

CO-WORKER ORIENTED ALIGNMENT WITH VALUE PROPOSITIONS: THE CO-VAL MODEL



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Co-worker oriented alignment with value propositions: The CO-VAL
model

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Executive summary in Finnish



Työsuojelurahasto
Arbetarskyddsfonden
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Tutkimuksen nimi: Arvolupausten
ankkurointi työntekijälähtöisesti
(AAT)

Projekti nro 230128

Työsuojelurahasto on osallistunut
hankkeen rahoittamiseen

Asiakaskohtaukset, joissa työntekijät pystyvät toimimaan arvolupausten mukaisesti ja toteuttamaan asiakkaalle luvattua arvoa, vaikuttavat positiivisesti työntekijän motivaatioon ja työhyvinvointiin, organisaation toimintaan sekä asiakastytyytyväisyyteen.

Arvolupaukset ovat yrityksen strateginen työväline ja tärkeä erottautumistekijä, joiden tulisi ohjata organisaation toimintaa. Lupausten avulla yritys pystyy viestimään tehokkaasti asiakkaalle, miten yritys tukee asiakkaan arvonmuodostumista. Moni yritys ylilupaa viestinnässään ja asettaa näin työntekijän tulilinjalle, mikäli asiakas pettyy lupausten toteutukseen. Arvolupaustutkimusta on tehty lähinnä asiakkaan ja johdon näkökulmista. Sen sijaan tutkimusaukko löytyy arvolupausten muotoilusta sekä työntekijöiden valmiudesta toimia lupausten mukaisesti ja myötävaikuttaa lupausten muotoiluun. Aiempi tutkimus osoittaa, että työntekijän mahdollisuus toimia arvolupausten mukaisesti ja vaikuttaa lupausten muotoiluun parantaa motivaatiota ja työhyvinvointia. Työntekijän valmiuteen toimia arvolupausten mukaisesti vaikuttavat hänen tietoisuus ja ymmärrys lupauksesta sekä osaaminen ja halu toimia sen mukaisesti. Oleellinen tekijä, joka vaikuttaa työntekijän motivaatioon toimia lupausten mukaisesti on lupausten aitous, uskottava viestintä lupauksista,

käytännössä toteutuvat lupaukset sekä arvolupaukset, jotka työntekijät kokevat toteutettavissa olevina.

Projektissa kehitettiin Arvolupausten Ankkurointi Työntekijälähtöisesti (AAT) -malli. Kartoitimme arvolupausten ankkurointiin liittyviä haasteita ja ankkurointia tukevia tekijöitä kolmella toimialasektorilla: 1) hoiva-alalla, 2) investointialalla, sekä 3) koulutuslalla. AAT-malli pohjautuu työntekijälähtöisyyteen, jossa työntekijöiden kokemusten integrointi ja humanistisen johtamisen periaatteet ovat keskeisiä.

Tulosten pohjalta kehitimme iteratiivisesti AAT-mallin, joka kuvaa arvolupausten ankkurointia työntekijälähtöisesti, kääntämällä ylätasen arvolupauksia käytännössä toteutettaviksi arvoehdotuksiksi. Malli kattaa a) ankkurointiprosessin tutkimillamme toimialasektoreilla, b) esimerkkejä työkaluista, jotka kannustavat työntekijöitä ylläpitämään lupausvalmiutta sekä c) arviointityökaluja, joiden avulla arvioidaan organisaation lupausvalmiutta ja sen työntekijälähtöisyyskypsyyttä.

Nyt kehitetty malli toimii arvolupausten ankkurointiprosessin alustana, mutta toimialakohtaiset erot tulee punnita huolellisesti. Projektin aikana syntyi myös uusi PalveluPulssi -moduuli: ESG-pulssi, joka soveltuu investointialalle.

Tutkimukseen osallistunut yritys kiteyttää mallin vaikuttavuutta organisaatiossa näin:

”Tiedämme nyt mitä arvolupaus on ja mitä se tarkoittaa meillä käytännössä. Prosessi on konkretisoitunut lupauksemme.

Executive summary

Customer encounters in which employees know how to align with value propositions and uphold the value promised to customers and other stakeholders positively impact employee motivation and well-being, operations of the organisation, customer satisfaction and ultimate profitability and competitiveness.

Many companies overpromise in their communication, which can put the employees in a troublesome position if the performance is unaligned with the promise. Promises have mainly been researched from a managerial perspective, whereas research on employee participation in crafting promises is scarce. Previous research shows that opportunities for employees to contribute to customer value creation in line with the promises enhance employee motivation and well-being at work. The readiness of employees to align with the promised value is affected by their awareness and understanding of the promised value, as well as their competencies and willingness to perform accordingly. Essential factors that impact the motivation of employees to act in alignment with the promised value are the authenticity of promises, credible communication of the promised value, promises that are possible to live up to in practice and promises perceived as feasible.

In this research, we developed the co-worker-oriented value proposition alignment (CO-VAL model). We explored the impediments and alignment-enhancing factors in three sectors: 1) the care sector, 2) the investment sector, and 3) education. Co-worker orientation, as defined in this research, is inspired by co-workership and humanistic management—principles and integration of employees' experiences. These principles form the bedrock of the CO-VAL model.

On the basis of the results, we iteratively developed the CO-VAL model, which depicts alignment between the overarching brand/sustainability promise through contextualisation and actionable value propositions. The model a) discusses the alignment process in the explored sectors, b) exemplifies tools that enhance

employees to uphold the promised value and c) presents tools to assess an organisation's promise readiness and maturity of its co-worker orientation.

The developed model serves as a platform for the alignment process, but sector-wise differences must be carefully considered. During the project, a new Service Pulse module was also created: the ESG readiness module, which suits the investment sector.

One of the participating organisations concludes the following about the impact of the model:

We now know what the promise means and its practical implications in regard to the value it promises. The alignment process has made the promise concrete.

Introduction

Value propositions represent the articulation of an organisation's strategic intent towards its customers and stakeholders. Organisations create value propositions to communicate how they intend to contribute to another party's value formation and what benefits they can offer to customers and stakeholders (Payne *et al.*, 2017).

Value propositions are suggestions of what impact customers can expect on their practices. Value propositions can be formulated as promises capturing a company's essential offerings (Rintamäki, 2007; Frown and Payne, 2011). From the internal perspective of an organisation, "*promises are the strands that weave together coordinated activity in organisations*" (Sull and Spinosa, 2007:2).

Currently, the rhetoric in the business, as well as in other sectors, is promise-focused. In other words, in their communication with the market and their customers, organisations attempt to express explicitly the value and benefits of their offerings, which are articulated as promises of potential future value. For example, organisations communicate their sustainability initiatives as promises differentiating them from competitors. According to Grönroos (2011:4), "*value propositions are suggestions and projections of what impact on their practices customers can expect. When such a projection is proposed actively to customers, it is a promise about potential future value creation.*" Value propositions can be articulated both explicitly and implicitly.

For employees, and frontline employees in particular, these promises of future value can be challenging to uphold in practice in direct or indirect customer interaction. In the view of customers, as depicted in the Gap-model, a gap often occurs between the promise by an organisation and its performance in practice, i.e., the communication gap (Wilson *et al.*, 2016). Yet, research shows that the ability to live up to promises motivates employees (Liewendahl and Heinonen, 2020). Hence, for employee well-being, employees should essentially align with what the organisation promises, in terms of value, to customers.

In this report, we explore strategies for enhancing promise readiness, providing implications for the alignment process and its modalities. Specifically, we investigate employee alignment with the overarching brand/sustainability promises through the contextualisation of the promise into actionable value propositions. Alignment with value propositions refers to an organisation-wide process of achieving congruency between various elements in the organisation that need to co-function for it to realise the value of its offerings to various stakeholders. Alignment, as explored in the current study, means that employees think and perform in line with the firm's promises, in terms of value, to its customers and stakeholders (Liewendahl and Heinonen, 2020). An outcome of alignment is the success of employees in aligning with and upholding the promised value. By promise readiness, we refer to service, ESG and education mindsets among employees, which emerge during the alignment process. This mindset is in line with the organisation's overarching brand or sustainability promise contextualised into actionable value propositions. Alignment is explored in three different sectors, i.e., in the care, investment and education sectors.

The approach utilised in this research draws upon co-worker orientation and involves bottom-up strategizing. Co-worker orientation stems from co-workshop principles, such as de-centralised power and togetherness (Tengblad 2010; Andersson *et al.*, 2021). Furthermore, co-worker orientation is inspired by humanistic management as initially introduced by Follett. It draws upon a practical ontology, co-active power and integration of experiences from a wide-enough scope (Godwyn and Gittel, 2012). Moreover, co-worker orientation emphasises the opportunity for employees to assume an active role and express their subjective perceptions and experiences in the alignment process. (Liewendahl, 2014). Bottom-up strategizing means seeking strategic input from other than managers. Utilising service-design thinking as the alignment method involves framing brand promises into specific value propositions with input from employees. Consequently, the propositions authentically articulate the tangible value that employees contribute to creating in practice. This way, the promised value aligns more closely with the reality of employees, accurately reflecting what they can and do execute in practice.

The goal of the alignment process is to advance the promise readiness of the organisation.

The findings of the studies are summarised in the CO-VAL model, which covers the following:

1. The three modalities of the alignment process, which form the foundation for a co-worker orientation mode
2. The Service Pulse tool for assessing employees' promise readiness, i.e., their alignment with the promised value
3. Suggestions for attributes to assess an organisation's co-worker orientation maturity, which we argue is essential if one intends to conduct a co-worker-oriented alignment process

The three CO-VAL aspects can be adapted and utilised in both research and practical applications to support development efforts in the Finnish working environment.

Theoretical background, relevance and impact

This section explores the significance of researching co-worker-oriented alignment with overarching brand/sustainability promises into actionable value propositions.

A promise is a psychological contract (Vanberg, 2008), with embedded moral and ethical aspects (<https://plato.stanford.edu>). Its moral judgment is widely shared among scholars in different fields. Promises involve voluntary moral obligations: If we promise, they must be upheld (<https://plato.stanford.edu>). Moreover, people expect promises to be honoured and want to uphold the promises they make (Sull and Spinoza, 2007; Vanberg, 2008). Promises are expressed in different forms and on different levels, e.g., a mission statement communicates the brand promise, and company values can explicate the brand promise in more detail. A service promise communicates the value of the offering supposed to occur in service encounters or value practices (Bitner, 1995; Wilson *et al.*, 2016). Calonius clearly articulated already in 1986 in service research the importance of promises, and this line of thought was further pursued by Bitner (1995) and Grönroos (2000, 2009) in the three-promises framework (TPF). The TPF stresses the importance of marketers making promises to their customers that can be kept, keeping the promises to fulfil customers' expectations and enabling employees to keep the promises made (Grönroos, 2020). In the Gap-model, gap 4 notes a communication gap in case of discrepancies between external communication and service delivery (Parasuraman *et al.*, 1991). For a high level of service quality, employees are aware of and understand the service promises (Bitner, 1995).

Value propositions explicate the overarching brand promise on a more detailed level (Liewendahl and Heinonen, 2020). A well-defined value proposition can effectively convey to customers how it supports them in their value generation (Payne *et al.*, 2020). A sustainability value proposition is often an abstract promise of ethical action (Rasche *et al.*, 2017), which oftentimes motivates employees (Kunz, 2020; Hur *et al.*, 2018; Galvas, 2016; Skudiene and Auruskeviciene, 2012),

given that employees experience the proposition as credible (Simonsen-Brogge, 2015). In such cases, it may satisfy the employee's pro-social motivation (Kim and Kim, 2021; Shao *et al.*, 2017) or public service motivation (Ritz *et al.*, 2020) and the need for self-direction (Deci *et al.*, 2017), affecting the employee's experience of meaning (Hur *et al.*, 2018). However, from an employee perspective, the promise situation might become ambivalent, as employees are not commonly involved in crafting the overarching promises, yet they are expected to perform in line with a promise of which they may be unaware (Liewendahl, 2014). Overpromising can have devastating consequences for employees and the organisation. Not only will employees' levels of motivation be negatively affected, but the inability of employees to live up to promises in service encounters can result in dissatisfied customers (e.g., Wilson *et al.*, 2016), which in turn can lead to toxicity among employees, which seeps into the organisation and affects employee well-being at work (Stein, 2007). This may provoke a vicious circle.

Furthermore, if firms are unable (or unwilling) to align with their sustainability promises, they may be guilty of deceptive practices of exaggerating or falsely claiming environmentally friendly (green), socially responsible (good), or sustainable (blue) practices to create a positive image without actually implementing meaningful changes (Aldowaish *et al.*, 2022; Sailer *et al.*, 2020). Value proposition research has mostly been conducted from a customer and managerial perspective (Skålen *et al.*, 2015). A research gap exists both on employee alignment with value propositions (Liewendahl, 2014) and co-worker participation in creating value promises (Payne *et al.*, 2017; Liewendahl and Heinonen, 2020).

Previous research shows that a) co-worker alignment with value propositions enhances motivation and well-being at work (Grönroos in Subramony *et al.*, 2017; Kim and Kim, 2021; Skuldien *et al.*, 2012) and b) the readiness to align with and perform under a specific value proposition is affected by employees awareness and understanding of value propositions, and their ability to participate actively in forming value propositions (Liewendahl, 2014). Therefore, research that explores

factors that enhance and impede employees' alignment with overarching promise' through contextualisation into actionable value propositions provides a pathway for enabling organisations to live up to promises of value and hence advance the promise readiness of organisations.

Methodology and data

Our methodology draws upon the traditions of the Nordic School of service research (Grönroos and Gummesson, 1985; Gummerus and von Koskull, 2015) that focus on solving real-world problems by performing action research in case studies (Gummesson, 1988). We conducted qualitative case-study research, applying an abductive approach, in which empirical processes interact with phases of theory exploration (Dubois and Gadde, 2002). Three organisations representing different sectors participated in the study.

Data collection and analysis

The data was collected as action research and inspired by service-design thinking. Service design is a multidisciplinary approach that places the user of a service at the centre of development efforts and strives to adopt as wide a perspective on service as possible and applies a holistic and person-centred approach (Stickdorn and Schneider, 2012). Service design has been used as a key driver in improving healthcare and care services (Malmberg *et al.*, 2019). Andreassen *et al.* (2016:24) suggest that service design can be applied as a development method in service organisations to enhance customer centricity, taking the customer's perspective in an outside-in approach in regard to value *“through its techniques for enabling interpretations of users and their context”*. Furthermore, they suggest that change occurs in four factors: process, structure, culture and financial metrics. In our study, we have applied service design in an organisational internal context with employees and promises in the limelight. Service design adopts a human-centred approach to development and innovation and has also been applied with a firm internal focus. By focusing on employees and their needs in an early stage of development, service design is also useful for designing services for employee well-being and an improved employee experience (Vignoli *et al.*, 2021). Using a service-design-inspired process and the idea of capturing and interpreting the experiences of the employees in their promise-keeping context, we used the double-diamond-inspired process structure as outlined by the Design Council (2015) and value

proposition design ideas (Osterwalder *et al.*, 2015) to explore factors that enhance and impede employees to align with overarching brand/sustainability promises.

As a central aspect of the alignment process, we stressed the contextualisation of the promise into actionable value propositions as an employee-driven solution to challenges related to alignment. We adopted a co-worker orientation with a “bottom-up strategizing” approach. The co-worker orientation draws upon co-workership and humanistic management. Co-workership is a Nordic perspective on work-life research and practice (Tengblad, 2007; Andersson *et al.*, 2021). It emphasises a creative working mode, de-centralised power, togetherness and redistributed responsibility (Kinlaw, 1995; Tengblad, 2007). Humanistic management, initially introduced by Follett, emphasises practical ontology experiences over facts and integration of experiences (Godwyn and Gittel, 2012). Moreover, co-worker orientation considers employees active subjects in the alignment process, with ownership of it (Liewendahl, 2014). The bottom-up strategizing approach emphasises dialogue (Liewendahl and Heinonen, 2020) as brought to the fore by Bohm (Bohm in Nichol (edit) 2000; Cayer, 1997) and encourages employees to contribute with strategic cues. Additionally, it involves employees’ active participation in the shaping of value propositions by contextualising the overarching brand promise into actionable value propositions.

In the initial phase of the research, employees’ promise readiness was assessed with a survey, using the Service Pulse application (www.palvelupulssi.fi) in all three case organisations. Assessing promise readiness at different levels (individual, team and organisational) and at various points facilitates the design of the alignment process. The assessment was reiterated at the end of the process to evaluate the change that transpired. The dual assessment indicates the changes in the organisations’ promise readiness that occurred.

Qualitative data was gathered by interviews before the actual alignment workshops and during the workshops in all case organisations. The data was analysed following the principles of the event-based narrative inquiry technique (EBNIT) (Helkkula and Pihlström, 2010), and constellation analyses of the categorised

material were conducted. Constellation analysis is a systemic approach to analysing qualitative data, which focuses on human experiences and enhances the second-order understanding of a phenomenon (Brinkenkrahe, 2009). Following constellation analysis principles, the categorised data was arranged as elements in a constellation in core categories and their properties, and the relationships between these were analysed. This advanced the systemic understanding of alignment. Using constellation analyses in this study, the systemic workings of alignment were visualised, which enhanced the drawing of conclusions. According to the systemic view, a certain level of balance must be achieved between the elements of a constellation for the system to function properly (Brinkenkrahe, 2009).

During the workshops, the meaning of the overarching brand promise was analysed, crystallised and defined, and its practical meaning was contextualised into value propositions. Additionally, the employees designed tools to uphold value propositions. The structure for the alignment process which followed a service-design-inspired approach was also adjusted to fit the organisations and their specific needs.

The case organisations and sectors

Case A: A family-office investment firm, one of the largest and most significant investment companies in Finland, which invests in industry and real estate and “*develops companies into leaders in their fields*”. The firm strives to be a responsible investor, seeking to invest in targets with a credible ESG (environmental, social and governance) strategy. Responsibility is the group’s strategic star and a prerequisite for long-term value creation. The responsibility mission is summarised in the mission statement: “*A Better World for Future Generations*”. By participating in the research, the firm’s goal was to contextualise its responsibility mission among its employees and to contribute to developing the CO-VAL model.

Case B: A care organisation in Finland with 1400 employees, that provides care services mainly in Swedish. The research objective for case B was to contextualise the overarching brand promise “*In the middle of society - close to people*” and values: “*engagement, competence and care*”, into more practical, comprehensible and actionable value propositions with its employees in a specific care unit. Thereby, the organisation wanted to improve its employees’ work well-being as well as satisfaction among its residents. By participating in the research, the organisation also wanted to contribute to developing the CO-VAL model.

Case C: A sports institute that organises short courses and vocational education in Southern Finland wanted to sharpen its brand promise: “*The joy of exercise all year round!*” The aim was to contextualise the overarching brand promise into specific value propositions for training courses, vocational curricula and offerings to the private sector. Particularly, it wanted to develop actionable services and education value propositions with input from the employees.

Results and conclusions

Studying how employees align with the overarching promises of value (such as brand promise, values and sustainability mission statements) by contextualising them into more actionable and meaningful value propositions across various sectors has enhanced the overall understanding of the alignment process. We have identified factors that enhance alignment and factors that impede alignment. Our study has also shed light on the sector-specific distinctions in alignment.

The findings of the case organisations reveal that alignment and the contextualisation of overarching brand/sustainability promises into more actionable and comprehensible value propositions advance alignment and enhance the promise readiness of organisations. One indication is the difference between the results of the promise-readiness assessments, which were made twice. Another indication is the assessment by the participating firms of the effectiveness of the alignment process. Based on the empirical findings, we can conclude that alignment as we operationalised it provides results in higher promise readiness, but the process requires organisation and sector-wise adjustments.

However, achieving alignment through contextualisation is not always a smooth journey. Alignment may, and probably will involve numerous challenges in practice. Management may experience time restraints concerning the process. Employees may experience negative emotions such as frustration, anger and fear when confronted with organisational change (Liu and Perrewé, 2005) or inspiration, depending on the change at hand. Research on organisational change shows that emotions are connected to interruptions and are vital for the interpretation and construction of change, and both positive and negative emotions occur in individuals during organisational change processes (Kiefer, 2002). According to Fugate *et al.* (2008), affective complexities relating to organisational change need to be considered and anticipated, as people have different coping mechanisms relating to organisational change. Four sequential but distinguishable

emotional stages employees may go through have been identified in research on organisational change (Liu and Perrewe, 2005), and these may help to anticipate forthcoming emotional reactions among participants. On the other hand, when using dialogue as an intervention method, the aim is both to energise and to create friction between contrasting values in a group (Bohm, in Nichol [edit.], 2000). Friction advances the notion of active assumptions in a group (ibid). According to this view, negative emotions may also indicate emerging change, as friction often evokes negative emotions. The alignment process consists of a series of interventions to ultimately change behaviour. In light of this, it seems inevitable and desirable that a spectrum of emotions occurs among participants in an alignment process. Any emotion, positive or negative, may signify emerging behavioural change. Behavioural changes can be evaluated with the support of the COM-B system framework (Michie *et al.*, 2011). The framework notes three central criteria in assessing behavioural change: capabilities, motivation and opportunity. Both emotions and change criteria may function as units of analysis in assessing change.

The explored sectors faced quite different change situations embedded in the alignment with their overarching promises. In general, the investment sector currently faces significant changes and uncertainties in its transformation towards sustainable and ESG investing (Welch and Yoon, 2022). ESG investing has even been outlined as a possible pathway to achieving the UN SDGs (Delgado-Ceballos *et al.*, 2023). Hence, the expectations of future accomplishments in the sector are substantial. For some actors, ESG investing implies major, and even perhaps somewhat diffuse adjustments in operations. Consequently, employees may face novel situations and uncertain requirements in their work. Our case organisation had been working with its sustainability mission for quite a while, but its practical implications were not fully crystallised yet, and therefore, working with its alignment was relevant. During the process, some participants articulated one of the guiding questions as follows: “*What exactly are we trying to solve, and for whom?*”

This is probably a relevant question for most actors embarking on an ESG investment journey. Common concerns for actors in the field are about risks, focus, measurements and other uncertainties relating to ESG investing in striving to find opportunities to solve big problems (Gassmann *et al.*, 2021). Furthermore, ESG lacks a common theorisation and due to the varying set of standards, frameworks, metrics and rating providers' valuation methods, ESG can be challenging to apply in practice (Pollman, 2022; Larcker *et al.*, 2022), as “*current theories fail to offer useful insights into the disparity in ESG performance*” (Daugaard and Ding, 2022:17). This challenge is accentuated by the fact that companies in ESG investing are not sufficiently ESG literate (Sheenan *et al.*, 2023). Nevertheless, as Sheenan *et al.* (2023) emphasise, firms must adopt an ESG mindset to achieve meaningful ESG performance. Mindsets are the foundation of people's meaning systems that shape thoughts and actions and 'ring together goals, beliefs and behaviours (Dweck and Yeager, 2019). In line with this, our case study shows that one factor that seems to affect alignment with the overarching sustainability promise and creating a firm internal ESG mindset is contextualising the promise into more specific, detailed and hence actionable value propositions that could be integrated into investment work. Moreover, it is vital to specify the focus of investment themes accordingly and determine other than financial competencies required in operationalising ESG investing.

The organisation representing the care sector, on the other hand, came to the insight that

Actually, these are things we have been doing... like always, and known how to do, but now we have them explicit, on the table and put into words, on a conscious level. Now, our promise is clear, and it guides us in everyday operations and facilitates our work, and we also know what we need to uphold the care promise.

In the care sector, factors that enhance alignment are a) considering the care aspect of the overarching promise and the implications of care, b) considering the need for

care time as a strategic issue, and c) developing tools that sufficiently cover and support the operationalisation of contextualised value propositions.

In the care sector, considering the implications of the care aspect of a promise seems pivotal, as this has far-reaching impacts both for employees on their well-being and for their success in their care work. This relates both to time considerations for the actual care work in practice and to the time needed for care work, as well as that allocated for alignment work: In case, sufficient time is allocated for operationalising care in line with the value implied by the promise, alignment with the overarching promise will be enhanced. Contextualising the overarching promise into a more actionable care-value proposition facilitates employees operationalising the value, as the overarching promise is divided into more granular care aspects. This, in turn, means that sufficient time for the alignment process needs to be allocated for employees to build an understanding of the value proposed by the promise. In our case, organisation employees experienced the alignment process as positive, as it clarified the meaning of the overarching promise.

Our results indicate that regardless of the sector and the transformation embedded in alignment with the overarching promise, emotional reactions need to be anticipated before embarking on the alignment journey, both among management and employees. We utilised the promise-readiness assessment, also known as the Service Pulse application, as a valuable tool. It allowed us to foresee potential challenges in the process (For further information on the use of the promise-readiness assessment application, see www.palvelupulssi.fi). The first double-diamond phase in service design (find challenges) is also helpful in this respect.

One central finding of our study is on the dynamics of and interaction between the modalities of alignment. We distinguish the modalities of alignment in three separate modes: co-activity and bottom-up strategizing, dialogue and co-worker orientation.

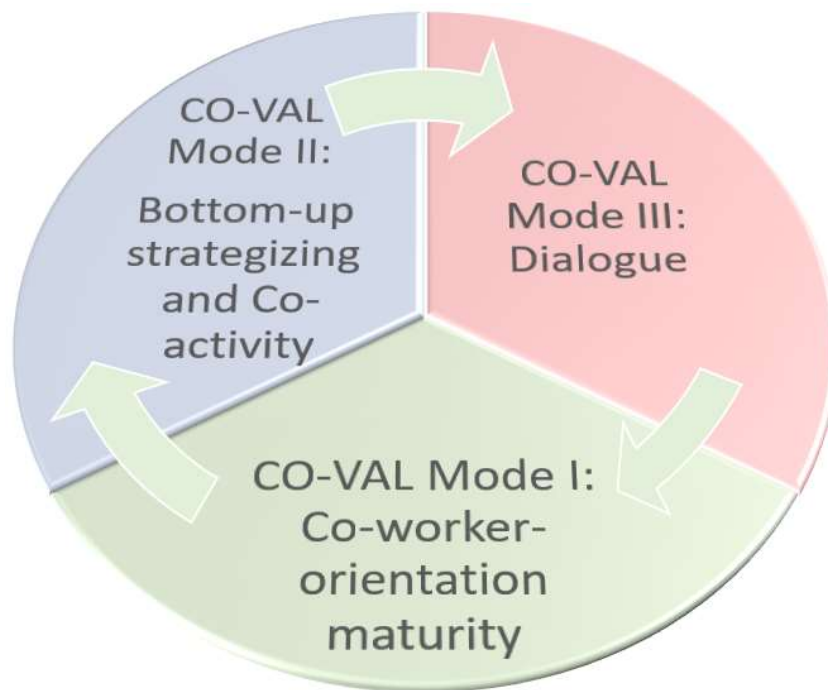


Figure 1. The modalities of the alignment process

One general commonality between the cases and sectors explored in this study is that for alignment to occur successfully and transform the promise-readiness level, the alignment process requires both a) time considerations and b) authentic co-worker orientation which is depicted in the figure above as modality number I: A co-worker orientation. The existence of a co-worker orientation in the organisation advances the alignment.

A co-worker orientation does not necessarily exist in the organisation automatically, nor does it emerge by command, but it takes time to develop and to become integrated into the organisation’s culture. We found that the level of co-worker orientation should be assessed before the alignment process to be able to design the alignment process efficiently. A service-design-inspired process structure supports the co-worker orientation but is not sufficient on its own. Whether the organisation is mature enough for a co-worker-oriented alignment

depends on presumptions among employees, managers and leaders alike, as well as how rigid/agile the hierarchical structures are in the organisation. The central question when considering co-worker-oriented alignment is whether the stance and mode in the organisation support co-worker orientation. Thus, one of our central findings and contributions of this study is assessing co-worker orientation and defining its attributes.

On the basis of our observations in the research, we suggest that co-worker orientation is a promise-readiness attribute in itself. Hence, the co-worker orientation maturity will be integrated as one of the attributes in the Service Pulse promise-readiness assessment. Co-worker orientation as an aspect of promise readiness will be explored in more depth in future research.

The main co-worker orientation attributes that emerged from the data are as follows:

- 1) co-worker-oriented stance (co-active power sharing), level of employee ownership of practices and type of organisational hierarchy (rigid or agile)
- 2) a subjectifying mode and space for employees to participate in alignment and their willingness to participate in the alignment process
- 3) practical ontology and creative working mode
- 4) systemic consciousness of promises and the embedded value of the overarching promise(s), to enable employees to congruently contextualise overarching promises into actionable value propositions

Co-worker orientation also depends on the following aspects: Employees' willingness for co-activity and participation in the alignment process, their comfort in providing practically anchored strategic cues and the psychological safety they experience in doing so. Psychological safety experienced by team members mitigates interpersonal risks and facilitates structured learning in teams (Edmondson, 2002), which may enhance alignment.

Furthermore, management's perception of the need for a co-worker orientation, its meaning and implication in organisational practice, and the levels of coherent perceptions of it among managers determines its applicability in an organisation. Thus, drawing on these aspects and the attributes mentioned previously, co-worker orientation maturity needs assessment. Moreover, the specific co-worker orientation attribute needs to be defined in more detail and with specificity to fit the organisation.

Furthermore, successful alignment is highly unlikely to occur without a bottom-up strategizing mode in which employees express their views through dialogue and feel that their views are considered during contextualisation. This requires that they have enough agency to do so.

Bottom-up strategizing in turn might face several firm-specific impediments in which the level of co-worker orientation maturity is one pivotal aspect. Gender-based issues may also impact how alignment proceeds and whether employees' perceptions are considered.

To conclude, alignment is a multiphase process in which contextualisation of the overarching brand/sustainability promise into actionable value propositions plays a fundamental role. Its success depends on the following factors that enable alignment:

- 1) a priori assessment of employees' promise readiness,
- 2) consideration of the dynamics of and interaction between the three modalities of the alignment process,
- 3) anticipation of employees' emotional reactions to change a priori to the process and as the process proceeds, and
- 4) assessment of the level of the organisation's co-worker orientation maturity as a priori to the process.

When considering these four factors, it seems likely that a co-worker orientation mode will be enhanced and that this co-worker orientation mode will enhance alignment with the overarching promise.

The citations below illustrate the alignment benefits observed by the participants in this research.

Case A: “Joy of life and presence, together! Became our new contextualised value proposition that draws upon our brand promise. This also became a promise for us internally, how we relate to each other as colleagues. At best, it becomes a guideline for how we work and treat each other. One can open many knots in the working community with the help of reflection on promise by contextualising them into more comprehensible and doable value propositions, that employees experience ownership of.”

Case B: Participating in this research supported us in our transition towards an ESG mindset and in clarifying our qualitative ESG criteria. We allocated time for contextualising our overarching mission statement into value propositions. This process escorted us one step further on our ESG journey.

Case C: “Participating in this research supports us in aligning with our brand promise and in crafting authentic value propositions with our different stakeholders in mind. Applying a bottom-up strategizing mode supports the contextualisation of our promise into more applicable value propositions.”

Sector-wise discussion on alignment

During the study, we worked with a set of different promise-readiness attributes, which were assessed for each participating organisation at the beginning of the research, i.e., the initiation and end of the alignment process. The assessment in the initial phase covered the overarching brand/sustainability promise.

In the initial phase of the study, the items for the promise-readiness attributes were adjusted to fit the case study sectors. For example, for the investment sector, the readiness attributes were adjusted to fit ESG investments. In the care and

education sectors, readiness was assessed regarding value propositions in service encounters, and specifically in the interaction sphere among employees and customers/clients. The promise-readiness assessment was adjusted to consider specifically some Servqual attributes (Parasuraman, Berry and Zeithaml 1991), which were integrated into the Service Pulse promise-readiness assessment items.

One central observation in our study is that several factors need to be considered and no one process or intervention type fits all organisations and that there are several sector-wise implications.

Assessing the modalities of the alignment process, structuring it accordingly, and assessing and calibrating the readiness attributes are pivotal for a successful alignment process. As concluded previously, the alignment process varies sector-wise. In this section, we discuss the managerial implications sector-wise by exemplifying parts of the process. The implications, although not generalisable due to the exploratory nature of our study, can, however, serve as inspiration for further research and development in alignment.

Our discussion focuses first on the care sector and then elaborates on the alignment in the investment sector. Our research in the education sector is currently ongoing, and as a work in progress, this report does not encompass the results from this sector.

Alignment in the care sector

In our case organisation in the care sector, the alignment process advanced smoothly and employees participated enthusiastically. Time and space were allocated for the alignment process, and among the participating employees, there was no notable initial threshold to overcome (e.g., negative emotions and change resistance). On the contrary, the employees were cheerful and experienced the alignment process as a pathway to improving their working conditions, and their emotions seemed positive.

The success of the process indicates that an actual change was notable between the results from the readiness assessment at the initial phase of the study and at the end. Initially, the readiness assessment showed an average of 5 on a Likert scale up to 7. In the end, the assessment was well over 6 on average, supporting the use of the Service Pulse tool in alignment work.

The workshops were forums in which the employees could easily and freely express their thoughts about “value expectations” that promises placed on their care work.

Factors that enhance alignment in the care sector

In addition to the importance of noticing the care aspect of the overarching promise and its implications, as well as developing tools accordingly, as discussed previously, we identified three other main factors that may enhance alignment in the care sector:

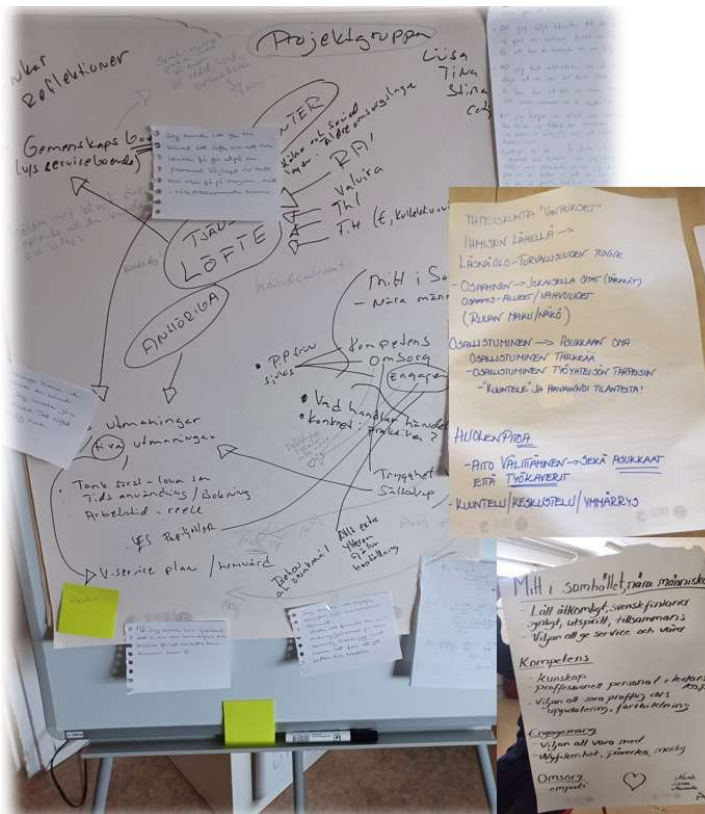
- 1) ensuring a positive outset for the process
- 2) providing employees ownership of the process
- 3) providing external process support and analyses throughout

Ensuring a positive outset of the process was possible due to the engagement of the project manager and the project group. Among the participating employees, the alignment process was experienced from its outset as positive. The process was managed by a project group of four employees and the unit manager. Moreover, the employees were eager to participate and contributed to the contextualisation of the overarching brand promise and values with their own experiences from practice.

One contributing factor to the employees’ enthusiastic approach to the process could be the high level of pro-social motivation among employees, i.e., they are driven by helping and caring for others. Pro-social motivation is one of the promise-readiness attributes in the Service Pulse and according to the assessment, the average score on pro-social motivation among the care employees was over 6, out of 7. Based on the employees’ evaluation of the process, they seemed to be inspired by the idea that the alignment process would enhance their capabilities of

living up to the promises made to clients and their relatives. They also discussed their feelings about the promises and their “value work with clients”, the aspects of the work that motivated them and their concerns. A shared and frequently expressed conclusion among the employees was that the most motivating aspect of their work was the joy of helping the clients, and doing this together, i.e., having the support of colleagues.

The voluntary workshops were organised in a way that allowed everyone an opportunity to participate. Participation was high on average, and people attended in a good mood. Sometimes someone would leave in the middle of the workshop for an urgent work task and then come back again. However, it should also be noted that the process did not interest all employees. Some employees did not participate at all, which meant that they were left out of the sense of togetherness and shared understanding that emerged in the process.



Another factor that enhanced the alignment was the inter-workshop assignments and productions between groups: what one group produced during one workshop was left for the next group to explore and continue working on. An example of such a between-group production is depicted in Figure 2.

Figure 2. Between-groups inter-workshop productions.

The employees participating in the process reported feeling more confident in their care work because, during the process, they could reflect together on the overarching brand promise and its embedded value for customers. Translating promises into actionable value propositions that accurately describe practices which employees can live up to in customer interaction crystallised the meaning of the promise for them. At the end of the alignment process, the participants' evaluation of the alignment process was useful for them, and it was nice to participate.

An important aspect of the alignment process in our case organisation seemed to be the opportunity to be together with colleagues. It was about reflecting and having insights together, which is more than just a factual approach to issues.

Togetherness is one of the principles of co-worker orientation, and employees' experiences during the process indicate that a co-worker orientation mode can be strengthened if time is allocated for the employees to develop tools jointly, which support their work to uphold the promised value. This will most likely also impact the congruency of performance in customer work. This implies that the time spent together during the workshops is beneficial regarding both employee well-being and their capabilities to interact with clients in line with the promised value. The project manager expressed the benefits of doing the work together and being together as follows:

Being together and reflecting upon what we promise and what value our promises imply was really good for us. This gave us focused and useful time together, which we do not otherwise have so much. To focus on the promise is really beneficial because we discussed in a relaxed but really focused way.

The set of tools that employees developed during the alignment process strengthened their capability to deliver promised value in practice. Developing practical value tools together also seemed to strengthen the sense of togetherness among the participants. The tools employees developed for value-upholding purposes were for instance: a) a small instruction book on what the promise means in practice in terms of value for clients, b) symbols that remind employees of what

the value proposition means in practice, c) instructions on how to discuss the value propositions with relatives and clients, d) a competence board with photos of the employees and their specific skills concerning the value promised, and e) a “not-time-budgeted-task inventory board.

Also, we developed really useful tools to apply in practice.

Using these tools in practice does enhance our capability to encounter our customers in a way that is congruent with what we promise.

Surely this is something we intend to continue.

The employees also **experienced ownership** of the process because they could impact how the process (in terms of content) would proceed, i.e., what they found most important to discuss and work on. Simultaneously, they felt it was helpful that they could rely on the external resource (the researchers), who captured their thoughts and reflections and summarised their insights:

It is wonderful when someone external comes in and takes responsibility for the process... and picks up what we think and feel... and serves it back to us summarised into clear points.

At the end of the process, the employees arranged an *alignment event* for the management, demonstrating both the events during the alignment process and the tools they developed. This emphasises ownership of the process among employees and demonstrates shared power, which both represent some of the co-worker orientation principles.

On the basis of employees’ assessments of the impact of the process, we can conclude regarding the changes experienced in capabilities, motivation and opportunity: The participants experienced an increased capability to uphold the promised value. They produced tools that enhanced their capabilities to uphold the promised value in practice, and the co-worker orientation mode seemed to increase during the process. Those employees who participated seemed motivated to do so, and participation seemed to enhance their motivation to continue the alignment

work as an ongoing process. Furthermore, the tools and other ideas that emerged among the employees during the process were perceived as opportunities to further develop in the future.

Factors that may impede alignment in the care sector

Two main impediments to aligning with promises in everyday care work within the care sector were identified as feelings of inadequacy and concerns about the care-time need not being met:

1) Feelings of inadequacy

The feeling of not being able to uphold the promised value of care in practice is noted to be a common dilemma among caretakers (Juthberg and Sunding, 2010). In our case, this emotion is related explicitly to the promises of *care*. Feelings of inadequacy need to be considered in relation to the high level of pro-social motivation (Liao *et al.*, 2022), which is a common trait among the care employees in our case study, to understand its effect on employee well-being.

2) Concerns that the care-time need cannot be met

A major insight among the employees was the time human care requires, that there actually is a *need* for care time “*Care needs time, and we need care time.*” Therefore, to align with the promise of care, care-time requires time allocation, or “*budgeted time*” as expressed by the participants:

We need to budget time for all aspects of the care work if we are to live up to the promise of care.

This time factor in relation to the promise of care is not commonly considered in care work in practice. Based on the employees’ prior experience with other care organisations, the observation is that care time is often neglected in the care sector. Yet, organisations make lavish care promises without sufficient allocation of care time. Consequently, care work becomes challenging, and the performance is often unaligned with the promise of care, especially a promise of high-quality care.

Because of this care-time insight, employees charted out different time needs in relation to the care promise. During approximately 4 weeks, the employees would chart different tasks and related care and other time requirements (on a shared whiteboard, in their shared office). This resulted in the following categorisation of time factors that impact the alignment with the care promise and its upholding in practice. If the care-time factor remains unconsidered, it impedes the fulfilment of the promised value:

CARE TIME/Time factors				
<i>“You feel inadequate when you don’t have time for care”</i>				
<i>Actual time</i>	<i>Psychological time</i>	<i>Actual time</i>	<i>Actual time</i>	<i>Actual and psychological time</i>
Time for clients and relatives	Setting time: Time to reset between different tasks/contexts (e.g., death and invoicing)	Time to plan	Time for partners	House-elf time Routine task without time-budget
Terminal care and caring for relatives in case of deaths.	Time for human encounters: Clients Relatives Colleagues	Time for yesterday’s undone tasks that should have been done	Time to feel good Time for a pleasant atmosphere	Time for routine tasks that have no time budget and are not paid for by clients
Needed time.				
Relatives in case of	Varies but is required in most	Varies	Varies	Varies

death 30min-2h	situation- shifts (e.g., moving from terminal care to invoicing)			
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Table 1. Categorisation of time factors that impact the alignment with the care promise and its upholding in practice.

However, in this case study, time factors were not considered from a constraint or time-shortage perspective, but from a care and need perspective, which was approached constructively. The time need was explored in relation to the care promise. Eventually, the employees concluded that a promise needs to be calibrated towards care practices and be aligned with the actual time allocated for different care aspects and their time needs. This attitude leads to more clarity about the time required to align with a care promise, and eventually, resources are budgeted to meet the time needs charted out. Feeling of inadequacy and need of for care are closely related to the third factor identified, i.e., *lean thinking in care*.

- 3) Lean thinking as a factor that might impede alignment with the care promise, as expressed by one employee:

Have we, in general in Finland, leaned away the care in the care-business? If we are to be able to live up to the promise of care, we need time to care. Luckily, we have more time in this organisation than average in our field. That is why I always feel so happy when I come to work.

Indeed, a common trait within the care sector currently seems to be a reliance on lean thinking, inspired by efficiency and cost-saving demands when it comes to care work (Reponen *et al.*, 2021). Such lean thinking and its application, even if gaining popularity in care, is considered less appropriate in care work among some

researchers (Edwards *et al.*, 2011), as lean principles are controversial from the point of view of human well-being (Seppälä and Klemola, 2004). In healthcare, lean thinking is appropriate in laboratory work and in elective surgery but does not work well in healthcare environments characterised by reactive work processes, such as taking care of humans (Edwards *et al.*, 2011). In care work, the concept *process time* has been suggested to cover the variety of time factors or as expressed by employees in our case study, time needs, that occur in care- and emotional work to chart out different factors that need time. Many tasks overlap, such as coffee breaks and socialising with old people in the coffee room. With such work, you can do numerous things simultaneously, which makes it difficult to know exactly how much time you spend on each thing (Lundqvist and Mulinari, 1997).

Strategic alignment-time

In the care sector, the time factor becomes a strategic issue for alignment. A study on the impact of time on the strategy–performance relationship (Davies *et al.*, 2002) revealed a relationship between performance benefits from increased emphasis on linking cyclic time with competitive strategies. Cycle time refers to “the time required to complete a (typically) repetitive organisational task” (Davies *et al.*, 2002:340). If alignment, as done in our study, is integrated as an aspect of the work, and work time is allocated for this, performance benefits can be expected: In light of the findings of our study, performance benefits are possible if time factors are considered on two strategic aspects: 1) The need for time to do “human care work” in line with the promises of the care organisation and 2) The need to allocate time for alignment as a continuous process to avoid good-washing communication. This was stressed by the employees throughout the study:

Care needs time. The promise of care always relates to time and needs to be considered in relation to time. If time is not allocated, care that needs time cannot be promised.

In our case, sufficient time was allocated for the process, as well as engagement by the participants.

Alignment in the investment sector

In comparison with the care sector, the investment sector faces a different set of alignment factors to consider, both challenges and factors that enhance the alignment, even if some of the identified factors seem to overlap between the sectors. This implies that sector-wise adjustment of the alignment process is inevitable. Regarding factors that enhance and impede alignment in the investment sector, one of our main insights is that investors in practice face dual alignment challenges at different levels. This conclusion is based on our results from the case study in the investment sector, as well as other current research on ESG, e.g., Friede (2019), who claims that integrating ESG factors in investment decisions involves manifold challenges.

We note that dual alignment might be required, and in our discussion on factors that enhance and impede alignment, we distinguish between internal and external alignment factors that investors need to consider. This is in line with Aldowich *et al.* (2022:1), who found two distinct views in the ESG integration literature: one view “discusses ESG from the perspective of investment” and the other considers “ESG from the perspective of firms’ operations”. From the perspective of a firm’s operations, Sheenan *et al.* (2023) claim that companies need to consider the importance of creating an ESG mindset. Without buy-in, ESG strategies cannot reach their fullest potential and result in little to no ROI (Malhotra and Pachauri, 2022). Current research reveals that ESG factors are not truly integrated into the core activities of the companies and daily decision-making processes (Friede, 2019). Aldowish *et al.* (2022) define four value factors: value proposition, value creation, value delivery and value capture to consider in integration.

In light of this, we distinguish between a) internal alignment, i.e., the perspective of firms’ operations with a focus on creating a *firm internal ESG mindset* aligned with the mission statement to build its investment operations upon, and b) *external*

alignment, i.e., the perspective of investment that means assessing the fit between the investment object's and investors ESG mindset.

Internal alignment involves the following:

- 1) Considering ESG from the perspective of firms' operations, to align with the mission statement by contextualising it into actionable value propositions and integrating these into the business model.
- 2) Considering the importance of understanding what actually is meant by ESG investing (Lee, 2021), and in particular, as explored in our study, what is meant in practice by ESG investing in alignment with the firm's sustainability-inspired mission statement. This question is posed also by other researchers who question how companies can decide where and how much to invest, without first understanding what ESG is expected to accomplish (Lacker *et al.*, 2020; Gagni *et al.*, 2021). This question was also posed by participants in our study. That is, "*what are we trying to solve*" became a generative question that advanced the contextualisation in our case organisation.

In this light, internal alignment in the investment context means an internal company perspective, in which factors that influence the contextualisation of overarching promises into actionable value propositions are identified and addressed.

External alignment involves the following:

Utilising the mission statement and its value propositions as a guideline when assessing possible investment objects. By this, we mean considering to what extent or whether the investment object's sustainability/ESG intent is in line with that of the investor's sustainability promise and its ESG value propositions, and to what extent such a fit is necessary.

Clearly, these two alignment aspects overlap, and it seems reasonable to conclude that without internal alignment, external alignment becomes complicated. The fit

between the investor's and investment object's sustainability/ESG data can be difficult to evaluate and analyse. In practice, it may indeed become a challenge for investors to assess this fit.

ESG investing is a hotspot in current research (Madhavan *et al.*, 2021), and interest is growing among practitioners and researchers in financial models that positively impact communities' well-being and safeguard the natural environment (Gangi *et al.*, 2021). A variety of views and definitions exist of the financial aspects of ESG and the amount of research on ESG implementation in different fields is also significant (e.g., Sciarelli *et al.*, 2021; Cappucci, 2018). However, only a few researchers have focused specifically on integrating the ESG factors into the business model (Aldowaish *et al.*, 2022), and research on employee alignment with ESG strategies is scant, even if interest is growing in employee engagement with ESG, as Malhotra and Pachauri's (2023:38) claim that "*ESG has emerged as a key factor in engaging today's workforce.*"

Moreover, as ESG lacks a common theorisation and due to the varying set of standards, frameworks, metrics, and rating providers, applying these in practice can be challenging. Furthermore, the varied usages and understandings of ESG reflect diverse views about its meaning and implications (Pollman, 2022; Larcker *et al.*, 2022; Daugaard and Ding, 2022). Current literature on ESG uses concepts confusingly (Roth 2022; Lee, 2021), and according to Eccles and Strohles (2018) there is little agreement on how to construct ESG measures, as the "*ESG data universe is getting too complex, lacking clarity* (Eccles and Strohles, 2018:1). Current studies also show that rating agencies and data vendors display little agreement on constructing and using ESG measures, complicating the external alignment and simultaneously suggesting the importance of the internal alignment.

Factors that enhance alignment in the investment sector

In our case organisation, we did identify several factors that enhance the internal alignment with the mission statement and contextualising it into actionable value propositions: 1) Legacy and strong social heritage, 2) A long-term focus (in investments), 3) Flexibility, 4) High ambition and willingness to align and live up to the mission statement, 5) Pride and 6) A strong focus on sustainability.

To analyse these factors, we depicted them as elements in a constellation below and analysed the relationship between these in relation to a generative question: What enables us to align with our mission statement?

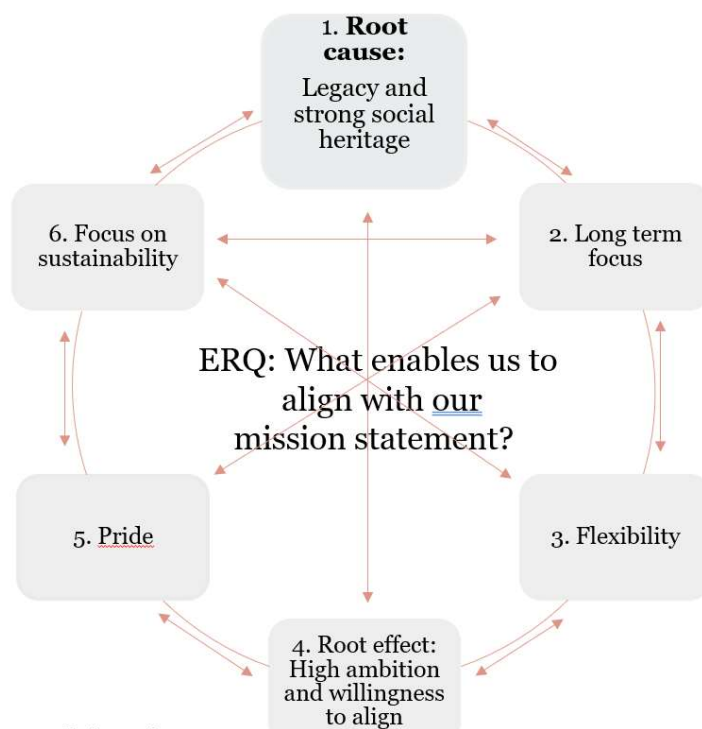


Figure 3. Illustration of factors that enable internal alignment with the mission statement.

A constellation analysis on alignment done in our study acknowledged the systemic workings and portrayed the

reciprocity of the core alignment enhancing factors, as these were portrayed as elements in a constellation. This enhanced the understanding of alignment. Even if the core factors are different by nature, they exist in a dynamic relation to each other. A change in any of the core factors will have spill-over effects on the other core factors (if seen as systemic). For instance, identifying, describing, analysing legacy strengths and “leveraging” these will assumably strengthen the other factors,

such as the long-term focus (which is not always common in investment work). This, in turn, might strengthen the ambition and willingness of employees to align with the mission statement. This might consequently affect the level of pride, which again might strengthen the focus on sustainability, etc. The elements of this constellation are analysed in relation to the generative questions that emerged during the research. The constellation analyses are best applied as a part of the alignment process and function as a base for a dialogue, e.g., on what actions need to be taken to strengthen the elements in the constellation analyses. As the study advanced, constellation analyses were conducted also for the other factors that were identified as impeding and enabling alignment with promises. Constellation analyses advanced the systemic understanding of factors that enable employees to think and perform more coherently, aligned with the overarching promise and its value proposition. The case-specific findings of this study are not generalisable but inspire other family investment offices and provide a foundation for further explorations on alignment with promises in the investment sector.

Factors that may impede internal alignment in the investment sector

Based on our abductive analyses, we identified some factors that may impede the internal alignment with the mission statement. These are time requirements for alignment, insufficient contextualisation, not well-enough-defined ESG criteria and lack of integration of value propositions into investment work. Moreover, a lack of focus on competence development may impede integration of the contextualised value propositions into investment work.

Time requirements as an impeding factor

As in the care sector, time also emerged from the data in the investment sector as a factor that needs to be considered in relation to alignment. Perceptions of time constraints may impede alignment in some respects. The investment sector is a fast-paced field, and commonly decisions are made rapidly. Aligning with a sustainability-inspired mission statement is a time-consuming and tedious process. For instance, carrying out a service-design-inspired alignment requires a process

that spans over a period, as well as time allocated to workshops, etc., during the process. An alignment process might be challenging to schedule in busy timeframes.

In this respect, parallels can be drawn to the care sector, i.e., time factors may be perceived as an impeding factor in regard to alignment. However, the time factor and its implications on alignment seem to vary by nature between the two sectors: In the care sector, the discovery of the need for care time in relation to the care promise, as well as the time needed for alignment work was experienced as a liberating discovery among the care workers. In the investment sector, however, the time factor was perceived more as a stress factor and an underlying concern. The question was whether the benefits of alignment could be realised in investment work, and if so, how, and with what time perspective. This implies that it is very important to anticipate the time factor in general and the time required for alignment work. Moreover, it is vital to prepare the participants properly for what is to come and outline possible benefits for them to experience the alignment process as valuable for their work. This, again, relates to anticipating an emotional reaction that may be evoked among participants by the alignment process and a priori anticipation. Clearly, the time factor required for alignment requires further exploration.

Other factors that may impede internal alignment in the investment sector

The notion of the time factor discussed above does not imply that the participants in the case organisation were unwilling to collaborate and participate in the process. On the contrary, the participants willingly shared their experiences and thoughts and contributed with insights. Our case organisation seemed to be advanced in its alignment efforts and allocated time for exploring alignment, which made it fruitful to cooperate with. This case study advanced the understanding of how ESG alignment can work successfully in practice. It also needs to be mentioned that the project manager in the organisation was skilled in service design, which facilitated the conduct of the service-design-inspired research process.

As we simultaneously and abductively analysed alignment in the light of challenges identified in research on ESG implementation and integration, we found that the following factors may impede internal alignment with the overarching promise: a) Insufficient contextualisation of the overarching promise, b) not well-defined ESG criteria to support investments, and c) insufficiently integrated value propositions into the investment process. Considering these, we found that the following factors related to competence development may enhance internal alignment and the integration of value proposition into investment work:

- a. More and precise guidance and directions about investment themes in relation to mission statements
- b. Insight into how to integrate the value propositions into the investment process
- c. ESG criteria that reflect the sustainability mission statements of the organisations for guiding investments

Moreover, establishing what financial and non-financial competencies are required of employees seems to be one competence development factor identified in ESG research. Current research indicates that successful ESG investing requires other than traditional, financial investment competencies. ESG investing requires analysts to develop an ability to “*create imaginaries and narratives about possible futures in financial market development*” (Leins, 2020).

Factors that may impede external alignment in the investment sector

Internal and external alignment with their embedded impeding and enhancing factors overlap, impact each other, and can assumably be equally challenging. External alignment may face challenges due to the current confusing state of ESG frameworks, ratings, etc.

One reason for this is, as Bose (2020) argues, the lack of non-financial ESG information, making the assessment of the investment object difficult in the first

place and the assessment of the fit between the investor and investee even more so. In particular, this is the case with regard to value-based aspects such as governance and social aspects of ESG. The big rating providers rarely offer or agree upon the value-based assessment criteria (Eccles and Stroehle, 2018; Larcker *et al.*, 2022). A major challenge lies in the fact that a firm's sustainability/ESG mission, intent and strategy mainly show as subjective ESG data, i.e., how companies communicate to stakeholders in their annual reports. The inconsistency in the quality of ESG data is a major problem (Jonsdottir *et al.*, 2022; Kotsantonis and Serafeim, 2019). This implies that more precise and actually verifiable ESG-related evaluations, in particular soft, qualitative key performance indicators (KPIs), are not commonly established. Such soft ESG-related KPIs do not show in the balance sheet and are therefore not to be easily assessed by investors. Hence, this factor indeed challenges what we in our discussion refer to as external alignment in an ESG context. Moreover, it is challenging for investors to assess whether an investment object's ESG data is authentic and what occurs in practice (Aldowaisih *et al.*, 2022; Sailer *et al.*, 2022). The data might be authentic but might as well be used for green-, blue- or good-washing purposes (Sailer *et al.*, 2020). Alongside the traditional due diligence, investors need to dive into qualitative explorations of their potential investment objects' ESG data (Lee, 2021). Hence, much relies on qualitative data and "soft KPIs" in determining a firm's ESG authenticity and readiness. Such assessment is beyond the scope of traditional assessment metrics. Furthermore, Kaplan and Ramana (2021) found a selective approach in ESG reports, i.e., firms may present only favourable non-financial metrics. Moreover, even the big rating firms are not congruent in their ratings (Eccles and Stroehles, 2018; Larcker *et al.*, 2022). Research shows that they vary in the use of value vs. value-based ratings and that the rating firms' "do good rhetoric" does not show in their ratings (Eccles and Stroehle, 2018). Furthermore, they vary in the adoption of a shareholder vs stakeholder positioning in their ratings. Measuring a company's societal impact is also challenging and complex in comparison to measuring its environmentally harmful production (Kaplan and Ramana, 2021).

In light of this, it seems that alignment with overarching brand/sustainability promises in the investment sector would be enhanced by a dual alignment approach, which, of course, may complicate the alignment process. One way of tackling this challenge would be to apply the service-design-inspired double-diamond model (Osterwalder *et al.*, 2015) at two separate levels. That is, dual, parallel internal and external processes may enhance alignment, but then again, this might face time constraints in the efficiency-driven investment sector as it would add complexity to decision-making.

More explorative research on both internal and external alignment and the overlap of these is required because the research on alignment with overarching sustainability promises, conducted from a co-worker orientation approach, is still in its infancy.

Novelty value and applicability for Finnish working life

In this section, we conclude with some remarks on how the results from our research can benefit the Finnish working life. The research was conducted as abductive action research, inspired by co-worker orientation and service-design principles. Employees who participated in the research were involved in identifying factors that enhance alignment and creating solutions for identified alignment impediments. The applied methods ensured a co-worker-oriented approach and enabled us to draw conclusions about the alignment as a co-worker-oriented process.

Through these case studies, the understanding of co-worker-oriented alignment with the overarching brand/sustainability promises has deepened. Insights into factors that enhance and impede contextualisation of the promise into actionable value propositions have emerged.

Our findings have sector-wise implications, but some commonalities overlapping the sectors explored are demonstrated through the modalities depicted in the CO-VAL model. Our findings suggest that, regardless of sector, co-worker-oriented alignment requires careful consideration of the three modalities of the CO-VAL model and the interaction between these. The three modalities support each other: co-activity and bottom-up strategizing may be interpreted as a motivating factor among employees, which can enhance dialogue. Dialogue can be considered an organisation-internal capability that may advance co-worker orientation. Co-worker orientation can function as an opportunity to advance alignment. It seems that all three modalities need to be “activated” for optimal behavioural change. In case the three modalities are activated, a co-worker orientation mode may occur in the organisation.

We suggest that the level of activity of the CO-VAL modes may be seen as *co-worker orientation maturity*. This implies a need to assess the organisation’s co-worker orientation maturity before embarking on a co-worker-oriented alignment

process. Furthermore, assessing the promise readiness both before and after the alignment process facilitates the analyses of the changes among the participants.

The Service Pulse application that we used for assessing promise readiness in this study and the co-worker maturity assessment outlined in this report are available for use in research and organisational development work. For contact information see the following: <https://www.hanken.fi/sv/institutioner-center/institutionen-marknadsforing/cers/research-projects/co-worker-oriented-value>. It is also possible to apply to participate in our upcoming research on promise alignment.

The tools that enable employees to uphold contextualised value propositions, exemplified in the discussions on sector-wise alignment, may inspire organisations that strive to align with overarching brand/sustainability promises. For example, tools such as *competence boards* and *not-time-budgeted-task-inventory* may work for other care organisations as well. However, the tools developed within the frames of this research are sector- and organisation-specific, and as our research is explorative, the results are indicative at this point and may therefore serve mainly as inspiration. More research on the applicability of our findings on a more general basis needs to be done. Copying the tools created within the frames of this research is not sufficient. Moreover, regardless of sector, the developed tools need to be carefully crafted in relation to the organisation's promises and the value proposed by these.

We aim to conduct further research and deepen the general understanding of co-worker-oriented alignment with promises through contextualisation into actionable value propositions. Furthermore, we intend to explore the actual change that occurs in organisations during the process from alignment interventions.

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