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**CUSTOMER ORIENTATION OF SALES PERSONNEL:  
IMPLICATIONS FOR SERVICE QUALITY**

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## ABSTRACT

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Prior customer orientation research has concentrated mainly on studying the economical potential of customer orientation to companies. Service quality research instead has concentrated on emphasizing the evaluation of service quality from the customer's perspective. This means that the service providers lack important information regarding customer orientation and service quality they would need for managerial purposes such as selecting and training employees. Therefore, there is an emerging need to study how customer orientation and service quality relate to company processes, policies and employees, and this study answers to those calls.

The objective of this study was to examine what is the role of sales personnel's customer orientation in quality of service delivery and what features support the development of customer orientation among sales personnel. Also the components customer orientation were studied extensively in order to understand how they relate to service quality. The empiric part of the study was conducted as a qualitative research by interviewing seven sales people from operative, tactical and strategic levels of the case corporation in order to get a broader view for customer orientation.

The findings propose that both organizational factors and individual factors are affecting customer orientation construct inseparably. Organizational factors are bundled in this study under standards, support and systems, whereas individual factors are formed of employees' personal attributes, motivation and self-perceived decision making authority.

The findings suggest that in the service delivery process at an operative level, customer orientation appears largely in the employees' individualistic

characteristics. Their social and technical skills and motivation to serve customers are the most identifiable factors for customer orientation and consequently, quality service. However, organizational standards, support and systems are strongly dictating the frames the operative sales people operate in, having an influence on how the employees are experiencing their decision making authority and in the end, customer orientation.

When looking at the service delivery process at tactical and strategic levels, customer orientation is affecting mainly in the organizational constructs through setting standards, support and systems. However, tactical and strategic level employees influence the operative level through individual customer orientation components as well. The findings indicate that their emotion and personal interaction skills are affecting the overall service delivery process mainly through supervisor support and motivation of the operative level employees. Based on this study it can be argued that an organization can operate as a facilitator and create certain frames for customer oriented sales behavior through standards, support and systems. However, as the impact of individual customer orientation factors on sales people's service quality seems decisive, from an organizational perspective it puts pressures on the recruitment.

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Aiemmat asiakaslähtöisyydestä tehdyt tutkimukset ovat keskittyneet tarkastelemaan pääasiassa asiakaslähtöisyyden taloudellista potentiaalia yrityksille. Palvelun laatua koskevat tutkimukset sen sijaan ovat keskittyneet painottamaan palvelun laadun arviointia asiakkaan näkökulmasta katsottuna. Tämä tarkoittaa sitä, että palveluntarjoajilta puuttuu asiakaslähtöisyyden ja palvelun laadun johtamiseen liittyvää tärkeää tietoa esimerkiksi henkilöstön rekrytointia ja koulutusta ajatellen. Sen vuoksi tutkimuskentällä on tarvetta tutkimuksille, jotka tarkastelevat asiakaslähtöisyyttä ja palvelun laatua yritysten sisäisten prosessien, käytäntöjen ja henkilöstön lähtökohdista, ja tämä tutkielma vastaa näihin pyyntöihin.

Tämän tutkielman tarkoituksena oli tutkia myyntihenkilöstön asiakaslähtöisyyttä palveluprosessin laadun sekä myyntihenkilöstön asiakaslähtöisyyden kehittämisen näkökulmista. Myös asiakaslähtöisyyden osatekijöitä tutkittiin kattavasti, jotta niiden vaikutus palvelun laatuun voitaisiin ymmärtää paremmin. Tutkielman empiirinen osa toteutettiin laadullisena tutkimuksena haastatteleamalla seitsemää myyntihenkilöä kohdeyrityksen operatiiviselta, taktiselta ja strategiselta tasolta, jotta myyntihenkilöstön asiakaslähtöisyyteen saataisiin kattavampi näkökulma.

Tutkimuksen tulokset osoittavat, että sekä organisaatiolähtöiset että yksilölähtöiset asiakaslähtöisyyden osatekijät vaikuttavat asiakaslähtöisyyden käsitteeseen erottamattomasti. Organisaatiolähtöiset tekijät ovat niputettu tässä tutkielmassa standardien, tuen sekä järjestelmien alle, kun taas yksilölähtöiset osatekijät muodostuvat yksilöiden henkilökohtaisista ominaisuuksista, motivaatiosta sekä siitä millaisiksi he kokevat omat henkilökohtaisen vaikutusvaltansa työhönsä liittyvissä asioissa.

Tutkielman perusteella voidaan olettaa, että asiakaslähtöisyys ilmenee palveluprosessin operatiivisella tasolla laajalti henkilöstön yksilöllisten ominaisuuksien seurauksena. Heidän sosiaaliset ja tekniset taitonsa sekä motivaationsa palvella asiakkaita nousivat selkeimmin yksilöitäviksi tekijöiksi asiakaslähtöisyyttä ja sen vaikutusta palvelun laatuun tarkastellessa. Organisaatiolähtöiset tekijät raamittavat kuitenkin myös vahvasti operatiivisen myyntihenkilöstön toimintaympäristöä. Niillä on vaikutusta paitsi siihen miten henkilöstö kokee vaikutusvaltansa työhönsä liittyvissä asioissa niin myös lopulta siihen miten he kokevat asiakaslähtöisyyden.

Kun vuorostaan tarkastellaan palveluprosessia taktisella ja strategisella tasolla, asiakaslähtöisyys ilmenee pääasiassa organisaatiolähtöisten tekijöiden kautta. Kuitenkaan taktisella ja strategisella tasolla työskentelevien myyntihenkilöiden yksilölähtöisten asiakaslähtöisyyden tekijöiden vaikutusta operatiivisella tasolla työskenteleviin henkilöihin ja sitä kautta palveluprosessiin ei voida sulkea pois. Tutkielman tulokset viittaavat siihen, että taktisella ja strategisella tasolla työskentelevien henkilöiden tunnetilat ja henkilökohtaiset vuorovaikutustaidot vaikuttavat operatiivisen tason kautta koko palveluprosessiin esimiestuen ja motivoinnin avulla. Tutkielman perusteella voidaan päätellä, että organisaatio voi toimia mahdollistajana ja luoda raamit asiakaslähtöiselle toiminnalle standardien, tuen ja järjestelmien kautta. Koska yksilölähtöisten tekijöiden vaikutus myyntihenkilöstön asiakaslähtöisyyteen ja palvelun laatuun kuitenkin on ratkaisevassa asemassa organisaatiolähtöisiin tekijöihin nähden, asettaa se organisaation näkökulmasta paineita rekrytoinnille.

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## **1. INTRODUCTION**

This chapter acts as an introduction to the research; explaining the background and describing the research questions and objectives as well as introducing literature review, theoretical framework, definitions of the key concepts and delimitations of the research. Also research methods are presented along with the structure of the research.

### **1.1. Background of the research**

In order to be successful in the current competitive environment, service organizations must streamline their service delivery systems and respond to ever-discerning customers' demands for efficient and quality services (Yasin & Yavas, 1999, 202). It is commonly acknowledged that successful organizations need to have a customer-oriented business culture (Deshpandé et al., 1993; Brady & Cronin, 2001). Customer orientation is the basis for organizational learning which results in superior value attribution and greater customer satisfaction (Slater & Narver 1995). Companies in the market may offer the same services but the quality of service is acting as a remarkable differentiator; at the same time getting but also keeping the customer's attention (Berry et al, 1989, vii, 4) and offering a great competitive tool that is difficult to be imitated by rivals (Zeithaml & Bitner, 2003).

Customer orientation is a complex, multidimensional construct which is not easy to understand as it is determined by a number of conditions involving roles of the service, employee (front or backstage), personal disposition and organizational culture (Hennig-Thurau & Thurau, 2003). As the performance of service personnel often constitutes a major element of the service itself (Brady & Cronin, 2001, 242), customer orientation of the service personnel is often regarded as the main determinant of the firms' success (Hennig-Thurau, 2003, 460). Although companies generally regard customer feedback as the core for their business

operations, it is pivotal for them to evaluate their own internal actions and abilities relating customer orientation as well. That is important for companies in a persistently changing operating environment in order to enhance their performance and provide better service to customers.

There were two articles in particular that strengthened the idea to conduct a study which concentrates solely on the service organization's internal aspects of service quality and customer focus. Lytle and Timmerman (2006, 138) highlight the use of internal standards to pin-point failures before receiving customer complaints. Also Parasuraman et al. (1985) underline the importance of implementing communication and control processes to manage employees in their quality gap model for service excellence. Both of the models, in fact, indicate a great importance of creating organizational commitment towards customer focus and interaction.

It is widely acknowledged that firms who are focusing their activities on the needs of their customers and who operate in a customer-oriented way perform better than those companies that do not (Donavan et al., 2004). According to several researchers, customer orientation is expected to be positively related to service quality (Zeithaml et al., 1988; Susskind et al., 2003): companies that operate in a customer-oriented way are more likely to deliver exceptional service quality and create satisfied customers (Hartline et al., 2000, 35) Hence, it can be argued that service quality and customer satisfaction can be seen as a consequence for customer oriented behavior.

Resulting in service excellence, customer orientation springs from leadership and organizational culture which are characteristics that cannot be purchased in a store. Customer orientation and service quality are important for companies and thus need to be strategically managed for competitive advantage. (Berry et al. 1989, 5; 15)

As stated, in this study it is not relevant to examine how customers perceive customer orientation of the case company but instead aim at understanding and

explaining the phenomenon from an intra-company perspective; what is the role of customer orientation in the service delivery process and how it relates to service quality views as well as what factors support the development of customer orientation among the sales personnel.

As service excellence springs from leadership and organizational culture (Berry et al. 1989, 5; 15), also organizational standards, support and systems are taken into a consideration in this study at the same time not forgetting the sales personnel's own individual characteristics. Organizational processes and support seem to have a great impact on customer orientation and therefore the standards for service delivery need to be set straight instead of relying on people's individual attributes only. Because the individual view is based largely on psychological variables and personal attributes, commitment and motivation play a significant role in addition to the organizational factors (Hennig-Thurau, 2003; Brady & Cronin, 2001).

## **1.2. Research questions and the objectives**

The focus of the research lies in customer orientation, whereas service quality is seen as a consequence of it. The research perspective is in the organization's internal point of view, and to be more specific, among sales personnel. The objective is to examine what is the role of sales personnel's customer orientation in quality of service delivery and what features support the development of customer orientation into quality service. The research also aims at catching up triggers how to improve organization's customer orientation, and study what components customer orientation consists of. Hence, the main research question is the following:

**What is the role of customer orientation in quality of service delivery of the sales personnel?**

The following supportive research questions help in conducting the research:

- What are the components of customer orientation?
- What factors support the development of customer orientation among the sale personnel?

When operating in business-to-business buyer-seller relationships, salespeople and their behavior play a critical role in how the customers see and experience the service and its quality. Customer orientation has a great importance for companies aiming towards successful and long-term customer relationships (Despandé et al., 1993; Cross et al., 2007; Valenzuela et al., 2010). This research views the role of sales personnel operating at the customer front, by looking into the elements and aspects of customer orientation and examining how they relate to service quality and how they are transpired in managing customer relations. However, as the salespeople do not work in isolation apart from the organization, in addition to salespeople's individual endeavors in managing customer relations, managerial and organizational support should not be forgotten either. Thus the dissemination of customer orientation through the sales personnel is in the center of the interest as well.

### **1.3. Literature review**

It is widely held that companies who operate in a customer-oriented way are more likely to deliver exceptional service quality and create satisfied customers (Hartline et al., 2000, 35). Both customer orientation and service quality research have received a lot of academics' and practitioners' interest during the past decades, and the interest has been ever growing.

During the past four decades since the introduction of the marketing concept, customer orientation has been identified as a cornerstone of the theory and practice of marketing management (Jaworski & Kohli 1993). Strong and Harris (2004) suggested that it was Theodore Levitt who was the first to use the concept of customer orientation in the 1960's. Since customer orientation serves as a foundational component of marketing theory and practice (Jaworski & Kohli, 1993;

Homburg et al., 2000; Zablah et al., 2012), it has been widely researched over the past several years.

In the academic literature customer orientation has been defined in several ways, such as customer focus, customer first, market orientation, market-driven orientation, market focused orientation (Deshpandé et al., 1993, 26; Slater & Narver, 1995, Nwankwo, 1995, 6; Saura et al., 2005, 499; Brady & Cronin, 2001), service orientation (Lyttle & Timmerman, 2006) and guest orientation (Susskind et al., 2007). These terms are often considered synonymous and therefore used interchangeably with each other. Despite the multivarious interpretations, the ultimate goal remains always the same: to put the customer in the center of the strategic focus (Nwankwo, 1995, 6).

Even if customer orientation has been studied rather comprehensively from the view of economical potential to companies, much less research has been done relating to the concept itself and the analysis of what it means for a company in terms of processes, policies and employees (Hennig-Thurau, 2004, 460). Also little research has addressed to the question of how customer orientation can be disseminated among the employees throughout the firm. This dissemination is especially important in service firms where customer contact employees are in the frontline being responsible for translating a customer-oriented strategy into quality service. Personnel who feel supported by their company's management and colleagues (managers, supervisors and co-workers) tend to have higher customer orientation and perform better (Vandenberghe et al., 2007). Therefore organizational factors work together with the individual employee's psychological attributes (Hartline & Ferrell, 1996; Kilic & Dursun, 2007). Findings from notable empirical studies suggest that employees, who perceive their organization to have a strong service orientation towards customers, have customers who report also more positive service experiences (Schneider & Bowen, 1993).

As services are intangible and interactive by their nature, customers often rely on the behavior of service employees when judging the quality of a service (Hennig-Thurau, 2004, 460). Like customer orientation, also service quality is studied

widely in the academic literature, especially in the field of services marketing. (Grönroos, 2001; Zeithaml et al., 1988) During the past decade, substantial research has been devoted to the quality of services and its measurement (Wetzels et al., 1998, 410). Employee perceptions and inferences, including service quality image, are also becoming increasingly important to the study of business because they reflect the true climate of the organization and are being linked to organizational performance (Bowen & Schneider, 1985).

Among the large number of customer orientation and service quality research, in this study the focus was on those particular ones that were made in the sales or service context. For example Zeithaml et al. (1988) and Dabholkar et al. (2000) have analyzed the role of service employees as a dimension of service quality, and studies that explicitly address the concept of customer orientation of service employees are done by Kelley (1992), Brown et al. (2002), Donovan et al. (2004), and Hennig-Thurau and Thurau (2003). Brown et al. (2002) found a positive relationship between customer orientation and service worker performance, and Donovan et al. (2004) between customer orientation, commitment and helping other employees, that is, co-worker support. Also customer orientation studies by Susskind et al. (2007), Brady and Cronin (2001), Hartline et al. (2000), Gazzolo et al. (2012) and Gountas et al. (2014) have served as useful sources of information for this study as for their employee centric focus. Most academic research dealing with customer orientation and service quality has concentrated on measuring the effect on service or overall service quality on customer satisfaction (Oliver, 1981; Zeithaml et al., 1988) whereas the customer orientation of the service provider has not been studied extensively (Daniel & Darby, 1997, 131). The lack of research from company perspective on the relationship between employee behavior and service quality results in a fact that a service provider gains only limited information on the managerial action that is needed to select and train their service employees (Hennig-Thurau, 2004, 460).



## **1.4. Theoretical framework**

The purpose of this framework is both to illustrate the construct of customer orientation with its organizational and individual components, and also present the structure of the study. Customer orientation is often strongly affected by organizational culture so it is reasonable to acknowledge the power of organizational conditions that may have an influence on customer orientation. The service performance is not just the responsibility of the boundary spanner operating at the frontline serving customers, since organizational managerial behaviors and commitment to service quality through standards, support and systems are imperative. (Gountas et al., 2014, 108; Brown et al., 2002)

The framework constitutes of two forces that have an effect on the development of customer orientation: on one side there are organizational factors and on the other, there are individual factors. In addition to organizational standards, individual characteristics play also a central role in guiding the salespeople's own actions in terms of personal attributes, motivation and commitment (Becker & Wellins, 1990, 49).

On the left hand side of the picture one can find organizational factors, which are divided under three sections: standards, support and systems. Standards include strategic outlines for management standards concerning the service delivery and operative standards which are aimed for ensuring that the whole organization shares the same vision and same standards for carrying out the customer oriented behavior. In other words management standards for service delivery and operative standards together form the basis for organizational culture. Support includes both supervisor and co-worker support which have a great importance in both performing the job well and creating a positive working atmosphere.

Systems concentrate both on information systems and systems that are created for motivational and incentive purposes, as rewards and recognition are often used to encourage good service behavior from employees (Wilches-Alzate, 2009, 1). According to Jaworski and Kohli, organizations must adopt reward systems to

provide an incentive for adopting market oriented behaviors, rather than rewarding short-term profits or sales (Jaworski & Kohli, 1993).

Information systems affect both customer orientation and service quality through storing and processing the customer data into customer information and knowledge. As the society is moving more and more towards information technology centered, the meaning of information systems in storing customer data and experience is essential for companies in order to operate efficiently. In the market orientation literature, for example Kohli and Jaworski (1990) and Narver and Slater (1990) have realized that in order to enhance the responsiveness of the firm, information dissemination plays a crucial role of the information processes. They both argue that the main purpose for effective use of customer information is to serve the purpose of reducing uncertainty when firms plan and implement marketing actions. According to Day (2000), customer information plays a critical role in building and maintaining long-term customer relationships.

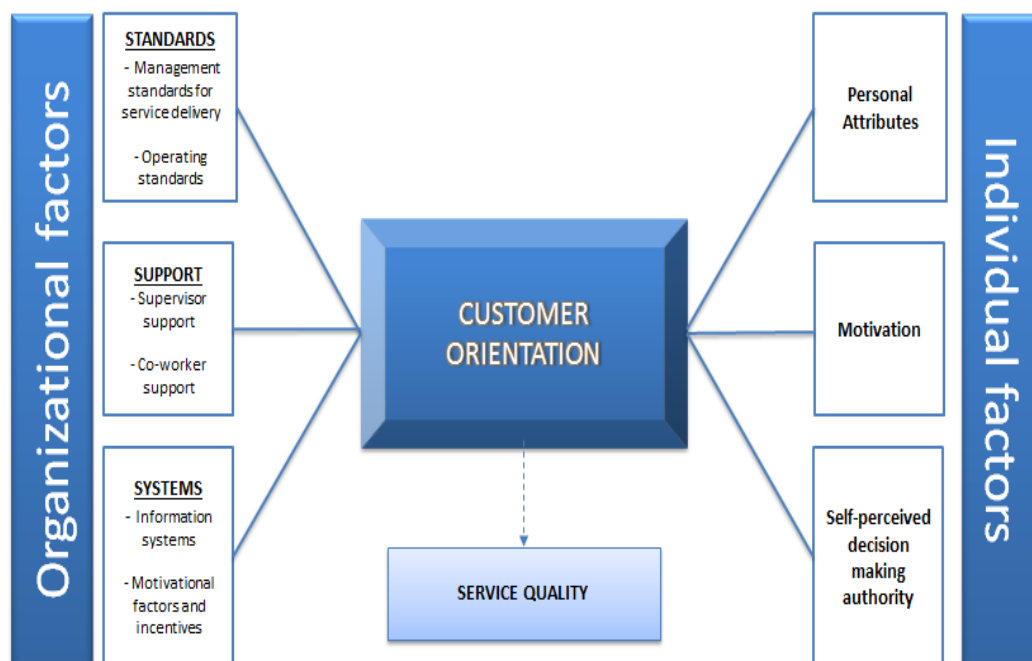


Figure 1. Theoretical framework.

Conditions such as standards for service delivery are shown to be a key influence on staff behavior in organizations, as they positively contribute towards employees' emotion and performance on the job. Therefore, organizational factors work in concert with the individual employee's psychological attributes, which include self-efficacy and job satisfaction as influences on customer-orientation attitude and job performance (Hartline & Ferrell, 1996; Kilic & Dursun, 2007). The service employees' personal attributes, including self-belief about their own ability to perform the job well (self-efficacy) and job satisfaction are directly linked with customer service orientation, as are motivation and commitment derived from effectively interacting well with customers (Brown et al., 2002).

## **1.5. Key concepts**

In this chapter, the definitions of the key concepts of the research are presented. Since all the focal concepts have plural definitions in the literature, it is impossible to find only one universally accepted view for customer orientation and service quality. More thorough definitions and discussion of the themes will follow in theoretical chapters. However, the following definitions were chosen based on their suitability for the underlying context.

**“Commitment”** in this study has both individual and organizational meanings. Commitment is related to the set of constructs that describe the individual organization relationship such as organizational identification, loyalty, affection and involvement with the job (Guerra & Sepúlveda, 2014, 26). It is also an element of the organization's culture that resembles enduring organizational glue obligating employees to each other and creating a sense of pride in belonging to the organization (Jaworski & Kohli, 1993).

**“Customer orientation”** is conceptualized as the ability of the service provider to adjust to his/her service to take account of the circumstances of the customer (Daniel & Darby, 1997, 134). It is also seen as a set of behaviors and beliefs that

places a priority on customers' interests and continuously creates superior customer value (Deshpandé et al. 1993, 27; Narver & Slater 1990, 21).

**“Self-efficacy”** means the employees self-belief about their own abilities to perform the job well and it is directly linked with customer service orientation (Brown et al., 2002).

**“Services”** are processes consisting of activities or a series of activities rather than things. They are at least to some extent produced and consumed simultaneously. The customer participates in the service production process at least to some extent. Services can be divided into high-touch or high-tech services. High-touch services are mostly dependent on people in the service processes producing the service, whereas high-tech services are predominantly based on the use of automated systems, information technology and other types of physical resources (Grönroos 2001, 47; 49-50).

**“Service quality”** is an organizational resource that cannot be controlled the same way than tangible goods as it is strictly inseparable and dependent on the performance of the employees. In most services, quality occurs during the service delivery process and usually the interaction happens between the customer and the contact person of the company offering the service (Zeithaml et al., 1988, 35).

## **1.6. Delimitations**

Due to the unique characteristics of services, customer contact personnel have a major influence on the formation of expectations, managing and controlling customer experiences and in shaping the overall evaluation of the service received by clients (Gazzoli et al., 2013). According to Bowen and Schneider (1985), contact personnel are considered as “boundary spanners” as they are the company’s most immediate interface with customers. They are both gatekeepers and image makers within a service organization and often perceived by the customer as the service (Daniel & Darby, 1997).

In this study customer orientation is examined from the internal perspective of the organization and how it affects and positions in salespeople's operative customer relationship management activities in order to produce quality service to customers. It is acknowledged that customer's role in service production and delivery process is as essential as service provider's (Grönroos, 2001; Zeithaml et al., 1988) and therefore in order to gather exact and proper information on the organization's overall customer orientation and its relation to service quality, one should naturally take both customer and service provider's sides into account to get the big picture (Deshpandé et al., 1993, 30; Donovan & Hocutt 2001, 293).

However, as the majority of academic literature is concentrated on evaluating these themes from the customer's perspective, it is also important that the organization reflects their customer orientation and quality aspects internally in their customer relationship management activities. Service providers continuously regard customer feedback systems as a basis for their business operations but alongside they should understand their own actions and abilities as well. Hennig-Thurau (2004) suggested putting more emphasis on the exploitation of the intra-organizational knowledge, views and experiences. That is essential since by concentrating on the customer views only, companies gain limited information on the managerial action that is needed to select and train their service employees (Hennig-Thurau, 2004, 460). In order to understand better how customer orientation shows in the pursuits of the salespeople and how they relate to organizational standards, it was useful in this study to interview employees instead of customers.

The data in the empirical part of the study was collected through interviews in one large corporation that operates in the service industry. All the interviewees operate in business-to-business sector from small to medium or large sized customers, apart from one who is in charge of both consumer and business-to-business customer operations in certain geographical area. As there has been several major re-organizing in the organizational structures of the corporation, they are likely to influence in how the interviewees view customer orientation both at the organizational and individual level.

Also it can be considered as delimitation for this study that the case company desired to remain anonymous, causing the fact that the study had to be taken outside of the business specific domain, thereby leaving the results only indicative.

## **1.7. Research methodology**

According to Alasuutari (1994, 72), a method consists of practices and operations whereby the researcher produces his perceptions and rules in order to help to modify and interpret these perceptions. The purpose of qualitative study is to understand the phenomena (Uusitalo 1991, 79–81). In this study, the methodology is qualitative because the aim is to understand and explain the dimensions of the sales peoples' customer orientation and their implications for service quality.

This study includes both theoretical and empirical approach. The theoretical information is comprised of the prior academic literature whereas the empirical part is based on interviews conducted from three organizational levels of people who are working with customer sales in the case corporation. More about research methodology will be discussed in the chapter three.

## **1.8. Structure of the research**

The role of the introduction chapter is to introduce the purpose and objectives of the research with the help of key concepts and literature review, and to provide an outlook on how customer orientation and service quality have been covered in the prior academic literature. The introduction chapter is followed by a theory chapter which raises the interest towards the main themes of the study: customer orientation and service quality, keeping the focus on the internal aspects of the organization. Also the central concepts and academic dialogue relating to the themes presented above are being processed.

The theory chapter is followed by a methodology chapter which concentrates on presenting the research context in terms of case corporation and the interview profiles, data collection and analysis along with reliability and validity of the research.

Last chapter draws in conclusions and consists of discussion of theoretical contribution as well as managerial implications of the most important findings. Also suggestions for future research are presented.

## **2. CUSTOMER ORIENTATION AND SERVICE QUALITY**

The empirical work of Deshpandé et al. (1993) indicated that there is a need for a customer-oriented market orientation, and a customer-defined market orientation is also believed to be a necessary perspective in service quality management (Krepapa et al., 2003; Webb et al., 2000). In this chapter, first service quality along with quality gaps in the service environment are presented and discussed in order to understand the operating context. Then conceptual background of customer orientation together with customer orientation research are presented in order to provide the reader an overview of the matter of substance, however, the emphasis being on the different components and constructs of organizational and individual customer orientation.

### **2.1. Characteristics of services and service quality**

According to Hartline et al. (2000, 35), it is widely held that companies that operate in a customer-oriented way are more likely to deliver exceptional service quality and therefore create also satisfied customers. Service quality plays a central role for the success of any business. Even though market segmentation provides a basis for attracting a preferred customer base, it is very difficult to develop products that are distinct in the customer's mind from those that are offered by institutions pursuing the same market segment. Service quality can be extraordinarily important in achieving a distinct offering. According to the 1987 American Banker consumer survey, quality of service is a major factor in winning customer loyalty. Service excellence springs from leadership and organizational culture which are characteristics that cannot be purchased in a store. (Berry et al. 1989, 5; 15)

Service is first of all a process. If goods are defined as objects, services are performances. Services are intangible, heterogenic, in separate of products and consumption, and perishable (Berry et al. 1989, 24) and they have to be produced



and consumed simultaneously (Zeithaml & Bitner, 2003, 1) .These characteristics pose quality challenges that are unique to services (Berry et al. 1989, 24).

Service quality resembles an attitude in many ways (Lee & Hwan, 2005, 635). It is said to be both reality and perception; a so called chemistry of what actually transpires in the service encounter, and how the customer perceives what transpires based on pre-service expectations. However, expectations is a tricky word as it can mean what customers "think" will happen in a service situation, or it can mean what customers "desire" in a service situation. When expectations are met or exceeded, service quality is perceived to be satisfactory. (Liljander & Strandvik, 1993, 6) Berry et al. (1989, 25-26) have said that only the customer can assess the quality of service, since quality, like beauty is in the eye of the beholder. However, in the context of service quality research, it has been demonstrated that the behavior of service employees affects the customers' perception of the service (Bitner et al., 1990) so the service provider cannot be fully separated from the equation. Dabholkar et al. (2000) also identify personal attention and comfort provided by a service provider's employees as components of service quality. However, as the service quality construct represents often a customer-sided view, it is a natural consequence that practically no one uses a company perspective when modeling the different facets of employee behavior that impact service quality, resulting in the fact that a service provider gains only limited information on the managerial action that is needed to select and train their service employees (Hennig-Thurau, 2004, 460).

As identified by academics in their earlier studies, the employees in organizations have a crucial role in influencing the end customer's perceptions i.e. external customers about the service quality (Bitner et al., 1990; Berry et al., 1989). Employees of an organization have the tendency to replicate the same behavior to the customers as they receive from the organization. (Agariya & Singh, 2012, 5) In most services quality occurs during the service delivery process in an interaction between the customer and the contact personnel of the company. For this reason, service quality is highly dependent on the performance of the employees who are

an organizational resource that cannot be controlled to the degree that components of tangible goods can be engineered. (Zeithaml et al., 1988, 35)

Grönroos (2001, 101) suggests that the attributes of perceived service quality can be divided into two sets: technical quality which involves what the customer is actually receiving from the service (what), and functional quality, involving the manner in which the service is delivered (how). In this study the interest lies in the functional process-related dimensions of the service delivery process both on the organizational and individual level as the purpose is to examine the relation of customer orientation and service quality rather than focus on the technical characteristics of the service “product” itself. Functional quality dimensions cannot be evaluated as objectively as the technical dimension and frequently it leads to subjective perceptions. (Grönroos, 2001, 63)

Like Grönroos above, also Parasuraman et al. (1985) brought up in their study that quality is overall very hard to define and measure, as the interpretation is much dependable on whom to ask. Because of the intangibility of a service, a firm may find it more difficult to understand how consumers perceive services and service quality. “While the substance and determinants of quality may be undefined, its importance to firms and consumers is unequivocal” (Parasuraman et al., 1985, 41).

According to Cronin and Taylor (1992, 63), service quality should be conceptualized and measured as an attitude. They base their suggestion on both literature review and empirical results, and claim that literature supports the performance-only approach. This means that expectations are not seen essential in the concept of service quality. In the underlying research, Cronin and Taylor’s (1992) views are not supported, since first, antecedents play a crucial role and second, expectations and perceptions are difficult to separate from each other. According to Bowen and Schneider (1985), although top managers may not have a proper picture of what customers are expecting of quality, their research suggests that customer-contact personnel, in this case customer relationship managers in particular, can accurately predict customer expectations and

perceptions of the service quality due to actively staying close to customers. Therefore communication between customer contact personnel and their supervisors and top management is crucial in order to get the customer's voice heard inside the company as well.

## **2.2. Quality gaps**

Parasuraman et al. (1985, 44) have created a service quality model, which elaborates five distinguished quality gaps between the service provider and the customer. As this study concentrates on service quality as a consequence of customer oriented behavior of the salespeople through organizational and individual factors, it is useful to present Parasuraman et al.'s quality gap model. The model is intended for analyzing the sources of quality problems and enlightening the ways how to improve quality from the service provider's side. The aim is to show the tight connection between actions made to improve organization-wide customer orientation and organization-wide service quality.

The model shows how the service quality is formed and it separates the expected and perceived service quality. The model identifies a reasonably exhausted set of factors that are potentially affecting the magnitude and direction of the gaps on the service provider's side. Most of the factors involve communication and control processes that are implemented in organizations to manage employees, and other factors involve consequences of these processes that affect the delivery of the service quality process.

What is most interesting from the perspective of this particular study is that in this quality model the most gaps are created inside the company, giving the actions that are made intra-company a critical role when creating quality service or setting standards to quality service. Three out of five gaps (2 - 4) actually are fully developed inside the company; the first gap is half consumer half company affected, however, company's internal management perceptions affect largely there as well, and fifth gap is developed based on customers' expected and

perceived service quality. In this sense the company must carefully consider its planning and operations and their effects on the expected and perceived service quality.

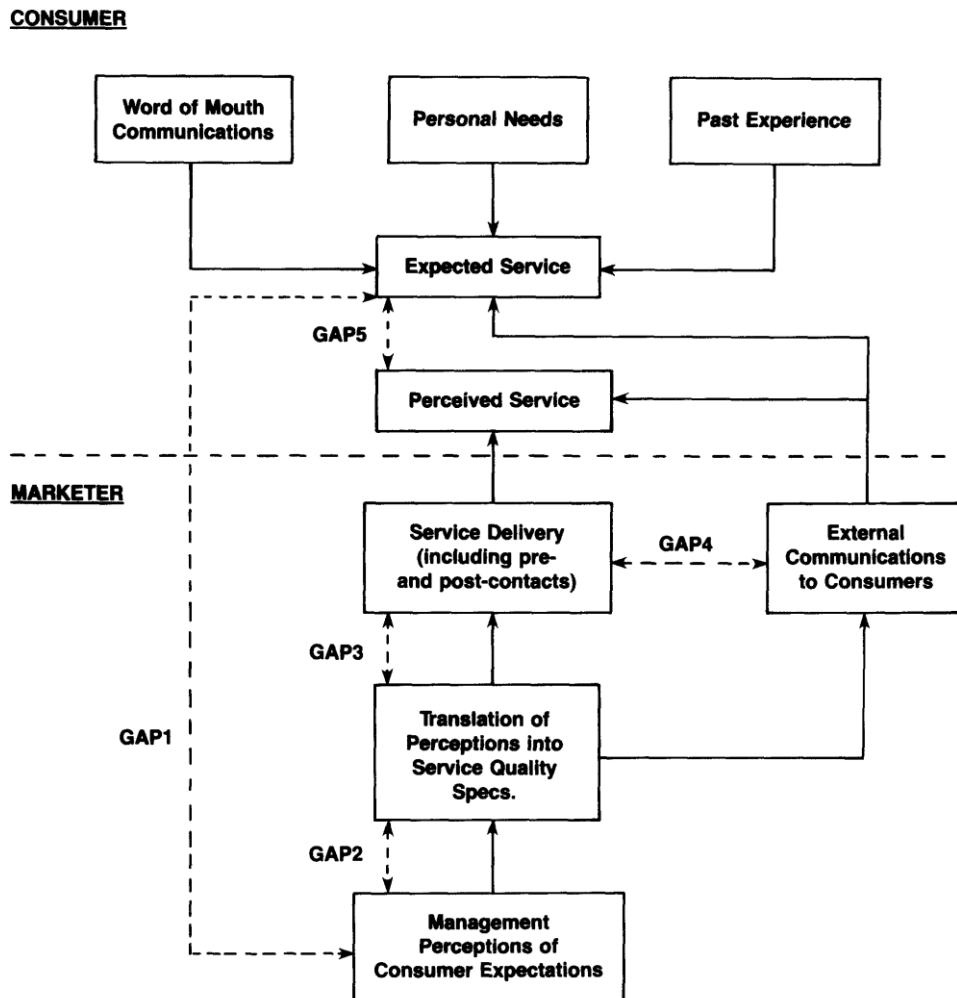


Figure 2. Quality gaps between service provider and customer by Parasuraman et al. (1985)

Even if the quality gap model will not be used in this study as a whole, it has served as a great help in planning and conducting both the theoretical framework and the empiric interviews, and proving the point of investigating quality from the company's internal standpoints and views.

The first gap is that of management perceptions of consumer expectations. It means that the executives of the service provider do not understand in advance

what their customers want and what they consider to be the elements of quality (Parasuraman et al, 1985, 44) The second gap is about quality expectations and it means that the requirements for service quality are not in line with the executives' quality expectations; the executives being not aware of their customers' expectations without having sufficient means to deliver them.

In the third quality gap the focus is on service delivery, and it is developed because in the service production and delivery processes the quality requirements are not obeyed. Parasuraman and his colleagues defined the reason to be in too complicated or inflexible requirements, lousy management or service processes, a lack of inner marketing in the organization or a poor management of it, or a lack of coherence between techniques and systems and required operations. Also requirements could be inconsistent with the organizational culture, or the personnel could refuse to adjust to the requirements for their unwillingness to change their behaviors. (Parasuraman et al, 1985, 45; Grönroos, 2001, 145-146)

Fourth gap is that of external communications, meaning that the promises given in the company's marketing communications are not inconsistent with delivered service. The reasons behind this gap are elaborated into following: the company has a natural habit of promising too much for their customers, the organization does not obey requirements even though they are stated in the marketing communications campaigns, traditional marketing and service production are not coordinated enough, and in the planning of marketing communications the service production has been forgotten. Fifth gap concentrates on the customer side, and therefore it is left out of the scope of this study. It consists of the perceived service quality, and it suggests that the perceived service quality is not inconsistent with the expected service quality. (Parasuraman et al. 1985, 45-46)

According to Zeithaml and Bitner (2003, 32), it is crucial to identify and close all quality gaps because otherwise the service quality cannot be superior. To be able to close the fifth, customer focused gap, the four other company-centered gaps need to be closed. The difficulty in closing the gaps is that the customers are constantly adjusting their perceptions of the service, and even if some steps are

taken to improve the elements of service quality, there are still always something that emerges. (Ballantyne, 1995, 9)

### **2.3. Customer orientation research and conceptual background**

Market orientation was seen primarily as an organizational phenomenon for nearly 50 years. Market orientation was recognized in academic literature already in the 1920s by Strong, and by the 1950s market orientation was viewed as an operationalization of the marketing concept at the organizational level (Cross et al., 2007, 822).

Customer orientation concept is said to derive from market orientation concept (Jaworski & Kohli, 1993; Narver & Slater 1990) at the organizational level. Market orientation consists of customer orientation, competitor orientation and interfunctional coordination, where the latter means coordinated use of the company's resources. Whereas market orientation includes more strategic and general outlines concentrating more on the business knowledge such as business assets, capabilities of business and core competencies of the corporation (Day, 1994, 40), customer orientation focuses more on defining organizational capabilities as well as human interaction (Becker & Wellins, 1990, 49). For example, Daniel and Darby (1997) found that Mill (1986) noted that employees with a customer orientation exhibit behavioral flexibility, display empathy and demonstrate strong interpersonal skills.

Customer orientation is focused on the needs and wants of the customers (Cross et al, 2007, 822). Customer orientation has shown a positive impact on performance both at the company and salesperson levels, and it is crucial for service quality improvement (Narver & Slater 1990). It entails a sufficient understanding of the target customers and responsiveness to their needs and creates continuous and superior customer value in service; the

organization/employees gather, disseminate and respond to customer information for service excellence (McNamara, 1972).

According to Kelley (1992), customer orientation plays a more important role in service firms than in other firms because of the intangibility, heterogeneity and inseparability of services. These characteristics are likely to make the customer service as a process an important determinant of customer's quality perceptions (Parasuraman et al., 1985). Also, customer oriented firms tend to enjoy better performance, measured either in service quality or profitability, than those firms that are not supporting this orientation (Kelley, 1992). Slater and Narver (1995) and Deshpandé et al. (1993) point out that customer orientation can only be effective if the firm designs the necessary structures, processes and incentives to operationalize the customer oriented values. For service firms it means that they have to find the right methods of disseminating the firms' customer oriented values and beliefs so that they inspire customer contact employees to be customer focused. (Kelley, 1992)

A customer orientation allows the company to create superior value for its customers through better understanding of customer needs (Narver & Slater, 1990). Deshpande et al. (1993, 27) defined corporate customer orientation as a the set of beliefs that puts the customer's interest first, while not excluding those of other stakeholders such as owners, managers and employees, in order to develop a long-term profitable enterprise. In Brady's and Cronin's (2001) study, it is implied that customer orientation is the basis for organizational learning which results in superior value attribution and greater customer satisfaction (Slater & Narver 1995). This means that customer orientation allows firms to acquire and assimilate the information necessary to design and execute marketing strategies that result in more favorable customer outcomes. According to Grönroos (2001), internal customer orientation is a prerequisite of giving good service to external customers. When the existence and importance of internal customer relationships are realized by personnel, it is much easier to change attitudes among employees. Internal customer orientation means having a supportive and open organizational

atmosphere, where internal customers are served just as well as external customers are expected to be served (Grönroos 2001, 307-308).

However, although theory and some empirical research (e.g., Jaworski & Kohli 1993; Narver & Slater 1990) support the assumed or implied relationship between a customer orientation and business performance, the fundamental question as to how a customer orientation influences perceived performance from a customer's perspective has yet to be addressed. That is, the question how a customer-oriented service firm benefits from its customer focus, either directly or indirectly (through its impact on mediating variables), remains unknown. This is a critical gap in the literature if managers and researchers are to understand the benefits gained from implementing customer-oriented strategies. (Brady & Cronin, 2001, 241)

Apart from having various definitions for the same matter as described in the literature review, academics and researchers have tried to conceptualize customer orientation which has led to a confusing concept in the means of how to approach the topic (Deshpande et al., 1993; Donovan et al., 2004; Narver & Slater, 1990; Saura et al., 2005): customer orientation can be treated either a 1) cultural or behavioral phenomenon (Saxe & Weitz, 2002, Hennig-Thurau & Thurau, 2003) 2) at the organizational level as well as individual level (Gazzoli et al., 2013, 384) subdivided into behavioral (Hennig-Thurau & Thurau, 2003) and personality-trait (Brown et al., 2002) construct and from the perspectives of 3) attitudes and behaviors (Stock & Hoyer, 2005).

As an attitude, customer orientation is concerned with service providers placing a high level of importance on fulfilling the needs of their customers (Kelley, 1992). Service providers with a customer-oriented attitude tend to display customer-oriented behaviors and performance (Grizzle et al., 2009). Such behaviors are critical for staff to develop long-term relationships with their customers, and achieve competitive advantage for the organization (Valenzuela et al., 2010).

Successful behaviors towards customers start with a motivation to behave in a customer-oriented manner, and this is affected by conditions such as role conflict



or ambiguity, job satisfaction, management commitment and organizational commitment. If these conditions are met, and the employee has the desire to serve customers well, they should feel confident in the desired outcomes of their customer behaviors, believe that they can produce the desired outcome and feel that they will be adequately rewarded for their efforts (Hennig-Thurau & Thurau, 2003). Therefore, the end level of customer orientation depends on a complex mix and balance of many variables and these contribute towards the ability and tendency to display customer-oriented behaviors, which in turn leads to organizational success and profitability (Grizzle et al., 2009; Saxe & Weitz, 1982).

Undoubtedly, customer-oriented behaviors and attitudes are desirable but where the service providers' attitude does not genuinely match their behavior, there may be negative consequences for employee and customer well-being and satisfaction (Stock & Hoyer, 2005). This implies that managers need to be aware of the differences between behavior and attitude and consider how organizational standards and internal support may affect employees (Susskind et al., 2003). In essence, service staff's customer orientation is central to a company's ability to be truly market oriented, which is essential for a positive image, trust building and continuing profitability. Customer orientation has a positive impact on developing customer trust, which is associated with customer satisfaction, intentions to recommend and repurchase, as well as limiting switching behavior, which are key considerations for marketing managers (Guenzi & Georges, 2010; Susskind et al., 2003).

The most common definitions of customer orientation with their major conceptual differences are presented on the following page, in table 1.

Table 1. Definitions of customer orientation.

Authors	Definition	Organizational	Individual	Cultural	Behavioral	Personality-trait	Attitudes & behavior
Saxe and Weitz (1982)	Customer-oriented selling is “the degree to which salespeople practice the marketing concept by trying to help their customers make purchase decisions that will satisfy customer needs” at the level of individual salesperson		X		X		X
Deshpandee, Farley and Webster (1993)	Customer orientation is the set of beliefs that puts the customer’s interest first in order to develop a long-term profitable enterprise, however, not excluding the interests of owners, managers and employees	X		X			
Slater and Narver (1995)	Customer orientation is the basis for organizational learning that results in superior value attribution and greater customer satisfaction	X		X			
Daniel and Darby (1997)	Customer orientation is the ability of the service provider to adjust to his/her service to take account of the circumstances of the customer		X		X		X
Brady and Cronin (2001)	Customer orientation is the basis for organizational learning which results in superior value attribution and greater customer satisfaction	X		X			
Brown, Mowen, Donavan and Licata (2002)	Customer orientation of service employees is individual’s tendency or predisposition to meet customer needs in an on-the-job context		X			X	
Hennig-Thurau & Thurau (2003)	Customer orientation of service employees is shown in his behavior in person-to-person interactions and its dimensions are customer oriented skills, motivation to serve customers and self-perceived decision-making authority		X		X		X
Susskind, Kacmar, and Borchgrevink (2003)	Customer oriented service workers are those who are successful in modifying their service delivery to suit customers’ needs	X	X		X		X
Grizzle, Zablah, Brown et al. (2009)	Customer orientation is an application of the marketing concept and links with business success and profitability	X		X			

Whether you look the concept of customer orientation either from a cultural or behavioral scope or from organizational or individual perspective or through attitudes and behaviors, they all are bringing different aspects to the subject of matter. It's good to notice that customer orientation is often affected by organizational culture, thus presenting organizational culture as an antecedent of customer orientation (Hennig-Thurau & Thurau, 2003). As individuals rarely work in isolation, it is reasonable to expect that the organizational conditions have an influence on customer orientation (Gountas et al., 2013, 108). In this study, customer orientation is approached both at the organizational and individual levels. At the individual level, customer orientation is discussed both as a behavioral concept and as a surface-level personality trait; being open to influences of the organizational culture as well as treated as an inborn characteristic.

## **2.4. Sales oriented customer orientation**

As this study is conducted in the service field of business and more specifically in the sales settings, it is necessary to open up some special characteristics of customer orientation that are typical in service and sales settings. Customer orientation is a key relationship behavior at the level of individual salesperson. Customer-oriented selling can be viewed as the practice of the marketing concept at the level of both individual salesperson and customer. Customer-contact employees like salesmen need to emphasize sales as much as customer orientation. Saxe and Weitz (1982, 343–344) propose that customer-oriented selling is a behavioral concept that refers to “the degree to which salespeople practice the marketing concept by trying to help their customers make purchase decisions that will satisfy customer needs”.

It is acknowledged that organizations use considerable time and effort communicating to their customers about creating value, building commitment and understanding and satisfying their needs. However, these goals will go unmet without the inclusion of the key boundary spanners, that is, salespeople.

Salespeople support, deliver and reinforce the organization's customer focus, and it is them also, who ultimately succeed or fail to demonstrate customer oriented behaviors. Companies might benefit by directing efforts inward to better train, support and develop a climate that supports this orientation (Schwepker & Good, 2004).

An important attribute of customer orientation is also that it is defined to have a long-term focus and it is crucial that this focus is communicated to customers through a stable long-lived source such as a permanent sales force. In many sales organizations, salespeople move from customer to customer, leaving the company itself remain stable and constant. This construct may have encouraged early researchers to conclude that the market orientation of the organization was of paramount importance, but in the study of Cross et al. (2007, 830) it is indicated that the customer orientation of the salesperson is most directly important.

While a climate of customer orientation must hail from senior management (Berry and Parasuraman, 1991; Grönroos, 1990), the actions of individual service providers are also held crucial. According to Schneider (1987), the people make the place, which means that the service provider and the services are often seen as synonymous in the eyes of the customer (Bowen & Schneider, 1985). For example, the personal contact of the service provider was the strongest influence on overall customer service satisfaction; satisfaction with salespersons was a good predictor of satisfaction with a service provider, and in the professions, when assessing service quality, interactions with the primary service provider were determined as the most important (Brown & Swartz, 1989, 96). The customer orientation of the service provider becomes an integral part of service provision and hence customer evaluations of the service are seen crucial. (Daniel & Darby, 1997, 131)

Customer-oriented selling is a way of doing business on the part of salespeople. The term customer oriented selling refers to the degree to which salespeople practice the marketing concept by trying to help their customers make purchase decisions that will satisfy customer needs. Highly customer-oriented salespeople

engage in behaviors that are aimed at increasing long-term customer satisfaction, and avoid behaviors which might result in customer dissatisfaction. Thus highly customer-oriented salespeople avoid actions that sacrifice customer interest to increase the probability of making an immediate sale. The selling concept in a company corresponds to a low level of customer orientation in a salesperson. (Saxe & Weitz, 1982, 344)

The sales orientation customer orientation (SOCO) concept was presented by Saxe and Weitz (1982) at the level of individual salesperson and it is formed of two dimensions, customer orientation and sales orientation.

Table 2. Definitions of SOCO concept. (Saxe & Weitz, 1982, 344)

1. A desire to help customers make satisfactory purchase decisions.
2. Helping customers assess their needs.
3. Offering products that will satisfy those needs.
4. Describing products accurately.
5. Adapting sales presentations to match customer interests.
6. Avoiding deceptive or manipulative influence tactics.
7. Avoiding the use of high pressure.

The purpose of customer orientation in the customer oriented selling model is to determine the degree to which the salesperson is willing to help customers satisfy their needs and make better purchase decisions by offering products that satisfy those needs and adapting sales presentation to match customer's interests. Second dimension, sales orientation complements the customer orientation and it describes the salesperson's short-term, opportunistic behavior: it is oriented at achieving the goals through customer manipulation, high-pressure selling or even stretching the truth while talking about the sales products or services. The sales orientation customer orientation construct aims at avoiding the opportunistic features of sales orientation and ties them together with customer oriented

pursuits. As seen, there are two opposite tendencies that the salesperson has to get in balance in order to get the best results for both the customer and the company. Pousa and Mathieu's research (2013, 74), conducted in the banking sector and concentrated in the salesperson's customer oriented behavior shows that high sales-orientation leads to short-term relationships, little or no trust, reduce loyalty and increase retention rate whereas the aim for customer oriented companies is in long-term mutually beneficiary relationships with their customers (Pousa & Mathieu, 2013, 74). Customer orientation is an important and highly relevant issue for service organizations because it is more likely to produce better results than hard sales-oriented attitudes (Bagozzi et al. 2012).

Research on SOCO has focused on 1) measuring SOCO, 2) the consequences of SOCO and 3) the antecedents of sales peoples' customer orientation and what organizations can do to develop and promote that behavior. In this area, results can be organized around three factors, which are personal, managerial and organizational factors. (Pousa & Mathieu, 2013, 63) In this study the research focus is set to explanatory components of customer orientation and their impacts on service quality with personal, managerial and organizational factors.

## **2.5. Organizational level components for customer orientation**

At an organizational level, customer orientation has three components: management standards for service delivery, supervisor support and co-worker support (Susskind et al. 2003). As employees need to be empowered to perform, they also need not only the support of good management, support systems, technology and information but also training and coaching in order to have the skills that are needed in performing effectively. In spite of all technology, a company is only as good as its people, and therefore they should pay attention to intra-organizational factors when planning management standards and support systems. (Grönroos, 2001, 349) In this chapter organizational level components

for customer orientation are discussed under three themes: standards, support and systems.

### **2.5.1. Standards**

Organizational culture affects both customer orientation and individual employee's job performance and their knowledge of being valued in the organization. When a company has established appropriate standards for service, they also positively influence employee's emotions and behavior (Hennig-Thurau & Thurau, 2003; Susskind et al., 2003). Organizational standards for service delivery are components for customer orientation and customer satisfaction and they have been shown to work in concert with co-worker support and supervisor support, which are presented later in this study.

While the nature of work and job requirements may vary in different industries, the implicit and explicit expectations that organizations possess for service worker performance are considered necessary for the effective setting of customer-service oriented performance standards (Gountas et al., 2013, 110). According to Stock and Hoyer (2005), setting standards is complex, and simplistic management understanding of customer orientation may lead to a superficial staff display of customer orientation without a true commitment to customer service. It is highlighted in the past research that practical consequences of such problems for organizations that puts only superficial attention to customer service include reduction in service standards and customer orientation, increased costs due to employee ill health and absenteeism and other harmful behavior (Gountas et al., 2013, 108).

Daniel and Darby (1997, 132) point out, that knowledge of the skills needed by customer contact personnel is crucial for recruitment and selection (Bitner et al., 1990), as it cannot be assumed that service providers will automatically develop customer-oriented behavior on their own. They cite Dubinsky (1994, 36) as they write that the service providers need the right mental attitude for treating

customers with characteristics as genuine empathy, concern, respect, civility and affability. Second, the creation of a customer-oriented demeanor in service personnel requires a concerted effort from management including a company-wide adoption of a belief system, which puts the customer first; management that demonstrates care and empathy; training for the service encounter and monitoring of the service environment. According to Grönroos (1990), in order for a company to achieve a customer oriented culture, along with the managers also employees need to communicate their own requirements as well as their findings regarding external customer needs, in other words customer orientation. Two-way communication between managers and employees not only enhances management support, but also provides employees with feedback to improve their job performance. Employees require information on customer needs, on their organization, and on how their contribution is vital to the organization and its customers.

Slater and Narver have argued that customer orientation is all about implementation and since culture is “the way things are done”, customer orientation should permeate the overall activities of a company. In fact, there has been a strong proposition for the adoption of a management approach based on customer orientation throughout a firm (Appiah-Adu & Singh, 1998, 387).

According to Zablah et al. (2004, 486) customer relation management success is highly dependent on a process management orientation (Gronroos, 2001). While the literature has appropriately stressed that customer relationship management success cannot be achieved without customer orientation, it has failed to emphasize the importance of a process-oriented culture. More specifically, when attempting to build customer relationships, managers also need to focus on directing and coordinating the cross functional activities that enable firms to build such relationships (Ryals & Knox, 2001). By focusing on the processes themselves, managers can ensure that organizational resources will be effectively utilized to generate the desired outcomes, in other words, profitable, long-term relationships.



According to academic literature, management standards for service delivery include organizational goals and objectives, managerial expectations for job performance and the implicit importance placed on those goals, objectives, and performance demands (Susskind et al. 2000). As emphasized also in the studies by Hennig-Thurau and Thurau (2003), organizations must have standards in place to guide, direct, and monitor the service behavior of line-level employees and those who supervise them (Susskind et al., 2003; Susskind et al. 2000). For monitoring the service behavior and processes of sales front people, operative standards are separated from management standards for service delivery as an own concept in the empiric study.

### **2.5.2. Support**

Supervisor support is defined as the extent to which employees believe that their supervisors offer them work-related help in performing their jobs as service workers, and by the same token, co-worker support is defined as the extent to which employees believe their co-workers provide them with work-related assistance to aid them in carrying out their service-related duties (Susskind et al., 2003; Susskind et al. 2000).

Supervisor and co-worker support are known to potentially influence employee productivity and overall organizational performance (Duffy et al., 2002). Employee interactions with supervisors and co-workers have both positive and negative emotional and behavioral outcomes (Chiaburu & Harrison, 2008). Whether the associations between customer orientation with supervisor and co-worker support are positive or not, it seems to depend on the industry context. Organizational hierarchy along with organizational structure affects employee's needs for co-worker support and social interaction with colleagues. In most organizations, workers are more likely to have closer relationships with colleagues than their supervisors, especially in high-pressure situations and situations where employees experience overload regarding their roles (Gountas et al., 2013, 111). Interactions with co-workers in the development of job satisfaction, involvement, organizational

commitment and personal performance are not necessarily encouraging, but the opposite (Duffy et al., 2002).

Many studies indicate the importance of supervisor support in helping employees to perform their job well. According to Duffy et al. (2002) and Susskind et al. (2003), supervisor support may have an effect on greater employee commitment to the organization which may lead to greater customer-oriented behavior amongst employees. It is also shown that if there is a lack of supervisor support and especially if the supervisor is undermining the employee, it can have a stronger negative impact on employee outcomes (Duffy et al, 2002). According to Liaw et al. (2010), co-worker support and supervisor support may complement and strengthen the relationship between organizational standards and customer orientation.

Practitioners and scholars strongly support the idea that managers should increase their use of participative leadership behaviors to nurture customer-oriented sales-driven organizations and lead them to improved customer relationships and better results (Pousa & Mathieu, 2013, 73). Managers and supervisors should be able to cultivate positive emotion in employees when they exhibit transformational leadership behaviors such as for instance holding high expectations of employees, showing supportive leader behavior, and challenging employees intellectually. Emotion plays a very important role in orienting service employees to customers and enhancing their job performance. Leadership style has a significant effect on service employees' customer orientation, which affects the quality of service, and in the end, also customer satisfaction. (Lee et al., 2011, 166)

When talking about participative leadership behaviors, coaching is a central element in it. Coaching is a process which is aimed at developing and supporting employees and improving their work-performance. Coaching is a process which is aimed at developing employees and improving their work-performance, and after the coaching intervention the employee is more prepared to face problematic situations because he has developed with his supervisors how to put his manager

alternative strategies into practice in order to solve problems and achieve the objectives, and he has learned how and when these actions need to be implemented. (Pousa & Mathieu, 2013, 60)

Academic literature shows that coaching is an under-researched leadership behavior even though its impacts are largely undisputable. Pousa and Mathieu's research provided initial support for the influence of using coaching on employee's commitment, motivation, satisfaction and performance, but according to them, only few studies attempted to identify the mediating mechanisms between coaching and performance on coaching's impact on customer orientation. Pousa and Mathieu (2013, 73-75) studied the role of customer orientation as a mediator between supervisory coaching and the performance of bank employees who hold sales responsibilities. The results of the research support the hypothesis that supervisory coaching helps in increasing employee's relationship behaviors like customer orientation and reducing opportunistic behaviors like sales orientation. In order to help the employees to develop their own criteria, the supervisors should be encouraged to use more conversational and indirect approach by asking questions instead of telling the employee what to do. Also the results support the direct impact of coaching on employee performance as well as the indirect influence through mediating effect of customer orientation and sales orientation. Research also shows that coaching helps the employee to develop and improve relationship behaviors and provides him the means to solve common, everyday problems with customer and at the same time increase their performance. Despite the importance of relationship marketing and its constructs in service institutions like banks where Pousa et al.'s study was conducted, research on the development of relationship behaviors and its antecedents is behind other streams of research. (Pousa & Mathieu, 2013, 73-75)

### **2.5.3. Systems**

According to Slater and Narver (1995) and Deshpandé et al. (1993), customer orientation can only be effective if the firm designs the necessary structures,

processes and incentives to operationalize the customer oriented values. In this chapter both information systems and motivational and incentive systems are discussed as a part of organizational components for customer orientation. It is necessary to have an organizational management system which is consistent with the organizational culture in order to drive organizational processes. Data management systems are the tools that enable the whole firm to re-organize around its customers, but they are not sufficient as alone. Companies that regard customer information management as a marketing department responsibility and leave it in the hands of marketing planners and product managers in the expectation of short-term payoffs are missing the point. The adoption of customer-oriented strategies requires not only an organizational culture which is adaptive and responsive to change, but also the quality of intra-organizational communication is an important aspect of any change initiative. An effective internal communication strategy needs to be in place so that a company can have a so called buy-in to the initiative led by the top-management team (Ryals & Knox, 2001, 8). Customer information plays a critical role in building and maintaining customer relationships (Day 2000).

In their research regarding the role of relational information processes and technology use in customer relationship management, Jayachandran et al. (2005) share Ryals and Knox's (2001) idea that information processes are likely to be influenced by organizational systems. According to Slater and Narver (1995) these management systems are inherent to the climate for organizational learning. Campbell (2003, 378) found that consistent with organizational learning theory customer information process consists of two sequential aspects which are customer data acquisition and data interpretation that is transforming the acquired data into customer information. It is essential to realize that it is not the data alone that leads to customer knowledge, but in order to be useful, managers need to transform data into customer information and integrate the information throughout the firm to develop customer knowledge. Hence, customer data should be treated as the raw material which is used to provide insights and help developing strategies to maintain and sustain relationships. (Jayachandran et al., 2005)

It is the customer knowledge competence based on internal firm processes that generates and integrates specific customer information, which enables firms to develop customer-specific strategies and consequently, be customer-oriented. The importance to a firm's competitive advantage of the organizational processes that generate and integrate market knowledge has been acknowledged widely in the academic literature (Agariya & Singh, 2012; Jayachandran et al. 2005; Campbell, 2003).

Most people feel motivated to perform better if they have the freedom to think, analyze, make decisions and act. Human resource policies designed to attract, retain and reward personnel for appropriate behaviors, in other words motivational and incentive systems, should advocate market orientation and customer orientation (Grönroos, 2001, 349; Grönroos, 1990). Wilches-Alzate (2009, 75–79) argue in his study, that reward and recognition can increase the frequency of positive customer-oriented behaviors, although, they feel that this happens mainly by increasing the positive feelings employees have towards their organization and their management. They found that the rewards need to be fair and consistent to be effective in the modification of behavior and attitudes. However, employee's perceptions of fairness and consistency are dependent on the perception employees have about who is delivering the rewards or recognition, and how the rewards system works.

In order to describe the motivating effects customer contact people possess, Katzenbach and Santamaria have proposed five different approaches, which they have named five "paths" (Grönroos, 2001, 349–350). These paths include different forms of organizational and individual recognition and reward. The table on the following page divides the different approaches into five sections from mission and values to organizational processes and from individual entrepreneurial spirit to individual achievement and last, to recognition and reward. Each of the approaches are then separated under two sections; matters that generate emotional energy to employees and the reasons why they are committed to the organization they work in. It is good to notice that when talking about motivating employees, it does not only mean monetary and appreciative forms of

motivating but in order to keep personnel devoted, incentives should be built on everyday actions to help employees to perform their daily routines smoothly and give them the feeling they are in control of their actions and that they know the system works.

Table 3. Five approaches to motivating employees (Katzenbach & Santamaria, 1999,109)

	Emotional energy generated by	Reasons employees are committed to the organization
<b>The Mission, Values and Pride</b>	Mutual trust, collective pride and self-discipline	They share the same values: Proud of its aspirations, legacy, accomplishments
<b>The Process and metrics</b>	Transparent performance measures and standards; clear tracking of results	They know what everyone is expected to do, how performance is measured and why it matters
<b>The Entrepreneurial Spirit</b>	Personal freedom, the opportunity for high earnings, few rules about behavior; people choose their work activities and take significant personal risks	They are in control of their own destiny and they savor the high-risk, high-reward work environment
<b>The Individual Achievement</b>	Intense respect for individual achievement in an environment with limited emphasis on personal risk and reward	They are recognized for the quality of their individual performance
<b>The Reward and Celebration</b>	Recognition and celebration of organizational accomplishments	They have fun and enjoy the supportive and highly interactive environment

It is increasingly being acknowledged that in an environment which promotes customer relationship management behaviors (CRM), the challenge of realigning employee behavior closely equals the challenge of realigning customer behavior (Grant & Schlesinger, 1995). According to Jaworski and Kohli (1993), behavior-specific reward systems have been shown to motivate the specific behaviors. Campbell (2003, 380) cites Kothandraman and Wilson (2000) when she suggests, that in the context of CRM, there is some evidence to suggest that systems that reward individual achievement can impede the effective implementation of the relationship paradigm within an organization.

According to Campbell's research, all managers that were interviewed in her study about creating customer knowledge competence and managing customer relationship management programs strategically, acknowledged the difficulties in providing incentives for employees to improve their customer-focused performance. The problems were caused by mostly process factors such as lack of proper employee evaluation and weak training of using technology data bases efficiently. Also reward systems received criticism as they varied from inadequate and outdated customer database information to changing employee mindsets about their role in customer satisfaction, to employees bypassing the new technology altogether (Campbell, 2003, 380).

## **2.6. Individual level components for customer orientation**

Since the implementation of the marketing concept in service organizations is achieved through employees and their interactions with customers (Donavan et al., 2004), some academic researchers have suggested that customer orientation is an individual-level construct that plays a significant role in determining the organization's ability to respond the market's needs (Brown et al., 2002). Individual-level customer orientation can be approached in two ways: as a behavioral concept (Saxe & Weitz, 1982; Hennig-Thurau & Thurau, 2003) or as a surface-level personality trait (Brown et al. 2002). Surface-level personality trait means an enduring disposition to behave in a consistent manner in a specific

context. For example, a service employee may treat customers with delightful manners at work, and revealing his/her surface trait that is specific to the given context (on the job), while the same person may not behave the same way at home. (Lee et al., 2011, 942)

As seen in the previous chapter regarding organizational level components for customer orientation, organizational factors work together with the individual employee's psychological attributes. These attributes include self-efficacy and job satisfaction as influences on customer orientation attitude and job performance (Hartline & Ferrell, 1996; Kilic & Dursun, 2007). The service employee's self-belief about their own ability to perform the job well is directly linked with customer service orientation, as is enjoyment and job satisfaction derived from effectively interacting with customers (Brown et al. 2002)

Deriving from behavioral customer orientation perspective, Hennig-Thurau and Thurau (2003) looked customer orientation of service employees (COSE) as a three dimensional behavioral construct, which consists of the sales person's customer oriented skills, motivation to serve customers and self-perceived decision making authority. Later on, Hennig-Thurau (2004) built on their previous research by modifying the construct, where self-perceived decision making authority and motivation were left as they are, however splitting the dimension of sales person's customer oriented skills into two individual standpoints: technical and social skills. This four dimensional construct will be presented in the following paragraphs starting from technical and social skills, then motivation and eventually the employee's self-perceived decision making authority.

The employee's technical skills refer to their knowledge, in other words substance, and those technical and motor skills that a service employee needs to possess in order to fulfill the customer's needs during the personal interaction process. In this study, only the knowledge part of the technical skills is covered as the sales people in this case do not need to possess any motor skills to close the deal, unlike for instance hair dressers or information technology system specialists. The concept of social skills focuses on the service provider's ability to take the



customer's perspective in mind during the personal interaction process. This perspective can be taken visually, cognitively or emotionally. In utilizing his visual skills the employee understands what the consumer sees and perceives, whereas in cognitive skills he understands what the customer thinks. Emotional skills naturally refer to employee's ability to understand what the customer feels in the service encounter. According to the author, he believes that employee's social skills and technical skills can be similarly high or low, but an employee who possesses a high level of social skills must not necessarily have the knowledge to be able to perform in a customer-oriented way. (Hennig-Thurau, 2004, 463)

Also when it comes to motivational aspect of Hennig-Thurau's COSE construct, the employee's motivation to serve customers is formed of three elements. First is a positive valence of customer oriented behavior and the consequences that are associated with employee's such behavior. Second aspect is an employee's self-perception of being able to behave in a customer oriented way along with his expectations of achieving the desired outcome through engaging in such behavior. Third, it is his expectations of achieving the desired outcome through engaging in such behavior. (Hennig-Thurau, 2004, 463)

The last dimension of the COSE construct, self-perceived decision making authority corresponds to the extent to the employee feels authorized to decide on the issues that are concerning the needs and interests of the customer. In order to transfer an employee's technical and social skills and intention to treat customers in a friendly and competent way into actual behavior, motivation and self-perceived decision making authority is needed. (Hennig-Thurau, 2004, 463)

Unlike Saxe and Weitz (1982) and Hennig-Thurau and Thurau (2003), Brown et al. (2002, 111) approach the customer orientation construct as a pure personality variable. They found that customer orientation was influenced by deeper personality traits and, in turn, influenced by worker performance. They conceptualized customer orientation as a two-dimensional construct, consisting of the employee's will to fulfill the customer's needs and a representation of the service-worker enjoyment in providing service to customers.

Jaworski and Kohli (1993) and Kohli and Jaworski (1990) found that employees experience increase commitment to the organization when they believe that the company practices the marketing concept. Donovan et al. (2004) suggest that the same effect is also found at the individual level for service workers. Service firms implement the marketing concept through their employees and when the service workers experience deeper levels of customer orientation, they will become more committed to the organization.

Therefore, Donovan et al. (2004, 129) developed a four dimensional customer orientation concept which includes the need to pamper the customer, the need to read the customer's needs, the need for personal relationship and the need to deliver the service required.

Donovan et al. (2004, 129) argue that customer orientation can produce internal benefits to the service employees for instance through enhanced satisfaction and commitment which ultimately benefit the firm through the performance of organizational citizenship behavior. They also say that the magnitude of the effects of customer orientation on several of the outcomes is a contingent key aspect of the work environment, that is, the relative amount of time that the service worker spends with customers. The time spent with customers is extremely important for the follow-up of customer activity, and the company that is under interest in the empiric interviews highlights its importance to the personnel working at the sales and customer service front by creating requirements for meeting frequencies in terms of operative standards.

## **2.7. Conceptual framework**

On the following page the conceptual framework is presented, consisting both of organizational and individual factors for customer orientation and guiding the interpretation of the empiric findings in the chapter four.

Table 3. Organizational and individual components of customer orientation.

<b>Customer service oriented performance standards</b>	<b><u>Management standards for service delivery</u></b> mission and vision, what and why long-term goals and objectives, customer needs management standards for job performance recruitment
	<b><u>Operative standards</u></b> process-oriented standards, monitoring the service environment operating model, the "strategy", how quality standards for job performance
<b>Customer service oriented performance support</b>	<b><u>Supervisor support</u></b> leadership style help employees to perform their job well organizational hierarchy and structure affects training and coaching importance of emotion, interaction and individual needs
	<b><u>Co-worker support</u></b> help employees to perform their job well organizational hierarchy and structure affects requires open work atmosphere
<b>Customer service oriented performance systems</b>	<b><u>Information systems</u></b> operationalization of structures and processes storing and processing customer data influenced by organizational systems basis for organizational learning
	<b><u>Motivational and incentive systems</u></b> mission, values and pride processes and metrics entrepreneurial spirit individual achievement and recognition reward and celebration
<b>Customer service oriented individual factors</b>	<b><u>Personal attributes</u></b> technical skills social skills self-efficacy job satisfaction
	<b><u>Motivation</u></b> motivation to serve customers
	<b><u>Self-perceived decision making authority</u></b> being able to decide on the issues related to own work

### **3. METHODOLOGY**

Before presenting the research findings that are based on the interviews, the research methods used in this study are introduced. In addition to research methods, data collection and analysis are explained in detail and reliability and validity of the study are discussed and evaluated.

#### **3.1. Research context**

The case corporation is operating in the service field of business. It is concentrated on selling services to both business-to-business markets and consumer markets. The services can be bundled under two separate kinds: service X and service Y, with both of them including various different kinds of sub-services. The corporation as a whole employs thousands of people in Finland and in the neighboring area.

The interviewees were gathered amongst sales people who have a strong background of selling service X in business-to-business markets. The main difference between the two services is that in service X the relationships with customers are based on more frequent contacts as they have an important role in facilitating the customers' regular business. Also those customers must be treated with individualized service offerings and deals rarely take place without long-lasting consultation and negotiation. In service Y the service offerings are generally considered more "bulk" and the relationships do not necessary need as constant communication between the service provider and the customer as in service X. As the relationships between sales people and customers in service X are perhaps considered to be tighter and aim for long-term endurance and mutual trust, the sales people operating mainly with service X are taken under the research scope when studying customer orientation and its implications for service quality.

### **3.2. Data collection**

In this study the method of getting information from the phenomenon was conducted through interviews. According to Eskola & Suoranta (2005), the most common way of gathering information for qualitative research purposes is done through interviews. Interview can be considered a sort of conversation which happens from the researcher's initiative and is guided by him. Interview is interaction in which both participants affect each other. (Eskola & Suoranta, 2005, 85) Hirsjärvi and Hurme (2000) have defined five typical characteristics for an interaction that takes place in an interview. First the interview must be contrived beforehand and the interviewer has made himself familiar to the target of the phenomenon both in practice and in theory in order to get confidential information regarding central areas of the research problem. Second, the interview is made on the interviewer's request and led by him and third, the interviewer must usually motivate the interviewee and sustain his motivation during the interview. Fourth, the interviewer knows his role and the interviewee learns it during the interview and finally, fifth, the interviewee must know that the information received in the interview is strictly confidential.

In this study all these previously mentioned characteristics were fulfilled, and especially the confidentiality part was emphasized several times in the interviews as the interviewees were first uncertain of what kind of information they were allowed to reveal. To guarantee an open discussion in the interviews, the researcher told the interviewees that their personal identification will be faded out in the study so that they become unrecognizable. Also in case names of people, names of customers or confidential facts and figures were revealed by the interviewees by accident, the researcher emphasized that such information will not be included in the final report.

The type for interviews was a mixture of half-structured interview and a theme interview. In a half-structured interview the questions are the same for everyone and the interviewees can answer on their own words. In a theme interview the themes are defined beforehand but there is no strict formulation for the questions

and also they are not asked in the same order. In a theme interview the interviewer must make sure that all the themes that were thought beforehand will be covered in the interviews but their order and extension will vary from one interview to another. Due to different kind of tasks of the interviews, different topics and themes were highlighted. For instance recruitment and human resource management issues were discussed with the sales managers and the area director as their role closely relates to that, whereas customer relationship managers' do not operate with such issues in their work role. Also the interview questions were not asked in the same order or at all in the interviews, as the purpose was to follow the interviewee's flow of ideas. For example some interviewees were very broad in their answers and could answer 3 questions at once so the interviewer had to stay close to the situation at all times to be able to ask further elaboration or additional questions to something the interviewee had said. Therefore the long list of questions that are attached in the end of this research functioned as a guide in leading the interviewer to the right direction in order to make sure all the topics and themes got covered in the interviews. Thus, the questions were not necessarily asked with the exact wordings or asked at all if the answer was received through another question.

The interviews were conducted by selecting people from three organizational levels of the sales organization of the case company to provide a broader view for customer orientation through different tasks of the sales organization. The organizational levels can be called in this study as the operative level, tactical level and strategic level. The interviewees came from five different sub-organizations or units located in South Finland, Middle Finland and North Finland. All the interviewees has a principal background mainly in business-to-business sector selling service X to certain designated medium or large sized customers, apart from the area director who is in charge of both consumer and business-to-business customer operations in certain geographical area, having strong background in selling service Y to the consumer markets. Individual interviews were used over group interviews because the themes handled also very confidential, private and personal topics such as goal setting, self-efficacy and interdependency with supervisors and co-workers. It is reasonable to expect that

the interviews would have suffered a loss in confidentiality and the interviewees would not have been telling their views as openly if their colleagues would have been present to hear the conversation.

The number of the interviews was seven. Three from the operative level, customer relationship managers, another three from the tactical level, in other words sales managers and one area director from the strategic level. The names of the interviewees were discussed together with a sales manager who is in charge of organizing common activities, events and coaching for the people in the sales organization for middle sized and large sized customers. Three of the interviewees were suggested by her, the area director and two sales managers, and the rest of them the researcher selected herself: one sales manager and three customer relationship managers whom the researcher knew, two personally, two by the name, as she works in the same company and with the focus on the same customers. Only one of the requests to make an interview was sent through the sales manager, other six requests were sent by the researcher. All the requests were reverted with a positive answer and the interviews were conducted in October 2014; five face-to-face interviews and two, one relationship manager and one sales manager by phone.

The interviews were recorded using a mini-recorder and they lasted from 44 minutes to 1 hour 25 minutes and were all executed in the company's premises, also the interviews done in phone. The interviews were semi-structured, so called theme interviews, and the researcher did not show the question form to the interviewees but instead led the conversation through themes and questions so that each of the interview was individualized according to what topics and themes the interviewees at a given time emphasized. Koskinen et al. (2005, 104) specify a theme interview such that although the interviewer asks questions, a theme interview allows more freedom to the interviewees by letting them answer with their own words or even suggest some elaborations or new questions. The interviews were transcribed word for word resulting in 90 pages of data. The data was chopped in parts with the help of using crayons – for each theme one color (ie. organizational factor named operative standards was coded with blue). After

that the findings under each theme were perceived more distinctly. Also creating tables helped in seeing the entirety of the findings from individual observations.

Also, in order to understand the nature of work of the interviewees, it is useful to provide some background information. Customer relationship managers are the ones who are in charge of certain designated customers' whole service offering in the company and who regularly meet the customers in order to map their situation at a given time in order to sell them solutions that are mutually beneficial. Customer relationship managers do not need to have a strong substance in the services they are selling as they have a specialist team around them whose task is to provide in-depth information for each specific case. Instead they need to understand the customers' business to be able to catch the triggers and take them back to the organization to be solved together with the specialist team. In this study the customer relationship managers that were interviewed are identified with the following identifiers Manager 1, Manager 2 and Manager 3.

Sales managers are operating at a tactical level leading the way how the customers are led inside the company in designated geographical segments, in other words, they are the ones who have to make sure the customer relationship managers are acting and performing according to operative standards. They are also operating as supervisors for customer relationship managers. Therefore in addition to the concrete customer work, the job itself involves a lot of not only human resource management but also management through goals and targets. They also meet customers regularly, often together with customer relationship managers instead of going alone. Two out of three sales managers in this interview sample are also in charge of consumer sales in addition to business-to-business sales, although they are more concentrated in business-to-business sales. In this study the sales managers go by the names Sales Manager 1, Sales Manager 2 and Sales Manager 3.

Area directors are the highest, strategic level of the customer organization and they are in charge of how the customer organizations and customer operations are lead in both consumer and business-to-business contexts. Unlike customer



relationship managers and sales managers in this study, they have a stronger background in selling service Y whereas the latter have experience in selling service X. They are responsible for coaching the customer front in the big picture and they make sure that the customer encounters are of good quality. Area directors also put a lot of effort on developing and refining the customer service processes; how to serve the customers best and how to enhance sales. Area directors are acting as supervisors for the sales managers so they do not have so much direct contacts with customer relationship managers who are responsible for customers but instead they are getting the information of what happens at the customer front from the sales managers. As there was only one area director interviewed in this study, it can be identified as Director.

Brief information on the interviewees can be found in the following tables.

Table 4. Task profiles and responsibilities of the interviewees.

<b>Level</b>	<b>Title</b>	<b>Responsibilities</b>
Operative	Manager	Customer sales
Tactical	Sales Manager	Sales management, setting goals & objectives
Strategic	Director	Strategic guidelines, sales management

Table 5. Background information on the interviewees.

<b>Interviewee</b>	<b>Interview method</b>	<b>Background in service X/Y</b>	<b>Customer size</b>
Manager 1	Phone	X	Large
Manager 2	Face to face	X	Large
Manager 3	Face to face	X	Medium
Sales Manager 1	Face to face	X	Small
Sales Manager 2	Phone	X	SME
Sales Manager 3	Face to face	X	Large
Director	Face to face	Y	Small

### **3.3. Data analysis**

Qualitative data analysis involves three phases, data transforming, data display and conclusion drawing. Data transforming starts with focusing, selecting, organizing and simplifying the data, and the process continues from phase to another until the report is ready. Data transforming is followed by data display which is to help to make the information compact and easily understandable, and that can be done for instance with the help of different figures and charts. According to the authors, conclusions can be done by “noting regularities, patterns, explanations, possible configurations, causal flows and propositions” (Miles & Huberman, 1994, 10-11).

It is possible to conduct a qualitative research analysis either progressing from a singular to universal, that is inductive, or from universal to singular, in other words deductive (Tuomi & Sarajärvi 2003). Eskola and Suoranta (1998) present a division whereby there is a material based and theory based analysis for qualitative research. In material based analysis the analysis and interpretations are done based on the empiric material without letting any predefined theories interfere in the analysis, whereas in theory based analysis, which is applied in this study, theories or a theory based views are exploited in the analysis and interpretation of the empiric material. In this analysis method the empiric material is seen as representation based on a theory and it is considered and examined from that particular viewpoint or some external theory is applied in the interpretation of the empiric material. (Eskola & Suoranta, 1998, 151–152)

As for formulating the interview questions, the themes were abided theory based through organizational customer orientation views by Susskind et al. (2003) and individual customer orientation views by Hennig-Thurau et al. (2003; 2007) along with their impacts on service quality. After conducting the interviews and transcribing them into written text word by word, also the empirical results were deconstructed under themes based on Susskind et al.'s and Hennig-Thurau et al.'s taxonomies of organizational and individual factors. The researcher read the material several times and coded different themes that appeared in the material

with different colors to separate them from each other easier. Green color stood for standards related issues, blue for supportive issues and orange for systems related issues, which all together formed the basis for organizational factors for customer orientation. Yellow color stood for individual factors of customer orientation which were personal characteristics, motivation and self-perceived decision making authority. After coding the material with colors, it was read all over again and notes for similarities were marked down along with the researcher's own remarks and comments in order to help in structuring the material for analyzing.

Processing qualitative analysis includes many phases. From pivotal part it is both analysis and synthesis, when you are viewing analysis in its concise meaning and not as the whole research analysis process from the beginning phases to the final conclusions. In the analysis phase one classifies and categorizes the material, and in the synthesis one aims at creating general views and presenting the phenomenon that is under empiric interest in a new perspective. After the material has been collected and deconstructed, it can be demonstrated in many ways. In this study, the analysis phases followed those that were presented by Hirsjärvi and Hurme (2001, 143–144) in figure 8 on the page 144. For the analysis, the material was read all over again, the color codings were elaborated and revised, and after that similarities were spotted and the debriefing phase was able to be started.

As the interviewees came from the same corporation, but from five different organizations or units and from three levels of sales organizations, the analysis phase in finding similarities was not easy. All the themes were not covered in all the interviews with the interviewees due to the fact in different positions the different sides of interview themes are emphasized. For example customer relationship managers are hands on customer meetings and the concrete sales work whereas their supervisors, sales managers and the area director concentrate more on tactical guidelines and human resource management issues in their positions. As the number of interviewees was small, only seven, the researcher has used relatively sparingly tactics of counting how many of the interviewees said something. Rather the purpose was to show similarities and divergences between the positions and present the ideas of the interviewees as accurately as possible

by using direct speeches. The reason for using direct quoting also originates from the fact that as the operating environment is complex and the company remains anonymous, direct quotes will help the reader understand the construct easier.

### **3.4. Reliability and validity**

The concepts of reliability and validity are based on the idea that a researcher can access objective reality and objective truth. Relating to qualitative researches there has been discussion of even giving up the use of those two terms. Hirsjärvi and Hurme (2001, 185) have cited Holstein and Gubrium's (1995, 9) statement that when the interview is seen as a dynamic situation producing meanings, there are different criteria that apply. The criteria put an emphasis on how the meanings are constructed, the conditions of construction and the reasonable interconnections that are combined during the situation. That been said, Holstein and Gubrium came to conclusion that it can not be assumed that answers given in one situation would repeat those given in another situation since they are produced in different circumstances.

Hirsjärvi and Hurme (2001, 186) define reliability so that when researching the same phenomenon twice, the results always remains the same. Qualitative studies that are conducted through interviews can be improved in terms of reliability by satisfying the criterion of using low-inference descriptions such as tape-recording all face-to-face interviews, carefully transcribing the tapes according to the needs of reliable analysis and presenting long extracts of data in one's research report – including the question that provoked any answer (Silverman, 2001, 229–230). In this research these low-inference descriptors improving reliability were satisfied by using tape recording device in all of the interviews. The data in the tapes was extracted word for word in order to minimize the researcher's bias and opinions.

As for minimizing the researcher's own attitudes and opinions, in qualitative research it is crucial that the researcher admits his subjectivity as the reliability depends on the researcher himself and the way he has executed the research

process (Eskola & Suoranta, 1998, 211). The researcher has a several years of experience in the same field of service business than the interviewees and therefore is aware that it is likely to have an influence not only on the formulation of the questions but also on the interpretation of the results. Also it might have affected in the interviewees' answers as the researcher was familiar to all of them, excluding one sales manager, at least on the name basis. Taken into account the previously written, the researcher has nevertheless tried to keep her subjective views out of the research scope and have as neutral approach as possible.

Whereas reliability refers to the repeatability of the results, validity is defined as the capability to measure what was intended to be measured (Hirsjärvi and Hurme 2001, 186). In researchers that are conducted through interviews or questionnaires, the validity is largely measured with how successful the formulation of the questions has been, in other words, is it possible to get answers to the research questions of the study (Heikkilä 2001, 186). Hirsjärvi and Hurme have cited Cook and Campbell's classification of four different forms of validity, which are divided in statistic, construct, internal and external types of validity. Statistic validity deals with specific statistical problems so they are not relevant the context of this study. Construct validity is connected to the definition of validity and it means the study's capability to measure what was intended to be measured, or in other words, looking through construct validity, it is always a question of interpretation. Internal validity deals with the issues of causality that the relations are true and accurate, which are, again, a question of interpretation. External validity means the generalization of the results in different situations or with different people. (Hirsjärvi and Hurme 2001, 188) Relating to external validity of this study, when you are discussing personal experiences with people, the answers are subjective as the people themselves experience them at the very moment. This way one cannot exclude the meaning of composition of the sample either; with different people the different things are likely to get accentuated.

However despite the careful documentation of the research process in terms of reliability, it is much likely that in terms of external validity the results would not remain the same as the company is yet again facing changes in its organization

construct and operating patterns. Those are presumptuously bound to have an effect on the interviewees' opinions and experiences of customer orientation in both organizational and individual level. Also one relationship manager commented that he would have been able to give more thorough and better formulated answers if only he had received the questions beforehand, so one cannot fully exclude the effect of preparation either.

## **4. FINDINGS**

In the following chapters describe the way how the interviewees who are working in the sales organization of the case corporation perceive the different aspects of organizational and individual factors of customer orientation. The findings are discussed starting from the organizational factors for customer orientation, and after that the individual factor side is dealt with the themes consisting of personal attributes, motivation and commitment.

### **4.1. Organizational factors**

The management standards for service delivery and operative standards are handled in the beginning of this chapter as they form the basis for guiding all organizational operations. They are followed by discussion of supervisor and co-worker support. Also systems are covered in terms of technical information systems to storage and manage the customer data and motivational systems and incentives to reward and motivate the sales people. Finally, organizational and individual factors of customer orientation are discussed in relation to Zeithaml et al.'s (1988) quality gap views through communication and control processes in the delivery of service quality.

#### **4.1.1. Management standards for service delivery**

According to Litwin and Stringer (1968) and later Susskind et al. (2000), management standards for service delivery include organizational goals and objectives, managerial expectations for job performance and the implicit importance placed on those goals, objectives, and performance demands. In this study the management standards for service delivery has been split in two; standards for service delivery and operative standards. This is done to separate the management expectations for organizational customer orientation including goal and objective setting and recruitment, from the operative expectations. By

operative expectations it is meant how the organization is functioning at the operative level: what are the peoples' roles and "how the things should be done" in order to serve the customers best. One could say that in this case operative standards are the strategy how to get to the vision, in other words the management standards for service delivery which again guides the company's direction in everyday business at the given segment. In this study management standards are dealt in the context of standards that have been placed on the "customer organizations" where customer relationship managers, sales managers and area directors work. Also specialist teams are included in the standards to the extent they work together with relationship managers in order to serve the customers.

As a part of those standards, the interviewees' views about a good customer experience and how to ensure that was discussed in terms of standards for service delivery. They were also asked to reflect how customer orientation is showing in their own everyday actions and how they feel about the top management's involvement and support in their own work. A very substantial matter in sales organizations are goals and targets and how to set and manage them, so also that was conversed in the interviews along with the recruitment of new personnel, specifically with the area director and the sales managers since they are also in the role of hiring new sales people.

When talking about organizational goals and objectives for a good customer experience in order to survey the management standards for service delivery, the Director emphasized that the most important issue for everyone who is in contact with customers is to show them they are present in the customer encounters and that the care for the customers is genuine. Even though there naturally are operative standards guiding the actions in the background, he stressed that the customer front people should always act on customer's terms. All the interviewees pointed that the key thing for a good customer service is to know the customers; their business and earnings logic to be able to serve them with individualized service offerings. Sales Manager 2 said she would expect the management to



launch a competitor analysis to map the present market situation so that it would not be only covered by individual sales managers.

*"We lack a proper competitor analysis in the whole corporation. We know who the competitor is but how they operate – I see that if we don't follow and estimate what the competitor does, we can't develop our own actions even more customer oriented."* (Sales Manager 2)

Also the term "latent needs" recurred several times in the interviews. If the service provider is able to find them without a customer having to specifically ask something in particular, there is always a higher chance for a good customer experience. Without knowing the customers it is difficult to be able to find their latent needs either so it can be argued that those two are in causality with each other. Sales Manager 1 reminded that is it good to remember that the customer cannot want something if he is not even aware of his own needs. Therefore it is the sales people's responsibility at the same time to increase the customers' knowledge of the services, so according to him good customer service includes also consultancy approach.

Manager 2 and Sales Managers 2 and 3 held redeeming customer expectations and keeping promises made for customers in high account. In several discussions the meaning of good interaction between the customer and the service provider came out along with the personality issues. According to Sales Manager 1, succeeding in customer encounters has much to do with personality issues as well; your own values, beliefs and the intrinsic viewpoints that everyone has as individuals. Relating to customer knowledge, he said that in his organization also personality variables of both the sales people and the customers are handled as a part of the case planning so that the chances of closing the deal would increase. He told an example that if there is a customer who has a fast-paced style in his behavior, there is no point in sending a salesman or specialist there with an opposite style of operating. Also Managers 1 and 2 said that often it feels like everyone in the market competes with similar products and services and the differences come in the sales person's interaction capabilities and personality

issues. As seen in the academic literature as well presented earlier in this study (Brown et al., 2002; Susskind et al., 2003; Hennig-Thurau & Thurau, 2003; Hennig-Thurau, 2004; Donovan et al., 2004), organizational factors work together with the individual employee's psychological attributes so their impacts on each other cannot be completely separated.

When talking about how customer orientation shows in the interviewee's everyday work, the Director said that even though he has a lot of administrative tasks he has to take care of, customer cases and customer feedback always gets prioritized over them. Also he feels that his and his subordinates, in other words sales managers' priority number one is to support and coach the sales people working at the customer front. "Keeping the finger on the sales peoples' pulse", as he said, in order to offer them a range of resources how to serve customers better, however not forgetting about adding sales at the same time. Also he sees it important to be able to look behind the figures and analyze them. The figures are always a consequence of the actions done in the sales and tell directly about the actions done with customers.

Sales Managers 1 and 2 say that customer orientation is showing in their work very concretely since their work largely stems from customers as they meet them regularly. They also spar the customer relationship managers in their customer cases. Also they feel that customers have to be kept in the center when planning the strategic guidelines and operations. Sales Manager 2 says that

*"The reason why I want to be at the customer front and meet customers is that if I stayed up in the pipe rack by myself it would be very difficult to make any strategic guidelines so of course I have to be there where the customers are and where the business happens."*

As the main task for customer relationship managers is to meet customers and map their new projects in which to participate, it was natural that all of them felt that the most concrete mode of customer orientation in their everyday work is to

put themselves in the shoes of the customers' and defend their cases the best they can.

*"I feel that putting myself in the customer's position is maybe the most important thing... The customer is in the center and I try to change the whole perspective so that I wouldn't be a service provider anymore but instead the user or the buyer of the service, and figure what I would want in that situation. Of course one must recognize the situation where the customer is in. Also I try to challenge not only my own way of thinking but also that of the specialist team inside our company to reason if the solutions what we are offering are fair to the customer and not only fair to us. I always aim for certain righteousness; that the customer cases are honest and that we wouldn't take advantage of the customer's possible distress since you usually find those ahead of you someday and that wouldn't help my work in the future. But even if I knew that I would get off the hook and never find them ahead of me I always want to be just in what I do. I know that we are making profit here and this is business and of course decent profit is always something to go after but it has to be reached through proper means and one must always avoid going to extreme so that the actions can sustain critical examination if they are later brought up by a customer or some other instance..." (Manager 3)*

Sales Manager 3 sees actualizing customer oriented behavior in his everyday work a little differently from the other interviewees, since to him it appears in assimilating the operative standards set by the management; trusting that complying the operative standards will lead to a good customer experience, and making sure that the customer relationship managers are obeying it in their everyday work. Operative standards are covered in the following chapter.

When talking about the top management's support for the customer work, almost everyone felt that their organizations' management is willing and able to support the customer work concretely by attending to important customer meetings together with the customer relationship managers and sales managers. That comes partly from operative standards that are handled in the following chapter, as the executive meetings are involved in the processes. However, all the

interviewees felt that these executive involvement meetings had been a success and it can never do harm to a customer case to bring top management to participate. Whether it has had a concrete help in closing the deals, the interviewees were suspicious but at least in their opinion it strengthens the image of being easily approachable even at the top level and that it gives customers the feeling their cases are appreciated. However, other than through concrete executive involvement the top management's contribution received criticism in supporting the customer work. Sales Manager 3 gave acknowledgment for the top management's contribution in participating customer meetings but instead felt that they have not been able to define the customer experience and the target state for service quality the way they should have been done. That has resulted in an obscurity of what they actually mean and what they require in terms of everyday actions not to mention how they should be managed. He felt the top management has failed them in that sense. On the other hand, top management's act of providing appropriate resources in their organization to help them fulfill the goals and objects received good feedback from the interviewees.

All the customer relationship managers that were interviewed criticized the contribution they get from their hierarchical top management line of their organization: the top management comes from backgrounds of promoting mass marketing and mass sales to smaller companies and consumers instead of individualized service offerings for mid- and large sized customer and the fact they do not know each other's business well has deteriorated the customer relationship managers' trust in the top management. Also the fact that the supervisors of the customer relationship managers are not in the decision making line of the customer cases, makes them feel their voice is not heard in their own hierarchic management line as well as it should be.

*"When I'm looking at the present situation as I'm selling service X in an organization where all the top managers come with the service Y background, not going into personal remarks of anyone in particular I must say the top management's contribution in supporting my work is very bad. In a way we don't have a common language to communicate with each other, they don't participate*

*in the decision making which is very central in the way that many kinds of things are debated there and you can also show your knowledge and extracts of your own work there, and the fact that people from my organization aren't there even though they are in the hierarchical line of the organization is bad.. They don't speak the same language and in the sales they are managing customers with means of "mass marketing" so it is very difficult. I would say we are strangers to each other in every way, even from our thoughts..." (Manager 3)*

The area director and the two sales managers who were leading their own business units instead felt the top management's contribution in their work helpful, as they shared the same vision and same objects and goals in the customer work as they do.

*"Their contribution is very good, they have seen our work through our results. They have never questioned it, although when I wanted to renew our operating standards I received a lot of questions but soon they noticed how we have succeeded so it didn't generate any problems. And when they know how we manage customers and how we work to serve them better I see that it generates an inner will in their minds to support us in what we do. That can be seen when they are meeting customers in different kind of functions and parties where I have heard our top management talk so many times about the work we do to serve customers comprehensively even though they are not obliged to do that... I feel there is a psychological circle what is formed around the customer work, and the top management's contribution is completely on our side." (Sales Manager 1)*

Apart from the organizational goals that are made with the angle of customer service delivery as discussed above, from organizational goals and objectives one can separate also those that are set for the personnel. The kind of goals and objectives that are guiding the people in their everyday work so that they know what the managerial expectations for their job performance are. It was strongly pointed out by some interviewees that the goals and objectives should be derived from the customers and their potential directly instead of setting them so that they origin from the organizational needs. By that they meant that the independent sub-

service departments in the organization are setting the numbers and figures for sales which sales people have to strain to the customers even though they feel they are the ones who know the customers and their situations best. That was criticized a lot especially by the customer relationship managers who felt that in their opinion this kind of way of managing objects and goals through counting the pieces of services sold or customers met or Euros done is not really customer oriented.

According to the Director, the goals and objectives should always guide the actions of the sales people; otherwise they have been ill posed. He also said that it is crucial that the people must understand what kind of activity their actions must comprehend so that they can achieve the goals and objectives that were set to them. When he was asked how customer orientation is seen in the goals and objectives of the salespeople, his answer was the following:

*“As we are a sales organization the goals and objectives should of course affiliate essentially to sales. And you cannot achieve your goals unless you do the customer work well. So I would say that it has a cumulating effect, they all go together, there is a causation: even if you have hard sales goals and objectives in terms of measuring number of pieces or Euros, it can feel that it is not even remotely related to customer experience and customer sales but it is, you cannot get there unless you handle the customer encounter with flying colors. So in my opinion customer orientation is seen in the goals and objectives but the sales people do not necessarily understand that... Many sales managers can think that they are just sales goals and objectives and when the customer has problems and the sales manager doesn't realize that by listening and solving the problems he can reach his goals, we have failed in the recruitment...”* (Director)

Setting goals and objectives was a question which induced a lot of discussion, even fierce. As the interviewees work in five different organizations, there were organization-specific differences in how to set them. Overall the message was that the higher the position in the organization, the better was the chance to influence on setting goals and objectives. Customer relationship managers felt that their

possibilities to influence on their own goals and objectives was very low, almost non-existing, whereas the others felt relatively satisfied with the situation as they were the ones setting the goals and objectives for the sales organization. Also the expediency of the goals and objectives was highly questioned by all the customer relationship managers.

*"Our goals and objectives do not support long-term customer relationships at all, although I don't think they support short-term productivity either. In my opinion our goals and objectives are childish and aimed for people who have no capabilities to think for themselves, in addition to not being loyal to the company by any means. There are goals and objectives that are measured through number of pieces and also some absurd ones that are measured in Euros, but they don't serve the purpose for making the best possible profit for the owners. I think it doesn't support that at all, there is no linear affinity to the income statement if I achieve these number of pieces/Euros kind of goals or not. In my opinion there's a lot of development that needs to be done. It's actually kind of funny that we talk about being customer oriented and nevertheless we receive all the numbers and Euros in terms of goals from the service units outside the sales organization; I think it should be the other way round. If I'm evaluating our company's customer orientation I would give a rather low grade for us."* (Manager 3)

Also when continuing about goals and objectives, different kind of campaigns came out in most interviews even if the researcher did not bring the topic out on her own. Campaigns mean selling certain services at a given time and they received a lot of criticism from the customer relationship managers. Customer relationship managers felt that campaigns are not apt to increase customer oriented behavior, either for the reasons that customers were said to see through them instead of thinking that this service is marketed for them based on their own needs or that it was embarrassing to address all campaigns to the same customers, especially if the clientele is small which means they are targets for each campaign. However, campaigns received also positive feedback in terms of educating the customers about new services. When the objects and goals are set from organization's origins instead of those of the customer, Sales Manager 1 saw

that there is a danger that these organization driven goals, for example campaigns, are driving people for faster action than what customers would be willing to take and that would increase the risk that customer relationships might suffer at the same time. That is a typical challenge for sales orientation customer orientation (SOCO) behavior, where the short-term opportunistic features of sales orientation should be balanced with long-term customer oriented pursuits. (Saxe & Weitz, 1982, 344)

When it comes to tracking and measuring the performance, sales managers and director said that it mainly happens numerically due to the fact that the goals and objectives have been set that way. Nevertheless, they had the will to look outside the box as well and challenge the present policies.

*"I would say that the most important follow-up is done in the everyday discussions and in the customer cases with the personnel. And the meetings that are derived from the customer meetings are the most important part of following the progress of goals and objectives. They are even more important than the actual sales meetings that we do every two weeks. I'm not very good at following results, since I believe that the result is always a consequence. I much rather follow the amount of activities and the content of the activities and the way they are done, and try to stay close to that. I believe that good work always leads to good results and weaker work to worse results and that is inevitable. There are always people who can play with luck but in the long run I don't believe in luck in these things. I think the results come through good work, good activity and I'm more attached to that than to those results."* (Sales Manager 1)

Continuing with measuring goals and objectives, in addition to those that are measured inside the company by their superiors, customer relationship managers wished to get feedback relating to their performance and interaction skills from their own customers as well. Manager 2 suspected that the customers may sometimes feel awkward if the customer relationship manager asks feedback directly from them. According to him the information would probably be more accurate if an external researcher would do the questioning since some customers



may want to protect the feelings of the customer relationship manager and therefore leave something unsaid. Manager 3 felt it was a pity that most of the customer feedback interviews are conducted only among a small group of the biggest customers and therefore his own customers have not been part of the questionings more than once or twice in his 14 years of career in the same position.

*"It is extremely nice to get positive feedback and it flatters and drives me forward, but in order to really make some progress and develop my own skills, constructive feedback given in a correct way would help the best, and that I would hope for the most. But then again if we had that kind of enquiry and I or some other colleague of mine would receive a lot of constructive feedback, I don't think our organization would be very mature to process that, so I think that is in a way feared too. But in an ideal situation I would go for constructive things rather than compliments, although of course compliments are always nice to get."* (Manager 3)

Managerial expectations for job performance start already from the recruitment. Even if the researcher did not bring up the theme of recruitment in the interviews by herself, all the sales managers and the area director brought it up as they are in a position to recruit new sales personnel and their work includes a lot of human resource management. Sales Manager 3 pointed out that he actually found the interview questions and discussion of customer orientation in this study useful regarding his own work and plans to use some questions and topics in the recruitment interviews to challenge the candidates to think their own attitudes towards customer orientation and how it appears in practice. Sales Manager 1 said he has sometimes leaned to his intuition and even few times found good sales people whom he have recruited from the local Hennes & Mauritz or a grocery store nearby where he has been a regular customer. Sales Managers 1 and 2 and the Director all shared the concern that it was difficult to recruit "the right kind of people".

*"There is a challenge from my point of view, to get proficient staff in this area and commit them in the job. It is a wonderful thing that we are located close to the*

*capital area but it brings challenges as well: in a way we have turned out to be a hatchery of the employees, since even if we are big as well, we seem not to be big enough to be able to offer the employees the same kind of career paths as it is possible in our corporation's head office which is located in the capital. Also one challenge in the recruitment is to find the sales orientation from the candidates, meaning trying to find out in a short recruitment interview that whether the candidate has the kind of enterprising spirit, courage and promotional attitude... Before we used to call for expertise, substance and education but they are not in any way a guarantee for having the right kind of attitude; are you active, courageous and how you end up being in interaction... This means that the whole recruitment should probably change that there would be more interaction so that we would see how the person behaves. Maybe the traditional questions used in recruitment are not applicable in today's world anymore.” (Sales Manager 2)*

*”Do we recruit people with sales orientation or people with specialist orientation in the sales organization? I don't think it's the sales person's fault in case he end ups having resentment and discomfort in his everyday work if he has as clear a profile of a specialist as it can be and he is forced to sell and survey and make decisions on behalf of the customer. So if you're not a good decision maker that's a horrible situation. Today it's more like hey, you behave well, and you look good - wanna come to us and do some sales work? And if it's not the applicant's thing, the question is why do we keep doing that? So we have failed many times, of course not always but anyway... We have to know what we are looking for and what the sales people are doing here. The sales must be in the center of everything so it is like an onion; it has a lot of layers, including the customer's experiences and the customer feelings. The customer must be in the core of it all.” (Director)*

To sum up the issues that were discussed relating to management standards for service delivery, it was obvious that the interviewees were unanimous about the fact that the customer has to be in the centre in both planning and executing the sales activities. However, whether the top management had succeeded in delivering the mission and vision of the desired customer experience and service

quality, there were dissenting opinions. The higher the position of an interviewee, the favorable the attitudes towards present standards.

Recruitment was a central topic with the sales managers and director, and it was evident that the recruitment processes needed to be developed in order to be able to respond to the needs of the sales organization. In today's sales organizations it is required that the customer orientation sales orientation (SOCO) behavior is central in the sales people's minds already at the time of recruitment and thus the selection processes need to move further from being education and experience centered towards attitude and behavior centered. In other words the individualistic factors of customer orientation have become more important.

Also goals and objectives are in the core of management standards for service delivery and that was the topic which caused a lot of discussion with the interviewees. Customer relationship managers were dissatisfied with the present situation as they feel that the top management and their superiors do not understand the nature of their business and activities, and they have no power when it comes to setting their own goals and objectives. That has resulted into a situation where they feel that their goals and objectives are ill-posed and guiding their activities in a wrong way, away from being customer oriented and instead towards being company oriented. Director instead strongly disagreed with that and felt that the customer relationship managers have just not understood the connection between customer needs and problems, and organizational goals and objectives. Sales managers in their work set the goals and objectives for the customer relationship managers, in other words customer sales, and do the follow-up continuously. They were relatively satisfied with the situation with goals and objectives and the fact they have the power to switch directions if something does not seem practical is likely to have an effect.

#### 4.1.2. Operative standards

The organizations in which the interviewees work have organized their customer work operations around customer relationship managers and specialists teams, which together form customer teams. The operating standards around customer teams seemed to differ a little depending on the organization. The role of customer relationship managers is to be the "leader" of the customer teams, meet customers and together with specialists find the right solutions for customers. However, in one organization the role of the sales manager was also to operate as the leader of the customer team, even if others considered customer relationship manager as the leader. The role of the specialists in every organization is to bring substance to the cases whereas the customer relationship manager is the one who coordinates the service offerings between the customer and the service provider. All the interviewees saw operating in customer teams as a good thing. As there are more specialists, there is also more knowledge to process in the customer cases and therefore better solutions can be offered to customers.

*"In my opinion the basis for sales or customer service is to think what the customer might need. The other option would be to check what's in the discount this month and throw everything up in the customer's eyes. I feel that here in our organization we genuinely think what different kinds of customers could want and what could be useful for them, and here the role of the customer teams is very much essential."*  
(Manager 1)

These operative standards include also, in addition to operating in customer teams, certain standards for the work of customer relationship managers in terms of customer meeting frequencies, internal sales updates with supervisors, information systems based course of action in form of tools to monitor the progress for customer cases, decision making processes but also quality requirements for certain procedures, such as customer presentations for instance. For example quality requirements for customer presentations mean that the company has created certain norms and standards of how to make presentations for customers from the lay-out to required content, and they are constantly

updated according to the management standards. Sales Manager 3 specifies operative standards as something, which define how the customers are contacted, with what kind of frequency and what kind of solutions. All of the information system processes and presentation standards were not used in all of the interviewees' organizations; however the ones who were working with the large and mid-size customers were all familiar to those.

When discussing the standards for meeting frequencies and quality standards for meetings, it made the researcher easier to understand why certain procedures were standardized; the management wants to make sure that the sales people are operating at a certain quality level, the level the the management has set so that there would not occur deviations and the quality perspective would be present in all the actions. For instance Manager 2 described it as following:

*"When we meet customers, they are professionals and they don't want us wasting their time. If you ask for their time and you go there, talk nice things and drink coffee but have nothing to give – the next time it would be very hard to get a new meeting if you can't provide them with anything useful. You should always be able to leave them with a feeling that there's something that we can offer they would need."* (Manager 2)

There were adversarial attitudes among interviewees in how to relate to these operative standards. Especially for customer relationship managers it was something they had mixed feelings for. In the history of the customer organization of the case company, customer relationship managers used to have more freedom in their work as they were largely the ones who dictated what to do, whom to do with and how. Few years ago customer relationship managers used to be the ones who prepared a lot of the material for decision making and analyzed the customer information along with meeting customers. Today the responsibilities are shared in the customer teams to release time for customer relationship managers to do the actual sales work. It was seen in five out of seven interviews, that this was something which had generated concern amongst customer relationship managers who partially felt that their possibilities to influence in their own work had

somewhat reduced if one compares it with the situation before. Sales Manager 2 said that she had noticed as a supervisor to customer relationship managers that there have been challenges in changing the "old" customer relationship managers' standpoint in which they operated more like specialists, to meet the requirements of the new job description which is all about sales and maintaining and opening customer relations. The customer relationship managers saw it also as a negative issue that they no longer are the ones who are making and presenting the case propositions in the decision making but instead that responsibility is in the customer teams, and therefore they feel that their possibilities to influence have reduced.

*"My employee would get the most out of me if they just gave me a clear goal and as free hands as possible to execute it. And as the domain in which we are working is already largely regulated, no matter how free hands they gave me, the norms and standards are guiding my work so that I can't make any huge detachments of the rules. In that context I don't understand why they have to interfere in my working methods. I mean that what color of a suit I'm wearing, how I make phone calls, what kind of sales speeches I have or what kind of presentations I make or am I making presentations at all. If I close deals in the accepted frames and make profit, who is interested in how I achieve them? It's the pressure that is driving us to a smaller operating space all the time and I feel that our supervisors and their supervisors should fight against that. The more they dictate to me how I should act and be, the more stressed I get and eventually it starts to take energy."* (Manager 3)

Relating to operative standards of the decision making processes, Sales Manager 2 was worried about the "trend" of decision making authority going further from her organization.

*"I feel we have lost the competitive advantage, which has always been that the decision making is close to us locally. Now we have to get different kinds of analyses, permissions and guidelines from higher instances, and in the worst case*

*the customer has to wait for a month. Of course it makes you think that is everything as it should be from the customer's point of view."* (Sales Manager 2)

Manager 1 expressed his concern that customers and the idea of being customer orientated sometimes is in danger to disappear under operative standards:

*"Without customers we wouldn't have anything to do here so of course we are doing this for the customers... But these processes and standards here, I wonder if they add customer orientation or make customer experiences any better. Sometimes it feels like the customer is lost in our operative standards... Okay it might be there on the background but as we are operating in such a big company, each specialist is watching his own territory and the customer relationship manager is the one who tries to make sure that the voice and needs of the customer are being heard and not just so that it is the result of some campaign. Of course campaigns can be good too, they keep important things in mind but one should prepare himself better for them and do the homework. I think there's a difference if the customer is big or small, I mean of course the small ones are customers as well, but our organization should realize that when you're operating with the big ones, the processes are longer and you're doing your best in trying to solve the customers' problems anyway even though you're not closing deals fast"...* (Manager 1)

As the interviewees come from five different sales organizations of the same corporation, there are differences also in operating standards. It can be noticed that the smaller the organization where the interviewees come or the smaller the clientele, the greater the authority of individual sales people to effect on their own work processes. However it can be said that based on the answers of the interviewees, it seems to be in the organizational culture of the corporation to standardize certain operations so that the decision making authority comes from somewhere up in the organization. By the answers of the customer relationship managers, they relate negatively towards operating standards as they feel those decrease their own self-perceived decision making authority when it comes to customer work. More about self-perceived decision making authority in the chapter 4.2 where individual factors of customer orientation are discussed.

#### 4.1.3. Supervisor support

According to Susskind et al. (2000; 2003), in supervisor support employees believe that their supervisors offer them work-related help in performing their jobs in addition to leading to a greater employee commitment which again, may lead to greater customer-oriented behavior among employees. Lee et al. (2011, 166) have said that emotion plays an important role in orienting service employees to customers and enhancing their job performance. Therefore leadership style has a significant effect on service employees' customer orientation and consequently on the quality of service.

Sales Manager 3 said that during the years that he has been in the present position as a sales manager and supervisor, he has experienced that being fair is an important characteristic. However, he has also faced a dilemma when it comes to being fair to his staff.

*"Even though being fair is extremely important in a supervising position, it is not enough that you are that impartial, as you have to be impartial and fair in an individualistic way. People are different individuals and if I act the same way for everyone, some people have experienced that I'm unfair even if I feel I have behaved just the same to everyone. Here we come to a situation where being the same kind for everyone is suddenly unfair. So I have to pay attention to how I emphasize my message, control my facial expressions and adjust my own feelings in order to meet the individual needs of my staff."* (Sales Manager 3)

Manager 3 emphasized the individual needs and expectations that he demands from his supervisors.

*"The supervisors should identify that there are different kind of individuals and I would divide them in two: some can be better led with a managerial type of leading and others with a leadership type of leading. I'm one of those who doesn't need any leadership; moreover I would say that if someone tries that, it quickly turns against the purpose. Rational arguments are most efficient way of how to lead me."*



*If someone is using “ecstasy spirited” leadership, I will always take one notch away from my working efficiency and using that feels like a slap in my face.”*  
(Manager 3)

In the discussions it was clearly noticed that the interviewees expected a strong individual approach from their supervisors, and that was something the supervisors aimed for as well. According to Sales Manager 2, she had had some obstacles in her supervising position few years ago when she was new to her role and changed the operating standards in her organization. She said that it almost felt like it was impossible to sleep at night on her back since her back was according to her, “full of knives”. Therefore it was natural that in that situation she first isolated herself from the others and nestled in her own room. However, she was able to change the direction and gain the personnel’s trust again by simply explaining over and over again why she made the changes until the people understood her point and staying close to people and giving them time when they needed. Also she said that bringing her own personality into everything that she does and showing her humanity have also helped, since her staff has given her good feedback on those things.

*“When the things got worse I noticed that there is no other way than to stick my neck out and go to where the people are. Tell them about my own mistakes and successes. I realized that even as a supervisor I don’t need to be anything else that I am.”* (Sales Manager 2)

As for her need of supervisor support, according to Sales Manager 2, she calls herself a self-guided person when it comes to her working methods and thus if she needed support, she would go and ask for that. Also other sales managers and the director gave similar responses, and they felt that their supervisors trust them and therefore give them free hands in how to manage the sales at both tactical and operative level.

When asking customer relationship managers if they felt to receive enough support from their supervisors, the answer was simply negative. That must be

partially explained by their attitudes towards the organizational structures of their supervisors not operating in the same service business and therefore not knowing their everyday work and not being in the decision making line either. However, even if they said they don't get enough support, they were giving credit for their supervisors of being systematic in what they do and following their goals and objectives closely during the operating year, although personal touch was something that some of them felt was missing.

*"Even though we are regularly doing systematic follow-up when it comes to monitoring customer cases and my annual goals and objectives, maybe some kind of perseverance has been missing during the last years... My development discussions have been more like situational updates and I feel it's a pity that no one is really interested in what I want to aim at in the future, like if I was for instance interested in supervisory tasks myself. I have mentioned this but it feels like no one really cares."* (Manager 1)

*"I don't think that it's the question of persona or that my supervisors are difficult as individuals, I just feel like the organizational structures are difficult and thus communicating with my supervisors is difficult as well; we have different kinds of viewpoints, different backgrounds, and it feels like we are communicating in a foreign language as there is no common language when it comes to work issues."* (Manager 3)

*"I believe my supervisors really want to support and help me in my work, but it's just that their possibilities to influence there are restricted. That's why I don't wait for any concrete support."* (Manager 2)

All the sales managers and the area director emphasized the meaning of supervisor support, especially in terms of coaching their customer relationship managers. The coaching was comprised except for regular meetings for leading customer sales, but also training for sales techniques, for example use of question techniques and attending and participating meetings and customer cases with customer relationship managers. The practice seemed to be the best teacher in

everyday work according to the interviewees, and interaction between the sales people and their supervisors had to meet the requirements of being systematic.

*"It's not coaching if I attend to a course with you, let's say two times a two days set, and there is a consultant who tells us things that can be of use, too. Usually they are not completely fit for our work's purposes though but anyway, we get a file, go back to the office and put the file on the shelf. It's not much of a help there, isn't it? There is a crucial mistake; sales coaching is never a project which has a beginning and the end but it's a process which has to live in the sales person's everyday work... It adopts, it changes according to the situation and it has to be present all the time and be systematic, that's the thing."* (Director)

Two out of three sales managers and the area director were worried about the fact that the customer front people don't react to the information they receive from the customers or are not even courageous enough to squeeze the information from the customers to the extent that would be necessary. In order to first of all, perceive the situation and then, get the customer relationship managers to change their behavior and fix the problem, sales managers and the area director feel that their support and coaching is in important role.

*"When I arrange trainings and coaching, it is rather well assimilated in the sales organization that the customer front people must ask and listen. But what very often is lacking there is that we don't react. We might write down the information that we hear from the customer and then we just jump in the next thing without bringing it up again. Then the customer will inevitably leave with the feeling that well okay, this was rather heavy questionnaire shooting but what else? Was this person genuinely interested in what I had to say and what were my needs? So I feel that we don't react as much as we should."* (Director)

*"Our observation is essential in the customer meetings. I notice it myself when I go to see a customer and I ask for instance if they are using this or this service provider and when the customer answers, I'm all relieved that phew, yes, I made it, I had the courage to ask and now I know the answer. But hey come on, there I*

*am just in the beginning and I should carry on asking further instead of being satisfied with one piece of information! Like how's it going with them, have you been satisfied, what kind of experiences you have had, has everything gone smoothly, has there been any obstacles and if there has, what are those... And there should be ten questions more, like the realization of the fact that now you left it there. That you know that they are using this or this service provider but if only had you asked more questions, you would have received so much more information... So there I feel that the role of the sales manager is important, the customer relationship managers should appreciate the possibilities of reflecting their actions and learning more, but if nobody is there with them to watch and spar with them, they would probably never notice that themselves. And I feel that learning the question techniques is a very important thing but in order to develop in it you need feedback and practice and it might be that our competitors are doing it better. When we have encouraged ourselves to ask a couple of questions we think we are already winners. And from what I understand, it is not only my customer relationship managers that feel that it is an adverse factor that there is the supervisor participating in the sales meetings, but rather a general problem that sales organizations are facing. Of course it is up to the supervisor himself as well, whether he has redeemed the trust... But usually the supervisor is only welcome to the meeting if he can somehow advance the case, rather than customer relationship managers would see those situations as possibilities to learn and spar with the supervisor. But that kind of eagerness hasn't appeared in my own organization.” (Sales Manager 3)*

As organizing introduction to work to a new sales person is an important part of the supervisor's work in order to get the person operate according to management standards as soon as possible, also that theme was covered in the discussion with the interviewees. It was obvious, based on the interviewees' opinions that at this stage the introduction is mainly about details of different services and their characteristics instead of teaching the actual sales work and how it should be done. Sales Manager 2 had changed this kind of introduction and training in her organization since she had noticed the present way of doing things was not efficient. Instead she wanted to emphasize the meaning of meeting customers,

interacting with them and trying to learn from colleagues by seeing customers together with someone in the beginning. Also the Director pointed out that this kind of introduction to work should be partially done through co-worker support as the supervisors usually are further away from the everyday work of the sales people, in this case customer relationship managers.

*"We should be able to develop a kind of "god parenting" way of thinking in our organization. In my opinion it would be extremely important to nurture peer support amongst co-workers so that you would learn from them. I don't know how it should be arranged but in sales organizations we are so oriented in selling and thus experiencing that we don't have enough time. Instead we should take our new colleagues with us when we go to see customers, to show how an ordinary day goes. In my opinion we have good trainings and we get a lot of substance knowledge from the service organizations but the everyday work... It doesn't help much if you know some terms and conditions on the services you're selling but if you don't know how to do that work, what to do in each situation and how to do that. Of course that comes with time and experience but it would be good if we were able to lower the verge in terms of this god parenting way of operating, since the supervisors are not so hands on in the everyday work of the sales people anyway. Also I feel that could increase the motivation and work atmosphere when people are sharing their experiences."* (Director)

When it comes to co-worker support, it was obvious that good and open working atmosphere, knowing each other's work and building trust were in the core of beneficial supervisor support according to the interviewees. Supervisor's leadership style and emotion seemed to have a crucial effect on how the interviewees experienced the support. Customer relationship managers felt the operating standards are already reducing their decision making authority and therefore their operating field, and based on the interviews they were reluctant to give a bigger role to their supervisors to affect their work unless it has an advancing effect on a specific customer case. As one sales manager said he has understood it was be a bigger "problem" in the sales organizations that the

customer relationship managers are not eager to take their supervisors' advice or trying to learn from them.

#### **4.1.4. Co-worker support**

In co-worker support employees believe their co-workers provide them with work-related assistance to aid them in carrying out their duties (Susskind et al., 2000; 2003) and according to Duffy et al. (2002) it is said to affect job satisfaction, involvement, organizational commitment and personal performance.

All the interviewees felt co-worker support to be at a satisfactory level in their organization and that they feel their colleagues are able to provide them work-related assistance in customer cases, however unlike supervisor support, it is not yet seen as systematic.

*"It is easy to communicate with my colleagues, I feel it works well and we speak the same language. We discuss our customer cases and change ideas and experiences to some extent but it is not anything systematic, I would say it's half-systematic, ad hoc. And there are those colleagues that you always want opinions from, like how have you solved this or this kind of problem, and I feel that's productive. And if there is a problem no one has solved before, it is good to know that too since nevertheless someone else might still have some useful information or viewpoints."* (Manager 3)

*"With colleagues it works well, and it's easy to change ideas, comments and experiences as we are sitting close to each other. And I feel like working in pairs is a good and teaching thing as you can spar your colleague even if you weren't an expert in his field of service."* (Manager 1)

As mentioned already in the chapter handling supervisor support, as supervisors are more in the outer circle of what customer relationship managers' work involves in practice, according to director and all sales managers, co-worker support should

be used more systematically; both in introducing a new person in his working role but also in building a more solid working atmosphere where both successful and unsuccessful experiences are shared in order to learn from each other.

*"I feel that we have good expertise among our colleagues in the specialist roles, but it usually is case-by-case kind of change of information, I would hope it was more proactive and spontaneous. I get help when I ask for it, and it's not that what I mean... It's just that many times when some cases are been presented by the specialists, they are presented as very solid, beautiful cases which don't show the obstacles at all even if there must've been some. They look like everything's gone as smoothly as possible and then you're left wondering why my cases are never like that... I would hope for more realistic approach, the ugly truth, in our internal discussion since that would prevent others from doing the same mistakes someone else has done. Of course when presenting to customers we can leave the obstacles unsaid. I don't think our organization is very good at this kind of culture. In a way we have this fear of making mistakes and when some mistakes have been done, you're trying to hide them which gives the image that you're actually the only one making these mistakes as you don't hear from the ones others have made."* (Manager 3)

Sales managers and the director did not emphasize the need for as concrete co-worker support in their working roles as the customer relationship managers, as the challenges they are facing in their work role are individual, and mostly have the background of human resource management or strategic issues. However they said that networking with colleagues has benefits as one is able to hear how some things have been organized or problems solved in another organization. Sales Manager 3 said that he feels disappointment that there is no executive or operating committee type of work organized around the customer sales since he would find that useful.

Also working atmosphere was covered as one theme in the interviews since in the academic literature it is reckoned that organizational hierarchy along with organizational structure affects employee's needs for co-worker support and social

interaction with colleagues. All the interviewees felt that the working environment in their organization was at a good level. The biggest reason for that based on the interviewees' answers was an open and easy-going interaction with co-workers and something few of them described with the terms "good spirit of doing things together" and "joy of work".

As stated in the theoretical part of the study by Gountas et al. (2013, 111), in most organizations, workers are more likely to have closer relationships with colleagues than their supervisors, especially in high-pressure situations and situations where employees experience overload regarding their roles.

#### **4.1.5. Information systems**

When talking about organizational means of processing customer information system-wise, all the interviewees brought up the complexity. According to them, customers are willing to give information but as there are so many different kinds of information systems where to fill in the data, sometimes it generates frustration and all the data is not saved, which leaves the problem of silent knowledge. To overcome the silent knowledge problem the interviewees exploited the customer teams by sharing the information with them either in form of quick update calls or e-mails. Also it was seen in the interviews that the extent to which people use the information systems to assist their work is largely depending on the individual.

*"Actually this question of information systems came at a convenient time, as I was just last week participating a project relating to customer data, the quality of the data, our different systems, customer documents and these. There is such a thicket of them in our corporation. I think it's very hard to talk about quality or demand it in that sense; when you're using the systems in practice you suddenly notice that you're writing the same information down on several different places. You don't have to be smart to realize that of course the quality will suffer when you fill the same information everywhere. We should have one forum or two at most where to write down the information and from where to disseminate the*



*information. So we should start demanding quality in systems as well. It is very hard for me to go and demand quality from my people information-wise, knowing what it is like in practice as I'm doing customer work as well and carried few cases from the beginning till the end and all I can say is that the quality in what I was writing in the systems had suffered from half-way to the end."* (Sales Manager 2)

*"Our systems aren't built for the purposes of the sales, that's for sure. I would say they serve the purposes of the decision making and some service lines but I would say that it is made for the purposes of background work and risk management and such. When planning these customer information systems one could also think of a situation when customer calls and asks about his agreements could I get the information by pressing one or two buttons? What I do nowadays is that I listen to the customer's list of questions and after finishing the call I start searching for the information. I wait for quite a long time while the different systems start, so I would say that our systems are fractioned. The systems should also respond to the customers' fast need of information so that you could answer without effort."* (Manager 3)

*"We have an information benefit existing from our customers, but we don't use it yet. Our information systems do not support that in this phase as there are so many systems at the moment... Mostly the information is moving mouth to mouth between individuals or then by e-mails outside the systems but we have to develop the systems so that when the customer wants to give us information, we would be able to process that in order to serve the customers as smoothly as possible. Otherwise the customers are left wondering that they are asking the same questions over and over again so are they even listening or interested in what I have to say..."* (Director)

It was pointed out by the Director that the systems need to be reactive so that when some changes are happening around the customer, the systems would react to them so that the sales people would not need to hold the responsibility to follow every customer in particular. Also Sales Manager 1 saw reactivity of the systems as an important thing, since if the service provider is able to not only storage the

information but also process and even react to it, there is a good opportunity to tie the customers more tightly to the company.

Also it was asked from the interviewees if they felt their time was spent on doing the right things regarding their sales tasks. Some of the interviewees had accepted the time-consuming role of the background work when it comes to processing them in the information systems, but some felt that it just makes them frustrated when their time is spent by the computer instead of doing their core business which should be in meeting customers and supervisor work.

To sum up the role of information systems in the interviews, the main message was that the supervisors cannot demand quality from customer relationship managers in terms of customer information in the systems as the complexity of the systems does not serve the purposes of sales. However, customer information plays a critical role in building and maintaining customer relationships (Day 2000) and customer orientation can only be effective if companies design the necessary structures, processes and incentives to operationalize the customer oriented values (Slater & Narver, 1995; Deshpandé et al., 1993).

#### **4.1.6. Motivational systems and incentives**

As stated in the theoretical part of the study, motivation of the sales people is a multidimensional construct which has elements of both organizational and individual components for customer orientation as it was seen in Katzenbach et al.'s (1999) motivating of the employees on page 38. Motivating was something all the interviewees operating in a supervising positions said to be central in their work. According to Katzenbach et al. (1999) there are several paths to motivation, including the understanding of the common goals and objectives and how do they relate to one's work, realization of expectations, entrepreneurial spirit of fulfilling the job requirements, individual achievements and recognition and reward, in other words organizational incentives.

Relating to organizational motivating through common goals and objectives and sustaining the enthusiasm through reward and recognition, according to Sales Manager 1 and Director, their application is always a challenging and demanding task for supervisors as well.

*"There is a challenge that you as a supervisor notice the mission and vision and are able to translate them so that the staff will realize them too. You cannot rely only on having sales discussions, defining goals and objectives and giving flowers and salary raises. You have to believe in what you do and be motivated and enthusiastic yourself as well. When I was having a lecture about motivating employees to some adult students, I used this power of example – picture where Teemu Selänne skated in the hockey rink and passed by his family members. It didn't take long until someone asked about the reward systems, that you must have bonus systems and incentive schemes as well. I didn't answer right away but started talking about an example of commitment, in how to tie customers with concrete steps by speaking the customer's language instead of telling product or service information jargon. Rather trying to open up the benefits and values so that the customer can relate to them on a personal level. After telling the example I asked if there were anyone feeling enthusiastic and motivated and everyone raised their hands. I had to ask them if I paid them anything. So what I'm trying to say is that getting enthusiastic doesn't cost anything, but if you don't know how to bring it to people through other means, you have to resort to monetary compensation. I don't mean that people shouldn't be rewarded since of course they should, and when you're doing good work you should be rewarded better. But you have to use monetary compensation when it's earned and surprises the person, otherwise it can turn against the purpose."* (Sales Manager 1)

The same kind of message about monetary compensations as the driver for motivation recurred in all the interviews.

*"When you're looking the incentive systems, in my opinion they have been cut and at the same time the profits are better than ever, so I would say there's a strong sense of standardization going on... And I believe this trend is continuing in the*

*future and those monetary rewarding systems that are linked to your performance and the performance of the whole corporation are being reduced in the future as well. But the sums, they are not the kind of sums that would make you run any faster. I have said to the customers that it's not like you're forced to buy something from me for the hopes that I get this and that, and that those rewards are not making anyone sell anything involuntarily. They're ok but not something to run for."*  
(Manager 2)

Motivational factors and their impacts on individual work performance and organizational commitment are further discussed in the following chapter 4.2.2 as a part of individual components for customer orientation, as they are based on the interviewees' individual experiences and thus cannot be fully dictated by the organization. It is good for organizations to realize though, that employees' motivation can be led with organizational activities as well such as affecting sales people's content of the work and giving them new challenges not to forget showing appreciation and recognition either. Like Donovan et al. (2004, 142) proposed in their study, managers must understand the factors that will keep their high performers satisfied, committed, and on the job.

## **4.2. Individual factors**

The interviewees were asked to contemplate what characteristics or capabilities they have that can be considered positive regarding the customer work and the role they operate in. Those themes derive from the academic literature terms self-efficacy by Brown et al. (2002), which means the employees self-belief about their own abilities to perform the job well, as well as technical and social skills by Hennig-Thurau (2004). Also job satisfaction through motivation and commitment were discussed too in terms of how the interviewees see their own self-perceived decision making authority regarding their work.

#### 4.2.1. Personal characteristics

When asking interviewees to tell what characteristics or capabilities they have that are considered an asset in relation to their present sales job, the answers were emphasized mainly on the social skills over the technical skills.

*"Creating and maintaining trust... I see the trust is the most essential. I don't think that I'm an extrovert but maybe I am social in some suitable way, and also I feel I have a good situational awareness or I mean that I'm good at understanding situations and after that carrying them to the way I want, and... I'm also easy-going, considerate, able to perform and natural in what I do."* (Manager 1)

*"My strength is in my interaction skills. I claim that I can create trust, and I thrive to evolve day by day so that I would be better in reacting too, in addition to being a good listener."* (Director)

*"I think my energy, talkativeness, joyfulness, listening skills, and the fact that I can both convince and affect are my strengths in customer work. And I think I have certain kind of will power and persistence in what I do."* (Sales Manager 2)

As technical skills the interviewees mentioned their knowledge of the networks inside the corporation and it recurred in all of the customer relationship managers' answers. That is of course natural taken into account that the in-depth substance for the customer cases comes from the specialist teams so knowledge of networks is essential. Also the understanding of the business as well as the ability to pick the essential pieces of information in the customer meetings in order to solve the customers' problems was mentioned as well as understanding of vast entities.

*"I have used a saying that customer relationship manager is actually like a talking head; he doesn't necessary know any field of services so well but he is able to create an image that he does, and knows the people who really have the substance, so he is kind of an enabler between the service provider and the customer."* (Manager 2)

When it comes to self-efficacy, all the interviewees felt that their job is fit for their capabilities; it was rather a question on sustaining motivation not to look for new challenges outside the organization.

#### **4.2.2. Motivation**

The interviewees were asked to name what are the things they like in their work best and what factors motivate them. All of them felt that customer cases and contacts are the thing that is the most meaningful for them in their work, to see how the customers grow, develop and how they can feel they are doing something together with them. Interaction with customers and co-workers was highly appreciated. Also the fact that there are no days that would resemble each other were mentioned several times and that one can plan their own schedules freely. Two out of three sales managers and the area director mentioned seeing how their staff grows and makes progress drives them forward. Also it was made very clear that monetary compensation is not considered anything that would make them try harder in their sales pursuits. Rather it was the content of the job which is in the core, however, the monetary compensation has to be at an acceptable level.

*“First of all I feel that this is like my own company that I manage. In some crazy way I love this job and of course one has to since the earnings are not so good that they would compensate all that lost free time. I have to say I like the freedom in this job as earlier I was tied in certain working hours. I want to work when there is work and I like to work when I have the flow, and then sometimes have a possibility to take time off and run errands. It’s the internal entrepreneurship that I love in this job. I like it that I have no idea what the days are bringing, like aggravately said, I mean of course there are always the certain things but there can always come some interesting customer case challenges and unpredictable situations with the staff but I like that. I am also very much competitive and I want our business grow and I know that it happens from customers. I enjoy when I steal a customer from a competitor, it feels very good. Also it motivates me very much that I see how my staff shines when they have succeeded in something together,*

*when I see their eyes are sparkling it makes me fight everyday for them to ensure the playground is open for them and they can excel with their expertise. ” (Sales Manager 2)*

*“People are motivated by different things... For me it is the interesting customer cases and the feeling of moving forward. If somebody has come here to get rich, he must have understood something wrong. Meaning that the motivation has to be invented someplace else.” (Sales Manager 3)*

Also feelings of appreciation appeared in customer relationship managers' answers, when reflecting motivational factors.

*“Maybe the most important motivator is that you feel that your work matters and that you are appreciated in it. Of course everybody goes to work ultimately to get money, but you have to, in a way or another see that you have done the job and you have an appreciated job, so it basically doesn't matter what they pay you if you're left with a feeling that you're one useless bloke. I guess everyone is after acknowledgment and the feeling that they are important in the organization. So I would say that the money aspect is important but it alone is not enough, I think everyone wants some kind of feedback from their work.” (Manager 2)*

*“There must be something in the job that you like to go there every day. Every job has pros and cons but the pros have to be on the winning side, even by a hair's breadth. And what supports or builds up to it is that you must feel that you are doing meaningful work and that you are somehow valuable to the organization where you work, you can experience the feeling of being appreciated, in a way.” (Manager 3)*

Majority of the interviewees pointed out that goals must also be in place or otherwise it has a deteriorating effect on motivation; they should not be too easily accomplished but not out of reach either.

*"I feel it's unfair that setting personal sales goals is based on the fact that if you do well last year, your goals for the coming year are those numbers increased with a new slope. It doesn't by any means reward those who have exceeded themselves, exceeded their goals, but rather it punishes them next year."* (Manager 2)

*"I feel that I am motivated, yes. But this is something that I never say there in my team but when we have these goals and objectives, I know that some of them are impossible to achieve, well, this is just my subjective opinion, but when I know that certain goals and objectives are impossible, it has a demotivating effect but I try to keep it to myself in order to keep my people motivated."* (Director)

According to the interviewees, the biggest source for motivation was the job itself, so by listening to individuals' wants and needs more carefully it has a crucial effect on their work motivation without extra monetary compensations. Goals and objectives should be adapted to their work's purpose too in order to keep the motivation up. Also majority of the interviewees brought up that the working atmosphere especially with co-workers has an increasing effect on their work motivation.

#### **4.2.3. Self-perceived decision making authority**

As a part of individual components for customer orientation, the self-perceived decision making authority was discussed in the interviews. As it was seen in the chapter where operative standards were discussed, the corporation where the interviewees work has a habit of setting standards up in the organizational levels from where they are pushed down in the sales organizations which made some of the interviewees find their self-perceived decision making authority at a rather low level. However, even if the customer relationship managers felt that their own possibilities to influence on their goals and objectives and operating standards in general was at a low level, they nevertheless appreciated that they were able to plan their activities according to their own schedule and even emphasize certain things in terms of substance according to their own interests.



*"Well, when I look at customer cases, in smaller ones my possibilities to influence are good. But it's in our organizational culture that the goals, objectives and everything else is decided somewhere up in the organization and our task is to wrap those again and make people in the sales understand that what kind of activities it demands to achieve the goals. Sadly I must say that the decision making authority is moved away from the segment that we are operating in."*  
(Director)

*"If I compare the situation to what it used to be few years ago, I feel that my decision making authority is lowered a lot... But it mainly is due to the fact that my role has changed completely and I don't get to do the background work or be part of the decision making anymore. Yet I wouldn't say that it's on a bad level since I there is still this certain type of freedom in my work that I get to choose what to do and when. Although I must say that this is again a lot to do with personality issues, since I'm sure that some people are getting more decision making authority and freedom due to the fact that they have succeeded in achieving trust in the eyes of the management and the organization... I don't think we are treated the exact same way."* (Manager 3)

The sales managers were all unanimous when asking about their decision making authority. They felt they were allowed somewhat free hands to operate inside certain standards, as long as their organizations were making profit they felt no one had an interest to interfere in their business. When it comes to participating their staff and giving them space to operate in their sales roles, it was obvious that the sales managers and the director used their possibilities to influence it increasingly.

*"One can recognize a good supervisor from the fact that he can choose staff that is smarter than him. You have to give them space to operate. I have always said that there is one difference between delegating and outsourcing: when you outsource you give the responsibility but not the authority, then you watch over and go there to hassle yourself. And when you delegate, you give both the authority and the responsibility. In my opinion we have succeeded in that rather*

*well in my organization, I don't go and hassle over other people's issues and the same goes for the sales managers under me, they let the customer relationship managers to do their tasks. But a requirement for this is that everybody knows the rules of the game and when we go by the rules, in every level of the organization there must be the knowledge that in case needed, your supervisor is always there to back you up, and I think that information feeds the good atmosphere."* (Director)

*"I have always said that I don't want to lead my people like this was an army, instead I trust them and give them a lot of freedom and responsibility in their roles. I consider myself having succeeded if they can't see me in their everyday work much. They operate independently but they know that I require open communication and they know that they can always come to me in case they have something in their minds."* (Sales Manager 2)

*"The management should make a script of what is the final outcome, and then take the personnel and participate them, although one must be careful in that too, as too much participation will eventually lead into ineffectiveness. And if the common thread is about to get lost, the management should bring it back and chop the goals and objects into smaller bits in order to fit in the everyday activities of the sales people. I argue, that without thinking there can never be understanding, and without understanding there can never be commitment. And this applies everything so the most concrete thing is that if you can hear discussion, even critical, somewhere from the organization you should be satisfied that now they are thinking. So there comes your role again, you must make them understand and after understanding, they can be committed. And actually the same applies with customers; you must do the same with them too."* (Director)

However, there were differences in the degree of the supervisor participation as well in relation to trust, like in Sales Manager 1's example shows.

*"I consider myself rather careful and dubious, and even if we have operated according to these operative standards for quite some time, I see that people's personalities sometimes leave something for a smaller attention so even though I*

*have extremely trustworthy people around me, nevertheless I don't fully trust them and so I want to make sure things get done myself."* (Sales Manager 1)

Self-perceived decision making authority relates closely to the theme of operating standards in which especially the customer relationship managers had mixed feelings for, and therefore it caused a lot of discussion. The interviewees felt their self-perceived decision making authority has decreased from what it used to be before, however they were all satisfied with the fact that they are still left with freedom in planning their own activities.

#### **4.3. Organizational and individual customer orientation in relation to service quality gaps**

As stated in the previous chapters, customer orientation factors can be divided into two categories which are organizational and individual factors. In this study organizational factors are separated into standards, support and systems. Standards include management standards for service delivery and operative standards, whereas support consists of both supervisor and co-worker support. Systems are handling information systems to process the customer data which has an essential role in a service organization, as well as motivating and incentive systems in order to motivate, commit and reward the sales personnel. Individual factors for customer orientation instead consist of the sales people's personal characteristics, consisting of their technical skills, social skills and self-efficacy. Self-efficacy is formed when the individual sees his own technical and social skills to be at the level they believe they are capable of performing their job well. Other individual characteristics of customer orientation in this study are the sales people's motivation and their self-perceived decision making authority, meaning the extent they feel they can influence on their own work.

Also it is good to revise what was written about quality gaps in chapter 2.2. The concept of quality gaps was presented by Parasuraman et al. (1985) and it is

intended in analyzing the sources of quality problems between the service provider and the customer. There are five gaps in the quality gap model, however **only four** of them are under the interest here as the fifth gap, the expected and perceived quality of service exists on the customer side which is left out the research scope. Those four quality gaps that are in the scope of this study are **management perceptions of consumer expectations, the requirements for quality expectations, the requirements for service delivery and external communication in terms of redeeming customer promises**, and they consists of variables that are used to help measure the quality of service.

The **first**, service quality management gap consists of **marketing research orientation, upward communication and levels of management** (Zeithaml et al., 1988, 38) and they are placed under organizational, management standards. Regarding **marketing research**, Sales Manager 2 mentioned in her interview that she feels it is a negative issue that the corporation has not launched a competitor analysis to map the market. According to her, through knowing the competitors and their ways of operating amongst the same customers, it would help the corporation in achieving a wider picture of customer needs and their expectations for service quality as well. As the marketing research orientation is largely dependent on the top management's activities, they should be aware of the customer expectations and needs in order to close the gap. In the case company the sales managers and directors are also regularly meeting customers as is the top management as well is through executive involvement. According to Zeithaml et al. (1988, 38), as the degree of contact between top management and customers increases, top management should be able to understand the consumer needs and expectations better which causes that the size of gap should decrease.

When it comes to **upward communication** between customer front personnel and management, it is extremely important as the quality expectations and standards are largely done based on customer information in terms of customer front personnel's activities and performances and the facts and figures they are receiving from the customers. According to Bowen & Schneider (1985), although

top managers may not have a proper picture of what customers are expecting of quality, their research suggests that customer-contact personnel, in this case customer relationship managers in particular, are able to predict customer expectations and perceptions of the service due to continuously staying close to customers. The interviewees experienced the upward communication very differently in their organizations. The sales managers who were leading their own business units outside the capital area working with smaller customers felt it was at a very good level. They experienced there was a lot of sales sparring and informal discussion with their sales personnel. Also the director experienced the same in his organization. However, all the customer relationship managers and one sales manager felt there was practically no connection to their hierarchical management line. The different backgrounds of selling service X and service Y were emphasized again as the reason for not knowing each other's business and operating methods, and causing the feeling that their needs and wants are not being heard by the top management. When it comes to the question of **levels of management**, based on the discussion with the interviewees, the researcher was left with an impression that the answer is similar to that of upward communication. Also it does not matter how many layers there are between customer front personnel and top management, if there is no communication between them. Knowing each other's business, the type of customers and the nature of work is the key to decrease the gap relating to upward communication and levels of management.

**Second** management gap, that of **requirements for quality expectations** relates to organizational management standards for service delivery, operative standards and information systems. The size of the gap in a service firm is proposed to function of **management commitment to service quality, goal setting, task standardization and perception of feasibility**. There are various factors relating to management commitment to service quality that are affecting the gap such as lack of resources, short-term profit orientation, market condition and management indifference for instance which may result in discrepancy between manager's perceptions of consumer expectation and the actual specifications established by management for the service. (Zeithaml et al., 1988, 39) Based on the interviews,

customer relationship managers saw the management commitment as problematic, and the comments indicate their perception that quality service seemed to differ from the standards set by the top management. Also Sales Manager 3 pointed out that in his opinion the management has not been to define the customer experience and the target state for service quality the way it should have been done in order to generate a clear conception of what it actually means and what it requires in terms of everyday actions, and as they have not been able to deliver that message, also it has been a challenge for customer relationship managers to operate according to the vision. Also some interviewees felt the management standards for service delivery along with operative standards are not necessarily guiding the sales organizations towards better customer orientation, as expected by the top management. When it comes to organizational resources, all the interviewees felt they were at a satisfactory level and that the top management has shown their support to sales organization and customer work in that way. However, market conditions at the business domain are causing challenges in the strategic planning as well as operative level execution, setting challenges for decreasing the gap for that part.

When it comes to **goal setting**, it was obvious that much of that is traditionally set in the higher levels of the corporation and the job for the sales managers and director is to assimilate it according to the way they see it best for the customer relationship managers. However, the customer relationship managers felt the goals and objectives were not in line with their views of delivering quality service so that created feelings of frustration among them. Also it had a deteriorating effect in motivation if the interviewees felt the goals and objectives were not fit for their work's purposes. As for **task standardization** or operative standards as they are called in this study, the management's purpose has been to standardize certain operations to ensure congruent processes and required level of quality in customer activities. Also organization's technology can serve as means to standardize and regularize employee behavior. Setting operative standards had, in the eyes of the interviewees certain benefits as for making the work more systematic and professional for instance, but also downfalls in terms of effecting people's self-perceived decision making authority. The main message from the

customer relationship managers was that they feel the operative standards are restricting their freedom whereas sales managers and director instead saw them useful. Manager 3, who had been working for several years in the organization, compared the present situation with what it used to be before; he felt that certain operative standards have an effect on his motivation and job satisfaction as he does not want the management driving him into the corner and leaving his possibilities to influence only minor. Zeithaml et al. (1988, 40) suggest that if services are customized for customers, like for example as investment portfolio management or estate planning, specific standards such as those relating to time spent with customers are difficult to establish. This brings the question back to the dilemma between operative standards for service X and service Y, individualized service offerings against service offerings intended for masses, relevant. According to the interviewees, especially customer relationship managers, standards for highly customized service offerings are hard to execute, and this has an effect on closing the gap.

By the **perception of feasibility** it is meant the extent to which the management perceives meeting customer expectations is feasible. As said before relating to upward communication and its importance (Zeithaml et al., 1988); as the top managers may not have a proper picture of what customers are expecting of quality, they should take the customer front people's experiences and views into account. The research by Bowen & Schneider (1985) backs that up and indicates that the people at the customer front are able to predict customer expectations and perceptions of the service due to the fact they are continuously staying close to customers. Variables that are related in this construct include **organizational capabilities and systems for meeting specification and the degree to which managers believe expectations can be met economically** (Zeithaml et al., 1988, 40). Like it was discussed in the systems part of organizational factors for customer orientation, information systems play an important role in processing the bits and pieces of information received from the customer into knowledge and concrete solutions in order to deliver the service to the customers. The current state of information systems received a lot of criticism from the interviewees, but the extent and capacity to use the services was obvious to derive from individual

characteristics and needs. As Manager 2 put it, one does not get feedback from their supervisors for leaving information unwritten in the systems, so according to him that is the easiest part where to be flexible when there is pressure. According to Sales Manager 3 it is simply impossible to watch over people and monitor the quality of the information they are filling in the systems, and Sales Manager 2 said she recognizes she can't ask for quality in terms of filling the customer information in the systems as she bends the standards herself in the diverse system jungle. Director and Sales Manager 1 hoped for more reactivity from the systems in order to notice the possible changes in the situation of the customer. That would help the service provider stay close to the customer and react faster, and by following the customers' individual situation also improve customer retention. Also Manager 1 hoped for more sales oriented information systems in order to serve the needs for sales and also the customers' fast need of detailed information on their offering.

When it comes to **the degree to which managers believe expectations can be met economically**, many interviewees pointed out the need for emphasizing long-term customer focus instead of quick profits. Also, as the Director put it, acquiring new customers is much more expensive for the corporation than investing in the old ones so new customers should not be enticed at any cost whatsoever. According to Manager 3, that should also be seen in the goals and objectives that are set for sales organizations. As the saying goes, what is being measured, increases.

**The third** quality gap can be referred as **the "service performance gap"**, in other words the extent the service providers, in this case sales people, do not perform at the level expected by the management. The gap occurs when the employees are unable and/or unwilling to perform the service at the level the management desires. The main constructs that are proposed to account for the size of the third gap are **teamwork, employee-job fit, technology-job fit, perceived control, supervisory control systems, role conflict and role ambiguity**. (Zeithaml et al., 1988, 41) Relating to teamwork the interviewees were almost unanimous that the teamwork around customer teams is working well and the value it produces to the



customers as well as customer relationship managers is indisputable. Nevertheless, the Director warned that if the teams are dominated by customer relationship managers who have the best information on the customers and if they lead it with their own expertise without a required interaction with specialists, the end result is blinkered from the customer's point as well.

An important aspect for **employee-job fit** comes from organizational management standards for service delivery, as recruitment is the first place for an organization to go wrong when thinking about the personnel's individual skills. As it was discussed earlier, the interviewees responsible for human resource management issues felt that the recruitment processes needed to be updated. The reason for that is that they no longer meet the requirements of the sales oriented organization, as the selection criteria needed to be evaluated with an emphasis on individuals' interaction skills and sales orientation instead of their past work experience, substance and education. Also systematic follow-up of the employees' development and individual aims were hoped to improve in the organizations. The terms employee-job fit and employee-technology fit largely equate to the social and technical skills that are defined in the individual customer orientation research for self-efficacy. All the interviewees felt their employee-job fit was at a good level: they were able to perform according to the goals and objectives set to them as well as experienced they had good relations with their customers. The **employee-technology fit**, however, received criticism as the complexity of the systems did not meet the requirements of the interviewee's appropriateness of tools and technology for performing the job well. Although, they had learned to accept the adequate level for quality when it comes to information systems and customer information processing, so it was not a deal breaker for anyone.

**Perceived control** in the service quality research can be equated to the term self-perceived decision making authority in the customer orientation literature. That means the extent the employees feel they are in control of their jobs and they have flexibility in dealing with their customers (Hennig-Thurau & Thurau, 2003). As mentioned in the findings of this study relating to self-perceived decision making authority, the interviewees had contradictory attitudes towards their decision

making authority. On one hand they felt that the top management higher in the organization dictates the standards so that their own decision making authority is getting smaller, however at the same time they were satisfied with the fact they were able to plan and execute their tasks according to their own wishes, and like Managers 1 and 2 put it, to operate like a CEO in their own jobs. Zeithaml et al. (1988, 42) propose that when service employees perceive they are in control of situations they encounter in their jobs, they experience less stress, and lower levels of stress in turn, leads to higher performance. When employees perceive they are able to act flexibly rather than memorizing process using routines in situations encountered in providing services, control increases and performance improves. Therefore operative standards can also be argued to have a decreasing effect on closing this particular quality gap.

As by **supervisory control systems** it is meant the extent to which employees are evaluated on what they do based on their behaviors rather than solely on output quantity. Output quantity means for example the number of sales per week, and in these situations the performance of individuals is monitored and controlled through written records, in other words output control systems. It is criticized in the academic literature that output controls may be inappropriate or insufficient for measuring employee performance in service organizations relating to provision of quality service, as they overlook key aspects of job performance that customers factor into quality-of-service perceptions. (Zeithaml et al., 1988, 41–42) According to the interviewees, the sales people's performance is mainly measured through output controls and there is not much space for qualitative measuring. The Director and the Sales Managers 1 although said that rather than following and monitoring output quantities, they monitor the sales people's activity since leading them will eventually result in numbers of pieces sold and Euros generated. Customer relationship managers hoped for more qualitative goals and objectives in their annual plan as their emphasis at the moment is too small.

Relating to **role conflict**, Zeithaml et al. (1988, 43) have cited Katz and Kahn (1978) in their study relating to communication and control processes in the delivery of service quality, when they write that the role attached to any position in

an organization represents the set of behaviors and activities to be performed by the person who is occupying that position. The role is always defined through **expectation, demands and pressures** which are communicated to employees by individuals, that is, for example top management, supervisors or customers who have an interest in how the employees perform their jobs. When the expectations of these employees are incompatible or too demanding, the perception is that they can't satisfy all the demands of those individuals. Research has also shown that perceived role conflict is related positively to feelings of job-related tension and anxiety and negatively to job satisfaction. (Zeithaml et al., 1988, 43) The role conflict problem can be seen to originate from management standards for service delivery and operative standards. The interviewees did not experience role conflict in terms of not being able to meet the needs of supervisors and customers, but some questioned the role conflict in relation to the expectations of the top management. The management standards in terms of goals and objectives were questioned for their output nature and practicality, but nevertheless they were experienced achievable. Also customer needs and expectations were both recognized and redeemed at a good level according to the interviewees. However, the problem for the customer relationship managers and one sales manager in relation to their roles was more of strategic nature. The conflict relating to their roles originated from operating standards regarding their roles and responsibilities, and management standards regarding the goals and objectives they had to fill in their roles. They questioned if the standards were practical and appropriate in the big picture; whether they are guiding them to serve customers better and at the same time creating profits. The pressures mostly occurred when their self-perceived decision making authority was limited with management standards and operative standards.

According to Katz and Khan's (1978) definition cited by Zeithaml et al. (1988, 43), when employees do not have the information that is needed to perform their jobs in an adequate level, they experience **role ambiguity**. Role ambiguity may occur due to employees being uncertain about what managers or supervisors expect from them and how to satisfy those expectation because they do not know how their performance will be evaluated and rewarded. There are several

organizational variables that moderate the role ambiguity service employees are experiencing. The **frequency, quality and accuracy of downward communication** are likely to affect the service employee's role ambiguity. Downward communication involves messages that are primarily used by managers in order to direct and influence personnel at lower levels in the organization. It typically pertains to the goals, strategies and objectives for the organization and its departments, job instruction and rationale, policy and procedures and assessment and correction of performance. The **communication frequency of the supervisors and use of training** are lowering the role ambiguity, as employees understand what they are expected and how they are evaluated. The training could be either service specific, in other words centre around the substance, or then emphasizing in communication skills and customer expectations. (Zeithaml et al., 1988, 43–44) The interviewees did not experience role ambiguity as they knew what they were expected and how their performances evaluated and rewarded. Communication between the interviewees and their closest supervisors was systematic, as sales are been followed every two weeks. The same problems related to questioning the appropriateness of operative and management standards that affect their work were the same than what was written above in relation to role conflict. When looking at the use of trainings in the organizations interviewees operate in, the message was clear that there was enough service specific training available if needed. However, the sales managers and directors experience concern in organizing enough sales specific coaching as part of supervisor support in order to develop the sales people's customer skills.

The fourth and last quality gap that is handled in this study is **the difference between service delivery and external communication**. Media advertising and other communications done by a company can affect customer expectations. Discrepancies between service delivery and external communications in terms of exaggerated promises and/or the absence of information about service deliver aspects can effect customers' perceptions of service quality. Variables that are related in this construct include **horizontal communication and propensity to overpromise within an organization**. (Zeithaml et al., 1988, 44) As no advertising people were interviewed in this study, the emphasis on closing this gap was

instead on communications done by the sales people and how they see redeeming customer expectations and promises. It was widely acknowledged by the interviewees that they had received good customer feedback and as their customer base is mainly consisting of long-term customers for the company, if there had been large discrepancies, they would have noticed that so far.

*"I have been doing this thing for four years now and I haven't lost one single customer, so I could imagine they have received what they're promised too. Otherwise I believe they had left. So if we were doing something completely different than what we promise them, we should have received much more negative feedback and the number of customers moving to other service providers' would be higher."* (Manager 2)

*"I think we're on the right track and the operative standards bring certain systematic professional touch to it so no large discrepancies can happen when thinking about letting down customer promises. In my opinion the fact that we have secured our processes and know our customers help in interacting with them."* (Manager 1)

As seen already in the discussion, customer orientation and service quality are closely related to each other, and organizational and individual customer orientation components are affecting also in the constructs of service quality gap model.

## **5. CONCLUSIONS**

In this final chapter, customer orientation construct and its implications on service quality will be explained in the context of theoretical contribution. Empirical conclusions answer to the research questions in theoretical contribution, and the purpose of managerial implications is to provide recommendations for managerial purposes in order to draw the attention on concrete actions what could be made at the management level to improve customer orientation and its service quality organization-wide. Also suggestions for future research are presented.

### **5.1. Theoretical contribution**

#### **What is the role of customer orientation in quality of service delivery of the sales personnel?**

As it is typical for services that quality occurs during the service delivery process in an interaction between the customer and the contact personnel of the company, service quality is highly dependent on the performance of the employees who are an organizational resource that cannot be controlled to the degree that components of tangible goods, for instance, can be engineered. (Zeithaml et al., 1988, 35) Companies which operate in a customer-oriented way are more likely to deliver exceptional service quality and create satisfied customers (Hartline et al., 2000, 35), and therefore customer orientation is expected to be positively related to service quality (Susskind et al., 2003) It can be argued that the service quality and customer satisfaction can be seen as a consequence for customer oriented behavior.

In the empiric part of the study, there were people interviewed from three levels of sales organization. Customer relationship managers who function at the operative level, sales managers who are supervising the customer relationship managers and responsible of the tactical level, and one area director who handles mainly strategic operations. In customer relationship managers' work customer orientation

was seen very concrete means for delivering quality service; customer relationship managers are putting themselves in the position of a customer and by listening to them, examining their visible and latent needs and finding solutions, they are very hands on in the customer work. However, standards, support and systems are strongly dictating the frames they are operating in so the concrete service delivery which customer sees and evaluates can be said to derive largely from individualistic origins of customer orientation in terms of social and technical skills and motivation to serve customers.

Whereas the customer front people concentrate in concrete sales, their supervisors at the two examined levels are influencing more in the background when it comes to customer work and service delivery, and thus customer orientation is seen in their work very differently. In the service delivery process, the input of these supervisors is seen mainly in the organizational components of customer orientation through setting standards, support and systems. The input can be seen also indirectly in the individual components of sales front's customer orientation through supervisor support, training and coaching as well as motivating the sales people.

### **What are the components of customer orientation?**

Customer orientation focuses on defining organizational capabilities as well as human interaction (Becker & Wellins, 1990, 49). According to academic literature (e.g. Slater & Narver, 1995; Deshpandé et al., 1993) customer orientation can only be effective if the firm designs the necessary structures, processes and incentives to operationalize the customer oriented values. For service firms it means that they have to find the right methods of disseminating the firms' customer oriented values and beliefs so that they inspire customer contact employees to be customer focused. (Kelley, 1992)

In this study customer orientation construct at an organizational level adapts to Susskind et al.'s (2003) views for including management standards for service delivery, supervisor support and co-worker support as components for customer

orientation and Slater and Narver's and Deshpandé et al.'s views of including structures, processes and incentives. Therefore, based on both previous academic research and empiric interviews conducted in this study a new customer orientation construct was formed at an organizational level, consisting of standards, support and systems as components for customer orientation.

Organizational standards are comprised of management standards for service delivery and operative standards. Management standards for service delivery include organizational goals and objectives, managerial expectations for job performance and the implicit importance placed on those goals, objectives, and performance demands (Litwin & Stringer 1968; Susskind et al. 2000). Operative standards include the process oriented culture in terms of setting operative standards and monitoring the service behavior and processes of sales front people.

Support includes both supervisor support and co-worker support and they are known to potentially influence employee productivity and overall organizational performance (Duffy et al., 2002). Supervisor support is defined as the extent to which employees believe their supervisors offer them work-related help in performing their jobs as service workers, and co-worker support as the extent to which employees believe their co-workers provide them with work-related assistance to aid them in carrying out their service-related duties (Susskind et al., 2003; Susskind et al., 2000).

Systems include the necessary structures, processes and incentives to operationalize the customer oriented values in terms of information systems and motivational and incentive systems. The purpose of information systems is to both storage and process the customer data to assist the employees and transform that data into customer knowledge in order to enable firms to develop customer-specific strategies and consequently, be customer-oriented. Motivational and incentive systems are designed to attract, retain and reward personnel for appropriate behaviors and they should advocate market orientation and customer orientation (Grönroos, 2001, 349; Grönroos, 1990).



As the performance of service personnel often constitutes a major element of the service itself (Brady & Cronin, 2001, 242), customer orientation of the service personnel is often regarded as the main determinant of the firms' success. (Hennig-Thurau, 2004, 460). In this study customer orientation construct at an individual level adapts to behavioral customer oriented selling (COSE) views (Hennig-Thurau & Thurau, 2003; Hennig-Thurau, 2004) as well as individualistic views of Brown et al. (2002), and based on those views and empiric interviews of this study, for the purposes of this study a new construct for individual customer orientation components was formed consisting of sales people's personal characteristics, motivation and self-perceived decision making authority. Personal characteristics are comprised of people's social and technical skills as well as self-efficacy, which means their own abilities to perform the job well. Motivation includes the sales people's motivation to serve customers. Self-perceived decision making authority instead corresponds to the extent to the employee feels authorized to decide on the issues that are concerning the needs and interests of the customer and it has a crucial role in transferring social and technical skills as well as motivation into customer oriented behavior. (Hennig-Thurau, 2004)

As people rarely work in isolation and as organizations are just as good as their employees, it is undeniable that both sales people's individual inducements and organizational factors are affecting the customer orientation. Therefore the researcher chose studying them both at organizational and individual level and formed a new construct in order to get a broader conception of all the factors that are affecting customer orientation construct.

### **What factors support the development of customer orientation among the sale personnel?**

Organizational components of customer orientation, meaning standards, support and systems have a great impact on the development of customer orientation organization-wide. However, organizational components and individual components are strongly connected as one cannot exist without the other; organizations are formed of individuals and organizational components have an

effect on how the employees feel their skills, self-efficacy, motivation and decision making authority. According to previous research (e.g. Parasuraman et al. 1985, Zeithaml et al., 1988; Grönroos, 1990), climate of customer orientation must hail from senior management so it is reasonable to argue that organizational standards are central in the formulation of operative standards, support and systems.

Based on the interviews and previous research, setting a common vision, goals and objectives as well as operative standards, and insinuating them at the employee level seems in crucial role in both enhancing and impeding the organization-wide customer orientation. As the top management is often further away from the customer needs and customer contact employees are in the frontline being responsible for translating a customer-oriented strategy into quality service and predicting customer expectations as well as perceptions of the service quality (Bowen & Schneider, 1985), should the top management should make guidelines alone without listening to the customer front personnel, it has an impeding effect on organization-wide customer orientation. Sales Manager 1 provided a useful comment in his interview when discussing the meaning of management standards and operative standards to guide the actions of the sales people:

*"Maybe there's a problem at the visionary's side instead of practitioner's side, if the objects and goals are not met."*

According to Cross et al. (2007, 830), an important attribute of customer orientation is also that it is defined to have a long-term focus. Therefore, if the employees' goals and objectives are genuinely set to serve long-term customer relationships and produce value to customers, that has a positive effect on their customer oriented behavior at an individual level.

Whereas the management standards for service delivery have an effect on how the organization sees customer orientation, what is the mission and vision, the operative standards concentrate on the practice; how the customer oriented strategy is carried out in the organization at the level of individual employee. If the

operative standards are set too strict, it has an impeding impact on how the employees see their self-perceived decision making authority and motivation, which again, has an effect on customer oriented behavior at the individual level. On the contrary, if the employee feels that he has a possibility to influence on his work; it has an enhancing effect on his customer oriented behavior.

Based on the empiric interviews of this study, the interviewees on the supervising positions saw training and coaching of the employees in an essential role of enhancing customer oriented behavior should it be treated as an ongoing process instead of a single transaction which has a beginning and end. However, the employees themselves did not feel the supervisor's role that much central, and they felt that the interaction with their supervisors is mainly reduced to the sales follow-ups. The researcher therefore argues that better understanding both on the employee and the supervisor sides towards each other's views would be essential in order to enhance customer orientation and personal communication and interaction is in central role. Also based on the interviewees, employees appreciate co-worker support very high, so if it is cultivated and made more systematic, it can be argued that it would positively affect the individuals' customer oriented behavior as well.

It came as a surprise to the researcher how the individualistic standpoints of customer orientation were highlighted in the construe of the phenomenon even though the emphasis of the customer orientation construct lies on organizational factors. Based on the interviews the mission, value and pride along with feelings of being recognized for the quality of their individual performance have a central role in enhancing people's customer oriented behavior at an individual level through motivation and job satisfaction. Therefore, the researcher came to a conclusion that an organization can operate as a facilitator and create certain frames for customer oriented sales culture, but cannot replace the shortages in an individual's own capabilities or even personality relating to that work role. Successful recruitment can enhance the creation of customer oriented culture, and training, coaching and motivating can minimize certain shortcomings in skills and attitudes but the personality traits remain somewhat inborn characteristics, as

individualistic discipline presents. As Sales Manager 1 appropriately said it in his interview:

*"You can't fix it with any kinds of processes if you lack that as an individual."*

## **5.2. Managerial Implications**

Management standards for service delivery along with operative standards need to be developed and articulated in a way that is generally accepted, clear and that employees understand them in order to be genuinely guided and directed by the standards. That is extremely important since those standards form the basis for service culture. The findings of this study back up previous researches (Gountas et al., 2014, 109; Hartline & Ferrell, 1996) that for the interaction between the service provider and the customer to be successful, people at the customer front need a clear understanding of management expectations and organizational standards, as these influence not only employees' performance but also to the service received by customers.

Bowen and Schneider (1985) emphasize that as the top managers do not necessarily have a proper picture of what customers are expecting of quality, people at the customer front can accurately predict customer expectations and perceptions of the service quality and therefore their voices should be heard too when planning standards. This is crucial in organizations where the top management is further away from customer activities. Also it would be useful to contemplate to what extent the operative standards should be launched to frame the actions of the people operating at the customer front as well as to what extent authority and responsibilities could be given to the customer front people, since strong operative standards are deteriorating those people's self-perceived decision making authority in regard to their own work. Standards that are not viewed pragmatic have an effect on how the people operating at the customer front are experiencing organizational customer orientation and in the end, how that affects

to the service they are delivering in addition to quality that customers are experiencing.

Also recruitment processes and standards should be something top management should question on a regular basis, especially if there has been changes in operative standards of the sales organization. As individuality is central in sales people's customer oriented behavior, managers should find out people's social skills, attitudes and motives for sales work instead of emphasizing education and substance since substance can be increased with good coaching and training.

Organizational hierarchy along with organizational structure affects employee's needs for co-worker support and social interaction with colleagues and in most organizations, workers are more likely to have closer relationships with colleagues than their supervisors, especially in high-pressure situations and situations where employees experience overload regarding their roles. (Gountas et al., 2014, 111) Based on the findings of this study, the sales people experience their relationships closer with their co-workers than their supervisors, so that should be exploited in planning and organizing training and coaching as well. It would be useful for organizations to create forums in which the sales people would discuss and bring customer cases in order to benefit from each other's knowhow and substance systematically, and guide the focus of the supervisor training and coaching towards sales skills and tactics.

The managers should maintain a strong focus in delivering the management standards and operative standards to the sales front through supervisor support. However, they should also pay more attention to upward communication to their superiors so that the top management is aware of the situation at the sales front and is able to revise the standards in case necessary. The findings of this study show that the role of the supervisor is too often left in systematic sales management follow-up; supervisors should also to cultivate positive emotion in employees and challenge them intellectually since according to previous academic research, supervisor's role is important in orienting service employees to customers and enhancing their job performance.

However, even though the emphasis of these managerial implications are on organizational standards and support as well as sustaining sales people's own individual characteristics, the managers should not underestimate the role of organizational systems either in guiding the personnel towards more customer oriented behavior. Information systems and incentive systems were seen instrumental in this study; they needed to be at an acceptable level although their impact on customer oriented behavior and ultimately on service quality was not emphasized. However, motivation was seen central in the findings and therefore the managers should cultivate the sales people's feelings of appreciation and value in order to guide them towards customer oriented behavior.

### **5.3.        Suggestions for future research**

The theoretical construct and findings of the study highlight several directions for future research. First, as the research scope remained intra-organizational, it would be useful to find out also customers' experiences of the service provider's customer orientation and its impacts on service quality to be able to use the service quality gap model by Parasuraman et al. (1985) more extensively.

As the study involved both organizational and individual factors of customer orientation, it would be interesting to focus on either one of them in order to gain more profound information. Organizational factors of customer orientation are set from organizational standards, support and systems, whereas individual factors cover the sales people's individual characteristics and behavior. In order to achieve more in-depth information on the construct of individual customer orientation factors and how they are affecting service quality, the best target group for survey would be the sales personnel operating at the customer front. That is because the customer orientation of the sales personnel is, according to several researchers (Donavan et al., 2004, Brown et al., 2002; Hennig-Thurau & Thurau, 2003; Brady & Cronin, 2001), affecting how customers are experiencing the quality of the service. It would also be interesting to conduct a study which would include

matched sample of sales people, managerial and customer perspectives in order to get results at the individual level.

In conclusion, this research shows the complex nature of an individual sales employee behavior and their attitudes together with organizational standards of customer orientation and how they are affecting service quality. Developing a better understanding of the elements of organizational and individual customer orientation which can be controlled and managed in order to improve the overall service delivery process is essential in order to improve organization-wide service quality.

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## **APPENDIX 1**

### **Interview questions (interviews were conducted in Finnish)**

Adapted from e.g. Gountas et al. (2014), Susskind et al. (2003; 2007), Zeithaml et al. (1985; 1988)

### **INDIVIDUAL COMPONENTS**

Kerro työstäsi. Mikä on sinusta mielekkäintä työssäsi? Mikä motivoi sinua työskentelemään asiakkaiden parissa? Koetko olevasi motivoitunut tekemään nykyistä työtäsi? Miksi/Miksi et?

Miten koet vaikutus- ja päätösvaltasi asiakkaitasi/työtäsi koskevissa asioissa? Miten nykyinen työsi vastaa kykyjäsi? Mitkä ominaisuudet koet vahvuuksiksesi asiakastyössä? Koetko olevasi sitoutunut organisaatioon? Miksi/miksi et?

### **STANDARDS**

Mistä asioista hyvä asiakaskokemus koostuu? Miten asiakaslähtöisyys näkyy omassa työssäsi/alaistesi työssä? Mitä haasteita näet asiakaslähtöisyyden kehittämisessä? Millaisia konkreettisia keinoja on lisätä asiakaslähtöisyyttä? Kuinka hyvän käsityksen ajattelisit sinulla/organisaatiossasi olevan siitä, mitä asiakkaat haluavat ja tarvitsevat? Miten koet, että asiakasodotuksiin ja lupauksiin pystytään vastaamaan? Miten tavoitteiden asetannassa huomioidaan asiakaslähtöisyys ja palvelun laatu (vrt kappalemäärä/euroajattelu)? Miten organisaatiosi ylin johto tukee sinua asiakastyössäsi/tavoitteiden toteutumisessa?

### **SYSTEMS**

Miten koet olemassa olevan asiakasinformaation määrän ja laadun asiakastyöskentelyssä? Entä asiakaskontaktien määrä ja laatu? Onko asiakastiedon hallintaan riittävästi resursseja / välineitä /keinoja? Koetko että

aikasi kuluu ns. oikeisiin asioihin asiakastyötä ja tavoitteita ajatellen? (role conflict)  
Millaiseksi koet tiedon kulun organisaatiossa itsesi ja johdon/ eri liiketoimintojen välillä? Koetko, että tavoitteiden toteuttamiseen on riittävästi motivaattoreita? Mitkä ovat tärkeimmät motivaattorit?

## **SUPPORT**

Kuvaile vuorovaikutusta ja kommunikaatiota alaistesi/esimiestesi/ kollegoidesi kanssa. (esim. laatu, frekvenssi, muodollisuus/vapaamuotoisuus jne.) Koetko saavasi riittävästi tukea esimieheltäsi ja kollegoiltasi arjen työssä? Miten kuvailisit organisaatiosi työilmapiiriä?

Miten valmennus/ perehdytys / koulutus on hoidettu organisaatiossanne?  
Minkälaisia haasteita näet näissä? Mitä toiveita sinulla on näiden suhteen?