invitation 8.2.2021

The experiential knowledge of employees is valuable and important but sometimes even underestimated in some large organisations. This research on customer encounter situations aims to raise the profile of the experiential knowledge of individual salespersons as an important resource for Kodin Terra.

The research interview is conducted in three different product group departments, with the aim of obtaining interviews from two experienced salesperson from each of them. The research is qualitative i.e., the interview questions are related to the salespersons' own experiences, opinions, and insights about customer encounter situations. The answers given are confidential so that the answers are treated anonymously outside the interview situation.

The interviews will be conducted in week 7 (15–19 February 2021). Approximately 45-60 minutes for an individual interview. The theme interview includes 15 questions that are addressed in relation to themes that are important to the salesperson him or herself. We will follow safety distance and use face shields.

I would like to thank in advance all the staff involved in the interviews for this master's thesis. I will be happy to answer questions related to the interview by phone or email.

Best regards,

Markku Vainio
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Business School
LUT University

APPENDIX 5: INTERVIEW QUESTIONS

Customer encounter

[The interviewee is offered the opportunity to make notes and mind map drawings.]

1. What happens when you meet a customer? (presented themes: How is a good customer encounter created? What kind of a good salesperson is in your business?)

2. Could you describe your understanding of the different stages of a customer encounter and do you recognize them during the customer encounter situation?
   (presented themes: Does the Rr model correspond to reality?)

3. What supportive materials and means can be utilized during a customer encounter situation?
   (presented themes: Is there something missing? What of the mentioned materials and means do you use? How does the Rr model support in a situation?

4. How do you record or take advantage of the issues raised in an individual customer encounter situation?
   (presented themes: How does the Rr model encourage this?)

5. What kind of competence is needed in customer encounter situation in general in your opinion?
   (presented themes: What are the most important issues? Customer needs? Inquiries? Listening? Experiences? Courage? Contacting? Confidence? Other issues?)

6. What are your own strengths in customer encounters and practices related to those situations?
   (presented themes: What are your own challenges in customer encounters and practices related to those situations?)
7. What kind of issues do you consider before meet a customer? What about after that?
   (presented themes)
8. How do you communicate issues related to the competence what is needed in customer encounter situations in your work organisation?
   (presented themes: Meetings? Mentor (manager) / employee discussions? Discussions with other employees? Narrative discussions (storytelling)? Presenting pictures? Presenting chronological processes? By other means? How does the Rr- model support information sharing with other salespersonnel?)
9. How do you think the competence, what is needed in customer encounters should be refined in your own work organisation?
   (presented themes: By supporting models? By educational means? By conversations? By other meams?)
10. How do you describe the pros and cons of the "Rautainen ratkaisija" model?
    (presented themes)

Tacit knowledge

[The basics of tacit knowledge are presented to the interviewee verbally and using a schematic diagram.]

1. How do you communicate issues and challenges related to your own personal competence? For example, how do you teach a summer worker?
   (presented themes: Do you prefer discussions? Notes? Stories? Drawings? Chronologies?)
2. How does your own personal competence form and increase in your opinion?
   (presented themes: By reflecting? Repeating? Copying? Observing? Studying? Learnin from mentor (manager)? Learning from other employees?)
3. What kind of personal experiences reinforce the competence what is needed in customer encounter situations?
   (presented themes: Life experiences? Former work experiences? Personal interests or hobbies? Insights? Favorite tasks? Positive feedback?)
4. How should the organization promote the employee's ability to analyse his/her own personal competence?
   (presented themes: Short term projects? Long term or life cycle- shaped processes?)
5. If so, why you are ready to share your personal "tacit knowledge" and refine the competence related to customer encounter situations in your own work organisation?
   (presented themes: Personal benefits? Benefits to the organisation? Benefits to other employees? Other causes?)