


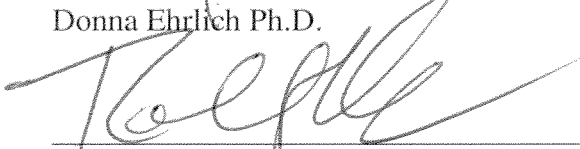
## MIDDLE MANAGERS' EMOTIONAL PERCEPTIONS


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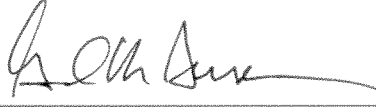
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MIDDLE MANAGERS' EMOTIONAL PERCEPTIONS

MIDDLE MANAGERS' EMOTIONAL PERCEPTIONS OF CUSTOMER-CENTRIC  
STRATEGIES, POLICIES, AND GOALS

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By  
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A DISSERTATION

Submitted to the faculty of the Graduate School of the Creighton University in Partial  
Fulfillment of the Requirements for the degree of Doctor of Education in the Department  
of Interdisciplinary Leadership

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Omaha, NE  
November 14, 2013

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## MIDDLE MANAGERS' EMOTIONAL PERCEPTIONS

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### Abstract

This purpose of this study was to examine customer-centric organizational change through the theoretical lens of social exchange theory (SET). The focus of this study was employees who constantly weighed the perceived organizational benefits or punishments in response to their behavior. SET theorists have long viewed actors in social exchanges (i.e., employees) as non-emotional beings; however, closer review of the variables constituting social interactions reveals that emotions can often play a critical role in driving behaviors (Lawler & Thye, 1999). In order to be customer-centric, an organization must derive its goals from voice of the customer (VOC) data (listen), communicate these goals broadly throughout the organization (learn), and instruct employees in how to achieve these goals (act) (Tempkin, 2012a). The results of this study suggest that employees may feel frustrated if they do not have access to VOC data (listen), have a clear sense of the firm's customer-centric vision (learn), and engage in training to learn how to apply customer-centric behaviors to their daily work (act). This study suggests that emotions can play a significant role in customer-centric change and calls for further research to construct support frameworks for customer-centric change agents.

*Keywords:* Social Exchange Theory, Perceived Organizational Support, Organizational Citizenship Behaviors, Customer-Centric Change

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## **Chapter 1: Introduction**

Evaluations of employee commitment to an organization are moderated by employees' emotional perception of their relationship to the organization. This study used social exchange theory (SET) to explain the behaviors of employees in a system within particular contexts in order to ultimately assert change on these actors to behave in a manner thought to be more beneficial to the organization (Brown, 2009; Eisenberger, Fasolo, & Davis-LaMastro, 1990; Williams & Anderson, 1991). The SET-based concept of perceived organizational support describes the degree to which an employee feels valued by his or her organization (Eisenberger et al., 1990; Seabury, 1991). Employees with higher levels of perceived organizational support are more likely to have higher levels of organizational commitment and to engage in organizational citizenship behaviors (OCB). OCBs are described as the contribution of an employee beyond the bounds of his or her written job description or role in pursuit of the fulfillment of organizational goals (Mamman, Kamoche, & Bakuwa, 2011). Research indicates OCBs are a cost-effective way for companies to reach maximum organizational efficiency, which can in turn contribute to a more efficient customer experience that requires less effort for customers to successfully complete their tasks (Mamman et al., 2011; Sapounakis, 2011). Lower customer effort required to engage with a product or service is also widely accepted to increase experience quality and customer satisfaction (Sapounakis, 2011).

### **Leveraging Employee Engagement to Improve Customer Experience**

The Disney® Corporation has long had a reputation for providing unique experiences to its customers. This differentiation contributes a high level of customer

satisfaction across the company's customer touch points and product lines; however, in the mid-1970s, the company experienced decreases in customer satisfaction scores at its Disneyland® Resort in California. Upon investigation, company leaders found the resort's staff lacked engagement with their jobs. This lack of engagement resulted in decreased experience quality and lower levels of customer satisfaction with the park experience. Employee morale had deteriorated because employees felt their jobs had little connection to delivering on the Disney® experience and many cross-functional feuds had erupted between various departments. Leaders at Disney® determined employee training needed to go beyond learning the basic tasks required for a particular job description. Training also needed to provide employees with an emotional connection to the role it was playing to deliver the Disney® experience (Lipp, 2013). Training at Disney was retooled to empower employees to go above their formal job descriptions (via OCBs) when they felt it was necessary to create outstanding customer experiences. With renewed focus on training, the organization was able to turn around the Disneyland® experience and the park has grown to serve more than 16 million visitors in 2011 (Lipp, 2013). Another example of successful customer-centric strategies include Continental Airlines "Fly to Win" Employee Engagement that focused on empowering employees to make customer-focused decisions. Before the implementation of "Fly to Win" many middle managers at the airline reporting feeling paralyzed with anxiety when needing to make a customer service decision, through the program employees were taught how to make decisions that worked best for customers and for the company (Higgins & Mcallaster, 2004).

**Missing the Opportunity to Leverage Employee Engagement**

Despite this successful turnaround by Disneyland nearly four decades ago, little evidence can be found that companies are focusing on employee emotional engagement as an antecedent to customer-focused operating model transformation. Instead, a recent survey of 249 companies showed that many middle managers are still held accountable for less customer-centric performance measures such as transactional volume (Tempkin, 2012b). Although examples such as the 1970s turnaround of Disneyland® make it clear that diminishing employee morale can reduce the quality of the customer experience and customer satisfaction, little information about the emotional impact felt by these middle managers could be found during the literature review conducted for this study (Lipp, 2013). This study examined the emotional impact of middle managers under pressure to act as exemplars of customer-centric behavior in spite of internal normative pressure from their peers to focus solely on legacy metrics for which they are held accountable.

**Problem Statement**

Customer-centric companies are four times more likely to financially outperform competitors; however, only 35% percent of companies use voice of the customer (VOC) data when formulating their strategies (Tempkin, 2012a, 2012b). Although companies realize that satisfying customers is key to profitability, daily operations continue to be focused on internal organizational goals, rather than customer needs. As a result, many companies insert bold customer-centric promises into annual stockholder reports or marketing materials without making the clear internal resources necessary to transform into a customer-focused organization (Shah, Rust, Parasuraman, Staelin, & Day, 2006). In turn, this strategic misalignment can create emotional stress for middle managers



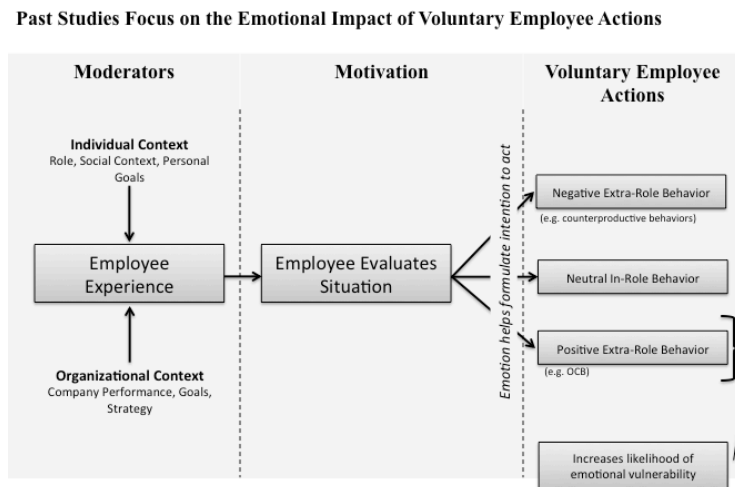
pressured to meet customer needs, while still being held accountable for legacy product-centric organizational performance goals (Tempkin, 2012d). In a 2012 survey of 249 large U.S. corporations, more than 53% of respondents reported middle managers within their organization were impeding their organization's customer-centric transformation (Tempkin, 2012d). Analysis of this finding shows that even if middle managers wish to participate in a customer-centric change, they have little expectation of being rewarded for making customer-focused decisions as their performance is often still measured via legacy product-centric norms or metrics (Tempkin, 2012d).

Businesses seeking to transform their operating models to be more responsive to their customers need to develop ways to change the behavior of these middle managers. Emotions are in response to reinforcements and punishments and some companies are not taking the emotions of their middle managers into account as change management strategies are created (Williams & Anderson, 1991). In a business environment, rapid changes to employee behavior can be critical to the overall success of a business's strategies or goals; therefore, all possible avenues to change behavior should be leveraged, including providing emotional support if needed (Spector et al., 2006). Because little information can be found regarding the emotional impact of customer-centric change on employees, it remains unclear if emotional support for middle managers could yield long-term changes in customer satisfaction.

### **Significance of Extra-Role Behaviors in Improving the Customer's Experience**

It should also be noted that a company's formal job descriptions and policies will not create seamless end-to-end experiences as customer experiences are simply too complicated and gaps inevitably occur. Companies also need to find ways to increase the

likelihood of employees engaging in extra-role behaviors to fill customer experience gaps until strategies, policies, goals, and tactics can be adjusted to take customer needs into account (Hagen, 2012; Mamman et al., 2011; Thompson, Peteraf, Gamble, & Strickland, 2012). Past studies have focused on the increased likelihood of emotional vulnerability experienced by employees who voluntarily engage in extra-role behaviors (Figure 1; Bacharach, Bamberger, & Sonnenstuhl, 1996).



*Figure 1.* Emotional impact of voluntary extra-role behaviors.

A review of the literature has found that little focus has been placed on understanding how emotional vulnerability might be impacted when normative pressure is placed on employees to participate in extra-role behaviors rather than engaging in the roles voluntarily (Figure 2).

Current Study Focuses on Emotional Impact Stemming from Expected or Required Action

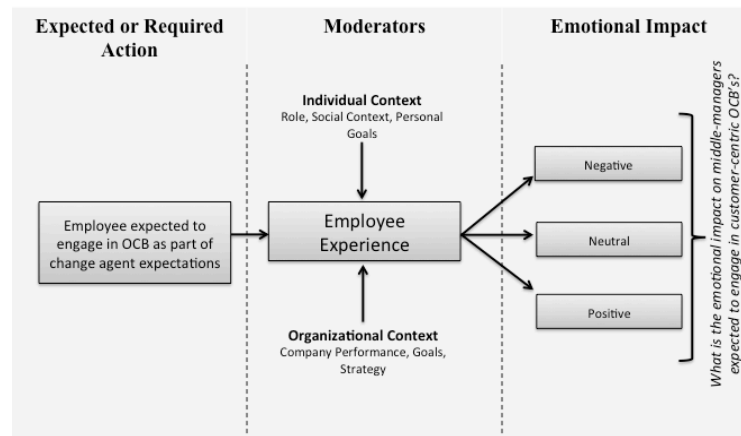


Figure 2. Emotional impact of requiring extra-role behaviors.

### Organizational Structure's Role in Encouraging Extra-Role Behavior

A review of the literature uncovered little information regarding the type of organizational structure best suited to support employees during times of customer-centric change. Organizational structures exist on a continuum of mechanistic to organic characteristics (Olden, 2012). Mechanistic organizations will often have rigid job descriptions, specific responsibilities and centralized vertical decision making that is often made at the top levels of the organizational hierarchy (Olden, 2012). On the opposite end of the continuum, organic organizations typically have looser job descriptions including less specialization of roles and decision-making that is typically made horizontally across lower levels of the organization (Olden, 2012). According to Mamman (2011), organic structures are thought to be more conducive to encouraging OCBs; however, research regarding which type of structure best provides emotional support to employees during times of customer-centric change appears to have not been conducted. Companies seeking to transform themselves into more customer-centric organizations may benefit from learning what type of emotional impact these customer-

centric change behavior expectations might be having on their employees (Mamman et al., 2011; Seo et al., 2012).

### **Purpose of Study**

Companies seeking to transform into more customer-centric organizations can benefit from learning what type of emotional impact customer-centric change behavior expectations might have on their employees (Mamman et al., 2011). Therefore, the purpose of this study was to explore the emotional impact on these middle managers, who are under pressure to make customer-centric choices but are penalized when product-centric profitability measures are not favorable. This qualitative study attempted to identify and explain the phenomenon of emotional impact felt by middle managers asked to engage in customer-centric change behaviors over and above their formal job description.

### **Theoretical Framework**

The theoretical framework for this study was the emotional impact felt by middle managers required to engage in organizational citizenship behaviors (OCBs), tasks over and above their formal job description related to actively engaging customer-centric behaviors (Mamman et al., 2011). Engagement in OCBs has been widely recognized to increase emotional vulnerability, something likely amplified when extra-role behaviors require employees to break organizational norms in order to drive organizational change (Bacharach, et al., 1996; Eisenberger et al., 1990; Filstad, 2011). This study examined the emotional perceptions of middle managers asked to support a customer-centric change strategy at a mid-sized consumer services company located in the Western United States.

**Research Topic**

Successful customer-oriented organizations such as Disney® concentrate on their organization's emotional connection with employees rather than solely focusing on the rational dimensions of these relationships alone (e.g., paying an appropriate salary, offering competitive benefits) (Lipp, 2013). Social exchange theory (SET) describes social change as a process of negotiated exchanges during which individuals are constantly weighing the cost-benefit of their next interaction. As organizations increase the likelihood of emotional vulnerability felt by employees facing pressure to engage in OCBs, the employees must identify and respond to operate within these shifting behavioral norms (Hagen, 2012). Underlying this relationship with employees is the notion that humans are rational beings who seek rewards and avoid punishments (Eisenberger et al., 1990).

Application of SET to this type of organizational research has led to the focus on perceived organizational support, which is used to describe the extent to which an employee feels he or she is valued by an organization. Increased levels of perceived emotional support led to higher levels of organizational commitment (Mamman et al., 2011). Employees with higher levels of perceived organizational support and commitment are more likely to engage in organizational citizenship behaviors (OCBs) by contributing more to the organization beyond the bounds of their written job description (Mamman et al., 2011). Organizational commitment is a useful indicator of OCBs; however, past customer-centric research showed that many studies have neglected the important inherent factor of employee emotional vulnerability when examining mandated engagement in OCBs required by customer-centric change (Bacharach et al., 1996;

Eisenberger et al., 1990; Filstad, 2011). This is despite the fact that OCBs have been recognized to increase emotional vulnerability. The issue is likely amplified when OCBs require employees to break organizational norms in order to drive organizational change related to mandated customer-centric change behaviors.

### **Research Question**

What are the emotional perceptions felt by middle managers required to participate in customer-centric change behaviors as it relates to supporting goals, strategies, or policies in place?

### **Type of Research**

This qualitative study attempts to identify and explain the phenomenon of emotional impact felt by middle managers asked to engage in customer-centric change behaviors over and above their formal job descriptions. Senior leaders will often make public promises regarding customer-centric change, while continuing to pursue product-centric business goals. These unsupported customer mandates require middle managers to change how their department operates while simultaneously being penalized if they do not deliver legacy transactional or product-oriented business goals (Tempkin, 2012c). I therefore used interviews with middle managers to explore the emotional impact created by potential misalignments in what these employees are asked to do versus company goals, strategies, or policies.

I analyzed internal corporate communications to document the extent to which senior managers were advocating customer-centric behaviors in relation to the level of internal support provided or not provided to middle managers. I conducted this analysis using a framework to analyze the overall market-orientation of messages, underlying

shifts in the organizational strategy paradigm, and orientation of the language being used in each message. Artifacts refer to the norms, symbols, ceremonies, and documents of a firm and they can influence behavior by encouraging or discouraging action. The language used in these communications should begin to support the strategic shift from product-orientation to a more customer-centric orientation (Higgins & Mcallaster, 2004; Pols, 2012). Companies can use artifacts to indicate a shift towards a more market-centric strategy by indicating decisions are being made based on stated customer needs or an entrepreneurial orientation supported by data-based anticipation of customer needs (Zortea-Johnston, Darroch, & Matear, 2012).

For this study, I analyzed these artifacts and via a framework in the areas of organizational alignment, paradigm shift strategic orientation customer-centric orientation, quality, and credibility. Scores for artifacts ranged from 0 to 5 and an artifact with a median score of 3 was used during the employee interview process as a means to explore any potential cognitive dissonance created for middle managers due to discrepancies between internal communications and their experience with customer-centricity (see Appendix A) (Tempkin, 2012d). I allowed employees to review this artifact and then guided them through questions regarding their perception of the communications along the same framework related to the company's strategic orientation and potential paradigm shifts (Patton, 1999). This data was then compared to my analysis of this same artifact in order to document the employees' perception of the organization's strategies and to determine if their perceptions agreed with the researcher's assessment that this artifact provided a moderate level of information regarding the organization's customer-centric strategy.

Because middle managers engaging in customer-centric change behaviors could be at risk for emotional vulnerability associated with OCBs, a psycho-drawing technique was then used in order to gain in-depth knowledge of their emotional perceptions of their experience related to customer-centricity. OCB literature demonstrated that employees cannot be viewed solely as rational decision makers because emotion plays a significant role in their ability to engage in customer-centric behaviors. I used psycho-drawing to enable employees to represent their emotions and experiences with customer-centric change in a non-verbal manner. This method acknowledged the role of reason and emotion in employee-decision making related to the engagement in OCBs in order to allow the participant (or employee) to delve deeper into emotions that may be more difficult for participants to articulate verbally (Costa, Schoolmeester, Dekker, & Jongen, 2003).

**Significance of this Study**

This study was significant because prior studies in customer-centric organizational change have not explored the inherent emotional vulnerability created when employees are mandated to engage in customer-focused OCBs that violate current organizational cultural norms (Bacharach et al., 1996; Eisenberger et al., 1990; Filstad, 2011). Employees may react to these emotions in different ways and it is critical for organizational leadership to understand these emotions before they can determine if it is necessary put strategies into place to provide support for employees during this type of customer-centric change. By recognizing these emotions, organizations will be better positioned to potentially put strategies in place to successfully support customer-centric transformations by providing employees with assistance in dealing with their emotions



(Mamman et al., 2011). The results of this study support further advances in the creation of organizational strategies designed to accelerate the adoption of customer-centric change behaviors by middle managers and to point to possible areas of future research in the area of customer-centric organizational transformation.

### **Definitions**

Definitions are provided for terms deemed to be of critical importance to this research and are thought to generally align with modern customer-centric change terminology currently in use by many firms.

**Artifacts:** Includes languages, norms, symbols, ceremonies, or documents used by a firm.

**Card sort:** A series of verbs and adjectives used by employees to describe their emotions related to leadership change (Higgins & Mcallaster, 2004).

**Cognitive Dissonance:** The state of having feelings or beliefs inconsistent with the actions in which one is engaged.

**Culture:** The values, norms, beliefs, and habits of an organization (Awal, Klinger, Rongione, & Stumpf, 2006).

**Customer:** Refers to the person who makes a purchase decision for or consumes a product or service.

**Customer-centric:** Making business decisions to form a positive customer experience before, after, and during a purchase experience.

**Customer-centric change agent:** Refers to employees expected to make customer-centric decisions over and above their formal job description.

**Customer-centricity:** A measure of how products and services supplied by a company meet or surpass customer expectation.

**Demographic profile:** A self-determined profile of the employee's self-perceived role in relation to customer-centricity.

**Drawings:** A crayon and paper artistic picture or diagram made by employees.

**Insight-Dissemination:** The internal distribution and learning that occurs within an organization in relation to the voice of the customer data that is collected.

**Insight-riven:** Using voice of the customer data to drive the business decision-making process rather than relying solely on internal metrics.

**Middle-Manager:** Middle tier of an organization's hierarchy, for the purpose of this study it refers to the Assistant-Manager, Manager, Senior Manager and Director level employees.

**Policy:** A documented set of broad guidelines normally formulated after analysis in relation to the organization's overall goals, internal, and external factors that could affect their ability to deliver on their goals (Bardach, 2012).

**Interruptive Phenomenological Analysis:** A form of analysis seeking to explore how a participant makes sense of a phenomenon in a given context (Finlay, 2009).

**Policy:** A documented set of broad guidelines normally formulated after analysis in relation to the organization's overall goals, including internal and external factors that could affect the company's ability to deliver on the goals (Bardach, 2012).

**Organizational Citizenship Behaviors (OCBs):** The contribution of an employee beyond the bounds of his or her written job description or role in pursuit of the fulfillment of organizational goals (Mamman, Kamoche, & Bakuwa, 2011).

**Resource Deployment:** An optimal assignment of human assets necessary to achieve stated goals.

***Voice of the Customer (VOC):-*** A market research technique that produces a detailed set of customer wants and needs, organized into a hierarchical structure, and then prioritized in terms of relative importance and satisfaction with current alternatives.

***Voice of the Employee (VOE):*** The needs and hopes of all employees of an organization at it relates to wages, healthcare, job satisfaction, and job commitment (Bacharach et al., 1996).

### **Limitations and Delimitations**

Limitations of this research included employees that participated may have viewed this as an opportunity to complain about the organization; thus, special care was taken in the moderation of interview sessions to keep participants focused on their own feelings regarding their own experiences concerning customer-centric change. The researcher also focused on preventing sessions from focusing exclusively on airing generalized complaints about the organization not related to their emotional response. A possible delimitation related to interviews taking place at a single organization. This may mean that the phenomenon observed are related to the organization's current strategic position rather than being a more generalized view of customer-centric change agents overall. Organizational configurations aligned with successful outcomes related to OCBs often blend employee tactics such as change agent training programs as well as organizational-level strategies. (Eisenberger et al., 1990). The organization involved with this research did not have this type of training program in place at the time the study took place. Ultimately, the knowledge uncovered during this research may reflect employee emotional perceptions related to current specific approaches being pursued at employee-level and overarching organizational strategies rather than being more generalized

perceptions related to customer-centric change in general. Normative employee engagement data was not available at SGA to determine how representative the participating employees were in comparison to the middle-manager population at SGA's headquarters.

### **Summary**

Employees being asked to exhibit customer-centric behaviors that are in defiance of current organizational norms may react to this obligation in different ways. Those that are engaging in these behaviors voluntarily and those being required to engage in customer-centric behaviors may react differently based on the emotional impact they feel related to OCBs. Emotions may be positive or negative based on the employees' perception of their relationship with the organization. Companies that seek to understand this impact may have a strategic advantage by creating internal environments that are able to support employees feeling emotionally vulnerable related to their engagement with customer-centric change behavior.

## **Chapter 2: Literature Review**

A new strategy is being adopted by many organizations to accelerate the transition of their operating model from product-centricity to customer-centricity. Companies are mandating employee engagement in customer-centric behaviors over and above their formal responsibilities as documented in their job descriptions. Often, participation in these extra-role responsibilities is not formally rewarded although employees are nonetheless expected to deliver on these extra duties (Hagen, 2012; Tempkin, 2012d). This qualitative study explored the emotional perceptions of a group of middle managers required to practice customer-centricity while still being held accountable for legacy organizational-centric profit goals associated with the formal duties outlined in their job descriptions. The theoretical framework for this study was the emotional impact felt by middle managers required to engage in OCBs, including tasks over and above their formal job description related to the customer-centric outcomes such as increasing customer satisfaction (Mamman, Kamoche, & Bakuwa, 2011). Engagement in OCBs has been widely recognized to increase emotional vulnerability and this issue is likely amplified when these extra-role behaviors require employees to break organizational norms in order to drive organizational change (Bardach, 2012; Eisenberger et al., 1990; Filstad, 2011).

### **Customer-Centricity**

Customer-centricity is the collective result of interactions between an organization's ability to understand what its customers need (market-orientation), how to deliver products or solutions to meet these needs (operational processes), and how to make this process can be made repeatable (organizational learning) (Rebelo & Gomes,

2012; Zortea-Johnston et al., 2012). In the previously discussed example from Disney®, declining customer satisfaction scores (market-orientation) alerted the company to an issue, the company responded with an investigation of related organizational processes and finally responded by making changes to training to address customer needs (organizational learning) (Lipp, 2013). Product-centric companies seek to maximize the amount they can sell to customers, while customer-centric companies look for opportunities to better meet their customer's needs. In order to be customer-centric, an organization must derive its goals from VOC data, communicate these goals broadly throughout the organization, and instruct employees in how to achieve these goals (See Figure 3; Tempkin, 2012a).

### Customer-Centric Transformation

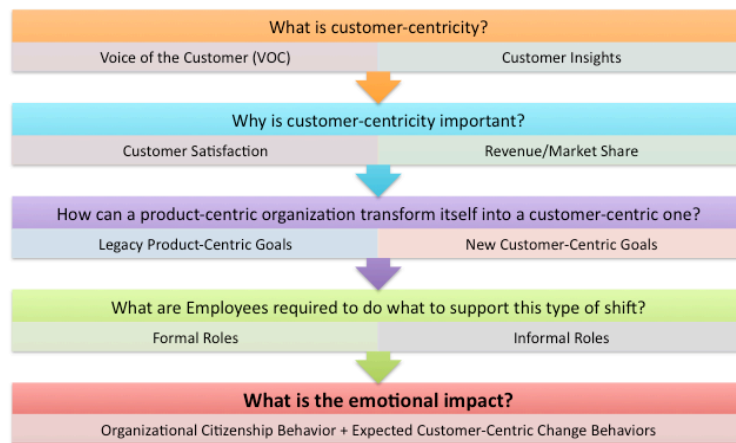


Figure 2. Customer-centric change overview.

### The Importance of Customer-Centricity

Although customer-centric companies are four times more likely to outperform their competitors, only 4% of U,S, companies are given “excellent” ratings by their customers (Tempkin, 2012c, 2012d). Customer-centricity has been widely discussed in

management literature and the mainstream media. The term has shown up in the *Harvard Business Review* and *Forbes*, not to mention numerous consulting firm websites such as McKinsey and Forrester (Dan, 2102; Hagen, 2012; Tempkin, 2012a, 2012c).

Customer-centricity seems attractive for two reasons: it increases both customer satisfaction and organizational financial success (Tempkin, 2012b, 2012c, 2012d). A successful implementation of customer-centric strategies is very complex, ranging from activities related to gathering and analyzing customer insights to tasks related to motivating and empowering employees to address customer needs. Initially, organizations will often ignore their customers until the organization experiences negative business outcome (e.g., loss of market share) that causes the organization to become motivated to explore the pursuit of customer-centric practices. In general, it is at this phase that most companies will seek to mobilize towards the pursuit of customer-centricity. Unfortunately, this mobilization phase is also the point at which many companies become stuck, in large part due to the overwhelming complexity of solving complicated cross-functional problems that often are the root-cause of many common customer complaints (Tempkin, 2012a). Most customer experiences require multiple hand-offs of customers along their product/service journey across various parts of the organization and smoothing out these hand-offs requires a great deal of cross-functional cooperation.

Many poor quality customer-experiences are the result of these less than effective hand-offs between organizational silos that create many difficulties for customers by providing disparate information and creating confusion related to product selection and support (Keast, Mandell, Brown, & Woolcock, 2004). For example, a sales department

might promise clients rapid resolution to problems impacting their service while an operations department is simply not organized to quickly solve these service delivery interruptions. As a result, customers become dissatisfied with the company due to the perception that they are not living up to the promises made by the salesperson (Shah et al., 2006). This type of cross-functional organizational problem is generally resistant to silo-specific solutions. In the previous example, possible solutions could include changes in underlying operational capabilities to quickly resolve service interruptions or a change in policy that requires the sales team to obtain validation of service level agreement (SLA) standards from the operations department. It is unlikely that either of these solutions could be implemented without cross-functional partnership between the sales and operations groups or even other parts of the organization. This implies that use of a cross-functional network will be required to solve this type of silo-spanning customer problem. This type of network forms when employees realize that they are only one small part of the solution and they want and/or are empowered to work together to solve a broad common goal (Reece, 2012). Literature reveals that this type of cross-functional collaboration is best achieved by committed, skilled and action-oriented interdisciplinary teams (Keast et al., 2004). To achieve this type of complex organizational cooperation requires the critical antecedents of employee engagement related to organizational commitment and perceived organizational support.

#### **Organizational Commitment and Perceived Organizational Support as Antecedents to Customer-Centricity**

In order to support the above referenced network approach, higher levels of organizational commitment will be required to support cross-functional knowledge



sharing (Lipshitz, Popper, & Friedman, 2002). The literature describes the typology of organizational commitment through the lens of attitudinal and behavioral commitment (Figure 4; Williams & Anderson, 1991).

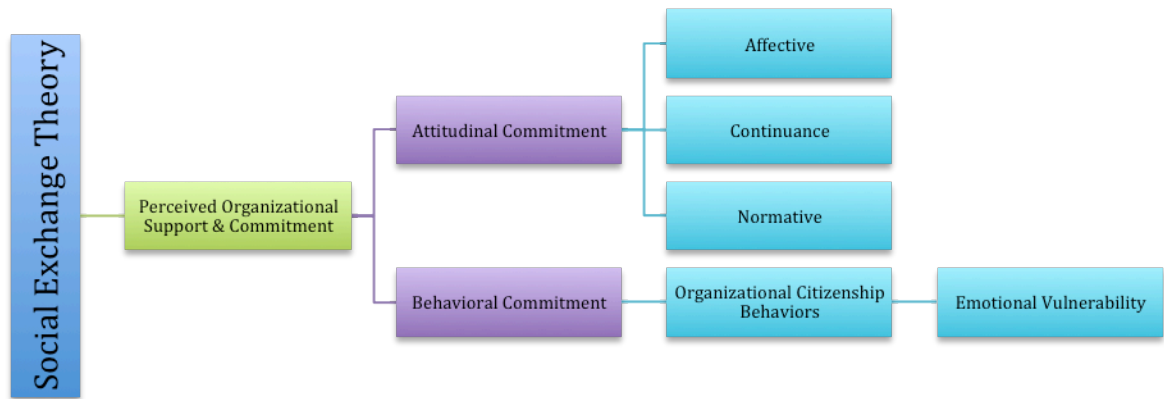


Figure 3. SET typology (adapted from Williams and Anderson, 1991).

Three main dimensions of attitudinal organizational commitment are normative commitment, continuance commitment, and affective commitment. Employee perceptions of obligation to stay with an organization are associated with normative commitment while continuance commitment is more concerned with the calculations employees make when considering their future with an employer, such as the cost of health care insurance. Affective commitment is related to the employees' overall emotional perception of their relationship with their organization.

An employee's level of perceived organizational support is important to organizational goals related to the creation of more customer-centric cultures because employees with higher levels of commitment are more likely to engage in extra-role behaviors required of change agents across organizational boundaries (Mamman et al.,

2011). According to Robbins (2012), culture is the most difficult organizational characteristic to change, largely because the underlying tacit knowledge is made up of a vast number of endogenous relationships (Robbins & Judge, 2012). Due to this complexity, it is important that organizations work to maximize the percentage of employees that feel valued in order to increase their ability to drive rapid customer-centric change (Gerring, 2012; Mamman et al., 2011).

The second type of organizational commitment is behavioral commitment. Employees with higher levels of perceived organizational support are more likely to engage in OCBs by contributing more to the organization beyond the bounds of their written job descriptions. Employees with lower levels are more likely to engage in defiant behaviors (Hagen, 2012; Mamman et al., 2011). Engagement in OCBs has been widely recognized to increase emotional vulnerability and this issue is likely amplified when these extra-role behaviors require employees to break organizational norms in order to drive customer-centric organizational change (Bacharach, Bamberger, & Sonnenstuhl, 1996; Eisenberger et al., 1990; Filstad, 2011).

A cultural normative approach to organizational commitment asserts that emotions are analyzed by actors for the purpose of ultimately modifying their behaviors to adapt to culturally accepted norms of an organization within the context of the work environment. Research indicates that within this context emotions are socially constructed and managed via behaviors within various social roles or organizational membership (Lawler & Thye, 1999). These findings are critical to organizations seeking to nurture customer-centric change agents to develop internal networks of like-minded employees who are focused on the interplay of the social context (roles) of change agent

and the outcome of their efforts to change organizational norms (behavior) (Hagen, 2012; Lawler & Thye, 1999).

Additionally, this behavioral research has uncovered successful techniques used by employees to manage their emotions within these role-specific norms through surface acting (changing one's outward behavior in hopes of changing their inner thoughts) and deep acting (attempting to alter one's thoughts to change their behavior). Within social exchange context, change agents could, for example, use deep acting to self-coach during situations that require them to publically change internal cultural norms (e.g., silently repeating the mantra "How are we helping the customer?") (Lawler & Thye, 1999). Review of research indicates that in environments where emotions are overly suppressed, surfacing acting becomes the norm, which in turn makes the forming and maintaining of strong inter-group relationships very difficult. Because these types of relationships are vital to the creation of robust customer-centric change agent support networks, companies would be well served to promote the corporate value of transparency to limit negative employee resistance to change (Hagen, 2012; Lawler & Thye, 1999; Williams & Anderson, 1991).

Finally, the cultural normative approach focuses on emotional management and depends very much on the individuals' current role (job); this body of knowledge is of great importance in establishment of customer-centric networks, because most employees will be acting as a change agent over and above their normal responsibilities (Lawler & Thye, 1999). Clearly, this body of knowledge can benefit organizations seeking to form change agent networks through the creation of likeminded customer-centric employees to provide emotional support to these employees working to change organizational norms.

**Organizational Learning as an Antecedent to Customer-Centricity**

Building on a base of strong organizational commitment, companies that seek to shift towards more customer-centric strategies must also become comfortable with widespread transparency and dissemination of VOC data to help drive their networked employee population (Hagen, 2012). Research shows that companies that successfully adopt a customer-centric operating model are those that learn how to quickly assimilate the learning provided through VOC data by creating rapid cross-functional solutions to reported issues (Lipshitz et al., 2002). An organization is said to have learned if the range of its potential behaviors changes and if any of its units acquires knowledge that it recognizes as potentially useful to the organization (Koskinen, 2011). Middle managers are seen as knowledge engineers whose role is to help subordinates make sense of their experiences by turning vast amounts of information (vague, ambiguous, and scattered) into useful knowledge, again this points to an important role that middle managers play in the adoption of customer-centric strategies.

Customer-centric companies are constantly listening to customers and making adjustments to meet the ever-changing needs of their customers. Initially, these responses would likely require OCBs because it takes time for organizations to make changes to their strategies, policies or goals based on changing customer needs. As the firm is able to make these changes to their formal processes (strategies, policies or goals), they are able to store this form of organizational learning via these written standards (Hagen, 2012; Koskinen, 2011; Lipshitz et al., 2002). Over time, a library of proven solutions (standards) is built up in organizational memory (Koskinen, 2011). Unless organizational goals are aligned to match customer-centric ones, middle managers can

feel trapped between new and old organizational paradigms. In turn, this strategic misalignment creates emotional stress in the form of cognitive dissonance for middle managers pressured to meet customer needs, while still being held accountable for legacy product-centric organizational performance goals. In a 2012 survey of 249 large U.S. corporations, more than 53% of respondents reported that middle managers within their organization were impeding their organization's customer-centric transformation (Tempkin, 2012d). Analysis of this finding shows that even if middle managers wish to participate in a customer-centric change they have little expectation of being rewarded for making customer focused decisions as their performance is often still measured via legacy product-centric norms or metrics. Employees do what is measured and middle managers are caught in the gap of aspiration for the future and structure of the past (Tempkin, 2012d).

Organizations attempting to straddle past goals focused on the number of transactions rather than on the quality of the customer experience are putting themselves at risk of limiting the potential of these middle managers to engage in these behaviors over and above their formal job roles. This type of voluntary OCB is vital to organizational functioning, as formal duties cannot account for 100% of what a company must accomplish to meet complex customer needs (Hagen, 2012; Spector & Fox, 2002). Frequency of OCBs can predict productivity and positive emotion can in turn predict frequency of OCB. Organizations that fail to take employee emotions into account when making decisions, such as deciding to measure middle managers via legacy product-centric metrics while at the same time pressuring them to deliver on new customer-centric behaviors, are actually lessening the odds of these same employees engaging in

OCBs necessary for organizational success (Spector et al., 2006). Reduction in employee stress associated with negative emotions requires emphasis on cooperation and conflict reduction. In order to increase the cooperative behaviors needed to solve cross-functional problems, organizations must shift their focus to maximize the likelihood of positive emotions in order to create an environment that encourages OCBs necessary to meet customer-centric strategic challenges (Hagen, 2012; Spector & Fox, 2002; Spector et al., 2006).

### **Organizational Shift Towards Customer Centricity**

Links between employees and customers can only be created if the culture operates from the perspective that each of them holds a piece of the complex story that binds them all together. Organizational potential can be optimized towards customer-centricity by transforming fragmented approaches to the customer value creation chain to create a seamless customer experience (Reece, 2012):

Components of this transformation include

- Clarity of linkages between the customer and employees
- Focus of strategic resources on areas with the greatest potential
- Clarity of customer satisfaction or value drivers captured within organizational strategies
- Optimization of employee aptitude and attitude

Tolerating territorial behavior across cross-functional groups creates a barrier to interdisciplinary cooperation. To solve the type of complex cross-functional problems often associated with customer dissatisfaction, teams need an environment that encourages collaboration. Cultural differences that can first appear superficial such as

the specialized languages and distinct processes of various professional disciplines can cause stress for employees trying to span cross-functional boundaries as is often necessary for successful solutions to common customer problems (Higgins & Mcallaster, 2004). Further complicating the interdisciplinary collaboration required to solve customer problems, a customer's experience with an organization also involves interaction with various parts of the organization with disparate professional processes and goals. Forcing this integration from the top-down is not as effective as voluntary integration. Members of a cross-functional team must be allowed to give-up some of their territory and must be capable of a high-level of professionalism to facilitate cross-functional interdisciplinary collaboration to align their goals (Axelsson & Axelsson, 2009).

Similarities make it easier for people to interact and an environment that enhances similarities associated with organizational membership can increase the likelihood of OCB's to drive improved customer experiences. In contrast, diversity, including functional diversity, can increase the likelihood of conflict (Mamman et al., 2011). An organization's structure affect and are affected by its culture, aligning both to a firm's strategies like customer-centricity can be critical to their success (Awal et al., 2006). Creating a culture in which employees are encouraged to participate in the type of cross-functional teams required to deliver complex customer experiences requires norms that reinforce organizational group membership first and functional group membership second (Mamman et al., 2011). To promote group membership, functional areas must be willing to give up some of their territory to facilitate collaboration. High levels of professional maturity and a clear understanding of core competencies delivered by other

functions is a critical antecedent to this type of cross-functional collaboration (Axelsson & Axelsson, 2009). By creating a framework in which employees can understand the benefits that other functional areas can bring to projects, firms can decrease possible conflicts and increase the possibility of OCBs. As increased cross-functional understanding becomes part of the firm's culture, the firm itself becomes better aligned to support customer-centric strategies (Awal et al., 2006; Axelsson & Axelsson, 2009; Mamman et al., 2011).

To support cross-functional collaboration, it is critical to have a clear vision that is communicated broadly across the organization. This communication is only the first step towards customer-centricity, next strategies must be established from which goals can be derived. Finally these customer insight inspired goals must be broken down into specific tactics that employees can incorporate into their daily work processes (Figure 5). The direction in which this flow from strategic vision to concrete tactics triggered change can go from the top-down or the bottom-up, the direction largely depends on the organizational structure. Organic structures are more likely to drive bottom-up changes and to support OCBs. Mechanistic organizational structures are more like to drive top-down changes in the mission, strategy or goals as a means to change the customer experience.



### Customer Experience Delivery during Organizational Change

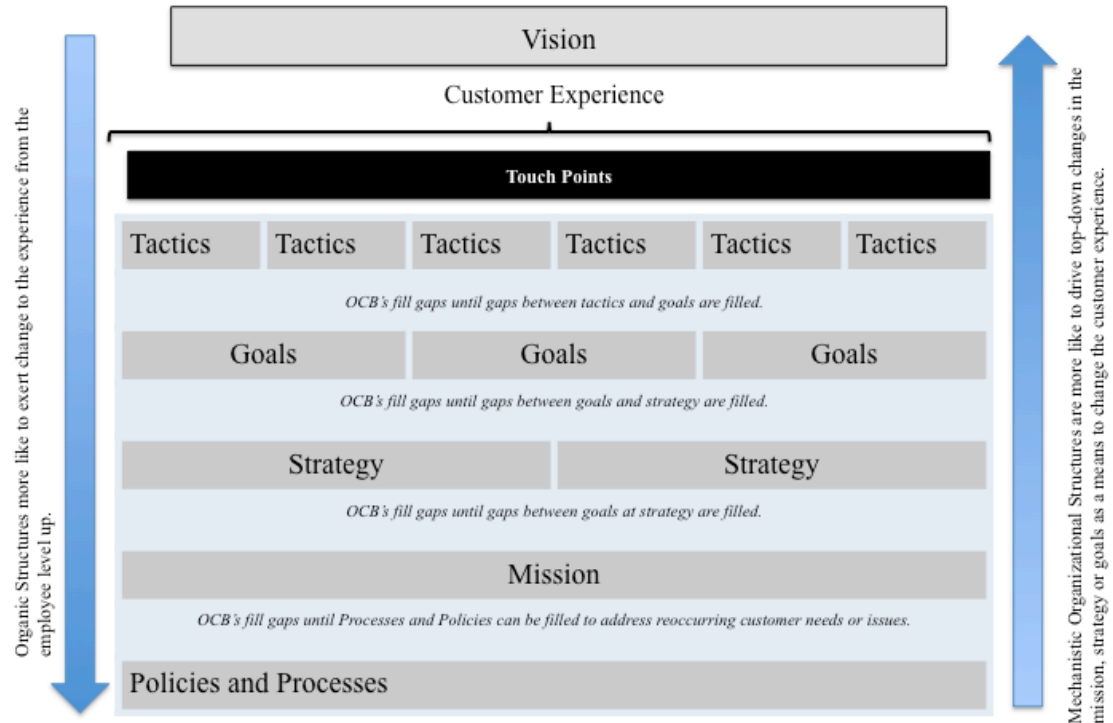


Figure 4. Customer experience delivery during organizational change (adapted from Thompson et al., 2012).

### Theoretical Lens

At a macro or abstract level, SET provides a description of social change as a process of negotiated exchanges during which individuals or organizations are constantly weighing the cost/benefit of their next interaction with other individuals or organizations (Baran, Shanock, & Miller, 2012; Seabury, 1991). An underlying highly externally valid concept of the SET theoretical lens is that humans or organizations are rational beings, seeking to maximize reward and prevent punishment (Eisenberger et al., 1990).

Historically, SET has viewed actors in social change as non-emotional entities who possess knowledge, cognitively process this knowledge and make decisions regarding their next interaction based on the inferences they make in relation to their own

end goals (Lawler & Thye, 1999). However, closer observation of the endogenous relationships and the countless variables that make up complex social interactions reveals that emotions are not only part of the exchange—they can often play a dominating role (Lawler & Thye, 1999). Researchers have neglected to examine the role of emotion related to behavior in many cases due to the underlying SET concept of rational choice, which could be missing an opportunity to exert more rapid changes of behavior in individuals through the amplification of positive organizational emotions (Baran et al., 2012; Lawler & Thye, 1999).

### **Theoretical Framework Gap**

For more than 20 years, customer dissatisfaction and increased competition has lead more companies to pursue customer-centric change strategies (Lipp, 2013; Seo et al., 2012). More often than not these efforts fail to deliver on revenue growth and employee attitudes (Seo et al., 2012), this is often due to low levels of employee commitment. Negative emotions are at the heart of low employee commitment (Seo et al., 2012). Current understanding of the impact of employee emotions to change is rather simplistic and focuses a great deal on “supportiveness to change.” Successful implementation of customer-centric transformation requires employees to creatively engage in OCBs in order to fill gaps in the customer experience until formal organizational policies and processes can be modified to support the change (Seo et al., 2012). This type of change appears to be distinct from supportiveness which supports the significance of this study in further understanding the emotional impact of customer-centric organizational change (Seo et al., 2012).

Affective events theory states that various events within organizations have affective consequences for employees and are referred to as affective events.

Organizational change such as that involved with customer-centric transformation can be described as a series of affective events that trigger employee emotional reactions. These emotions can influence employee behaviors either directly or indirectly (Mamman et al., 2011; Seo et al., 2012). Employees can experience negative affect such as anger and frustration, or positive response such as happiness or excitement (Seo et al., 2012).

### **Summary**

Theories based on SET seek to explain the behaviors of actors in a system within particular contexts to ultimately assert change on these actors to behave in a manner thought to be more beneficial to the organization (Brown, 2009; Eisenberger et al., 1990; Williams & Anderson, 1991). Because customer-centric strategies apply best practices in highly contextual situations using rigorous process management to create cohesive experiences to drive desired behaviors, leverage of SET principles to drive more customer-centric behaviors in a corporate setting appears to be an obvious generalization that could be used to further add to the body of knowledge in the customer experience management field (Lawler & Thye, 1999). Moving down the ladder of abstraction to a SET-based concept of perceived organizational support, this approach attempts to describe the level to which an employee believes they are valued by their organization (Eisenberger et al., 1990; Seabury, 1991). Employees with higher levels of perceived organizational support are more likely to engage in OCB by contributing more to the organization beyond the bounds of their written job description or role (Mamman et al., 2011). Increasing the frequency of OCBs can support the customer-experience until

policies and processes can be updated to reflect organizational knowledge gained through customer insights (Mamman et al., 2011; Reece, 2012).

Modern organizations seeking to transform their operations from a product-centric approach to a more customer-centric model will require an organizational cultural transformation to change behavioral norms within the organization (Koskinen, 2011). Predictions made within the theoretical lens of SET provide a framework from which the organizational mission (X) can be transformed to a new customer-centric vision (Y). This can be achieved by increasing levels of perceived organizational support in order to encourage more OCD behaviors within the ranks of these local middle managers acting as cross-functional change agents (Gerring, 2012).

Many companies choose to pursue customer-centric strategies; however, most become stuck while traversing the gap between product-centric and customer-centric operating models (Figure 6; Tempkin, 2012a). In order to achieve customer-centricity firms must be mindful of the antecedents of customer-centricity and must put strategies in place that actively move towards the customer-centric goal. Culture change, in a business setting, seeks to affect change on firm beliefs, firm values and the customary way the firm completes tasks, this type of change is often disruptive (Awal et al., 2006). Companies seeking customer-centricity must recognize the importance of the fit between their culture and their customer-centric strategies. Cultural similarity makes it easier for employees to interact in a productive manner, therefore alignment of customer-centric approaches across functional boundaries can help accentuate similarities (the need to solve customer issues) and minimize inevitable conflicts (e.g., situations where

departments are measured in conflicting ways as it relates to solving customer needs)  
(Awal et al., 2006; Axelsson & Axelsson, 2009; Mamman et al., 2011).

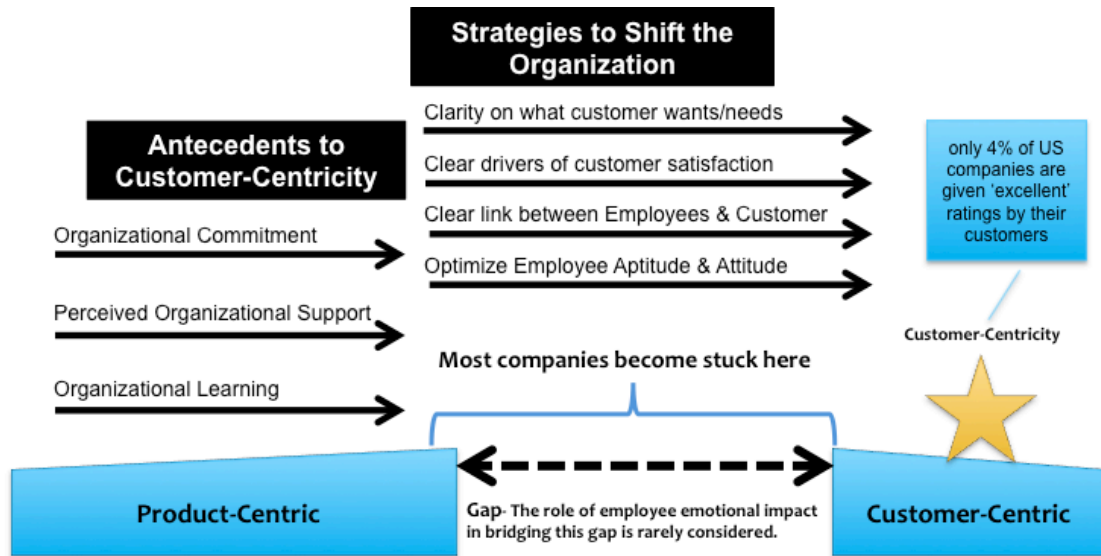


Figure 5. Customer-centric strategic journey.

### **Chapter 3: Methodology**

The purpose of this phenomenological study was to understand the emotional perception of middle managers under pressure to make customer-centric choices via a customer-centric change agent program, but penalized when they do not meet product-centric profitability goals at SGA, a consumer services company located in the Western United States. Emotional impact is generally defined as feelings created in response to pressure to make customer-centric choices absent organizational commitments necessary to support this type of strategic shift (Bacharach et al., 1996; Lawler & Thye, 1999). This study leveraged naturalistic inquiry to minimize investigator bias by placing no upfront constraints on the expected outcome (Patton, 1999). Creswell (2013) defined a phenomenological study as one that includes the observation of several individuals who share a similar experience. The phenomenon that this study explored is the emotional perceptions of a group of middle managers being required to practice customer-centricity while still being held accountable for legacy organizational-centric profit goals associated with the formal duties outlined in their job descriptions. An inductive approach was used to move from the specific natural observations of each participant's experience to determine if any holistic patterns emerge (Creswell, 2013). By understanding the phenomena of these middle managers' experiences with customer-centric change, this research sought to understand the emotions of those involved.

Phenomenological studies seek to describe experiences by first looking at an individual's experience in a similar situation; next, focus is placed on thematic concepts that are common to a group of individuals' experiences. Finally, a phenomenological researcher examines the relevancy of these themes within a theoretical framework to

determine if there is any emotional impact being felt. This research will recognize the continuum that phenomenological research exists on from descriptive to interruptive, including the preference of business stakeholders towards the interruptive end of the spectrum with additional emphasis on possible subsequent prescriptive techniques (Finlay, 2009). Businesses seeking to achieve market-orientation competencies associated with a more customer-centric stance are often seeking prescriptive techniques designed to achieve business goals. The researcher will therefore need to take time to bracket or isolate this type of possible pressure that could be exerted during this research in order to keep the focus on the descriptive end of the continuum, only venturing up the ladder of abstraction to interpretive analysis during the analysis of implications for action and further research section (Finlay, 2009; Poulsen & Thogersen, 2011).

### **Creighton's Institutional Review Board**

This research was submitted to and approved by Creighton University's Institutional Review Board (IRB) (Appendix B). The primary goal of the IRB is to facilitate ethically responsible human subjects research. All research that is conducted by students involving human subjects at Creighton University must be reviewed by the IRB prior to conducting the research. Minimal impact is expected on participants and no group requiring extra protection will be leveraged in this study.

### **Respondents' Privacy**

Privacy of participants is a valid concern in this type of workplace study. Steps were taken to protect the privacy of respondents to keep their feedback confidential by preventing any data breaches (Creswell, 2013). The interview room was private and allowed employees to come and go without creating the impression that they were

participating in this study. Copies of the study results masked the identity of all participants and would be provided to SGA or members of the study upon their request. Interviewee names and the associated participant number were stored in a log separately from the field notes and other related interview artifacts. I used participant numbers as a unique identifier for each interview; these numbers alone have no identifiable features tying them to specific SGA employees (e.g., numbers were not their SGA's employee identification numbers). As a matter of record, the participant number log was stored via a password-protected document on a computer not owned by SGA and all field notes were be stored in a locked file cabinet.

### **Participant Demographics and Sample Size**

The participants of this research were all full-time employees of SGA and covered a breadth of cross-functional disciplines. Focus was placed to obtain a sample homogenous representation of SGA North American employees to serve as a typical case of change agents from this region (Creswell, 2013). This site was selected due to its proximity to the Researcher and ample functional-expertise variation of the employee population across multiple functional disciplines. None of the participants were in direct contact with customers as part of their formal job roles. Patton (1999) indicated that no standard sample size exists for qualitative research. Instead, Patton (1999) recommended that focus should be placed on the overall credibility of the research in relation to its ability to address the central research question within the time and resource constraints of the study. By focusing on middle managers currently engaging in customer-centric behaviors, it is assumed that they were well equipped to discuss their current performance goals in relation to their change-agent roles and any resulting emotional impact that they

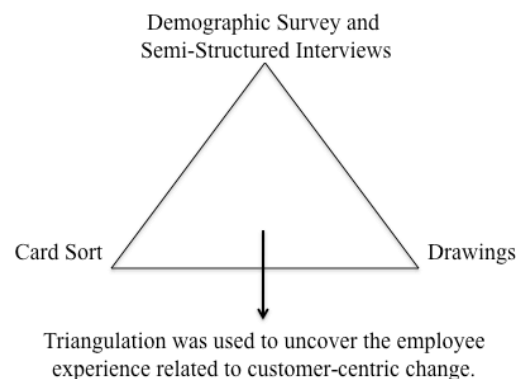


may experience in relation to these goals. SGA's pool of middle managers at its headquarters was thought to be around three-hundred at the time of this study. With the purpose of the study in mind, I interviewed five participants, at which point thematic saturation was achieved.

### **Analysis Triangulation Overview**

Triangulation was used to reveal various aspects of the employee's experience with customer centric change through the demographic survey/semi-structured interview, card sort and drawing exercises (Figure 7). Participants were guided through their recollection of their experience with customer-centric change during the initial survey/interview phase of the research, and then asked to further explore their experience via the drawing exercise and subsequent assignment of emotional card sort words to each drawing.

#### **Analysis Overview**



associated with my presence in the room, participants were given time to review the confidentiality agreement and to ask questions regarding the study. In addition, participants were given an explanation of my role. Participants were asked to review a specific company artifact associated with SGA's customer-centric strategy to help

prevent subjective bias by gaining a clear understanding of their contextual-knowledge about this strategy (Patton, 1999).

Interviews were semi-structured in order to allow participants the ability to explore their own experience by allowing for a natural flow in the conversation. All interviews were transcribed within one-week following the interview session and were coded as soon as possible after the interviews to ensure the capture of as many important characteristics of the session as possible (Patton, 1999). Participation in the interviews was voluntary and had no impact on the employee's role at SGA. No coercion was used to alter or force specific answers. Participants were asked to sign a consent form (Appendix C) and it was made clear that they could withdraw from the study at any time.

### **Field Notes and Coding**

I utilized Nvivo10® software to create a coding system following open coding of each transcript. Using this software the researcher used short phrases to capture themes within the interview session transcripts. A preliminary summary of each interview was distributed to the participant along with a request for feedback. This type of member check allows for an important validity check of the data collected (Creswell, 2013).

### **Demographic Profile**

The participants completed a demographic profile at the beginning of the study to collect information such as their disciplinary focus within the organization, tenure and their participation in customer-centric change behaviors. This profile helped begin to paint the picture of each respondent's relationship and subsequent emotions related to the organization.

### **The Interview Phases**

The interview was carried out in four phases:

**Phase one: Demographic and general information profile.** A paper survey started each interview to help categorize participants by department, professional background and experience with customer-centricity. Employees were asked:

1. Department
2. Job Title
3. Related job functions
4. Tenure at SGA
5. Do you feel that your Department's goals align with the concept of customer-centricity? Please provide an example.

**Phase two: Job role discussion.** Information from the above survey was used as a point of entrée into a discussion regarding their job role. A non-structured approach was used to gain further understanding of each participant's job role and its relationship to their customer-centric stance.

- Is the role boundary spanning?
- Is the participant involved with engaging in customer-centric behaviors to further their career, to avoid getting in trouble with their boss, or other reasons? Understanding the participants' motivation was important to facilitate analysis related to OCB's.
- Are there currently customer-centric processes in your department? If so, please describe them.

**Knowledge of customer-centric policies.** An example of an internal communication regarding SGA's customer-centric strategy from approximately six

months previous to the study was provided to each employee for review. Participants were asked the following about the artifact:

- Have you seen this artifact previously?
- Is the information provided used in their department? (context of use)
- Does the information align to their departmental or personal performance goals?

**Phase three: Psycho-drawing exercise.** Participants were asked to draw themselves, their relationship with the organization and their relationship with SGA's customers. During debriefing, the participants were asked to describe what s/he had drawn with focus on the initial coding categories of:

***Experience.***

- What experiences have led to various attributes of the drawing, please provide examples.
- What features of their experience is depicted.
- Any episodic data (e.g. are these experiences part of an on-going story line or are they isolated events?)

***Knowledge.***

- Referring back to the strategy artifact used during the demographic and general knowledge survey, does anything in the drawing relate or conflict with the strategy as presented?

**Phase four: Card sort exercise.** This technique was used as a follow-up exercise for the drawings and was used to explore participants' feelings about their ability to facilitate customer-centric change while still delivering on their performance objectives. The words in the card sort were charted along a continuum of pleasant to unpleasant.

Verbalizing emotions can be difficult for participants, therefore this card sort allowed participants to be specific in their description of the emotions depicted in their drawings (Costa et al., 2003). The card sort consists of twenty-five emotional descriptors along the continuum of pleasant to unpleasant emotions (Yoo, Min-Yong, & Kwon, 2011) (Appendix D). The card sort was used to help further explore any emotional impact felt by participants in relationship to their role and their participation in the customer-centric change behaviors. Each respondent was asked to create their own categorization of the emotional words listed on each card in relationship to their drawing. The transcript of each session recording was used to keep track of their sorting and any emotional description provided beyond the words listed on the cards (Yoo, 2011). The words listed on the cards are part of the circumflex model of emotion (Yoo, 2011) and can be found in Appendix D. Using this model provides an important means to distinguish between different emotions felt during workplace experiences and provided a consistent taxonomy for analysis.

### **Summary**

The information collected during this study was used to help understand the emotional impact of middle managers engaged in customer-centric organizational change. Organizations may need to reevaluate their approach to this type of change management in order to take these employee emotions into account. Organizational configurations aligned with successful outcomes related to OCBs often blend employee tactics such as change agent training programs and organizational-level strategies (Eisenberger et al., 1990). A combination of semi-structured interview, psycho-drawing

and card sort exercise were used during this research to explore employees emotions felt in response to customer-centric organizational change.

## **Chapter 4: Results**

### **Interview Process Overview**

Interviews were conducted via face-to-face meetings at SGA's North American Headquarters. Each interview began with an explanation of the interview process, the researcher's role and a review of the informed consent document. During each session participants were asked to complete a paper-based demographic survey, a semi-structured interview, an SGA artifact review, two drawing tasks and an emotional word card sort exercise. Participation was voluntary and had no bearing on participant's role with SGA. Twenty-five middle managers were picked at random from an SGA employee email distribution list to receive an initial invitation to the study. Following this email, six middle managers responded to confirm their willingness to participate. All six individuals were interviewed in early July 2013; however, the recording device failed to function during one of the interviews. Therefore only five interviews are included in the final analysis as the researcher was able to reach saturation of emotional patterns revealed at this point.

Conference rooms were used for interviews and each was unremarkable. Each room had one door, historic SGA photos on the walls, and privacy blinds. I made preparations for each interview by ensuring that the blinds were closed, chairs were pushed into the table, and tables were clear of any artifacts not related to the interview. On the table at the beginning of each interview were copies of the consent form, paper survey, set of markers, card sort cards, and blank sheets of sketching paper. A digital recording device was placed on the table between the researcher and participant. Each interview was started with an explanation that the interview would be recorded, review of

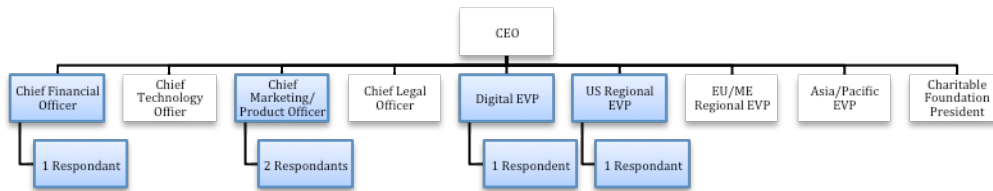
the consent form, and signing of the consent forms. I explained that their names would not be included in the research. None of the participants had questions about the Internal Review Board consent form or process. Interviewees were then given a number that would be used in place of their name during the interviewing process. One respondent (P4) indicated that more elaborate answers to the paper survey would have been possible if the survey had been distributed prior to the interview.

During each interview, participants were asked to review an SGA artifact related to its customer-centric policies and goals (Appendix E). This artifact represented a monthly email from SGA's CEO related to corporate goals and strategies; the researcher selected it after a review of 39 internal SGA communications from the previous 32 months. Each artifact reviewed was scored on 19 different areas associated with customer-centricity, scores ranged from 0 to 5 (higher scores indicate a greater level of customer-centric cues). The artifact shown to participants during this interview received a median score of 3 on this scale (Appendix A).

### **Participant Demographic Survey**

These five employees' tenure ranged from 15 months to 17 years, and they represented three of nine distinct organizational silos represented in blue shading below (Figure 8):





*Figure 7.* Organizational silos represented in interviews.

### **Semi-Structured Interview and Drawings Overview**

I utilized NVivo10® software during the coding process. Thematic quotations were taken from NVivo10® and are shown below. Using this software the researcher identified themes within the interview session transcripts. A preliminary summary of each interview was distributed to each participant along with a request for feedback. This type of member check allowed for an important validity check of the data collected (Creswell, 2013). Interviewees were asked to determine if they felt a summary of their interview provided a clear representation of their answers. No responses have been received at the time of this writing and participants were told that by not responding it would be assumed that they agreed with the summary provided.

During the coding process the researcher found that participants were moving between speaking about customer centricity from an organizational perspective and from their own personal perspective. Following this insight, several subcategories emerged for each perspective:

#### **Organizational perspective themes.**

1. Goals (personal or organizational), policies, and resource deployment

2. Organizational learning
3. Customer insight analysis and dissemination
4. Internal communications
5. Bureaucracy (Figure 9).

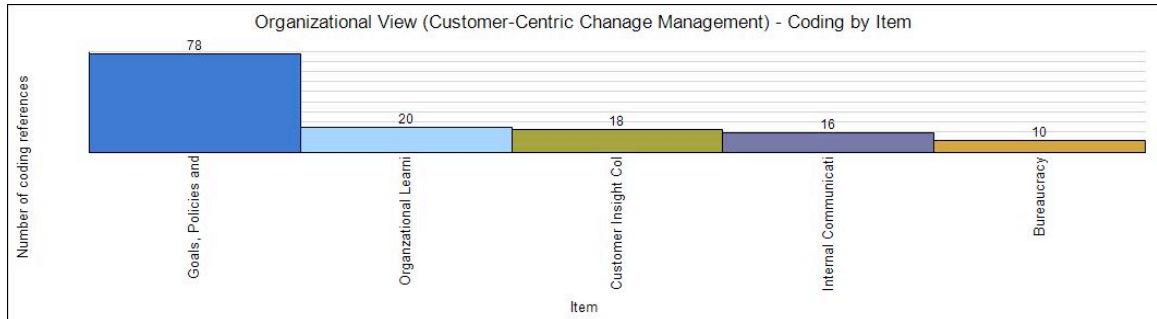


Figure 8. Organizational view coding (7/30/2013).

### Employee perspective themes

1. Culture
2. Clear linkage from employee to customer
3. Customer-centric activities or behaviors
4. Perceived organizational support (Figure 10).

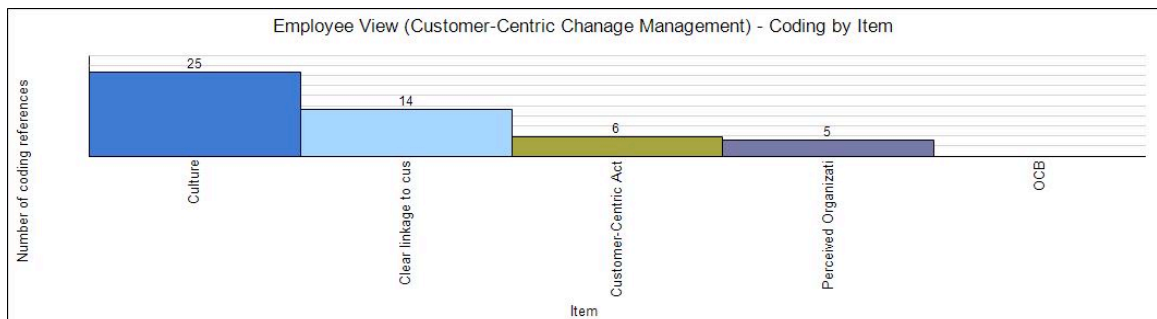


Figure 9. Employee view coding (7/30/2013).

**Organizational Perspective Themes: Goals, Policies and Resource Deployment**

Goals can be long or short-term in nature and are used to describe desired outcomes within a specified amount of time. Organizations with a decentralized decision-making process such as SGA can experience goal conflict among managers with different perspectives or incentives (Thompson et al., 2012). For the context of this study participants were able to discuss organizational and/or personal goals related to customer-centricity. During coding, this category was found to have the most instances with 78 comments attributed to goals, policies or resource engagement. Only one of the participants was able to give concrete examples of customer-centric goals that they or their department are working towards. It should be noted that this goal was specific to an internal customer rather than an external end consumer of SGA services:

For our internal customers, we definitely have that policy. Our <<SVP Name>>, talks always about respect and excellence when we're working with customers internally, and providing value, and really looking at the big picture items, and not staying in the weeds, and stuff that really wouldn't help the company overall. Definitely, very clear messages in our all-hands meeting, and our strategy, and our goals.

Another participant believed that her goals must be customer-centric but was unable to give a concrete example: "I think my goals specifically, they are linked to this but they're obviously much more granular than just being customer-focused, like what does that mean for me? That's not spelled out in here."

Participants indicated that being focused on the customer was important to senior leaders but were unclear on how this was tied to their departmental or organizational

goals. One participant noted that,

I hear specifically, the talk is customer. The customer is center of everything, whatever. The actions don't necessarily always reflect that. I think ... I certainly think having that focus would help everybody's careers, if we can pull it off, if we can do it, right. It's the ... it's all in that execution. I think one thing here within this organization, and it doesn't really answer part of your question, but I think one thing in this organization is, at the top, that's what they're talking about. But I don't know that I've ever heard anybody define what that means and what it means specifically and more tactical.

Another stated that "I think they are intended to be, but I do not think that they necessarily are properly connected to the customer." Another participant was unsure if she had any customer-centric performance goals: "Our departmental goals, do they even have consumer?... the fact that I can't remember should tell you that it's probably not in there."

Another participant stated that,

The problems with the results in 2012 were a lack of management leadership, and also chasing increased earnings per share estimates and kudos from Wall Street which is often in direct opposition to what's good for the company and good for the customer.

Another participant felt that the organizational goals were no longer clear: "But we're at a point now where I think that's coming to an end, because of the treatment, the expectations are ... and the direction for the company and goals are just not clear enough

anymore.” Inability to align goals with customer experience best practices was sighted:

These leaders don't understand a lot of the mechanics and methodologies for serving the customer...Over years of experience the customer wants the straight story and not a bunch of, you know, touchy, feely, butter me up and then drop the bomb on me type of communication of what's wrong. That's extremely frustrating... We're seeing customer service reps spending an hour on the telephone trying to coax people through this entire process and it's just not being addressed correctly.

One participant discussed goal alignment across different departments:

Well, I'd have to make a new drawing for that. I think that my understanding is that the goals we have, again, my understanding is very either department-based or regional-based or, so I would not assume that my goals are the same as this person's or this person's or this person's. Some of them might be culture and compliance, for example, but I would assume that the majority of the goals by individual and by department would probably vary pretty greatly.

### **Policies and Procedures**

None of the participants were able to recall a customer-centric policy or procedure currently in place; for example, one participant noted,

I don't believe that we have processes or policies that are customer-centric in nature. We have processes and policies in place to ensure that we are covered from a legal standpoint, that we are covered from a branding-guideline standpoint. Off the top of my head, I cannot think of anything that is a process or a procedure

that acts as a checkpoint to ensure that we're doing something right for the consumer.

Another participant stated, I think there are opportunities to get involved in processes, but I do not think that there are active, integrated processes for a customer centric behaviors in our organization.

### **Resource Deployment**

Several participants referenced organizational efforts focused on downsizing of the organization's workforce: one stated that "Things seem very undefined at the moment. Particularly with job safety, direction of the company, leadership, how long they're going to be around, and I think that creates a tense and unhappy environment," while another reflected,

We had layoffs yesterday in our IT and QA departments. People are tense because a lot of that work's not getting done now and we've cut loose with a ton of people and are going to get more contractors in the door that have to be brought up to speed with an extremely complex business model as well as systems model for testing.

### **Organizational Learning**

One participant saw a link between workforce reductions and tacit knowledge loss:

Because for me being laid-off is not going to be a bad thing. But just the mass layoffs, the huge number of lay-offs that we're having now we've been having for, what, the last three, four years, five years probably. We're eroding to base of knowledge for the company and we're bringing people who know nothing. I

shouldn't say they don't know nothing, right. I mean people are smart and I'm sure they're not bringing in stupid people, but they don't know the business. They haven't worked the business for years. They don't know systems, for example. So much of its now going to offshore which isn't to say they're not capable; technically they're capable of coding stuff and whatever. But if you do not understand the systems, and especially our systems, how interrelated and all those legacy systems are. It's very, my word, distressing that someday there could be a big production problem that we can't recover from, or that we can't recover from quickly.

Another participant noted that she was often missing contextual information to explain past organizational decisions:

It would be cool to do it cross-functionally with different I think naturally, it will happen with my team. I think ideally, it would be cool if they got cross-functional groups to go out. A) I think it would facilitate different groups working with other, knowing each other and B) I think it would allow us to get different sides of the transaction. Oh, that FLA, why isn't there a popup on the screen that tells them that? That's stupid. Then somebody in SGA systems could be like, Because they already have all of these popups, and here is why. Oh, okay. It would be interesting to have.

### **Customer Insight Analysis and Dissemination**

Although many participants discussed the need for the organization to improve its experience very few mentions of using customer insight to drive these decisions were made: "Okay, how could we design this or how could we support them in the best way

that would truly delight the customer?” and “It is interesting to me because a lot of the feedback that they have is very tactical in nature and doesn't take into consideration the consumer or the customer.” One participant mentioned Net Promoter Score (NPS) as a customer metric that SGA uses, but did not elaborate on how she might be using these insights in his or her role. The same participant also remarked on the organization's ability to respond to customer insights: “I guess that's the only thing, is in that picture of the customer maybe myself sometimes and others would definitely feel frustrated because if they went out and got customer feedback and then came back to SGA it's like ‘I got all this stuff, but you don't do anything with it.’ That, I think, can be frustrating.”

Only one participant made reference to using customer insight in a recent project, but did not elaborate on how the insight was used:

It's used. A recent project was to analyze the process of customer handling at our call center in <<geographic location>> and it was a particular sub-set of customers who are, due to various reasons, having a bad experience with us. The goal was to make that experience much better. Change the customer's perception of the entire process to be one of being cared for, being protected instead of being treated like a criminal and that they had done something wrong.

Finally a participant felt that SGA took a more robust approach to customer insights in previous years:

One thing to get us there, and I ... and maybe it's because I don't have exposure to it anymore. But years ago ... a few years ago, we used to do ... we used to have the group out in <<SGA Office>>, like the data bases, or the BI people, that's the business intelligence people which we pretty much, we've stripped that



way, way down. But anyway, back then they were much more active. There used to be a lot of customer focus groups... So often in this company is, 'Well, I know the customer wants this,' without actually talking to the customer.

### **Employee Perspective Themes**

**Culture.** One participant remarked on the SGA's hiring policies:

Frustrated. There is a culture here of promoting people into jobs that they have neither the education, or the experience to do. The frustration there is those people end up leaning heavily on professionals beneath them. Also placing blame for failed decisions on those people as well and it's extremely frustrating that the right people don't end up being in the position of leadership.

Another participant discussed her perspective of how decisions about the customer experience were being made in relation to a project she was currently leading:

Almost all the 34 outside of the marketing, so at least 30 of those are outside. That is our supply chains, that's operations, that's a whole ton of people. I don't even know what they do. It is interesting to me because a lot of the feedback that they have is very tactical in nature and doesn't take into consideration the consumer or the customer. It's more of things that they think we need because it's the way it's been done in the past. On that project specifically I don't think that people are thinking about our consumer or our customer. It's more about themselves or their business in particular.

In response to the customer-centric change artifact used in the study several participants questioned the commitment of senior leaders to improving the experience:

I would say that the company email from <<CEO>> they have laid out what they want to do, and they talk a big talk, but no one's walking the walk, in that I don't think anyone has taken a leadership role and ensuring the fix is actually executed. There's no change agent in place, it's just status quo. I like the idea and I think that you could get excited about the idea and really get behind it, but then there's no resources or support to ensure execution of it.

**Clear linkage from employee to customer.** None of the participants interviewed have direct contact with SGA's customers as part of their regular job functions. Two participants felt that SGA employees were not representative of their customers:

I think it is difficult for people that work here to integrate SGA's as a customer and through customer experiences in your everyday life. I'm guilty of that right now. I probably experience the product like once a month, but I really need to dial that up and figure out ways that I can use our products more consistently. I think they are very important and I think they are important because that is the only way that we are going to see into our company and into our products from the outside, from the frontline, to experience what a customer actually experiences and be able to address the pain points that they feel.

One participant felt that employees should be required to utilize SGA's products on a regular basis in order to gain insight into the customer's experience:

I think the reason why people don't necessarily engage in those is A) because it's not the target consumer. If we're not the target consumer and we're expected to use these services, then I think the company initially needs to put some

established processes to kind of force people to use the product and see what's going on.

Another participant spoke of her customer-centric aspirations related to her area of responsibility for SGA's brick and mortar experience:

I don't know if this will answer your question. Let me draw it. I don't know if this answers your question, but it's the first thing that came to mind. When you asked me what my relationship with the consumer is, I think what I would like it to be is that the consumer sees what we have done, especially within the retail location because that's where I happen to be, that's where my job is. That we can become elevated in the consumer's mind to be their hero. Like we made it easy, we made their life simpler, easier. They have a peace of mind, they're getting done what they need to get done.

**Customer-centric activities or behaviors.** One participant felt that conducting transactions themselves was an example of engaging in a customer-centric behavior:

When I say that, in my world, if I were to do customer centric behavior I would go to a SGA and interact with customers and ask about their experience and listen to the phone calls that we are able to pick up and listen to. I would do transactions as a customer.

The same participant discussed what type of customer-centric activities she would like to see the organization participate in:

I would listen to the results of focus groups, that kind of thing, just really try and hook myself in to what consumers are saying about us, look at <<Analyst>> or

whatever the market is saying about us, those kinds of things that would give me the perspective of the customer. Is that...

When conducting transactions, participants had both good and bad experiences:

I've had a variety of very pleasant experience sending money, and I've heard good stories about what some of our customers feel like. I've heard a lot of the positive experiences... I went into the U.S. Bank to do my transaction the other day, and while everything went well, I had to wait in line to get the form, and then fill out the form, and then go back. It was a pleasant experience, but that was annoying, that one piece of it. Yes, I've felt both.

Another participant thought that training in how to function in a customer-centric manner might help her understand how to do so:

You might think so, but I guess I would say that if you haven't been taught the skills in terms of translating that, it's not as easy to execute. I say, I understand we want to be customer-focused. I like to try to put myself in people's shoes, but if I don't technically know how to do that, or I haven't been thinking that way for a while, I might not translate it appropriately or take the right actions. I would say that maybe people can get halfway there, but you would still need to learn some of those things in terms of shifting your mindset, or looking at something from a different way, to actually perform it in a level that we would want to get to, I would think.

**Perceived organizational support.** Several participants seemed to make distinctions in their feelings about the level of support they feel from their immediate team versus those of the organization overall:

The relationship with the company is having the impact of me, over time wanting to leave but being too stubborn to give up. But we're at a point now where I think that's coming to an end, because of the treatment, the expectations are ... and the direction for the company and goals are just not clear enough anymore.

Another participant noted that, "No, other than, well, other than I do realize that they happen to pay for my lifestyle so I don't want to discount all of these dots and the trouble that I have to go through," while another participant stated that, "I work to live, not live to work and I realize that there's a tradeoff. My other relationship with them is I realize that they provide me with a lifestyle that I'm very lucky to have." One participant reflected that, "Now I feel more integrated. I don't know how to draw that, because I really like the team that I'm on now much better. I like my management much better now. I think I'm much more valued on the team that I'm on."

### **Strategic Goals Overview**

To achieve a new customer-centric vision, the organization must respond with revised strategies, goals and tactics. These changes can be driven from the bottom-up from the employee level or top-down from the senior leadership level; the former is more likely to occur in an organic organizational structure and the latter in a mechanistic structure. Additionally, an organic structure is more likely to generate OCBs. In order to understand organic or mechanistic mechanics in place, this research sought to understand participants experience with goal transformation (top-down change) and OCBs (bottom-up change) (Seo et al., 2012; Thompson et al., 2012).

All participants reported current legacy department goals not related directly to customer-centricity (Figure 11). Three out of five participants indicated having customer-

centric goals, however, two of those were unable to concretely describe these goals and the third explained that customer-centric goals in her department were geared towards the needs of internal organizational customers as opposed to the customers using SGAs products or services: “Yeah. For our internal customers, we definitely have that policy.”

Participant	Department Has Legacy Goals?	Believes their department has customer-centric goals?	Can provide a concrete example of a current customer-centric goal?
1	Yes	Yes	No
2	Yes	Yes	No
3	Yes	No	N/A
4	Yes	No	N/A
5	Yes	Yes (For internal customers)	Yes

*Figure 10.* Customer-centric transformation maturity.

Two of five participants acknowledged the need for employees to sometimes go beyond their formal role, of these only one reported having done so themselves due to workforce reductions that have increased her workload (Figure 12).

Participant	Acknowledges need for going beyond formal role? Y (Yes) or N (No)	Reports going beyond formal role? Y (Yes) or N (No)
1	Y (The need to conduct transactions)	N
2	N	N
3	N	N
4	Y	Y (Largely due to workforce reductions)
5	N	N

*Figure 11.* Employee shift towards OCBs.

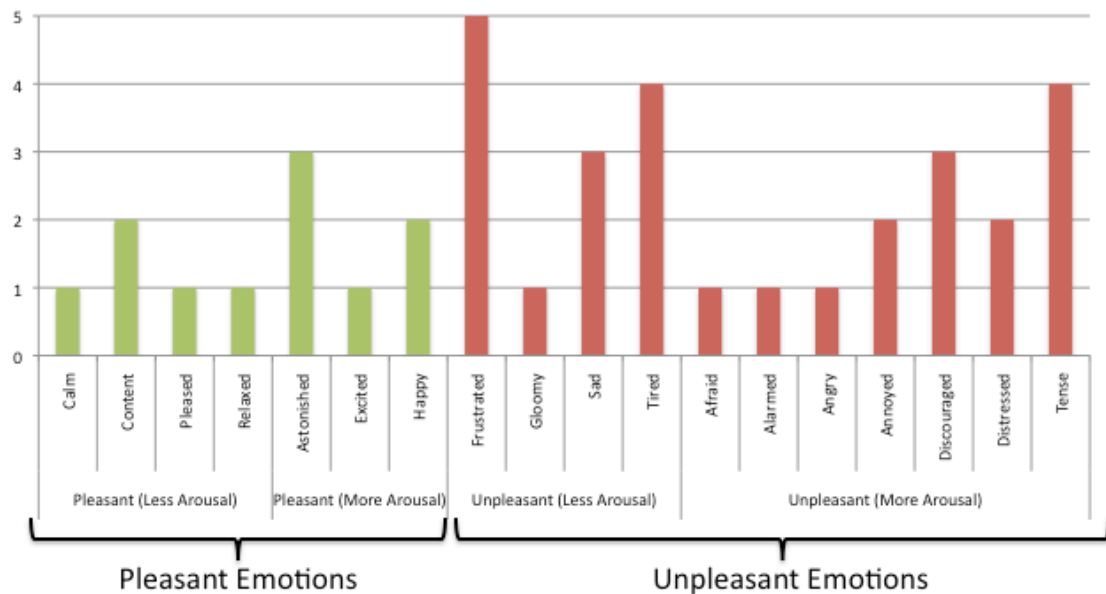
### Drawings and Emotional Word Card Sort

Each respondent was asked to complete a card sort exercise to help further explore any emotional impact in relationship to their role and participation in customer-

centric behaviors. Each respondent was asked to create their own categorization of the emotional words listed on each card in relationship to their drawing. The words listed on the cards are part of the circumflex model of emotion (Appendix D) (Yoo, 2011).

### Relationship between Self and Organization Drawing

The only word used by all participants to characterize their emotions related to their relationship with SGA was “frustrated.” In terms of frequency, “tired” and “tense” were used by four out of five of participants to describe their relationship with the organization. Words used by three of five of participants included “astonished,” “sad,” “annoyed,” and “distressed.”



### 12. Self to organization emotional word frequency.

#### Frustration

One participant noted that, “Yeah, to my team and I have a little heart for SGA, but when it comes to, I guess, get frustrated with the alignment of goals.” P1

(represented by word “Me” below) expressed frustration concerning goal alignment (Figure 14). She felt that goals should be communicated more directly (as demonstrated by black arrows below), but in reality goals were achieved through interaction with other teams (represented by green circles). When asked to interpret the drawing, P1 also expressed frustration in wanting to understand more about the customer (represented by the pink stick figure below): “I would just say frustrated maybe, to understand the customer more.” P1 also felt like more could be done with insights collected by employees completing transactions:

I guess that is the only thing, is in that picture of the customer maybe myself sometimes and others would definitely feel frustrated because if they went out and got customer feedback and then came back to SGA it is like we got all this stuff, but you don't do anything with it. That, I think can be frustrating.

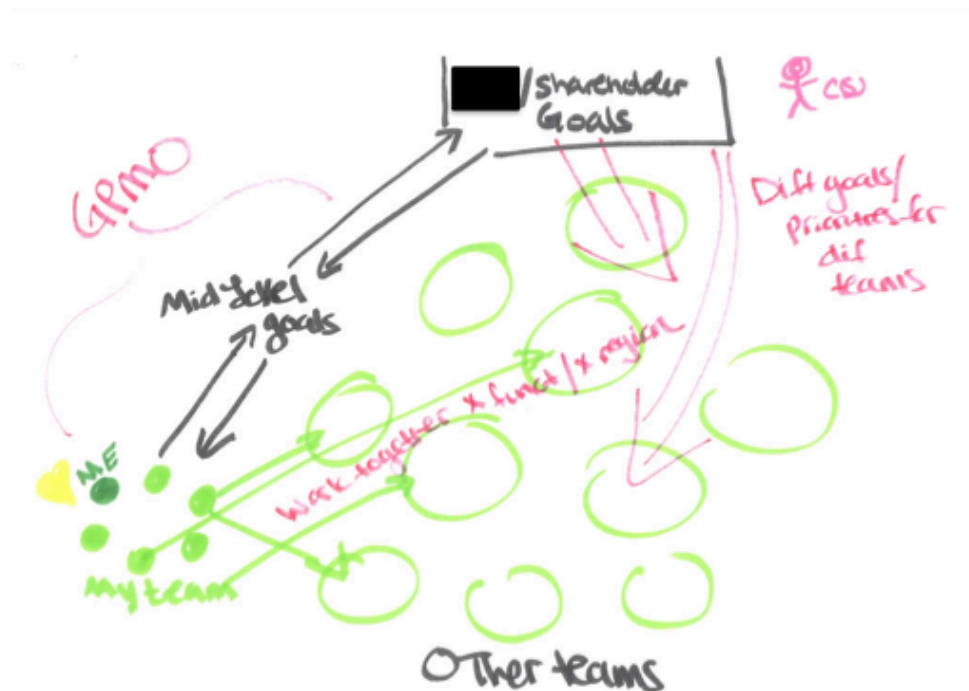


Figure 13. P1 self to organization drawing (black box used to redact company name).



P2 depicted the organization as a large stick figure with a whip and herself as manning an oar (represented below by blue stick figure with arrow pointing to it). P2 indicated frustration with the process used to select leaders within the organization (Figure 15):

There is a culture here of promoting people into jobs that they have neither the education, or the experience to do. The frustration there is those people end up leaning heavily on professionals beneath them. Also placing blame for failed decisions on those people as well and it is extremely frustrating that the right people don't end up being in the position of leadership. I am more frustrated than tense, tired, or distressed. I think the organization is all four of these, but if I had to pick a word for me out of the four it would frustrated.

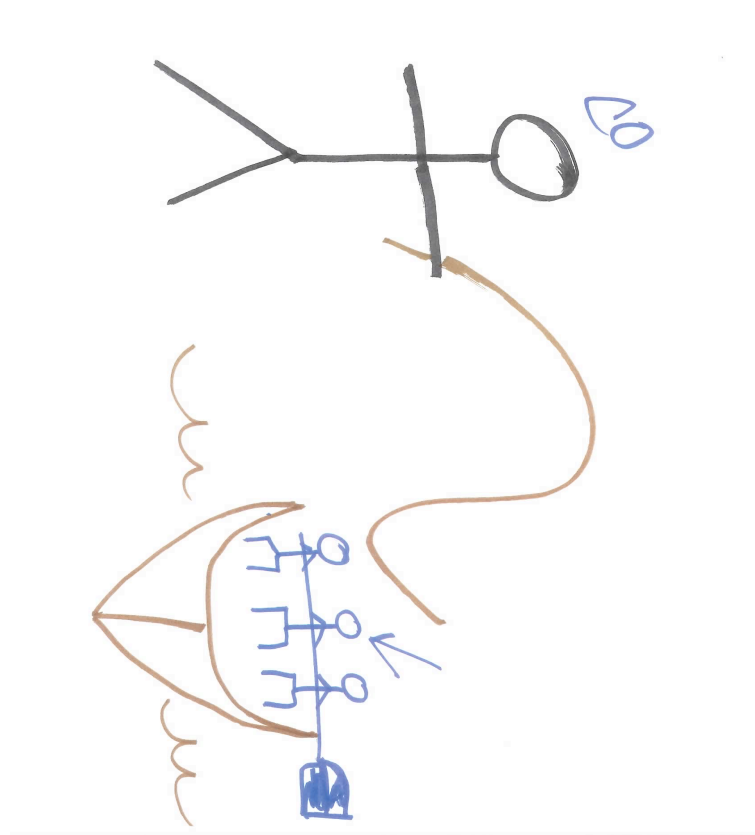


Figure 14. P2 self to organization drawing.

P5 was interviewed on her last day with SGA after accepting a job with another local company. She depicted her time with the organization as a ride on a bus together with her co-workers (see below). P5 discusses situations that have made her frustrated with the organization (Figure 16):

Now, were there moments when I was frustrated given layoffs, and processes that are broken, and things like that? Of course, so I guess those two would kind of go. The sad is really just I am sad to be leaving, but I am excited to go elsewhere, too. It is a mixed feeling.



*Figure 15.* P5 self to organization drawing.

#### **Tired and Tense**

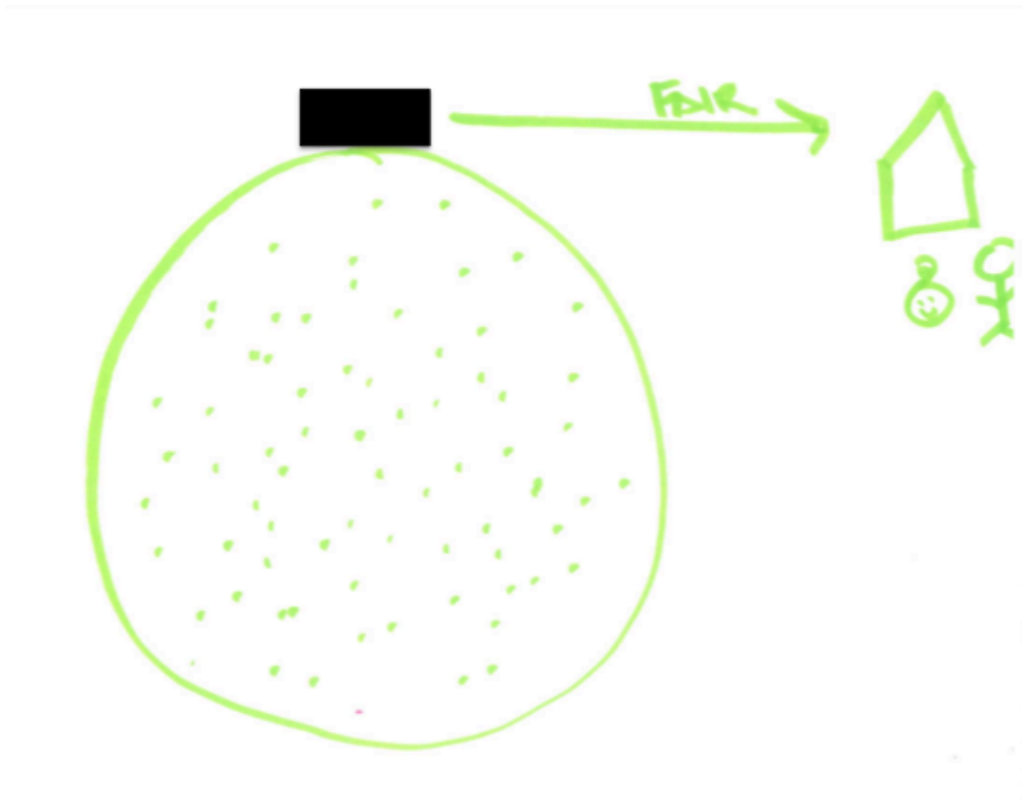
P3 felt there was a relationship between tired and tense, with underlying frustration:

I think they're frustrated probably for different reasons. I think they're frustrated. I know they're frustrated by other things that I feel like...I think their frustrations come from roadblocks. I feel that there is often many roadblocks, different from gates and check-in points, but roadblocks that are probably unnecessary and that gets frustrating.

P3 went on to state:

I think it's a series of things, but I can certainly call out. I was frustrated when I had to beg to attend usability research on the forms to get what was right for the consumer done. That is frustrating to me that you have to beg or justify doing something's that right. That makes me frustrated. There's other examples where it's right for the consumer but it gets frustrating the continual selling you have to do, the continual presenting, and getting buy-in, and presenting and getting buy-in, and you end up losing all this time, and that's frustrating.

P3 represented herself as one of the dots in the circle below and sees a connection between her work and fair monetary compensation that allowed her to support her family (Figure 17).



*Figure 16.* P3 self to organization drawing (black box used to redact company name).

P2 also referred to frustrations related to resource deployments:

Tired. That comes back to a constant dwindling of staff. The same work is there if not more work, and we're doing it with fewer people and I don't think folks do their best work, I know I don't when I'm just tired out of my mind from just way too much on my plate.

P4 saw internal bureaucracy as a cause of her tired feelings:

I think I mentioned earlier, just the whole tired, it's because we are bureaucratic, which is something that CEO says all the time, 'We're eliminating bureaucracy.' But I don't see it happening. I really don't see it. That's back to the, here's a

vision, here's the theory, here's the whatever, without any... I'm not seeing a lot of tangible stuff that people can actually act on.

### **Astonished, Sad, Annoyed, and Distressed**

P3 expressed sadness related to SGA's customer experience:

Well, then I can add sad. It makes me sad that our consumers don't like us, a lot of them, and they don't say nice things about us. It's things that I feel like we could impact a change and make it better. It makes me sad that we aren't more proactive in doing those things, that it takes all those other dots to get that stuff done, because I would like them to feel like this. Then I would feel like this, I would be excited and happy if we were able to make a positive impact on our consumers.

Some participants expressed tension related to their own job security:

Am I tense? Sometimes up here, because of the organizational changes that have gone on, it just makes me all like. 'Am I going to have a job?' 'I would say tense. Things seem very undefined at the moment. Particularly with job safety, direction of the company, leadership, how long they're going to be around, and I think that creates a tense and unhappy environment.

### **Relationship between Self and Customer Drawing**

The highest frequency word used by participants to describe their relationship to SGA's customer was "excited" and was used by four out of five participants. Next in order of frequency were the words "delighted" and "happy," used by three out of five participants to describe their relationship with SGA's customers (Figure 18).

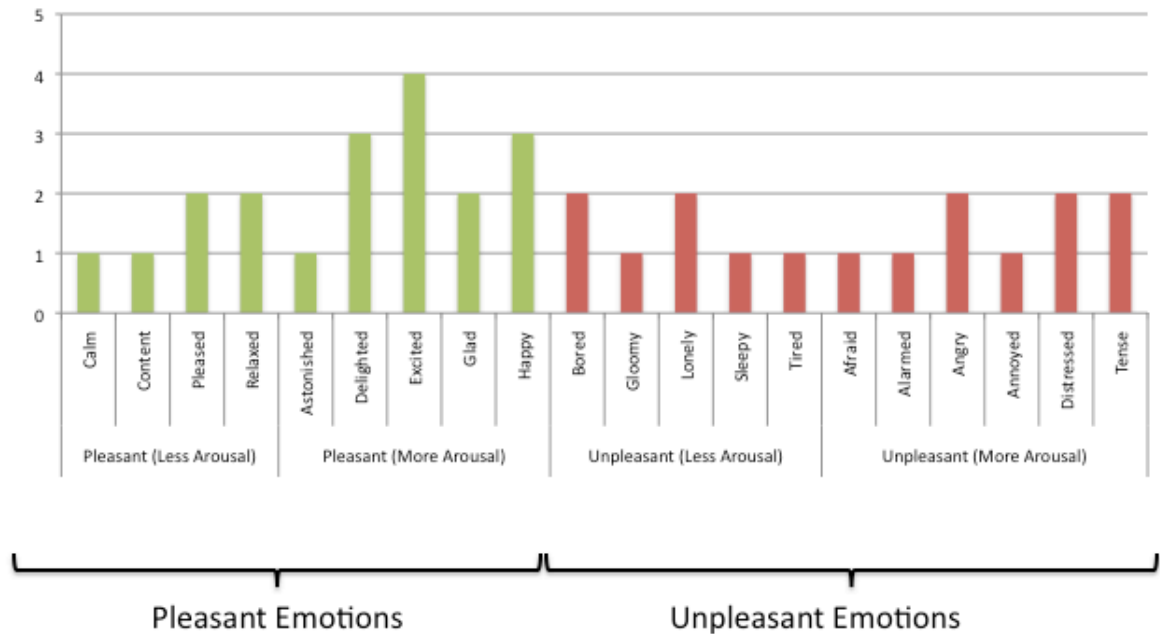
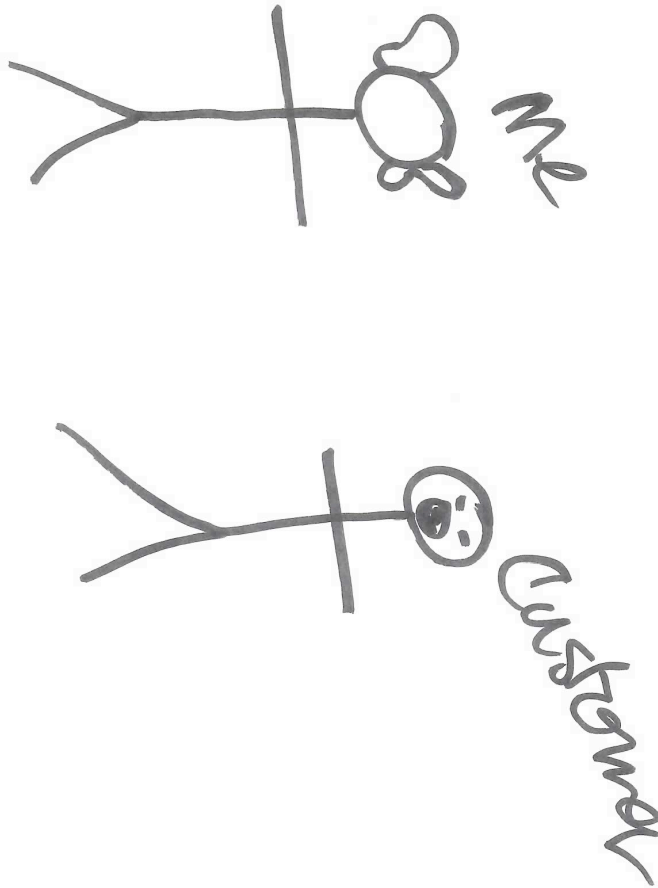


Figure 17. Self to customer emotional word frequency.

### Excitement

P2 depicts herself with ears (see stick figure to left below) (Figure 19) to show that she listens to the customer. Making improvements for the customer is exciting for P2: “I would say excited. I am always excited to improve things for the customer and I don’t just view our retail money transfer customer as my only customer. It’s also the people within the organization that I work for to help improve things.”



*Figure 18.* P2 self to customer drawing.

P3 felt excitement related to her aspiration goals to improve SGA's retail customer experience:

There's two buckets. This go back to this bucket of excited, happy, pleased, delighted, glad, goes back to the aspiration, what I want the consumer to feel having used SGA. What I think today is maybe those other words didn't quite fit. This is the one that I thought might be close with explanation is that I think that consumers feel lonely, they feel alone in the process. They don't feel like we're a partner with them sometimes. I think sometimes we don't do the job of giving

them the information they need or making the process easy or reassuring them or helping them when there's a problem.

P3 would eventually like to see customers view SGA in the role of 'hero' as depicted below by the ribbon labeled "hero:"

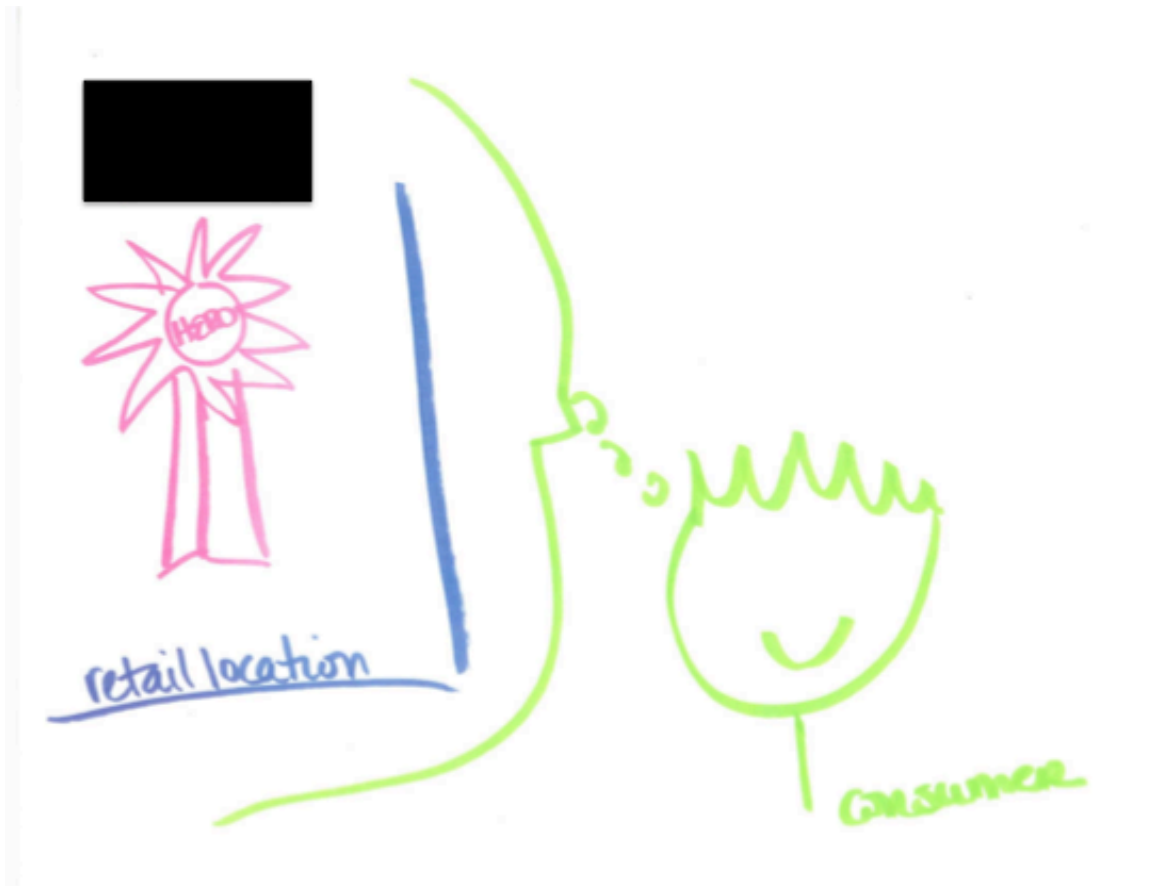


Figure 19. P3 self to customer drawing (black box used to redact company name).

### **Delighted and Happy**

P4 expressed happiness with projects targeted at meeting the needs of underserved customers are launched (Figure 21): "I think things like happy, delighted, excited; that kind of stuff is really all related around, we're working on a project, we're making a whole bunch of progress, we're getting things done, we're making things better for people to the end." P4 is a Program Manager depicted by the large stick figure below



and SGA's customers is shown outside the circle represented by text "EU SYS" as an abbreviation of "end user of systems."

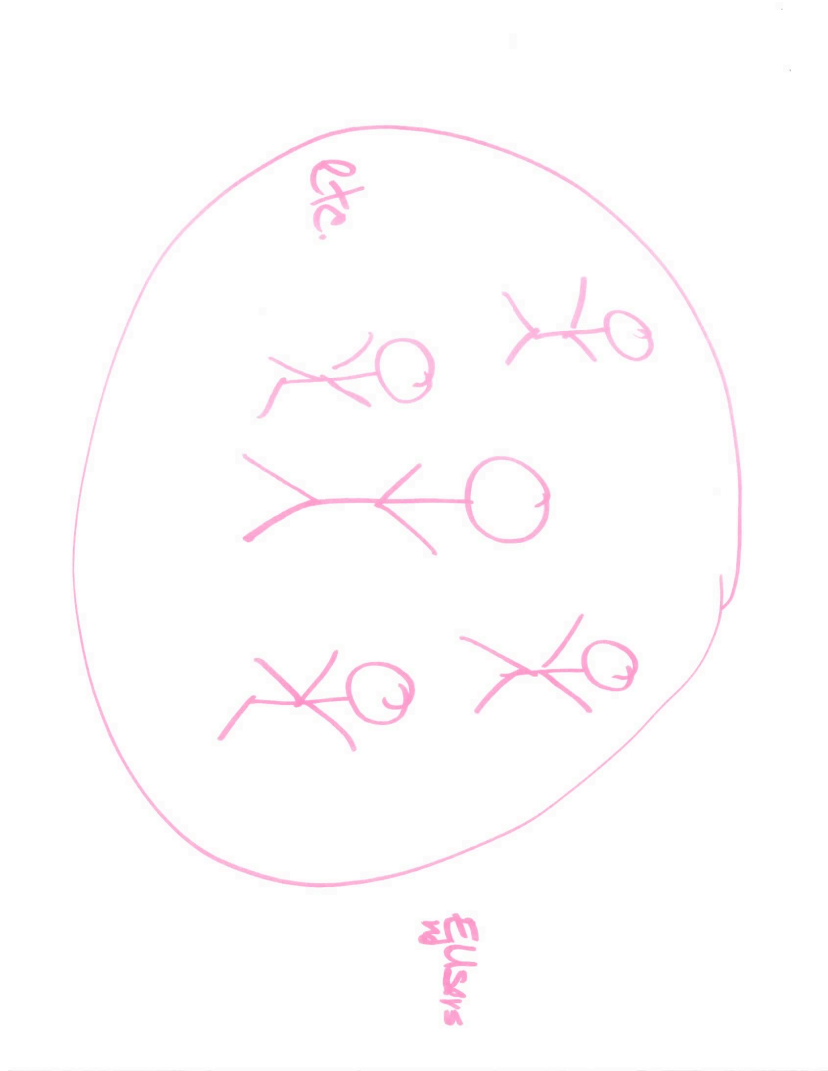


Figure 20. P4 self to customer drawing.

P2 expressed happiness associated with supporting co-workers that deal directly with customers:

Happy. I am extremely. I would say I'm happier dealing with people one-on-one than in email. I believe there is nothing better than that face-to-face conversation.

I recently went through that with our call center and being able to talk to the CSR

<<Call Service Representatives>> agents face to face. Asked them some very pointed questions and really understand the issues around doing their job and dealing with their customer.

P4 feels happiness related to working on some team projects:

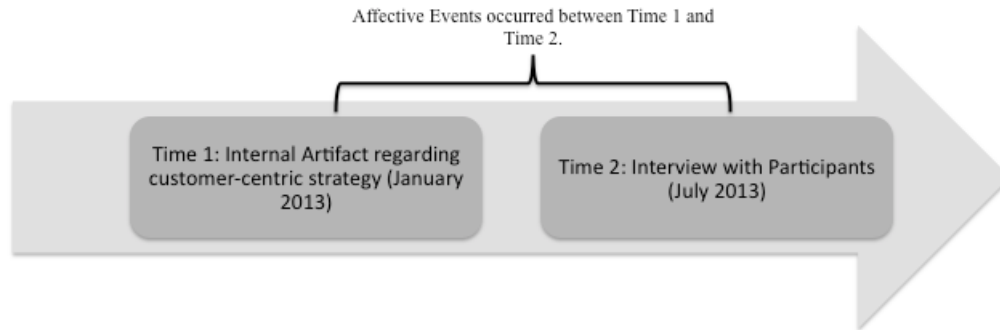
The other thing that, delighted and excited and whatever, and happy applied to inside the circle is we have a really good team and you know people who are taking accountability to doing, they know what needs to be done and they're taking responsibility to do it versus, I would say, the annoyed piece is I don't really want to have to do everybody is thinking for them. I don't want to have hound everybody to make sure they do stuff.

Another participant expressed delight when noticing that SGA services had been improved, "I have glad, and delighted, and relaxed in some cases because my husband is glad that he can help him in this way. Using the service, sometimes, like when I got the text message back that they got the money, I was like that is cool. I felt that. I was like this is so nice compared to what I used to have to try to do in figuring out if they got it or something. I was delighted."

## **Conclusion**

Organizational change such as that involved with customer-centric transformation can be described as a series of affective events that trigger employee emotional reactions. This research examined an internal communication regarding SGA's customer-centric change strategy as a means to understand related employee affective events that occurred between the time of this communication, January 2013, and the time of the interviews for this study in July 2013 (Figure 22). These emotions can influence employee behaviors

either directly or indirectly. Employees can experience negative affect such as anger and frustration, or positive response such as happiness or excitement.



*Figure 21.* Affective event drivers.

Participants discussed trying to cope with difficult workloads related to workforce reductions:

Tired. That comes back to a constant dwindling of staff. The same work is there if not more work, and we're doing it with fewer people and I don't think folks do their best work, I know I don't when I'm just tired out of my mind from just way too much on my plate.

Employees reported frustration, tension, and feeling tired in response to repeated workforce reductions during the timeframe between the communication and the interviews. An inability to increase productivity that was due to layers of bureaucratic processes was also described by employees as negative events during this same timeframe. Six instances of employees describing negative emotions such as frustration, tension, discouragement, annoyance and feeling tired were reported due to a lack of dissemination of customer insight. One participant questioned if SGA was still even collecting customer insights:

There used to be a lot of customer focus groups, that kind of stuff, voice for the customer, all of that kind of stuff where we were out talking. I even actually had done a couple of focus groups ... sat in on a couple of focus groups. That's where you hear, "What does the customer really want? What makes sense to the customer?" Because ... and we didn't always act on that, right, but at least we were out there trying to get that information. There were people trying to get it applied. ...So often in this company is, "Well, I know the customer wants this," without actually talking to the customer.

Rounding out the list of drivers of insights (Figure 23) included frustration with multiple organizational changes, fellow employees lacking skills required for their formal roles and the organization's inability to act on customer insight.

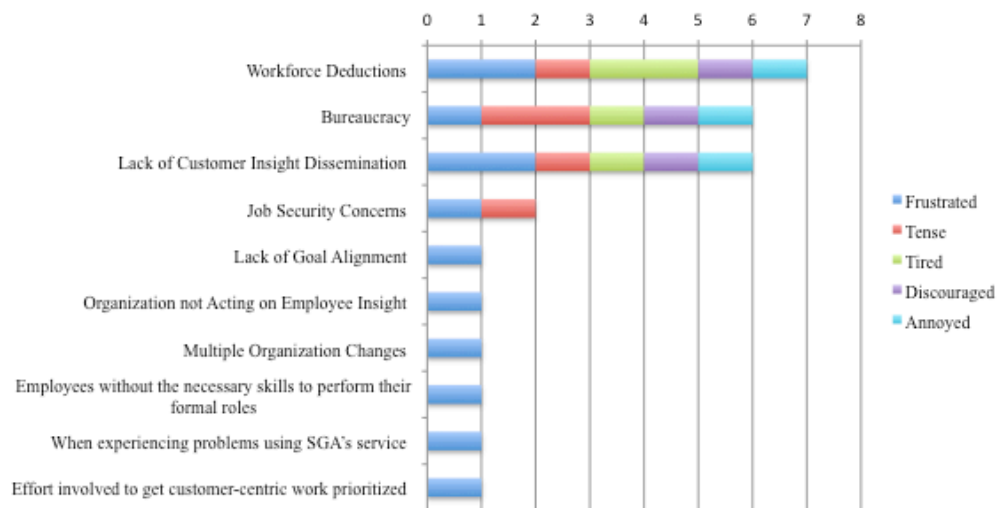


Figure 22. Negative affective drivers.

The top driver of positive affective events reported was the potential of making SGA's customer experience better for its underserved customers, employee reported happiness, excitement, and delight related to this driver. Other positive events included

working with cross-functional partners, the addition of a new notification service to SGA's service and gaining insight to the SGA's customer's lives (Figure 24).



Figure 23. Positive affect even drivers.

### Goals and Extra-Role Behaviors

Participants did not report goals being pushed from the bottom-up, as is often the case in organic organizational structures that are more likely to increase OCBs (Spector & Fox, 2002). Despite reports that the potential of making the customer experience better as a positive emotional driver, only one participant found lack of top-down goal alignment frustrating. Participants described goals as being set at the departmental level and did not discuss what if any impact this might have on the resulting customer experience.

### Organizational Learning

Lack of customer-insight dissemination is top customer-related driver and none of the participants discussed organizational learning having occurred in relation to customer insight. To facilitate organizational learning the business problem is solved for current

situation (concrete application) and learning is absorbed for future use (abstract application). Norms, processes and policies would need to be changed as a result. An organizational learning framework could provide a mechanism through which insights could be distributed, participants did not describe the existence of any such framework although this absence did not seem to have major impact on employee's affective experience. Although organizational learning is normally critical to customer-centric behavior, participants seem to have stronger negative affective responses to workforce reductions and bureaucracy:

We had layoffs yesterday in our IT and QA departments. People are tense because a lot of that work's not getting done now and we've cut loose with a ton of people and are going to get more contractors in the door that have to be brought up to speed with an extremely complex business model as well as systems model for testing. "“We're eliminating bureaucracy.” But I don't see it happening. I really don't see it. That's back to the, here's a vision, here's the theory, here's the whatever, without any... I'm not seeing a lot of tangible stuff that people can actually act on.

## **Chapter 5: Discussion and Conclusions**

### **Problem Statement**

Customer-centric companies are four times more likely to financially outperform competitors; however, only 35% percent of companies use voice of the customer (VOC) data when formulating their strategies (Tempkin, 2012a, 2012b). Although companies realize that satisfying their customers is key to profitability, day-to-day operations continue to be focused on internal organizational goals, rather than customer needs. As a result, many companies insert bold customer-centric promises into their annual stockholder reports or marketing collateral without making the clear internal resources commitments necessary to transform into a customer-focused organization (Shah et al., 2006). In turn, this strategic misalignment can create emotional stress for middle managers pressured to meet customer needs, while still being held accountable for legacy product-centric organizational performance goals (Tempkin, 2012b). In a 2012 survey of 249 large U.S. corporations, more than 53% of respondents reported that middle managers within their organization were impeding their organization's customer-centric transformation (Tempkin, 2012c). Analysis of this finding shows that even if middle managers wish to participate in a customer-centric change they have little expectation of being rewarded for making customer focused decisions as their performance is often still measured via legacy product-centric norms or metrics (Tempkin, 2012c).

### **Purpose Statement**

This qualitative study explored the emotional perceptions of middle managers being required to practice customer-centricity while still being held accountable for legacy organizational-centric profit goals associated with the formal duties outlined in

their job descriptions. The theoretical framework for this study is the emotional impact felt by middle managers required to engage in organizational citizenship behaviors (OCB), tasks over and above their formal job description related actively engaging customer-centric behaviors (Mamman et al., 2011). Engagement in OCBs has been widely recognized to increase emotional vulnerability and this issue is likely amplified when these extra-role behaviors require employees to break organizational norms in order to drive organizational change (Bacharach et al., 1996; Eisenberger et al., 1990; Filstad, 2011). This study examined the emotional perceptions of middle managers asked to support a customer-centric change strategy at a mid-sized consumer services company located in the Western United States.

### **Research Question**

What are the emotional perceptions felt by middle managers required to participate in customer-centric change behaviors as it relates to supporting goals, strategies, or policies in place?

### **Review of Methodology**

The purpose of this phenomenological study was to understand the emotional impact on middle managers, under pressure to make customer-centric choices via a customer-centric change agent program, but penalized when they do not meet product-centric profitability goals at Southern Global Alliance (SGA) (pseudonym), a consumer services company located in the Western United States. Interviews for this study were conducted via face-to-face meetings at SGA's North American Headquarters. Interviews were conducted until the saturation point was reached as it relates to revealing all relevant qualitative themes.



**Interview Phases**

The interviews were carried out in four phases that included:

**Phase one: Demographic and general information profile.** A paper survey started each interview to help categorize participants by department, professional background.

Employees were asked for information regarding their:

1. Department
2. Job Title
3. Related job experience
4. Tenure at SGA
6. Do you feel that your department's goals align with the concept of customer-centricity? Please provide an example.

**Phase two: Job role discussion.** A non-structured approach was used to gain further understanding of each participant's job role and its relationship to their customer-centric stance.

- Is the role boundary spanning?
- Is the participant involved with the program to further their career to avoid getting in trouble with their boss or other reasons?
- Are there currently customer-centric processes in your department? If so, please describe them.

**Knowledge of customer-centric policies.** An internal communication regarding SGA's customer-centric strategy was reviewed during each session. Participants were asked:

- Have you seen this artifact previously?
- Is the information provided used in their department?
- Does the information align to their departmental or personal performance goals?

**Phase three: Psycho-drawing exercise.** Participants were asked to draw themselves, their relationship with Southern Global Alliance and with SGA's customers.

**Phase four: Card sort exercise.** This technique was used as a follow-up exercise for the drawings and was used to explore participants' feelings about their ability to facilitate customer-centric change while still delivering on their performance objectives. The words in the card sort were charted along a continuum of pleasant to unpleasant. Verbalizing emotions can be difficult for participants, therefore this card sort allowed participants to be specific in their description of the emotions depicted in their drawings (Costa et al., 2003). The card sort consists of twenty-five emotional descriptors along the continuum of pleasant to unpleasant emotions (Yoo, Min-Yong, & Kwon, 2011) (Appendix D). The card sort was used to help further explore any emotional impact felt by participants in relationship to their role and their participation in the customer-centric change behaviors. Each respondent was asked to create their own categorization of the emotional words listed on each card in relationship to their drawing. The transcript of each session recording was used to keep track of their sorting and any emotional description provided beyond the words listed on the cards (Yoo, 2011). The words listed on the cards are part of the circumflex model of emotion and can be found in Appendix D.

**Overview Summary**

Although this study did not uncover emotional impact related to normative pressures associated with engagement in customer-centric OCBs in defiance of current organizational norms, its findings that an employee's experience with customer-centric change should not be viewed in monolithic term is significant. An employee's experience with customer-centric change, is made up of countless social interaction variables to build their overall relationship with the organization and this insight reveals that emotions can often play critical roles in driving employee behavior (Lawler & Thye, 1999). Ultimately, the insights uncovered during this research reflected on employee emotional perceptions related to current approaches being pursued at employee-level and overarching organizational strategies rather than being more generalized perceptions related to customer-centric change in general.

Evidence collected during these interviews supports that employees have a vague sense that the organization needs to be customer-centric; however, they are not able to articulate why customer-centricity is important (e.g., potential profitability gains related to increased customer satisfaction). Participants' experience with SGA seems to be causing both positive and negative emotional affects including:

**Main Negative Affect Drivers**

- Workforce reductions
- Bureaucracy
- Lack of customer insight dissemination
- Job security concerns

### Main Positive Affect Drivers

- Potential of making customer experience better
- Working cross-functionally
- Adding new service feature
- Gaining customer insight

Participants did not see increased customer-centricity as a means to potentially increase revenue and to reduce the need for on-going workforce reductions (layoffs).

Overall findings point to a need for a clearly stated customer-centric vision and training for employees in how to behave in a customer-centric manner. Furthermore the evidence suggests that training should include knowledge sharing between functional groups to help employees better understand the firm's cross-functional capabilities. By creating an environment of mutual functional understanding, employees can be encouraged to think of themselves as organizational group members first and functional group members second (Figure 25).

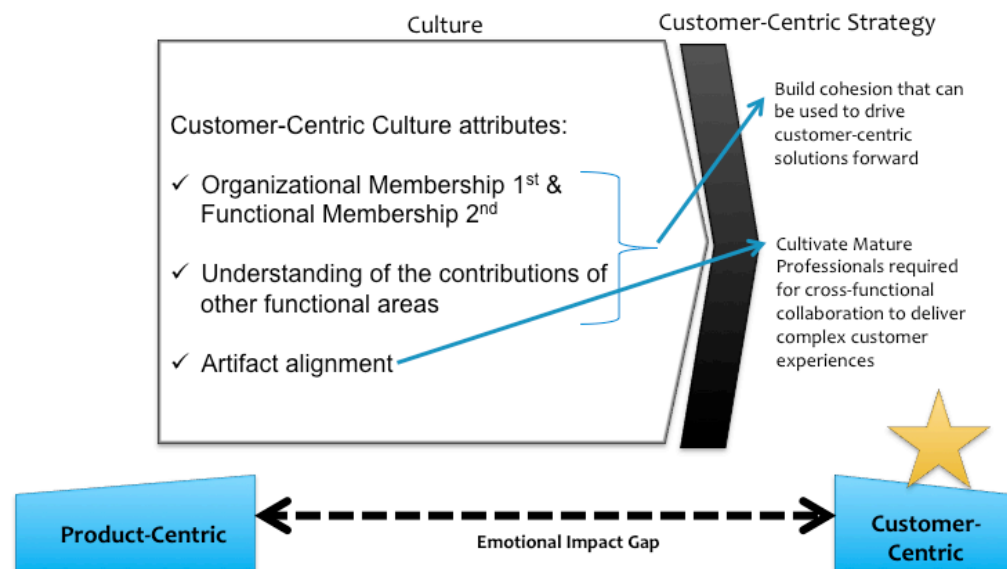


Figure 24. Creating alignment between culture and customer-centric strategies.

Cultivation of mature professionals, who value their cross-functional partners, will shape organizational culture in a manner that makes it conducive to customer-centricity. Aligning the firm's culture to customer-centricity and increasing cross-functional understanding will result in an organization poised to be responsive to the needs of its customers (Awal et al., 2006; Axelsson & Axelsson, 2009; Mamman et al., 2011).

Alignment of artifacts to support organizational cultures can help facilitate employee behavior change (normative approach) and will help facilitate good performance (Pols, 2012). The artifact reviewed seems to have achieved neither of these objectives with participants, which could point to a need for communication standards to create more compelling customer-centric change artifacts. This approach would be similar to that taken by the Disney organization in creating standards that provide clear communication of their vision and the value that they place on employees (Lipp, 2013). Furthermore artifact standards could be adapted to support internal strategies designed to support customer-centric behaviors like reduced cross-functional territorialism and the promotion of organizational group membership over cross-functional group membership (Mamman et al., 2011).

### **The Importance of Customer-Centricity**

Although customer-centric organizations are four times more likely to financially outperform their competitors (Tempkin, 2012a), the SGA employees that participated in this research seemed to be unaware of the potential for this type of financial gain for the organization. None of the participants seemed to connect the potential of possibly minimizing the reduction of jobs by making the organization more customer-centric,

despite their clear frustration with the diminishing workforce. An opportunity may exist for companies such as SGA to reduce the negative emotional impact of workforce reductions by helping its employees understand that by becoming more customer-centric the organization could increase revenue which in turn could reduce the need for layoffs. Bob does not agree with this connection (Figure 26). By giving employees an outlet to channel their frustration with workforce reductions through more active participation in customer-centric behaviors, companies like SGA can provide employees with a productive means of coping with negative anxiety to reduce negative emotions. According to Spector and Fox (2002) negative emotions at work can lead to employee behaviors that are counterproductive to the achievement of customer-centricity such as disregard of company goals or strategies and employee attrition. By reducing the impact of negative drivers such as frustration surrounding workforce reduction, SGA could actually increase the likelihood of employees engaging in beneficial OCB's while minimizing counterproductive behaviors (Figure 26; Spector and Fox, 2002).

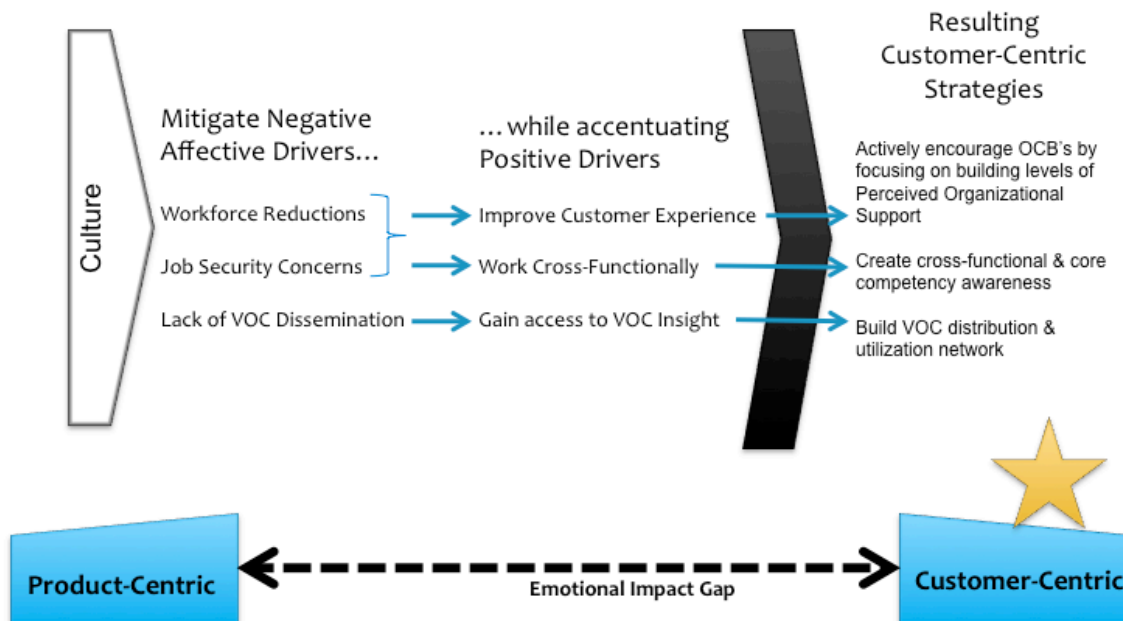


Figure 25. Managing affective events.

Territorial behaviors between organizational functions can create a difficult barrier to the type of interdisciplinary collaboration needed to support seamless customer experiences (Axelsson & Axelsson, 2009). The group of SGA employees participating in this research not only did not report this type of behavior, they actually saw this type of cross-functional collaboration as a positive affective component of their roles. Despite this satisfaction derived from their cross-functional collaboration, none of them articulated the importance of cross-functional collaboration in creating a coherent customer experience. There is likely an opportunity to take this natural affinity for cross-functional work to create core competencies related to the customer experience (Figure 26). It should also be noted because bureaucracy was as a negative affective driver for

participants it is possible that structural barriers (policies, guidelines, etc.) are making boundaries more difficult to cross (Axelsson & Axelsson, 2009).

### **Organizational Commitment Perceived Organizational Support as Antecedents to Customer-Centricity**

Affective commitment is related to an employee's overall emotional perception of their relationship with an organization. Affective indicators develop overtime in response to affective events and shape the level to which employees feel the organization values their contribution (Mamman et al., 2011; Seo et al., 2012). A formal measurement of perceived support would be ideal for benchmarking and this data was not available at SGA. SGA does not appear to be taking steps to accentuate the impact of positive affective events and it remains unclear if their management is aware of the presence of negative affective events within the company. Participating employees seemed to be unable to articulate SGA's vision as it relates to customer-centric strategies, which could be missing the opportunity to enhance organizational commitment via shared values and a sense of unity (Eisenberger et al., 1990).

**Behavioral commitment.** Employees with higher levels of perceived organizational support are more likely to engage in OCBs (Hagen, 2012; Mamman et al., 2011), only one participant discussed having engaged in these extra role behaviors. Although this behavior could result in increased emotional vulnerability, it is unlikely here since only one employee reported engaging in extra role behaviors. Referring back to the previously presented Disney® example, customer-centric training should not be limited to task, it must also instill a feeling or emotional connection for the employee to the customer experience (Lipp, 2013). Employees did not mention that either task-based



or emotional-based customer-centric training was being provided, which could be contributing to the negative affective driver insufficient customer insight dissemination and confusion on the part of participants on how to tie their daily work to customer-centricity. During the interviews there was little acknowledgement of a need for OCBs and the environment at SGA as described by participants seems unlikely to produce OCBs.

**Cultural normative commitment.** From a cultural normative approach, emotions management largely depends on the current role and from the level of support that employees feel from their organization (Lawler & Thye, 1999). This points to a need for support networks to allow participants to discuss the pressures of their roles and to support each other. Because research suggests that negative emotions are a leading contributing factor to low employee commitment to change, companies like SGA must not only understand the negative emotions their employees are feeling, they must also look for ways to prevent or minimize these negative emotions. People who stay within norms feel safer and this is a form of a positive affective event. This seems to indicate that organizations should proactively try to change their norms to align with customer-centricity (Mehra, 2008).

Although this research found more negative affective drivers than positive ones, employee perceptions show that they are not feeling normative pressure related to acting in a more customer-centric ways. This could perhaps be explained by the employee's confusion in how to act in a customer-centric manner (e.g. they do not know how to act this way and therefore are not capable of violating organizational norms related to legacy non-customer-centric goals). Examination of the affective drivers leading to employee

frustration reveals a clear absence of this type of normative pressure; instead factors that led to employee frustration were related to workforce reductions, job security and bureaucracy. Furthermore employee's who wanted to act in a more customer-centric manner were frustrated with a lack of customer insight dissemination and a lack of customer-centric goals (Figure 27).

### Multiple Factors Leading to Employee Frustration

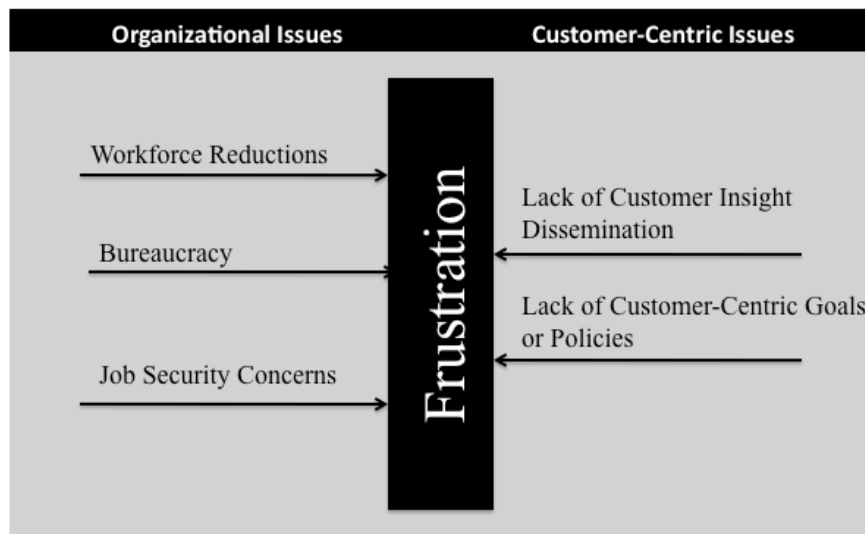


Figure 26. Multiple factors related to employee frustration.

### Organizational Learning as an Antecedent to Customer-Centricity

Successful cross-functional collaboration is necessary to achieve customer-centricity in modern organizations and is best achieved by committed, action-oriented and skilled teams formed by shared operating principles, guiding ideas and decision-making protocols. In this type of collaborative environment, action is based on horizontal partnerships and normative pressures, not top-down authority (Keast et al., 2004). This research revealed little evidence to show normative pressure associated with horizontal partnerships or OCBs: “Yeah, I think I know people in cross-functional teams

that would say, “Hey, that is a good idea.” I could send out a cross-functional invite and people would accept.” Employees did not mention the type of top-down authority often associated with more formal customer-centric goals (Figure): “But we’re at a point now where I think that’s coming to an end, because of the treatment, the expectations are ... and the direction for the company and goals are just not clear enough anymore.”

Although no former measure of organizational commitment were available at SGA, it does stand to reason that the larger number of negative affective events felt by employees is not likely encouraging positive levels of organizational commitment. Higher levels of organizational commitment lead to higher levels of organizational knowledge sharing necessary to create cultural norms that encourage OCBs. These extra-role behaviors are necessary to fill gaps in customer experiences until policies or goals can catch up to the speed of change. These lower levels of organizational commitment and subsequent absence of OCBs make it unlikely that SGA is able to readily fill gaps in its customer experience until policies can change (Lipshitz et al., 2002).

Organizational learning is said to have occurred when an organization develops a new way to respond to unexpected results. When an employee must go beyond the formal boundaries of their job to deliver on customer needs, a learning organization would therefore be able to detect and develop an appropriate response (e.g., a policy, strategy or policy change designed to solve the systemic issue that motivated the OCB). This type of organizational learning can be seen as making a change and then 'refreezing' the standards until another new and better solution to the same problem is found, this frees up employees to focus on finding solutions to unsolved problems (Wright, Strudy, & Wylie, 2011). This research and subsequent interview comments seem to indicate that

this cycle of freezing and unfreezing is not occurring at SGA. With this type of perpetual change, it would be difficult for the organization to craft training to support employee task functioning and emotional connection to their work. Finally it would also be difficult for policy makers at SGA to detect the presence of OCBs that might be precursors to required changes in strategies, policies or goals (Lipshitz et al., 2002).

Highly innovative learning organizations, are more able to respond to changing customer needs, are also likely to be efficient at knowledge acquisition and knowledge transfer (Willoughby 2005). Support for learning can encourage employees to constantly question organizational norms during their informational processing activities and organizational action (Webb, Ireland, Hitt, Kistruck, & Tihanyi, 2011; Willoughby & Galvin, 2005). This research suggests that there is no clear customer-centric vision being communicated at SGA and the employees are displaying few signs of curiosity when it comes to questioning organizational norms:

These leaders don't understand a lot of the mechanics and methodologies for serving the customer. ...Over years of experience the customer wants the straight story and not a bunch of, you know, touchy, feely, butter me up and then drop the bomb on me type of communication of what's wrong. That's extremely frustrating. It also comes from people that don't understand that whole CSR process and the mechanics around how long you keep a customer on the phone, when you get them off...

Mining the tacit knowledge of employees could help SGA solve problems participants reported related to bureaucracy and may eventually lessen some of the tired feelings that were also reported (Koskinen, 2011; Figure 28).

## Creating Double-Loop Organizational Learning

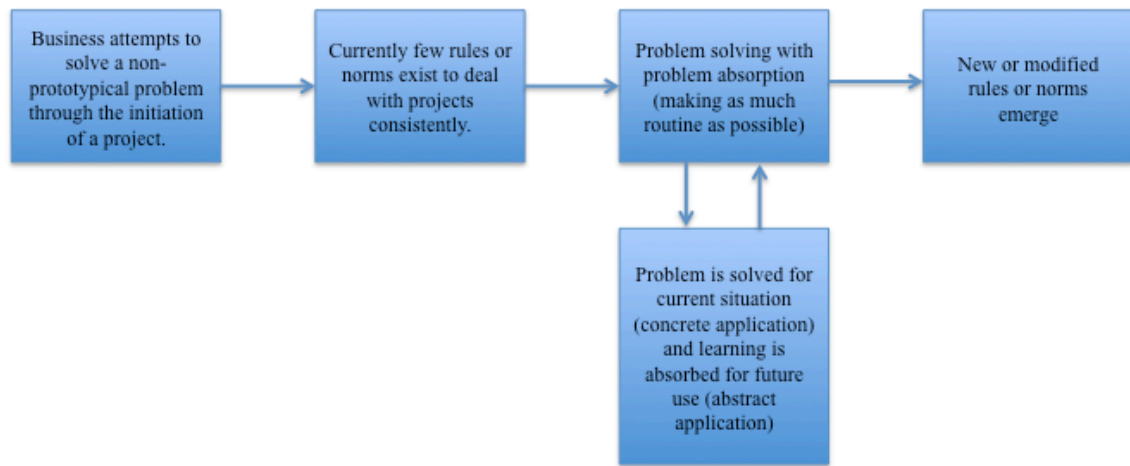


Figure 27. Creating double-loop organizational learning (adapted from Koskinen, 2011).

Furthermore, this double-loop learning cycle could become a continuous improvement process to provide a framework to scan the internal/external environment for clues about the overall health of the customer experience. Knowledge accumulated during this scanning would constitute customer insights related to weaknesses or strengths in the firm's customer experience. This rich qualitative data related to the overall quality of the organization's experience could then be leveraged to provide employees with the increased levels of customer insight dissemination they were requesting. Use of this data could help employees prioritize their project decision-making based on customer needs, thus providing another opportunity to promote the notion of organizational membership above the interests of any one functional area (Johnson, 2012). As increased usage of customer insight becomes part of the organizations cultural norms, the firm itself can be transformed into a more customer-

centric organization (Awal, Klinger, Rongione, & Stumpf, 2006; Axelsson & Axelsson, 2009; Mamman et al., 2011).

### **Organizational Shift Towards Customer-Centricity**

Links between customers and employees can occur if the employee understands that they hold part of the puzzle (Reece, 2012). SGA participants do not seem to have much linkage to customers. It is unclear if the SGA's resources are properly deployed, however participants did feel that the resources were spread too thin. None of the participants cited actual customer satisfaction scores or drivers of satisfaction being used in their daily work or in the formation of their goals. Overall it is uncertain if SGA's business units are mechanistic or organic in terms of organizational structure, which makes it also uncertain how goals regarding customer-centricity could be communicated via existing channels (top-down versus bottom-up). The view provided by this study seems to indicate that participants are working long hours and that they have no meaningful link back to actual customer data during the course of their duties. SGA is missing an opportunity to optimize its employee's attitudes by:

- Rebalancing their workload to focus only on tasks that are clearly important to customers
- Inspiring employees by creating a direct link between their day-to-day tasks and SGA's customer-centric vision (Reece, 2012).

Finally it is unclear if the confusion regarding customer-centric goals is specific to SGA or if this pattern could be found at other midsized companies.

**Theoretical Framework**

Modern organizations seeking to transform their operations from a product-centric approach to a more customer-centric, will require an organizational cultural transformation in order to change behavioral norms within the organization (Koskinen, 2011). Predictions made within the theoretical lens of SET are important to these change agent programs in that they offer a solid framework from which the organizational mission (X) can be transformed to a new customer-centric vision (Y) by increasing levels of perceived organizational support in order to encourage more OCD behaviors within the ranks of this group of potential cross-functional change agents. Participants seem to not have a clear understanding of what X or Y might be for SGA. For more than 20 years customer dissatisfaction and increased competition has led more companies to pursue customer-centric change strategies (Hagen, 2012; Lipp, 2013; Seo et al., 2012). More often than not, these efforts fail to deliver on revenue growth or improved employee attitudes (Seo et al., 2012), this is often due to low levels of employee commitment. Negative emotions are at the heart of low employee commitment and this research found little evidence that companies are focusing on ways to mitigate the impact of negative emotions felt in the workplace.

**Implication for Action**

Many organizations do not take employee emotions into account when making decisions (e.g., making announcements about coming layoffs, while the details of the layoffs are kept private). This lack in transparency can lead to negative affective events for employees that can erode their perception of the amount of support they receive from the organization as well as their overall engagement with the organization (Spector &

Fox, 2002; Spector et al., 2006). In cases like SGA, multiple waves of workforce reductions can drive negative affective events for employees, which can lead to lower levels of engagement. These negative affective events, coupled with an absence of a clear customer-centric vision, strategies and goals have left employees without the information needed to drive their day-to-day tactical performance towards customer-centricity. This research shows that absent a clear vision that translates what customer-centricity looks like for a specific organization, middle managers may not understand how to act in a customer-centric manner that supports organizational goals (See Figure 29 Implications for Action and Further Research). From this vision, strategies to increase employee engagement and organizational learning can be derived to further support the organization's customer-centric vision. From these strategies, clear goals can be established related to employees understanding of the vision and why it is important (e.g., linking customer-centricity to business goals), to revise any policies or processes that might further support customer-centric strategies.



### Implications for Action and Further Research

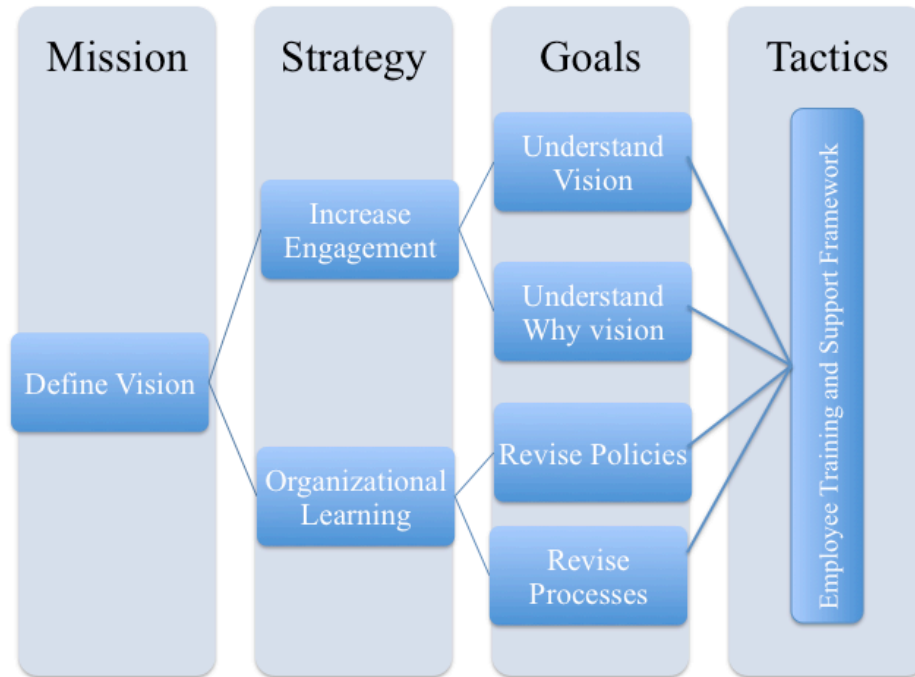


Figure 28. Implications for action and further research.

### Recommendations for Further Research

Future research can focus on ways to support employees in choosing the tactics best suited to achieve a customer-centric vision and how to promote a collaborative approach to organizational group membership. Further studies can also focus on determining how to minimize negative emotional affects felt by employees during customer-centric change, to better focus more fully on their work. In order to obtain customer-centric organizational effectiveness, firms must focus on employee needs and obtaining employee cooperation. To achieve this, an organization must redesign itself to minimize the likelihood of employee negative affective events and maximizing the opportunity for positive affective events. By balancing organizational and employee well-being in this manner, the firm can increase the potential for successful

transformation such as a transition to a customer-centric strategy (Spector & Fox, 2002; Spector et al., 2006). Research at other organizations could help to uncover techniques to successfully convey a complex customer-centric vision to cross-functional employees. This research could investigate the possible impact of employee engagement and organizational learning have on its ability to deliver on customer-centric strategies. Techniques in employee training could be used to establish and measure learning objectives related to customer-centric strategies as a means to discover ways to more effectively teach employees how to understand and execute against customer-centric strategies. Companies like SGA may consider analysis of their policies to ensure that barriers to cross-functional collaboration are removed in order to make customer-centric behaviors easier for employees to engage in. Because a great deal of professional maturity is also needed to foster cross-functional collaboration and due to concerns raised about loss of tacit knowledge, more tenured employees could be tapped to lead collaborative customer experience efforts (Axelsson & Axelsson, 2009). Further studies could also benefit from the collection of normative data such as employee engagement scores to ensure that the employees that participate are representative of the overall employee population.

By leveraging this type of holistic customer-centric transformational framework (Figure 29), firms can focus on increasing employee engagement in order to increase the likelihood of OCBs necessary to facilitate organizational knowledge sharing and experiential gap filling necessary to accomplish customer-centric transformation (Mamman et al., 2011; Rebelo & Gomes, 2012). Ways in which employee engagement could be increased by creating opportunities for employees to contribute customer-centric

solutions to the organization's stored knowledge (norms) should be explored as a possible tactic in building an employee training and support framework (Figure 29).

### **Conclusion**

Social exchange assumes that self-interested actors transact with others to accomplish individual goals that they cannot achieve alone (Lawler, 1999). Corporate culture refers to the behavior of these actors and the meaning to which they assign to their behavior. When an organization is seeking to transform itself into a customer-centric culture, by changing its strategic focus from transactions to customers, its culture must also realign or this transformation is very likely to fail. To accomplish this, firms must realign its values and norms to embrace the needs of the customer while also balancing the needs of the organization. Beyond this realignment, organizations must also repeatedly clearly articulate their customer-centric vision to their employees. Cascading down from this vision, senior leaders must also take responsibility for creating pressure (norms) on their departments to align their strategies and subsequent goals to conform to this new customer-centric norm. Additionally if artifacts, internal messages and goals are not realigned to this change employees will be uncertain about what is required of them at the tactical level which can contribute to failure of customer-centric organizational transformation (Higgins & Mcallaster, 2004). By embracing an approach to customer-centric change that focuses on increasing employee engagement and strategic understanding (Figure 29), organizations can better position themselves to successfully accomplish customer-centric transformation. In order to be customer-centric, an organization must derive its goals from voice of the customer (VOC) data (listen), communicate these goals broadly throughout the organization (learn), and instruct

employees in how to achieve these goals (act) (Tempkin, 2012a). The results of this study suggest that employees may feel frustrated if they do not have access to VOC data (listen), have a clear sense of the firm's customer-centric vision (learn), and engage in training to learn how to apply customer-centric behaviors to their daily work (act). This study suggests that emotions can play a significant role in customer-centric change and calls for further research to construct support frameworks for customer-centric change agents.

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**Appendix A: Internal Coding Artifact Log January 2011 to July 2011**

	1/19/2011: Intranet: Strategy Update	6/2/2011 Intranet: FLA Story	Organizational Announcement: EVP of HR Leaving Company	7/19/2011 Intranet: FLA Story	7/28/2011 Intranet: FLA Story
<b>Organizational Alignment</b>					
<i>Market Driven</i>					
Insight-Driven	0	0	0	0	1
Insight-Dissemination	0	0	0	0	0
Responsiveness	0	0	0	0	0
<i>Drives Market</i>					
Risk-Taking	0	0	0	0	0
Proactive	0	0	0	0	0
Opportunity Recognition	0	0	0	0	0
Organizational Learning	0	0	0	0	0
<b>Paradigm Shift</b>					
Project Delivery	0	0	0	0	0
Experience Design	0	0	0	0	0
Context	0	0	0	0	0
Activity	0	0	0	0	0
Customers	0	0	0	0	0
Culture	0	0	0	0	0
<b>Strategic Orientation</b>					
<i>Product-Centric</i>					
Sell Products	0	0	0	0	0
Count Transactions	0	0	0	0	0
Highlight Product Features	0	0	0	0	0
<i>Customer-Centric</i>					
Serve Customers	0	1	0	0	1
Count Customers	0	0	0	0	0
Highlight Customers	0	0	0	0	0
Highlight Customer Use Cases	0	0	0	0	0
<b>Quality and Credibility</b>					
Employees Valued	0	0	0	0	0
<b>Total</b>	0	0	1	0	2

## Internal Coding Artifact Log August 2011 to September 2011

	8/1/2011: Intranet Announcement of Retail Customer- Centric Task Force	8/4/2011 Intranet: FLA Story	8/4/2011: Intranet Announcement Internet Workshop	8/29/2011: Intranet Announcement of Ne Customer-Centric Organization	9/9/2011: Intranet Employee Engagement Survey Summary	9/15/2011 Intranet: FLA Story	9/29/2011: Intranet Announcement Point of Sale Software
Organizational Alignment							
<i>Market Driven</i>							
Insight-Driven	1	1	0	0	0	0	0
Insight-Dissemination	0	0	0	0	1	0	0
Responsiveness	0	0	0	0	0	0	0
<i>Drives Market</i>							
Risk-Taking	0	0	0	0	0	0	0
Proactive	0	0	0	0	0	0	0
Opportunity Recognition	0	0	0	0	0	0	0
Organizational Learning	0	1	0	0	0	0	0
Paradigm Shift							
Project Delivery	0	0	0	0	0	0	0
Experience Design	0	0	0	0	0	0	0
Context	0	0	0	0	0	0	0
Activity	0	0	0	0	0	0	0
Customers	0	0	0	0	0	0	0
Culture	0	0	0	0	0	0	0
Strategic Orientation							
<i>Product-Centric</i>							
Sell Products	0	0	0	0	0	0	0
Count Transactions	0	0	0	0	0	0	0
Highlight Product Features	0	0	0	0	0	0	0
<i>Customer-Centric</i>							
Serve Customers	0	1	0	0	0	1	0
Count Customers	0	0	0	0	0	0	0
Highlight Customers	0	0	0	0	0	0	0
Highlight Customer Use Cases	0	0	0	0	0	0	0
Quality and Credibility							
Employees Valued	0	0	0	0	0	0	0
Total	1	3	0	0	1	1	0

## Internal Coding Artifact Log October 2011 to December 2011

	10/06/2011 Intranet: FLA Story	10/11/2011: Intranet Announcement of new EVP of HR	11/9/2011: Intranet Announcement of New Company Policy to pay for Rosetta Stone for employess that want to learn a new language.	11/14/2011: Intranet Annoucement of Retail Workshop Update	12/1/2011: Intranet Announcement of employee tool access customer insights
<b>Organizational Alignment</b>					
<i>Market Driven</i>					
Insight-Driven	1	0	1	1	0
Insight-Dissemination	0	0	0	0	1
Responsiveness	0	0	0	0	1
<i>Drives Market</i>					
Risk-Taking	0	0	0	0	0
Proactive	0	0	0	0	0
Opportunity Recognition	0	0	0	0	0
Organizational Learning	0	0	0	0	0
<b>Paradigm Shift</b>					
Project Delivery	0	0	0	0	0
Experience Design	0	0	0	0	0
Context	0	0	0	0	0
Activity	0	0	0	0	0
Customers	0	0	0	0	0
Culture	0	0	0	0	0
<b>Strategic Orientation</b>					
<i>Product-Centric</i>					
Sell Products	0	0	0	0	0
Count Transactions	0	0	0	0	0
Highlight Product Features	0	0	0	0	0
<i>Customer-Centric</i>					
Serve Customers	0	0	0	0	0
Count Customers	0	0	0	0	0
Highlight Customers	0	0	0	0	0
Highlight Customer Use Cases	0	0	0	0	0
<b>Quality and Credibility</b>					
Employees Valued	0	0	0	0	0
Total	1	1	0	1	1
					2

## Internal Coding Artifact Log January 2012 to May 2012

	2/16/2012: Intranet: FLA Story	4/2012 CEO Monthly Email	4/19/2012: Intranet Announcement of new CIO	4/26/2012: Intranet FLA Story	5/2012 CEO Monthly Email
Organizational Alignment					
<i>Market Driven</i>					
Insight-Driven	1		1 0	1	0
Insight-Dissemination	0		0 0	0	0
Responsiveness	0		1 0	0	1
<i>Drives Market</i>					
Risk-Taking	0		1 0	0	0
Proactive	0		0 0	0	0
Opportunity Recognition	0		0 0	0	0
Organizational Learning	1		1 0	0	0
Paradigm Shift					
Project Delivery	0		0 0	0	0
Experience Design	0		0 0	0	0
Context	0		0 0	0	0
Activity	0		0 0	0	0
Customers	0		0 0	0	0
Culture	0		0 0		0
Strategic Orientation					
<i>Product-Centric</i>					
Sell Products	0		0 0	0	0
Count Transactions	0		0 0	0	0
Highlight Product Features	0		0 0	0	0
<i>Customer-Centric</i>					
Serve Customers	0		0 0	0	0
Count Customers	0		0 0	0	0
Highlight Customers	0		0 0	0	0
Highlight Customer Use Cases	0		0 0	0	0
Quality and Credibility					
Employees Valued	0		-1 0	0	0
Total	✓	2 ✓	3 ✓	0 ✓	1 ✓

## Internal Coding Artifact Log June 2012 to July 2012

	6/1/2012 Global Operations Organizational Change Announcement	6/4/2012: Intranet Announcement of Free Web Transactions	6/21/2012: Intranet Announcement of Improvements to Store Locator	6/28/2012 Global Operations Organizational Change Announcement	7/9/2012 EU/CIS Regional Organizational Change Announcement	7/24/2012 HR Organizational Change Announcement	
Organizational Alignment							
<i>Market Driven</i>							
Insight-Driven	0	1	0	1	0	-1	0
Insight-Dissemination	0	0	0	1	0	0	0
Responsiveness	1	1	0	1	0	1	0
<i>Drives Market</i>							
Risk-Taking	0	0	0	0	0	0	0
Proactive	0	0	0	0	0	0	0
Opportunity Recognition	0	0	0	0	0	0	0
Organizational Learning	0	1	0	0	0	0	0
Paradigm Shift							
Project Delivery	0	0	0	0	0	0	0
Experience Design	1	0	0	0	0	0	0
Context	0	0	0	0	0	0	0
Activity	0	0	0	0	0	0	0
Customers	0	0	0	0	0	0	0
Culture	0	0	0	0	0	0	0
Strategic Orientation							
<i>Product-Centric</i>							
Sell Products	-1	0	0	0	0	0	0
Count Transactions	0	0	0	0	0	0	0
Highlight Product Features	-1	0	0	0	0	0	0
<i>Customer-Centric</i>							
Serve Customers	1	0	0	1	0	0	0
Count Customers	0	0	0	0	0	0	0
Highlight Customers	0	0	0	0	0	0	0
Highlight Customer Use Cases	0	0	0	0	0	0	0
Quality and Credibility							
Employees Valued	1	0	0	1	0	0	0
Total	2	3	0	5	0	0	0

## Internal Coding Artifact Log August 2012 to February 2013

	8/2012 CEO Monthly Email	8/16/2012: Intranet Announcement VOC Employee Feedback Request	9/2012 CEO Monthly Email	10/2012 CEO Monthly Email	10/29/2012 : Intranet Announcement of New Multi- Channel/M ulti-Product Strategy	11/14/2012 : Intranet HR Program Announcements	12/10/2012 Total Organizational Change Announcement	1/2013 CEO Monthly Email	2/1/2013 Further information regarding Product Organization Change Announcement	2/14/2013 CEO Insight Message
Organizational Alignment										
<i>Market Driven</i>										
Insight-Driven		1	0	1	1	0	0	0	0	0
Insight-Dissemination		0	0	0	0	0	0	0	0	0
Responsiveness		0	0	0	0	0	0	0	0	0
<i>Drives Market</i>										
Risk-Taking		0	0	0	0	0	0	0	0	0
Proactive		0	0	0	0	0	0	0	1	0
Opportunity Recognition		0	0	0	0	0	0	0	0	0
Organizational Learning		0	0	0	0	0	0	0	0	0
Paradigm Shift										
Project Delivery		0	0	0	0	0	0	0	0	1
Experience Design		0	0	0	0	0	0	0	0	0
Context		0	0	0	0	0	0	0	0	0
Activity		0	0	0	0	0	0	0	0	0
Customers		0	0	0	0	0	0	0	0	0
Culture		0	0	0	0	0	0	0	0	1
Strategic Orientation										
<i>Product-Centric</i>										
Sell Products		0	0	0	0	0	0	0	0	0
Count Transactions		0	0	0	0	0	0	0	0	0
Highlight Product Features		0	0	0	0	0	0	0	0	0
<i>Customer-Centric</i>										
Serve Customers		0	0	0	0	0	0	0	0	0
Count Customers		0	0	0	0	0	0	0	0	0
Highlight Customers		0	0	0	0	0	0	0	0	0
Highlight Customer Use Cases		0	0	0	0	0	0	0	0	0
Quality and Credibility										
Employees Valued		0	0	-1	-1	0	0	0	0	0
Total		1	0	0	0	0	0	0	1	1



**Appendix B: Institutional Review Board Approval**

July 8, 2013

Kimberly Dunwoody, Ed.D.  
Interdisciplinary Leadership Program

RE:  
IRB #: 13-16778  
TITLE: MIDDLE-MANAGEMENT EMOTIONAL PERCEPTIONS OF  
CUSTOMER-CENTRICITY AND ITS IMPACT ON INDIVIDUAL  
VIABILITY AS A CUSTOMER-CENTRIC CHANGE AGENT

Dear Ms. Dunwoody,

This office has received the following documents:

1. Email dated July 5, 2013
2. Revised consent

The changes to the consent satisfy the concerns of the Board as expressed in their letter to you dated June 25, 2013. This project is now fully approved. The Board considered that the risk to subjects enrolled in this project is minimal. The period of approval will be for twelve months. The consent document submitted is stamped dated July 8, 2013. Only copies of this stamped dated document may be used when enrolling subjects in this project.

This approval includes the following:

1. Informed Consent
2. The Paper Survey
3. The Moderator's Guide

Continued approval is conditional upon your compliance with the following requirements:

1. Compliance with all federal and state laws pertaining to this research and with the Creighton University IRB policies and procedures as found on the IRB web site
2. Problems must be reported using the Reporting Form for Reportable New Information. Problems requiring report can be found in the IRB Policy 134 "Reportable New Information"
3. All protocol amendments and changes to approved research must be submitted to the IRB and not be implemented until approved by the IRB, except where necessary to eliminate apparent immediate hazards to the study subjects. Please

IRB#: 13-16778

Page 2 of 2

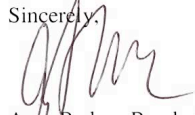
July 8, 2013

use the Request for Modification for Approved Research form when submitting any change to the protocol

4. Advertisements, letters, internet postings, any other media for subject recruitment, and information given to subjects for use in this study require approval before posting or distribution. Please use the Request for Review of Supplemental Documents form when requesting review for supplemental documents
5. This study cannot continue after the expiration date, which is June 24, 2014. You are required to submit a renewal/termination prior to this date. If you wish to continue the project, the renewal must be in the IRB office two weeks prior to a scheduled meeting prior to the expiration date. See schedule of meetings on the IRB web site.

If you should have questions during the course of this project, please call the IRB office at (402) 280-2126 and one of the administrators will assist you, or you may email the office at [irb@creighton.edu](mailto:irb@creighton.edu).

Sincerely,



Amy Badura Brack, Ph.D.  
Chair, Institutional Review Board



The Creighton University is fully accredited by the Association for the Accreditation of Human Research Protections Program, Inc. ® (AAHRPP)

Creighton University has an Assurance on file with the Department of Health and Human Services: Assurance Identification No. FWA 00001078, the expiration date: July 6, 2016  
IRB Registration Numbers: IRB #1 Biomedical IRB # IRB00000155 (Expiration July 13, 2015); IRB #2 Social Behavioral IRB # TIRB20067 (Expiration July 13, 2015)

Creighton University has an Assurance on file with the Food and Drug Administration (FDA)  
Assurance Identification No. FWA00001078, the expiration date July 6, 2016  
IRB Registration Numbers: Registration/Identification No. IRB00000155

**Appendix C: Institutional Review Board****RESEARCH INFORMED CONSENT**

Protocol Title

Protocol Number: IRB #13-16778

Principal Investigator: Kimberly Dunwoody

Contact Number: 720-233-1897

Study Personnel: Dr. Jeff Ehrlich, Contact Number: #816-559-5647

**Invitation**

You are invited to take part in this research study. The information in this form is meant to help you decide whether or not to take part. If you have any questions, please ask.

**Why are you being asked to be in this research study?**

You are being asked to be in this study because you are a full-time employee of SGA and you regularly engage in customer-centric behaviors.

**What is the reason for doing this research study?**

The purpose of this research is to explore the emotional impact on employees who are currently engaged in behaving in a customer-centric manner. As customer-centricity becomes more important for organizations employee reactions to this change must be considered as an important impact to the overall viability of the organization.

**What will be done during this research study?**

Participants will be asked to:

- Complete a written survey to capture basic information regarding their functional job role
- Participate in a semi-structured interview to discuss their approach to customer-centric decision-making as it relates to their functional job role

There are no known risks to you from being in this research study.

**What are the possible benefits to you?**

You are not expected to get any benefit from being in this research study.

**What are the possible benefits to other people?**

This study will advance the knowledge of the emotional impact within organizations seeking to transform themselves into a customer-centric company.

**What are the alternatives to being in this research study?**

Instead of being in this research study you can choose not to participate.

**What will being in this research cost you?**

There is not cost to you to be in this research study.

**Will you be paid for being in this research study?**

You will not be paid nor compensated for being in this research study.

**What should you do if you have a problem during this research study?**

Your welfare is the major concern of every member of the research team. If you have a problem as a direct result of being in this study, you should immediately contact one of the people listed on page one of this consent form.

**How will information about you be protected?**

We will do everything we can to keep your records confidential. However, it cannot be guaranteed. We may need to report certain information to agencies as required by law.

Both records that identify you and this consent form signed by you may be looked at by others. The list of people who may look at your research records are:

- The investigator and authorized personnel
- The Creighton University Institutional Review Board (IRB) and other internal departments that provide support and oversight at Creighton University

We may present the research findings at professional meetings or publish the results of this research study in relevant journals. However, we will always keep your name, address, or other identifying information private. Audio tapes of the interview will be transcribed and both will only be accessible to study personnel, the Institutional Review Board (IRB) and any other person or agency required by law.

**What are your rights as a research participant?**

You have rights as a research participant. These rights have been explained in this consent form and in The Rights of Research Participants that you have been given. If you have questions concerning your rights, talk to the investigator or call the IRB telephone 402-280-2126.

**What will happen if you decide not to be in this research study or decide to stop participating once you start?**

You can decide not to be in this research study, or you can stop being in this research study ("withdraw") at any time before, during, or after the research begins. Deciding not to be in this research study or deciding to withdraw will not affect your relationship with the investigator, Creighton University. You will not lose any benefits to which you are entitled.

If the research team gets any new information during this research study that may effect whether you would want to continue being in the study, you will be informed promptly.

**SIGNATURE CLAUSE**

You are free to refuse to participate in this research project or to withdraw your consent and discontinue participation in the project at any time without penalty or loss of benefits to which you are otherwise entitled, or any effect on your medical care.

*My signature below indicates that all my questions have been answered. I agree to participate in the project as described above.*

\_\_\_\_\_  
Printed Name of Subject

\_\_\_\_\_  
Signature of Subject

7/12/2013  
\_\_\_\_\_  
Date Signed

The Creighton University Institutional Review Board (IRB) offers you an opportunity (anonymously if you so choose) to discuss problems, concerns, and questions; obtain information; or offer input about this project with an IRB administrator who is not associated with this particular research project. You may call or write to the Institutional Review Board at (402) 280-2126; address the letter to the Institutional Review Board, Creighton University, 2500 California Plaza, Omaha, NE 68178 or by email at [irb@creighton.edu](mailto:irb@creighton.edu).

*A copy of this form has been given to me.* \_\_\_\_\_ Subject's Initials

**For the Research Investigator**—I have discussed with this subject (and, if required, the subject's guardian) the procedure(s) described above and the risks involved; I believe he/she understands the contents of the consent document and is competent to give legally effective and informed consent.

\_\_\_\_\_  
Signature of Responsible Investigator

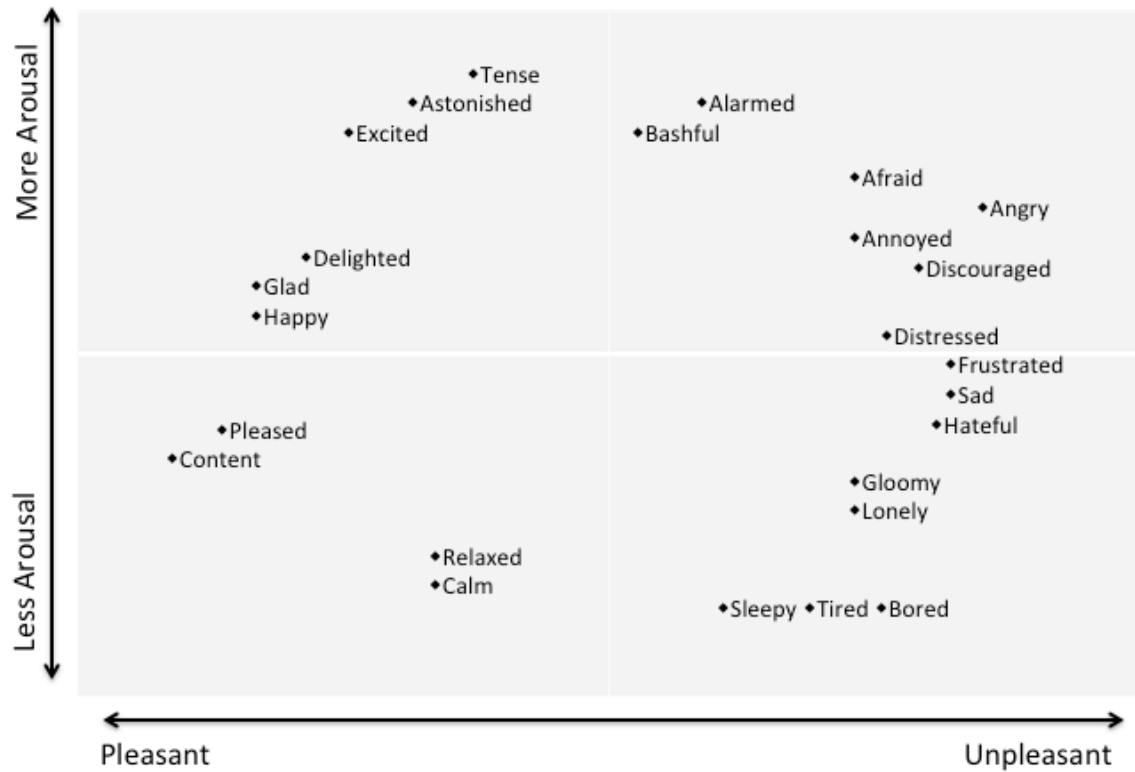
7/12/2013  
\_\_\_\_\_  
Date Signed

We would appreciate your feedback on your experience as a research participant at Creighton University; please fill out our survey at <http://www.creighton.edu/participantsurvey>

### **Bill of Rights for Research Participants**

As a participant in a research study, you have the right:

1. To have enough time to decide whether or not to be in the research study, and to make that decision without any pressure from the people who are conducting the research.
2. To refuse to be in the study at all, or to stop participating at any time after you begin the study.
3. To be told what the study is trying to find out, what will happen to you, and what you will be asked to do if you are in the study.
4. To be told about the reasonably foreseeable risks of being in the study.
5. To be told about the possible benefits of being in the study.
6. To be told whether there are any costs associated with being in the study and whether you will be compensated for participating in the study.
7. To be told who will have access to information collected about you and how your confidentiality will be protected.
8. To be told whom to contact with questions about the research, about research-related injury, and about your rights as a research subject.
9. If the study involves treatment or therapy:
  - a. To be told about the other non-research treatment choices you have.
  - b. To be told where treatment is available should you have a research-related injury, and who will pay for research-related treatment.

**Appendix D: Circumflex Model of Emotion****Circumflex Model of Emotion**

**Appendix E: Internal Communication Artifact**

January 3, 2013

Dear Colleague,

As we turn the calendar from 2012 to 2013, I want to share with you how much I am looking forward to the New Year. We all know that 2012 was challenging for many reasons. We missed our expectations, we had a challenging regulatory and economic environment, our competition in some areas intensified, and as a team, we did not execute flawlessly. However, I know that despite these challenges, we worked very hard to take <<Southern Global Alliance>> to the next level. The future is in our hands - it can be anything we want it to be - and that gives me a sense of renewal.

I'm confident that our mission has never been clearer: <<Southern Global Alliance>> is changing. The reason for this is not only because I, personally, like change; nor is it because change is the latest corporate imperative. We must change because our customers demand it, and all high-performing businesses know that everything must start and end with the customer. For us, this includes our <<customer segments>>. It's not as simple as it was five or 10 years ago when our customers shared a single need and we reacted with a single product. Today, the world is more complex. As the industry leader, we must be proactive - anticipating, adapting to and addressing our customer's, regulator and shareholder's changing needs - always staying one step ahead.

As I've said many times in 2012, we are extending and deepening our customer relationships by transforming to a multi-product, multi-channel business. We will offer products and services that are built on the strengths of our well-known brand, our existing and new customer base and our <<product name>>. Throughout this transition we must



expand the strong position we hold in the core <<product name>> business, while also growing new distribution like <<sga>>.com, <<product name>>, and <<business line>> when we do this, business results will follow. <<Southern Global Alliance>> is fortunate because there are <<customers>> for every transaction, so we have the opportunity to gain <<loyal>> customers every time we <<product name>>. We may not get there overnight, as we have work to do to ensure that our people, product, platform, and channel strategies are expansive and address both ends of <<product name>>. We will lay out the 2013 roadmap in the coming weeks -sharing details about our strategy and communicating the specific things everyone will do to be more customer-focused. Our future is bright. We have many competitive advantages that enable us to implement a multi-channel, multi-product strategy; we have strong financials, but I need you to help me every step of the way. We have a social responsibility to our customers to change their lives by <<SGA function>>. Thank you for joining me in a relentless pursuit of our customer in 2013 and for being a part of my Team.

To a Prosperous Year Ahead,

<<CEO>>