

5-17-2021

## A Grounded Theory Study of Leadership Mechanisms for Customer-Orientation Organizational Change

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FLORIDA INTERNATIONAL UNIVERSITY

Miami, Florida

A GROUNDED THEORY STUDY OF  
LEADERSHIP MECHANISMS FOR CUSTOMER-ORIENTATION  
ORGANIZATIONAL CHANGE

A dissertation submitted in partial fulfillment of  
the requirements for the degree of  
DOCTOR OF BUSINESS ADMINISTRATION

by

Maria Cristina Gonzalez

2021

To: Interim Dean William Hardin  
College of Business

This dissertation, written by Maria Cristina Gonzalez, and entitled A Grounded Theory Study of Leadership Mechanisms for Customer-Oriented Organizational Change, having been approved in respect to style and intellectual content, is referred to you for judgement.

We have read this dissertation and recommend that it be approved.

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Karlene Cousins

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Mido Chang

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Miguel Aguirre-Urreta

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Manjul Gupta

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George Marakas, Major Professor

Date of Defense: May 17, 2021

The dissertation of Maria Cristina Gonzalez is approved.

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Interim Dean William Hardin  
College of Business Administration

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Andrés G. Gil  
Vice President for Research and Economic Development  
and Dean of the University Graduate School

Florida International University, 2021

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## DEDICATION

Fighting a terminal illness,  
defying a pandemic,  
daring, fearless and faithful.

Mami,

Forever loved,

I dedicate this dissertation to you.

You model strength,

You give me power.

To you I owe it all.

## ACKNOWLEDGMENTS

First. I'm grateful for the time, support, and insight from the leaders at GlobalTech who participated in the research and inspired my dissertation endeavor. You exemplify the best in leadership. Your names are omitted, but your insight is evident. I'm thankful for all my GlobalTech colleagues, friends, and customers who have helped me stretch and grow. You have a part of my heart forever.

The journey. Pursuing a Doctor of Business Administration gave me the honor to engage and learn amongst individuals with bright minds and purposeful souls. My journey started with meeting the director of the doctorate program at FIU, Dr. George Marakas. He was instrumental to the DBA program launch enabling a journey of growth and transformation for aspiring candidates. As an academic mentor, his inspiration and belief in my vision were consistent throughout the program. My appreciation and thanks to Dr. Marakas for setting the stage for success.

Faculty. The DBA program faculty and administrative team created an accelerated, structured, and engaging teaching and learning experience. You epitomized the FIU unstoppable spirit. Thank you for so generously giving your time, insight, and support to our 2021 cohort through our three-year journey. My appreciation to Yasemin Shiraz for her attention to the program details and commitment to our cohort's success.

The 2021 cohort. Learning with you was a once-in-a-lifetime opportunity. I'm thankful that we were able to attend classes in person together before the pandemic restrictions. Remembering the great class discussions is still a source of ideas. Every one of you inspires me. I wish you the best as you continue to forge your dreams. The practitioner-scholar community will achieve unique goals with you in it.

Dissertation Committee. I'm thankful for the support of my distinguished dissertation committee. Your feedback and guidance provided a beginning-to-end pathway for the study. Thanks to Dr. Manjul Gupta for offering ongoing support and encouragement. You were a steady advisor, goal by goal until I got to the finish line.

Mentorship. Dr. Karlene Cousins served as my role model professor and advisor for my qualitative research study. It is no wonder that I selected to dive deep into qualitative methods under her guidance. I'm also appreciative of her inviting me as a teacher assistant for her DBA qualitative methods classes. The teaching experience cemented my love for the science and art of solving research puzzles. I thank you for your positive influence and for everything that you have taught me, Dr. Cousins.

Family and Friends. My foundation and source of inspiration is my precious family. My love and thanks to my brothers Karl and Rene. I'm so blessed to have you and your families in my life. To my extended family, I'm so proud to be part of a multi-cultural circle of love and grit. To Chelsey and Erick, thanks for being my empathetic and motivating soundboard. Beyond the seasons of life, I owe my gratitude to departed loved ones who helped shape my life. To my cherished friends, you have been patiently waiting for me to free up and cheering me on through the ups and downs. You empowered me to reach for the stars with your love, encouragement, and faith. Thank you!

Joy. I could not have made this journey without the immeasurable love, prayers, and commitment from my spouse. I'm thankful for the great joy in my life. I love you.

God. Thanks for everything.

ABSTRACT OF THE DISSERTATION  
A GROUNDED THEORY STUDY OF  
LEADERSHIP MECHANISMS FOR CUSTOMER-ORIENTATION  
ORGANIZATIONAL CHANGE

by

Maria Cristina Gonzalez

Florida International University, 2021

Miami, Florida

Professor George Marakas, Major Professor

Organizational leaders are spearheading change as an engine to reshape corporate cultures for novel purposes, redefining the significance and meaning of generating value through customer-oriented companies, emphasizing what is most important and relevant to customers. Capitalizing on the value of customer-orientation entails attention toward continuously improving it. The purpose of this study is to explore and explain the dynamics of increasing customer-orientation as an organizational change in a business-to-business technology company setting from the perspective of organizational leaders.

By engaging change leadership experts through a grounded theory qualitative research approach, the study resulted in a substantive theory with a set of propositions and framework offering a contextual understanding of customer-orientation change for managerial and scholarly use. The results help advance multi-disciplinary marketing, leadership, and organizational change research associated with the customer-orientation definition and the nature of the leadership mechanisms to affect the change.



The resulting theoretical propositions suggest that the organizational change to increase customer-orientation encompasses an aspirational organizational culture shift, an amplification of short and long-term customer value, and continuous adaptation through a management system. The analysis revealed that leaders steer the complex change by adopting second-order organizational orientations involving organizational culture and customer value. The culture-oriented changes center around increasing organizational alignment, agility, and engagement to shape a customer-oriented company. The customer value-oriented shifts focus on building trust, applying a user lens, and creating a 360-learning environment to generate higher customer and business value. Using a change theories lens, the results indicated that increasing customer-orientation entails leading the organization through an interplay of diverse change process modes balancing social construction and prescribed regulation.

**KEYWORDS:** customer orientation, organizational change leadership, substantive grounded theory

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# **CHAPTER I**

## **INTRODUCTION**

### **Introduction**

Business leaders continually seek the best ways to improve organizational change practices to advance business outcomes, adjusting with the present and shaping the future (Burke, 2018). Whether the results of change actions influence the short or long-term, success can depend on how well leaders navigate change opportunities and perils (Yukl, 2013; Schein and Schein, 2017). Currently, a shifting business environment has thrust leaders to redefine the significance and meaning of generating customer value (Day, 2020). The focus on what is most important and relevant to customers requires positioning the organizational capabilities and actions using an outside-in perspective, depicted as a customer-orientation (Deshpandé et al., 1993; Day, 1999; Shah et al., 2006; Kohli et al., 2019). The heightened attention on creating value unlocks a need and timely opportunity to expand insight into how leaders steer the change to increase customer-orientation (Palmatier et al., 2019). Precisely, as a large-scale organizational change in a business-to-business technology company setting.

By engaging 15 change leadership experts and exploring the organizational change from their perspective, the study used a grounded theory qualitative research approach offering a substantive-level theory in the form of a framework and a set of propositions. Insight provides a practical bridge of evidence-based research and useful managerial application applying a practitioner-scholar lens. The results center on helping decode the customer-orientation leadership mechanisms, defining the customer-

orientation outcomes and exploring the complexity of the change dynamics using theories of change.

The study's goal is to help systematize ways to create more value for customers and business through a contextual understanding of the mechanisms that leaders utilize to steer organizational change towards becoming more customer oriented. The resulting theoretical propositions suggest that the organizational change to increase customer-orientation encompasses an aspirational organizational culture shift, an amplification of short and long-term customer value, and continuous adaptation through a management system. The analysis revealed that leaders steer the complex change by adopting second-order organizational orientations involving organizational culture and customer value. The culture-oriented changes center around increasing organizational alignment, agility, and engagement to shape a customer-oriented company. The customer value-oriented changes focus on building trust, applying a user lens and creating a 360 learning environment to generate higher customer and business value. In addition, by applying a change theories lens, the study indicated that increasing customer-orientation entails leading the organization through an interplay of diverse change process modes balancing social construction and prescribed regulation.

The objective of this introductory chapter is to frame and present the major components of the research study. The chapter begins by describing the research context and problem statement, followed by outlining the study's purpose and associated research questions and significance. Also, aimed at guiding the reader, the chapter introduces the overall structure of the dissertation document.

## **Context of the Study**

Implementing organizational change is an elaborate process that challenges corporate practitioners to devise ways to make sense of what is often unpredictable. This irregular essence of change is portrayed analogically as music tempo, which renders the various rates of speed and movement of a musical piece. Weick and Quinn (1999) classify these change gradations as either episodic because the change happens in an irregular but deliberate manner or as a continuous change that unfolds as aggregate events.

Whether episodic, continuous, or an interplay, leaders are responsible for influencing and managing the organizational change tempos (Yukl, 2013). As in a melody, change can resemble a sequence of tempos, from allegro or happy, to moderato or moderate, to andante or moving along, to adagio or slow. Business practitioners attempt to adjust these tempos to affect change results (Schein and Schein, 2017). Nonetheless, the importance of organizational change leadership is contextual and based on its linkage to organizational outcomes (Ford and Ford, 2012). The type and importance of the outcomes vary, but fundamentally organizational change involves bringing about "a difference in form, quality, or state over time in an organizational entity" (Van de Van & Poole, 1995, p. 512). With this perspective, this study examines increasing customer-orientation as the intended large-scale organizational change outcome in a business-to-business technology company.

Deshpandé et al. (1993) defined customer-orientation as a corporate culture involving a "set of beliefs and behaviors that put the customer interests first, while not excluding those of all other stakeholders such as owners, managers, and employees, in



order to develop a long-term profitable enterprise” (p. 27). The concept relates research in the fields of marketing, organizational culture, and business performance. Expanding the understanding associated with business performance, Jaworski and Kohli (1993) empirically substantiated the economic potential of a firm's customer-orientation. Companies that focus their activities on the needs of their customers can perform better. The business potential for customer-orientation on achieving and sustaining advantage in the marketplace requires a continuous focus on enhancing responsiveness and proactivity toward customer needs (Narver and Slater, 2004). By extension, capitalizing on the value of customer-orientation entails attention toward continuously improving it. Thus, companies seek to decipher change strategies and actions to increase customer-orientation to advance customer and business outcomes, adjusting with the present and shaping the future.

Practitioners and scholars grant that understanding organizational change is not an easy task. Van de Ven and Poole (1995) emphasized the importance of employing multiple theory positions to widen the overall analysis and understanding of a multifaceted organizational change incorporating interactions amongst different change forms. Studying customer-orientation organizational change requires a dual academic and practitioner lens. Multiple research studies have operationalized segments of the customer-orientation concepts (e.g., Saxe & Weitz, 1992; Lytle et al., 1998; Donovan et al., 2004; Kennedy et al., 2002). The resulting measurement instruments aim at evaluating customer-orientation from the viewpoint of individual behaviors, including a sales-oriented perspective and organizational culture.

From a business application perspective, the organizational implications related to the customer-orientation changing nature and the role that leaders play have been of concern to researchers who have explored the concept in applied settings (e.g., Kennedy et al., 2003; Gebhardt et al., 2006; Gebauer et al., 2012; Kohli et al., 2019). These studies have begun to explore the questions related to how to create and improve customer-orientation. Even though limited, these studies are important, bearing in mind that institutional change involves using a group lens (Lewin, 1947).

The potential value of extending research for customer-orientation is compelling (Gray and Hooley, 2002). To take a case in point, using discovery oriented qualitative research can expand understanding for interrelated aspects of customer-orientation, management strategies, and business outcomes (Shah et al., 2006; Ulaga 2018). Recently, Palmatier et al. (2019) conducted a critical reflection on the state and trends of customer centricity and concluded that more research is needed from both academics and companies to strengthen the understanding of its dynamics and challenges. Referring to the concept as customer-centricity, the authors capsulized a contemporary definition as “an organization-wide philosophy that focuses on the systematic and continuous alignment of the firm’s internal architecture, strategy, capabilities, and offerings with external customers” (Palmatier et al., 2019, p. 2). The widened customer-orientation definition emphasizes the action-oriented focus, which is more aligned with a business practitioner view.

Company leaders have been reshaping organizations contending with new market forces at play, including consumer uncertainty, coevolution of products and markets, morphing market boundaries, complex ecosystems, and digital disruption (Day, 2020).

Customer-orientation management strategies need to adapt to the current business environment. The business pressures have magnified during the unprecedented 2020 turbulent environment around the COVID-19 pandemic, which has thrust leaders to redefine the significance and meaning of generating value. The heightened practitioner attention on customer-orientation unlocks a need and timely opportunity to expand insight and business relevance. Accordingly, this study was conducted engaging leaders from within a business-to-business technology company. The company is transforming its business models and operations to remain competitive in the technology industry and become more profitable. Throughout the document, the company is referred to as GlobalTech pseudo-name. A customer-orientation culture plays a central role in differentiating its performance in the marketplace and delivering customer-valued outcomes. Company leaders aim to systematize ways to create more value for customers and the business.

### **Statement of the Problem**

Associated with the business challenge for leaders to systematize ways to create more value for the customers and the business, there is a need to extend the empirical understanding of the nature of customer-orientation organizational change. A more comprehensive and integrated understanding is needed of the relevant mechanisms that leaders utilize to steer the organizational change towards becoming more customer-oriented within a business-to-business technology company.

### **Statement of Purpose and Research Questions**

Guided by the problem statement, the purpose of this study was to explore and explain the dynamics of increasing customer-orientation as a large-scale organizational

change in a business-to-business technology company setting from the perspective of organizational leaders.

The central research question for this study aimed to decode the customer-orientation leadership mechanisms. Additional research questions supported the research to frame a theoretical model defining the customer-orientation outcomes and exploring the complexity of the change dynamics using theories of change. Stated explicitly, the research questions are:

1. What mechanisms do leaders apply to increase customer-orientation as a large-scale organizational change in a business-to-business setting?
2. How can the customer-orientation leadership change mechanisms be integrated into a coherent framework?
3. What is the nature of the customer-orientation organizational change applying change theories?

### **Importance of the Study**

Advancing customer-orientation insight requires dual practitioner and scholar research attention, combining the knowledge of business actions and academic insight (Palmatier et al., 2019). Therefore, a key feature of this study is its practitioner-scholar applicability. By engaging organizational change leaders in a company setting and applying research rigor, the study generated a substantive-level theory advancing the understanding of customer-orientation change for managerial and scholarly use. The results help advance multi-disciplinary marketing, leadership, and organizational change research associated with the customer-orientation definition and the nature of the leadership mechanisms to affect the change.

For practitioners, the study can help systematize ways to create more value for customers and the business through a contextual understanding of the mechanisms that leaders utilize to steer organizational change towards becoming more customer oriented. From an applied research perspective, this study was conducted engaging leaders from within GlobalTech, a business-to-business global technology company. A customer-orientation culture plays a central role in differentiating GlobalTech's performance in its marketplace. The resulting theoretical propositions explore and explain leadership mechanisms for organizational change providing a substantive understanding to support systematic leadership strategies and actions.

For scholars, the study can help advance multi-disciplinary marketing, leadership and organizational change research associated with the customer-orientation definition, the mechanisms leaders use to affect the shift and the nature of the change dynamics leveraging well-known theoretical frameworks. For DBA practitioner-scholars, the study offers an account of a grounded theory application within an organizational problem context. The study incorporated an engaged scholarship practice (Van de Ven, 2007) inspired to bridge knowledge and impact believing that "scholarship means something more than research and engagement is the means for scholarship to flourish" (p. 9).

### **Document Structure**

The dissertation document comprises five chapters providing a logical discussion encompassing introducing the study, reviewing the literature, clarifying the research methodology, presenting the findings, and discussing the resulting substantive theory.

Figure 1 illustrates the document structure.

The purpose of this first chapter is to provide the context of the overall study. The first chapter has six sections. The first three sections frame the problem's statement, describe the study's purpose, and introduce the research questions. Two additional sections summarize the research approach and the role of the researcher. The concluding section outlines the importance of the study.

Chapter 2 presents the theoretical perspectives that supported the study's design and the literary reviews that informed the analytical framing. The chapter presents the literature review straightforwardly, synthesizing the iterative approach that the research followed as part of the grounded theory methodological phases. The chapter has three sections covering customer-orientation concepts and application, practitioner and scholar perspectives specific to customer-orientation change, and insight about relevant organizational change frameworks.

Chapter 3 describes the research methods applied for the study. The chapter includes seven sections covering the elements of the research design. The first four sections of the chapter describe the research methodology, the research design approach, the researcher's role, and the research site and participants. The additional three sections present the data collection approach, describe the data analysis and coding process, and outline data integrity considerations.

Chapter 4 presents the study findings. The chapter includes three sections. The first section examines the mechanisms that organizational leaders utilize to increase customer-orientation. The second segment presents the definition of the customer-orientation change components. The third section includes the analysis results related to the customer-orientation change using different organizational change models.

Chapter 5 discusses the analysis and interpretation in the form of a substantive theory. The chapter includes four sections, including a summary of the study results, a discussion of the customer-orientation change components, a discussion of the change leadership mechanisms in the form of a framework and propositions, and a discussion on the organizational change mode.

Chapter 6 provides study implications and recommendations. The chapter includes three sections. The first section outlines the research implications for research and practice, the second section discusses research limitations, and the last section frames future research.

**Figure 1.** Document Structure





## **CHAPTER II**

### **LITERATURE REVIEW**

#### **Introduction**

This chapter aims to present the theoretical perspectives that supported the study's design and the literary reviews that informed the analytical framing. The chapter presents the literature review straightforwardly, synthesizing the iterative approach that the research followed as part of the grounded theory methodological phases. The chapter has three sections covering customer-orientation concepts and application, practitioner and scholar perspectives specific to customer-orientation change, and insight about relevant organizational change frameworks. The three areas of literature reviews support the substantive grounded theory iterative approach. The sections are:

1. Perspectives on customer-orientation
2. Perspectives on customer-orientation change
3. Organizational change frameworks

#### **Perspectives on Customer-Orientation**

The concept of customer-orientation has been studied extensively as part of marketing research and adjacent fields with an underpinning in organizational culture. Framing the concept as culture, Deshpandé et al. (1993) defined customer-orientation as a "set of beliefs and behaviors that put the customer interests first" (p. 27). As a second part of the definition, the authors provided a forewarning that organizations operate in a multi-stakeholder environment, including the employees, managers, and customers. The third part of the definition links customer-orientation to its benefit from business performance and profit standpoint. For the last three decades, alongside the multi-part definition,

scholars and practitioners have extended the understanding of the concept, expanded the knowledge about the dynamics that create a customer-oriented organization, and studied its potential business outcomes.

Table 1 provides a synopsis of the conceptual and application perspectives relevant to the current study. It is worth noting that authors use customer-orientation, market-orientation, customer-centricity, and customer mindset connoting similar meanings. The contextual understanding and application of the knowledge are essential. Customer-orientation is part of market-orientation (Kohli and Jaworski, 1990). Practitioners commonly use customer-centricity in an organizational context. For this study, the preferred term is customer-orientation; however, the other terms are also part of the report to preserve the sources' terminology and context.

From a business outcome performance perspective, Jaworski and Kohli (1993) empirically substantiated a firm's market-orientation's economic potential. Companies that focus their activities on their customers' needs can perform better, irrespective of the market and competitive dynamics. The authors also acknowledged that managers could control and improve a company's market orientation. Comparably, Narver and Slater (1990) also concluded that a business requires market-orientation to compete. However, the authors argued that market-level and business-level conditions can influence the relationship between market orientation and performance. Moderator elements include competition, market stability, technological turbulence, and the economic environment. The diverse perspectives indicate that customer-orientation might not lead to improved business performance if other organizational actions or environmental conditions are not fitting with the expected outcomes. For example, Joshi (2015) argued that customer-

orientation could lead to a short-term focus because it motivates a responsive behavior towards customer requirements. The short-term and responsive focus can limit radical innovation. Organizations need to apply a forward-looking view into customer's unspoken needs to achieve radical product innovation. The overall implication is that for customer-orientation to achieve business outcomes, other conditions need addressing at the managerial level. For instance, the authors suggest that managers need to change the rewards structure aligning to strategic outcomes related to radical innovation.

Multiple research studies have operationalized segments of the customer-orientation concepts. (e.g., Saxe & Weitz, 1992; Lytle et al., 1998; Donovan et al., 2004; Kennedy et al., 2002). The resulting measurement instruments aim at evaluating customer-orientation from the viewpoint of individual behaviors, including a sales-oriented perspective and organizational culture. Saxe and Weitz (1992) developed the SOCO 24-item scale to measure the customer orientation of salespeople. Lytle et al. (1998) created an organizational service orientation 35-item scale SERV\*OR for organizational policies, practices, and procedures to deliver service excellence. These scales were tested for reliability and validity; however, restricted to front-line workers' perceptions. Assessing customer-orientation from an organizational level perspective, Donovan et al. (2004) defined a CO four-dimensional organizational scale with the objective of testing performance outcomes. The authors concluded that service workers' customer-orientation benefits could include job satisfaction, commitment, and organizational citizenship. A pertinent scale for a professional services organization was developed by Kennedy et al. (2002) in a customer mindset construct. This scale applies at the individual worker level across an organization, and it measures both internal and

external customer orientation. By expanding the focus of customer-orientation to the internal employees, the authors made a significant contribution to future organizational studies contending that customer-orientation involves responsiveness from all the company employees to understand and satisfy the needs of each other and ultimately deliver on the external customer needs.

In synopsis, related to the construct, research studies have shown validity and reliability of scales to measure customer-orientation based on perceptions of employees. Still, the authors of the scales have recognized a need for more research. Even though the current study is not oriented to validate or expand a measurement scale, future research can address a gap to operationalize customer-orientation for a business-to-business organization for multiple job roles and at different organization levels.

Turning to a practitioner-scholar perspective, a few researchers have explored the customer-orientation concept in applied settings concerning the organizational implications and the role that leaders play (e.g., Kennedy et al., 2003; Gebhardt et al., 2006; Gebauer et al., 2012; Kohli et al., 2019). These findings are relevant to the current study; thus, the next section covers insight in detail. Despite the ample research and insight from academics and practitioners, the potential value of extending research for customer-orientation is compelling (Gray and Hooley, 2002). Ultimately, business leaders need to improve organizational capabilities to achieve the value of customer-orientation (Day, 1999, 2020). Customer-orientation's business potential on achieving and sustaining advantage in the marketplace requires a continuous focus on enhancing responsiveness and proactivity toward customer needs (Narver and Slater, 2004). Particularly pertinent to the present study, qualitative research can expand understanding

for interrelated aspects of customer-orientation, management strategies, and business outcomes (Shah et al., 2006; Ulaga, 2018).

In 2019, Palmatier et al. conducted a critical reflection on the state and trends of customer-orientation. They concluded that more research is needed from both academics and companies to strengthen the understanding of its dynamics and challenges. Referring to the concept as customer-centricity, the authors capsulized a contemporary definition as “an organization-wide philosophy that focuses on the systematic and continuous alignment of the firm’s internal architecture, strategy, capabilities, and offerings with external customers” (p. 2). The widened customer-orientation definition emphasizes the action-oriented focus, which aligns with a business practitioner and managerial view.

This section covered foundational customer-orientation perspectives. The next section of literature reviews shifts to focus on practitioner-scholar perspectives related to organizational change to create and increase customer-orientation.

**Table 1.** Perspectives on Customer-Orientation

| <b>Reference</b>   | <b>Concept Perspective</b>  | <b>Application Perspective</b>  |
|--|---|---|
| Day, G. S. (2020)<br><i>conceptual</i>   | Perspective: Market-Oriented.<br>Diagnostic tool for factors of customer value proposition: integration, risk reduction, customization, empathy/engagement, relative performance, trust, connections, service responsiveness. | Increasing customer value requires an outside-in perspective deep in customer insight. However, success requires embedding the knowledge across the entire organization, obtaining employee commitment and by leaders making the right decisions. |
| Deshpandé, R., Farley, J. U., & Webster Jr., F. E. (1993)<br><i>quantitative</i> | Perspective: Culture.<br>Definition: Set of beliefs and behaviors that put the customer interests first.<br>9-item scale measurement.   | Companies that are customer and market-oriented realize performance benefits based on other factors and conditions that limit business advantages, such   |

|  |  |  |
|--|--|--|
|  |  | as lack of innovation and internal bureaucracies.  |
| Donavan, D. T., Brown, T. J., & Mowen, J. C. (2004)<br><i>quantitative</i>       | Perspective: Behavioral.<br>Definition: Pamper the customer, read the customer's needs, personal relationship, deliver service required. (for service worker)  | Benefits for service workers' customer-orientation could include job satisfaction, commitment, and organizational citizenship.   |
| Jaworski, B. J., & Kohli, A. K. (1993)<br><i>qualitative theory construction</i> | Perspective: Market-Oriented.<br>Antecedents and outcomes: Market orientation is related to top management emphasis on the orientation, risk aversion of top managers, interdepartmental conflict and connectedness, centralization, and reward system orientation, business performance, and organizational commitment. | Market orientation is associated with business performance considering environmental factors for competitive positioning, technological disruptions, and market turbulence.      |
| Joshi, A. W. (2015)<br><i>quantitative</i>                                       | Perspective: Innovation.<br>Antecedents and outcomes: Customer-orientation is positively related to radical product innovation when companies reward a strategic focus.  | Customer-orientation can lead to focus on responding to customer needs vs. radical innovation. Therefore, managers should implement strategy-based rewards to incent innovation. |
| Kennedy, K. N., Lassk, F. G., & Goolsby, J. R. (2002)<br><i>quantitative</i>     | Perspective: Culture.<br>Construct: Customer-mindset measures the organization across internal and external factors and multiple organizational roles.   | Managers should assess the level in which customer-orientation culture is embedded in the organization for both external-facing and internal employees.                          |
| Kohli, A. K., & Jaworski, B. J. (1990)<br><i>qualitative theory construction</i> | Perspective: Integrative.<br>Antecedents and outcomes: A framework integrating antecedent for market orientation, the market orientation construct, consequences of a market orientation, and moderator variables for performance.   | Leaders and managers might be able to control and improve the factors associated with market orientation.  |

|   |  |  |
|---|--|--|
| Lytle, R. S., Hom, P. W., & Mokwa, M. P. (1998)<br><i>mixed-method theory</i> | Perspective: Culture/Climate.<br>Definition: Service orientation is an organization-wide embracement of policies, practices, procedures to support and reward service-giving behaviors for service excellence. (service employee perceptions scale)  | Improving an organization's service-orientation involves changing the company's culture, embedding new beliefs and practices that are aligned with service values.     |
| Narver, J. C., & Slater, S. F. (1990)<br><i>quantitative</i>                  | Perspective: Market-Oriented.<br>Antecedents and outcomes: After controlling for important market-level and business-level influences, market orientation and performance are strongly related.  | Strategic positioning needs to incorporate a market-orientation component to achieve business competitive advantage.   |
| Palmatier, R. W., Moorman, C., & Lee, J. (Eds.). (2019)<br><i>handbook</i>    | Perspective: Integrative.<br>Definition: Customer centricity is a multi-level transformation towards an organization-wide philosophy that focuses on the systematic and continuous alignment of the firm's internal architecture, strategy, capabilities, and offerings with external customers. | Leaders can utilize three approaches for customer-centricity: organizational design perspectives, relational perspectives, and brand and technological perspectives.   |
| Saxe, R., & Weitz, B. A. (1982)<br><i>mixed-method theory</i>                 | Perspective: Behavioral.<br>Definition: Customer-oriented selling is related to the ability of the salespeople to help their customers and the quality of the customer-salesperson relationship. (salespeople customer-orientation)  | Sales employee behaviors can have a negative impact on customer-orientation when short-term objectives impede attention to the customer satisfaction in the long-term. |

### **Perspectives on Customer-Orientation Change**

From a business application perspective, companies look to capitalize on a customer-orientation leadership positioning in the marketplace. Achieving and sustaining

advantage requires a continuous and extensive effort of understanding the customers' known and potential needs to create the best solutions (Narver and Slater, 2004). Therefore, capitalizing on the value of customer-orientation entails attention toward continuously improving it. In this regard, companies seek to decipher change strategies and actions to increase customer-orientation, intending to generate customer and business outcomes while adjusting with the present and shaping the future.

The organizational implications related to the customer-orientation changing nature and the role that leaders play have been of concern to researchers who have explored the concept in applied settings (e.g., Kennedy et al., 2003; Gebhardt et al., 2006; Gebauer et al., 2012; Kohli et al., 2019). These studies have begun to explore the questions of how to create and improve customer-orientation in an organizational setting. Table 2 provides a synopsis of the conceptual and application customer-orientation change perspectives relevant to the current study.

**Table 2.** Perspectives on Customer-Orientation Change

| <b>Reference</b>  | <b>Concept Perspective</b>   | <b>Application Perspective</b>  |
|---|--|---|
| Day, G. S. (1999) <i>case study summary</i>                                 | Perspective: Change<br>Stages: The change has six stages described as leadership excitement, understanding the need for change, shaping the vision, mobilizing commitment at all levels, aligning structures, systems, and incentives, reinforcing the change. | The change program involves shifting from short-term outcomes and involvement and engagement of employees for long-term sustainability.         |
| Gebhardt, G. F., Carpenter, G. S., & Sherry, J. F. (2006) <i>case study</i> | Perspective: Transformation.<br>Stages: Transformation process has 4 stages described as initiation, reconstitution, institutionalization, and maintenance.  | Intra organizational dynamics are part of the customer-orientation transformation, including distribution of power and organizational learning. |



|  |  |  |
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| Gebauer, H., & Kowalkowski, C. (2012)<br><i>case study</i>                                   | Perspective: Culture Change. Patterns: The change shows four patterns described as emphasizing service orientation, service-focused organizational structure, emphasizing customer orientation, and customer-focused organizational structure. | Enhancing customer-orientation involves a management focus on embedding a culture of service throughout the organization.  |
| Jaworski, B. (2018)<br><i>conceptual</i>   | Perspective: Transformation. Components: Customer-orientation change has multiple components: culture, capability building, changing processes and systems, adjusting performance metrics.   | The customer-orientation transformation is challenging and dynamic even when there's a plan in place. Leaders can expect deviations and need to make fast decisions to adapt to shifting conditions. |
| Jaworski, B. J., & Kohli, A. K. (2017)<br><i>conceptual</i>                                  | Perspective: Lessons Learned. Developing a conceptual model is an unstructured and layered/sequential process. The lines of investigation expand and clarify the concepts and the structure develops over time.                                | For a successful change, leaders need to reassess the change roadmap along the transformation stages. The change does not stop, but it is a journey that necessitates constant evaluation.           |
| Kennedy, K. N., Goolsby, J. R., & Arnould, E. J. (2003)<br><i>case Study</i>                 | Perspective: Transformation. Implementation elements: Interfunctional coordination/connectedness, prioritization, personalization, and empowerment in meeting interrelated customer needs.   | Empowerment is key, particularly at the local management roles. Signaling leadership commitment to the customer-orientation change increases its adoption.   |
| Kohli, A.K., Jaworski, B. J. & Shabshab, N. (2019)<br><i>qualitative theory construction</i> | Perspective: Transformation. Framework: Enhancing customer-centricity has three phases: engage and envision, execute pilot, extend and entrench. Customer-centricity is a journey.   | Companies that have achieved benefits of customer-orientation need to be watchful to keep the focus. Leaders need to prevent a shift of priorities to internal company short-term objectives.        |
| Narver, J. C., Slater, S. F., & MacLachlan, D. L. (2004)                                     | Perspective: Market-Oriented. Proactive market orientation is a higher influencer for market-orientation after   | Constantly improving the company's skills and learning is a critical dependency to creating exceptional customer solutions   |

|  |   |   |
|--|---|---|
| <i>mixed-method theory</i>   | incorporating any innovation control factors.   | in line with the customer's current and future needs.   |
| Shah, D., Rust, R. T., Parasuraman, A., Staelin, R., & Day, G. S. (2006) <i>conceptual</i> | Perspective: Transformation. There's an acknowledgment that organizational culture change is a hurdle to becoming customer-oriented. However, efforts to address culture alone might not be successful if company employees do not understand their new behaviors and the impact on the overall business success. | Change success increases when company leaders show intent, provide the strategic linkage and signal the importance of customer-orientation. The commitment includes adjusting companies' systems and processes and examining financial goals. |

Kennedy et al. (2003) studied customer-orientation transformation dynamics in a major public school district through a case ethnographic approach, including observations, in-depth interviews, focus groups, and documentation reviews. The authors investigated how an organization can adopt a customer-orientation. Even though the results might have predictive limitations in other research contexts, the findings point to three elements of success: (1) Senior Leadership, (2) Interfunctional Coordination and, (3) Market Intelligence. Consistent with the findings from Jaworski and Kohli (1993), the study found that leaders play a critical part in customer-orientation change. The principals' role included planning, alignment of objectives, and ensuring a focus on customer needs. The authors discussed the concept of change connectivity, highlighting the multi-layered leadership influence. In essence, proximate or local leaders must show ownership of the change. In other words, the engagement of all management levels, not only top layers, is essential for the success of the change. Also, the study created unique findings for the area of inter-functional coordination, confirming the importance of

personalizing the change vision and establishing a common purpose for the change success.

Whereas Jaworski and Kohli (1993) and Kennedy et al. (2003) identified patterns for customer-orientation transformation success, Gebhardt et al. (2006) provided an in-depth analysis of the overall market-orientation cultural transformation process. By using a multi-firm, longitudinal-processual grounded theory method, the study documented the change in a 4-stage model of organizational change comprising of: (1) Initiation, (2) Reconstitution, (3) Institutionalization, and (4) Maintenance. (Figure 2). The initiation stage involves the organizational executives' acknowledgment of the need for the change and preparing the organization by establishing an initial coalition and building a plan aligned to the change objectives. The plan includes communication activities. The reconstitution stage involves creating a demarcation or compelling vision for the change, building values and norms, linking to the market needs, and establishing the right personnel and collaboration of cross-functional teams. The institutionalization stage objective is to formalize the change. This stage encompasses embedding cultural symbols and rituals across the organization, aligning human resource reward and recognition practices with the change objectives, establishing training to strengthen the culture shifts, and empowering and bringing accountability from a few people guiding the change to the larger organization. Subsequently, the authors point out the challenge that emerges after the market-orientation change is enacted in the organization as the organization needs to adapt to changing conditions while sustaining the change success. The maintenance stage encompasses preserving the cultural shift through the recruitment process, culture maintenance rituals, ongoing market connections, and cultural rituals that provide an

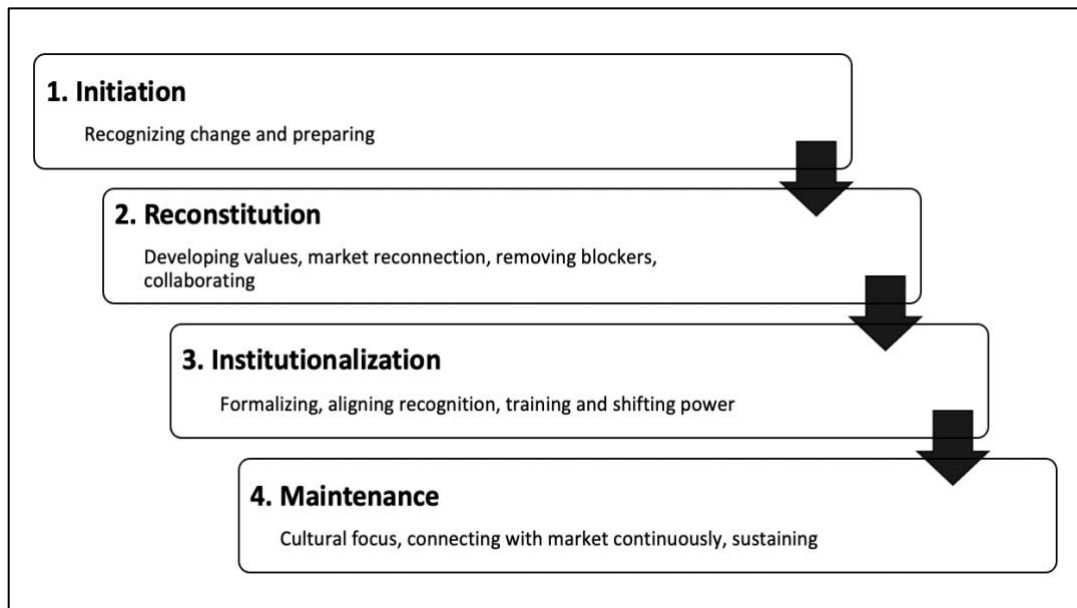
ongoing refresher and guard against new strategies that are not in line with the strategic market-orientation purpose. At the core, companies that are market-oriented embody a learning organization characterized by continuous adaptation and improvement based on market changes. Finally, the authors applied a change modes lens (Van de Van and Poole, 1995) to analyze the organizational change concluding that the market orientation change involves multiple modes arranged according to a staged sequence.

From a similar perspective to Gebhardt et al.'s (2006) investigation of market orientation cultural transformation, Kohli et al. (2019) studied the dynamics of increasing organizational customer-orientation. The result of the study is a customer-centricity journey framework. The framework identifies the areas associated with the customer-orientation organizational change in a continuum of actions. The framework combines academic and practitioner perspectives by linking literature reviews on customer orientation and change management and the authors' own experiences in the field. Notably, the authors leveraged the learning and conclusions drawn from Becton Dickinson's customer orientation transformation case (Jaworski, 2018). The model provides practitioner-relevant concepts for multinational organizations operating in a business-to-business environment by incorporating field knowledge. The framework is illustrated as a roadmap (Figure 3) outlining the phases and mechanisms involved in the journey to increase customer orientation in three phases: (1) Engage and Envision, (2) Execute Pilot, (3) Extend and Entrench. The first phase steps involve building a business case, forming a guiding coalition, and developing a roadmap for change. The second phase's focus is to build a pilot, which includes designing it and implementing it. The last

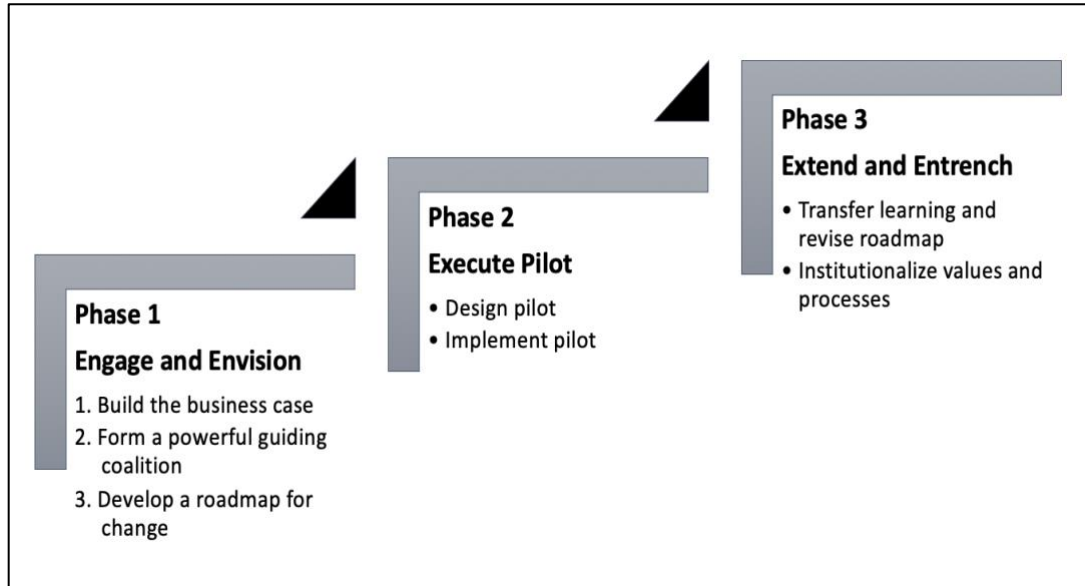
stage intends to scale the change by transferring learning, including revising the strategic roadmap and institutionalizing the organization's values and processes.

In conclusion, prior case studies offer a foundational understanding of creating and improving customer-orientation in an organizational setting. These studies' findings provide insight into the current study considering organizational contextual differences and generalizability limitations highlighted by the studies' authors. Even though the organizational change findings offer initial insight concerning the mechanisms to increase customer orientation, the authors have emphasized the limited research that has been conducted in this area to answer questions related to change. The areas that require additional insight related to this study include the role that leaders play to drive change and functional integration across the organization.

**Figure 2.** Process of Creating a Market Orientation (Adapted from Gebhardt et al., 2006)



**Figure 3.** Customer Centricity Journey Framework (Based on Kohli et al., 2019)



### **Organizational Change Frameworks**

Implementing organizational change is a complex process, and practitioners and scholars agree that understanding its dynamics is not an easy task. Analyzing change complexity requires employing multiple theory positions to widen the overall understanding from multiple perspectives incorporating interactions amongst different change forms (Van de Ven and Poole, 1995).

Weick and Quinn (1999) classify these change gradations as either episodic because the change happens in an irregular but deliberate manner or as a continuous change that unfolds as endless aggregate events. The authors studied change and the change agent's role within the complexities of organizational environments and concluded that change never ends. Although change takes multiple different forms, the point is that change takes place in an ongoing manner within an organizational context

through multiple change initiatives and an irregular adoption of the change or inertia across organizational functions, roles, and individuals. Success is elusive.

With increased business dynamics pressures and accelerated rate of change, leadership becomes a critical element of organizational change success. In Kotter's words "successful change demands a process that is 70 to 80 percent leadership and 20 to 30 percent management" (1997, p.18). Similarly, Yukl (2013) pointed to leadership's importance as the engine to facilitate successful change in organizations. Precise to customer-orientation organizational change, the role of leadership is significant from the initiation of initiatives through the realization of business goals (Shah et al., 2006). Furthermore, customer-orientation strategies need to adapt to the shifting business environments (Day, 2020).

Stressing the gaps in organizational change research, Ford and Ford (2012) point to the problems with using subjective organizational assessments without the context of specific intended outcomes. We cannot separate the organizational context to create a new organizational culture. Furthermore, within a contextual setting, change needs to be analyzed using multiple approaches (Van de Ven and Poole, 1995).

Multiple organizational change frames can inform the iterative nature of this study and help shape a final narrative placing new insight into what is already known. A frame provides a lens for understanding and explaining by using multiple logical concepts, ideas or viewpoints (Bolman & Deal, 2017). The literature analysis focused on extensively known and used organizational change frameworks. One of the frames, by Van de Van & Poole (1995), informs the overall organizational change process. In addition, the organizational change leadership implications can be informed by frames

created by Bolman & Deal (2017) and Kotter (2012). The applicability of each framework is summarized in the following. The insight and analysis results within the customer-orientation change context are included in Chapter 4.

Fundamental as a reference for studies related to organizational change, Van de Ven and Poole (1995) offer a typology frame that can help guide process research (Figure 4). The typology outlines four change modes described as lifecycle, teleological, dialectical, and evolutionary. The authors advanced the understanding of how to best capture characteristics of a change process for a multi-lens analysis through the typology. The four typology modes provide different ways to analyze the developmental progression of organizational change. This frame is relevant to the current study since, unlike variance studies that focus on concepts, the aim is to explore the customer-orientation change dynamics. A change characterized as lifecycle goes through prescribed program stages in progressive and sequential steps. This change is characterized by the continuation of events towards a planned objective. A life cycle change operates within rules and regulations that govern the change development. Conversely, in a teleological mode, the change is enacted by the employees or agents based on shared organizational goals and purpose. Thus, this type of change has strong characteristics and dependency on organizational cooperation and adaptation. The continuous adjustment nature of a teleological change model implies that the organization is never in permanent equilibrium. An evolutionary change mode is concerned with recurrent, cumulative change, and constant evolution. Like the lifecycle mode, the evolutionary mode embodies a prescribed change nature. However, the emphasis is on the involvement of multiple entities where selection occurs through competition. Lastly, a



dialectical change mode depicts conflict and the balance of power between opposing forces, which causes a change to happen.

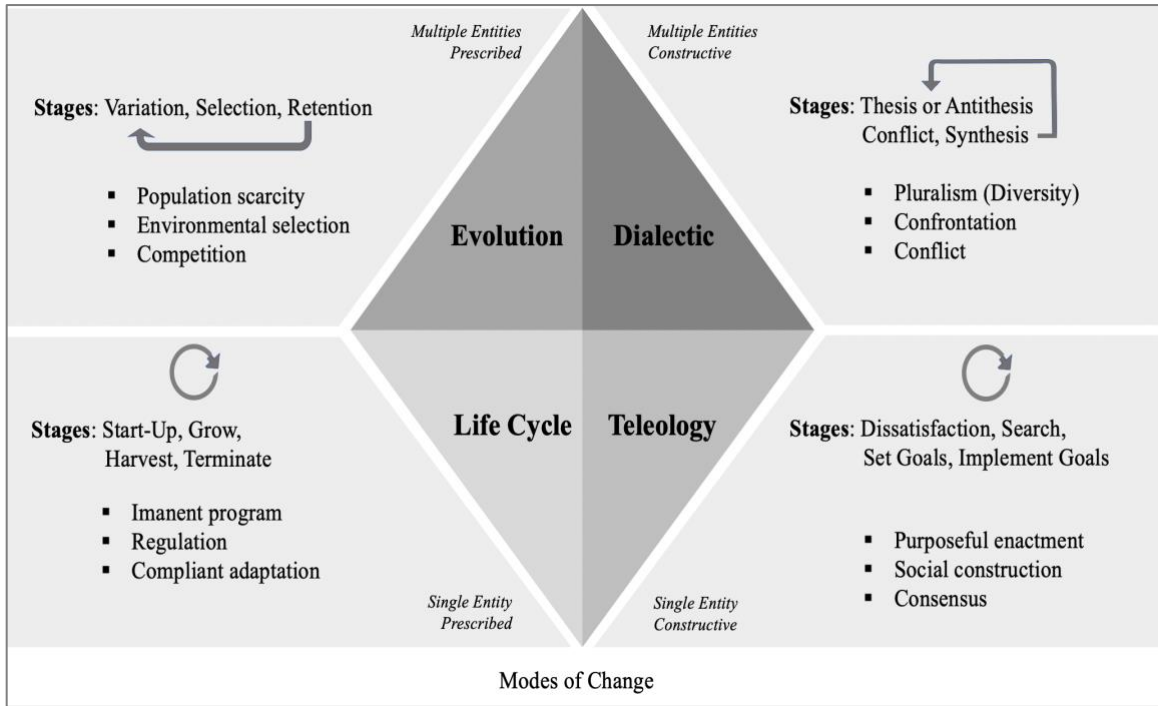
Whereas Van de Ven and Poole's (1995) typology focuses on the organizational change process, Bolman and Deal's Four-Frame Model (2017) provides an alternative approach for leaders to examine organizational issues from four non-process specific perspectives, referred to as organizational frames: Symbolic, Structural, Human Resource, and Political (Figure 5). From a symbolic model perspective, the central concepts are culture, ritual, ceremonies, and stories. The image of leadership is perceived as inspiring. Consequently, the primary leadership challenge is focused on creating meaning. In this model, the primary supporting discipline that applies is the Institutional theory. From a structural perspective, organizational change uses the central concepts of roles, goals, strategies, and technology. The leadership challenge consists of attuning the structure to the task, technology, and the environment. Therefore, the leaders' image is one of social architecture.

A third model, Kotter's Eight-Stage Change Process (2012), outlines the key leadership actions to effect change within an organizational context (Figure 6). This frame provides a perspective of the patterns or steps that are required for a successful organizational change. Even though this frame is generic, it provides a practitioner-oriented foundational framing around eight process areas that leaders use to affect change. The eight stages include the initial phases of change, comprised of establishing a sense of urgency, creating the guiding coalition and developing and communicating a vision and strategy, followed by change implementation steps for empowering broad-based action and generating short-term wins, and finally, steps related to scaling the

change by consolidating gains for more change and anchoring new approaches in the culture.

In conclusion, three frameworks can inform the iterative nature of the customer-orientation organizational change study by enriching contextual insight with the background of what is already known. First, Bolman and Deal's Four-Frame model (2017) serves as an approach to analyze and position the leadership actions within the context of a complex organizational environment. Second, applying Van de Ven and Poole's (1995) change mode typology provides a lens to frame insight regarding the progression of the change and the leadership actions associated with the change process. Third, Kotter's Eight-Step Framework (2012) helps relate the customer-orientation leadership actions with a catalog of typical actions leaders apply for managing change. Interpreting organizational change's complexity necessitates contextual analysis with different perspectives at the organizational level and the change process level (Van de Ven and Poole, 1995).

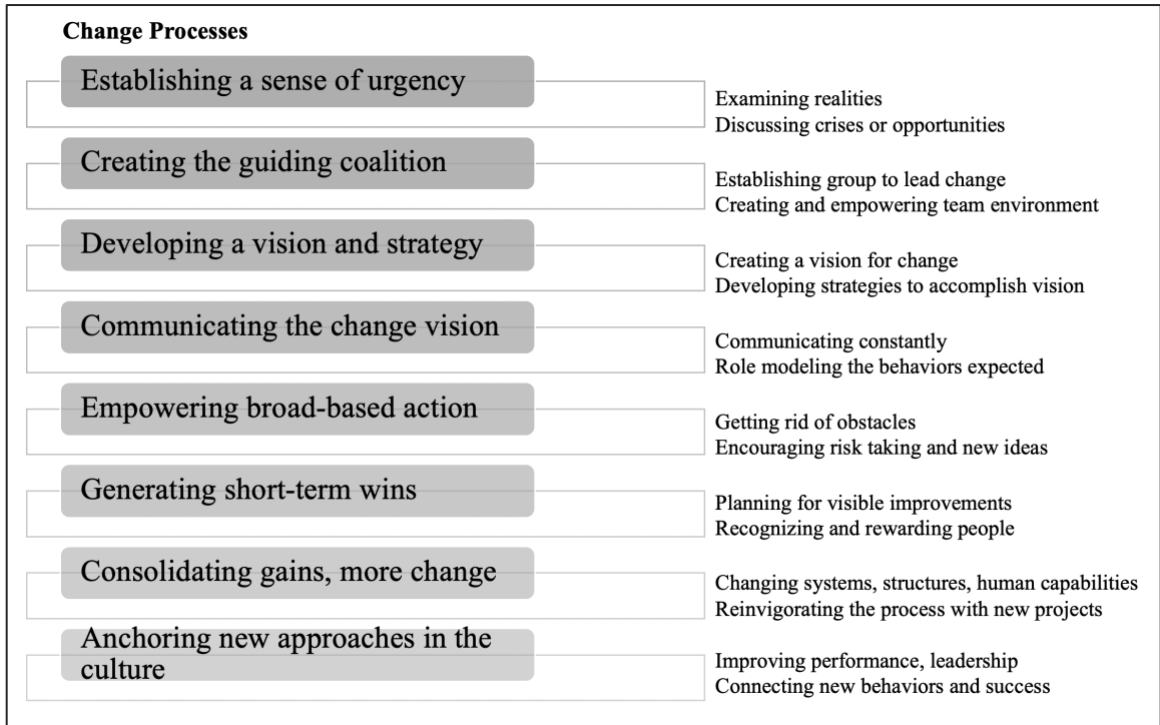
**Figure 4.** Theories of Organizational Development and Change (Adapted from Van de Ven & Poole, 1995)



**Figure 5.** Four-Frame Organizational Model (Adapted from Bolman & Deal, 2017)

| Concepts  | Leadership Image             | Leadership Challenge                              |                       |
|---|------------------------------|---|-----------------------|
| Rules, roles, goals, policies, technology environment         | Social architecture          | Attune structure to task, technology, environment | <b>Structural</b>     |
| Needs, skills, relationships                                  | Empowerment                  | Align organizational and human needs              | <b>Human Resource</b> |
| Power, conflict, competition, organizational politics         | Advocacy and political savvy | Develop agenda and power base                     | <b>Political</b>      |
| Culture, meaning, metaphor, ritual, ceremony, stories, heroes | Inspiration                  | Create faith, beauty, meaning                     | <b>Symbolic</b>       |

**Figure 6.** The Eight-Step Process of Creating Major Change (Adapted from Kotter, 2012)



## **CHAPTER III**

### **METHODS**

The objective of this chapter is to describe the research methods applied for the study. The chapter comprises seven sections covering the elements of the research design. The areas are (1) Methodology, (2) Research Design, (3) Site and Participants, (4) The Role of the Researcher, (5) Data Collection, (6) Data Analysis, and (7) Data Integrity.

#### **Methodology**

The study adopted a qualitative research grounded theory approach guided by the concepts outlined by Glasser and Strauss (1967). The grounded theory encompasses a set of research approaches and strategies that are methodical and provide flexibility (Charmaz, 2014). The methodological concepts' implementation was informed by systematic and practical techniques (Charmaz, 2014; Urquhart, 2013; Creswell & Poth, 2018; Bloomberg & Volpe, 2019). A qualitative inquiry was suited for this research aiming to explore and interpret the customer-orientation leadership change mechanisms using the voice of the leaders by reflecting on their experiences and their practices to affect the organizational change. This insight was captured and understood with inductive approaches that allow for the discovery of contextual meaning (Miles et al., 2020). The selection of a grounded theory research approach supports the study's objective to extend the empirical understanding of customer-orientation organizational change from organizational leaders' perspective. The decision to utilize this approach was also reinforced by the state of customer-orientation research, prompting for qualitative research studies in organizations (Gray and Hooley, 2002). Furthermore, from a

practitioner-scholar perspective, grounded theory aligned to the research desire to derive contextual rich insight and advance understanding for an applied business problem. Using iterative and systematic data analysis, including literature reviews, the grounded theory approach helped generate a substantive-level theory in a framework and a set of propositions.

### **Research Design**

The research design followed the grounded theory characteristics and principles (Glaser & Strauss, 1967; Urquhart, 2013). Specifically, the study used a single case approach that provided contextual understanding following interpretive data analysis (Charmaz, 2014). Therefore, due to the subjective and emergent data analysis, careful attention was placed on applying grounded theory principles for the study design, ensuring validity (Table 3).

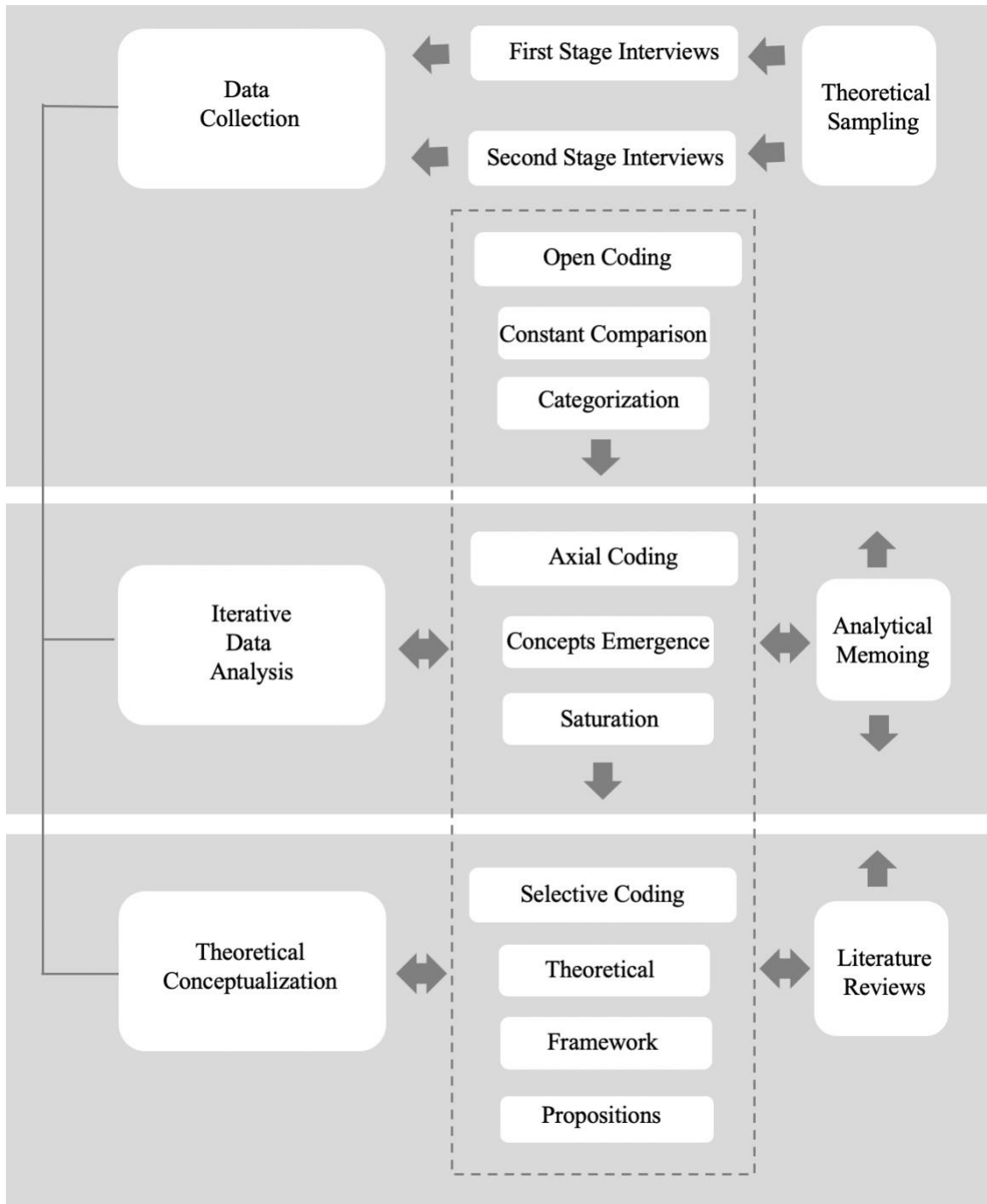
The grounded theory design aimed to generate a theory to explain the customer-orientation leadership mechanisms offering contextual rich insight for the applied problem. The theory emerged by engaging 15 organization leaders who are knowledgeable and experienced in organizational change. Figure 7 illustrates the data collection and analysis approach.

The study's key data collection design elements are centered around using a theoretical sampling process, focusing data collection on multiple individuals who have participated in the customer-orientation change by obtaining data in the form of in-depth interviews and leveraging memoing practices. Sampling for data collection happened in two stages. The first stage included interviews with a sample of nine leaders. As a second stage, the sampling expanded the insight based on the iterative analysis findings from the

first stage, including six additional leaders. After the first interview, the data analysis continued iteratively until no new concepts emerged and the conceptualization ended. The interview approach followed a loose structure with standardized questions guided by an interview protocol. After the second stage and a total of 15 interviews, the study reached a suitable level of theoretical saturation.

Data management and analysis tasks leveraged QSR International NVivo qualitative computer software package (Released on March, 2020). The concepts were developed through constant data comparison with additional data, supported by analytical memoing as a sense-making tool. Using memos, summarizing, and clustering supported triangulation. The qualitative data coding approach followed a three-stage process of open, axial, and selective coding to develop a substantive-level theory. Data uncovered the phenomenological interpretation of the customer-orientation change mechanisms while also considering literature to guide more direct inquiry.

**Figure 7.** Data Collection and Analysis Approach





**Table 3.** Grounded Theory Application (Principles adapted from Glaser & Strauss, 1967 and Urquhart, 2013)

| <b>Principles</b> |  | <b>Study Design Application</b>   |
|-------------------|--|---|
| 1                 | The aim of grounded theory is to generate or discover a theory.                                  | Grounded theory aligned to the research desire to derive contextual rich insight and advance understanding for an applied organizational customer-orientation problem.  |
| 2                 | The researcher has to set aside theoretical ideas in order to let the substantive theory emerge. | The theory emerged using the perspective of the organizational leaders.   |
| 3                 | The theory focuses on how individuals interact with the phenomena under study.                   | The study engaged 15 knowledgeable and experienced informants to identify the mechanisms to increase customer-orientation and the associated change dynamics.   |
| 4                 | The theory asserts a plausible relationship between concepts and sets of concepts.               | The substantive theory included literature reviews to help assert plausibility.   |
| 5                 | The theory is derived from data acquired from fieldwork interviews, observation and documents.   | The study's key data collection design elements are centered around using a theoretical sampling process, focusing data collection on multiple individuals who have participated in the customer-orientation change by obtaining data in the form of in-depth interviews and leveraging memoing practices. The interview approach followed a loose structure with standardized questions guided by an interview protocol. |
| 6                 | Data analysis is systematic and begins as soon as data is available.                             | The data analysis started after the first interview and continued iteratively.  |
| 7                 | Data analysis proceeds through identifying categories and connecting them.                       | Data uncovered the phenomenological interpretation of the customer-orientation change mechanisms while also considering literature to guide more direct inquiry.  |
| 8                 | Further data collection (or sampling) is based on emerging concepts.                             | The data collection process used a theoretical sampling approach for the selection of participants. The sampling approach was controlled systematically by minimizing the differences in the group of participants and the concepts in the data.  |

|    |   |   |
|----|---|---|
| 9  | Concepts are developed through constant comparison with additional data.                | The concepts were developed through constant data comparison with additional data, supported by analytical memoing as a sense-making tool. The data analysis included literature reviews. Using memos, summarizing, and clustering supported triangulation. |
| 10 | Data collection can stop when no new conceptualizations emerge.                         | Data analysis proceeded until no new concepts emerged and the conceptualization was completed.  |
| 11 | Data analysis follows a systematic coding approach.                                     | The qualitative data coding approach followed a three-stage process of open, axial, and selective coding.   |
| 12 | The resulting theory can be reported in a narrative framework or a set of propositions. | The results of the study are discussed using a set of propositions and a framework.   |

### **Site and Participants**

The study was conducted engaging leaders from within one business-to-business global technology company. The company is transforming its business models and operations to remain competitive in the technology industry and become more profitable. Throughout the document, the company is referred to as GlobalTech pseudo-name. GlobalTech is a global fortune 500 company with operations in more than 150 countries and more than 300,000 employees. At the heart of the company's strategy is a shift to higher value and growth from new business models. The company differentiates by serving large enterprise customers providing technology and services for critical systems. The company embarked on the customer-orientation change to differentiate its performance in a very competitive landscape, increase revenue and customer loyalty. The company's senior executives initiated the change to make the customer's voice more

relevant in the company's decision-making and redefine and grow value using customer insight.

The study participants were 15 leaders engaged in the customer-orientation change at GlobalTech. The leaders represented knowledgeable and experienced informants to identify the mechanisms to increase customer-orientation and the associated change dynamics. Four customer-orientation leadership roles are represented in the study. First, the Customer-Oriented (CO) Team comprises senior leaders who charter the change and set the overall strategy aligned to other company priorities. They assign workgroup members to execute the initiatives and monitor the overall change outcomes. The Customer-Oriented (CO) Workgroup is made up of leaders from across the company who are responsible for the execution of the change priorities in the form of initiatives. Both CO Team and CO Workgroup leaders also have functional roles. Lastly, to capture diverse change experts' field perspectives, the study included executive and non-executive leaders that impact the change as part of business functions.

Participant name pseudonyms were designated using one of the letters of the word uncopyrightable. This word contains fifteen letters without repetition, serving as a device to assign names to the participants as Leaders U, N, C, O, P, Y, R, I, G, H, T, A, B, L, and E. This naming scheme supports participants' anonymity.

Table 4 provides a profile matrix with a contextual description for each study participant. The profile includes the participant expertise, leadership role priorities, and the associated customer-orientation change role indicated with an asterisk (\*).

**Table 4.** Participants Profile Matrix

| Participants / Leaders  | Customer-Orientation Change Leadership Role |              |                    |                   |
|---|---|--------------|--------------------|-------------------|
|   | CO Team                                     | CO Workgroup | Function Executive | Function Non-Exec |
| <p>Leader U</p> <ul style="list-style-type: none"> <li>Expertise: Transforming under-optimized company missions into high performing business.</li> <li>Leadership role priorities: Business and Industries solutions, scaling high performing teams, setting strategic priorities.</li> </ul>  | *   |              | *                  |                   |
| <p>Leader N</p> <ul style="list-style-type: none"> <li>Expertise: Implementation of new business models for customers.</li> <li>Leadership role priorities: Visioning of the future and the implementation of successful customer outcomes.</li> </ul>  |   | *            | *                  |                   |
| <p>Leader C</p> <ul style="list-style-type: none"> <li>Expertise: Delivery of contracted services to the customers, ensuring delivery excellence.</li> <li>Leadership role priorities: Customer solutions and advocacy, bringing the customer's perspective into ongoing internal company's changes.</li> </ul>   |   | *            | *                  |                   |
| <p>Leader O</p> <ul style="list-style-type: none"> <li>Expertise: Sales and industry learning solutions, building and enabling programs for transformation.</li> <li>Leadership role priorities: Improving seller and client-facing professionals' skills and capabilities and strengthen their success with customers.</li> </ul>                              |   |              |                    | *                 |
| <p>Leader P</p> <ul style="list-style-type: none"> <li>Expertise: Leadership of technical cloud implementations, including product support and helping clients get the value from moving to the cloud environment.</li> <li>Leadership role priorities: Life cycle of the customer solutions from sales to adoption, front-end sales teams' success.</li> </ul> | *   |              | *                  |                   |
| <p>Leader Y</p> <ul style="list-style-type: none"> <li>Expertise: Customer experience with a background in sales, marketing, and management, including participation in implementing a large-scale global center of excellence.</li> </ul>  |   |              |                    | *                 |

|   |   |   |   |  |
|---|---|---|---|--|
| <ul style="list-style-type: none"> <li>Leadership role priorities: Client advocacy operations covering an entire geographic region, enabling seller teams with tooling and processes for feedback.</li> </ul>   |   |   |   |  |
| <p>Leader R</p> <ul style="list-style-type: none"> <li>Expertise: Delivery of Services and Software solutions.</li> <li>Leadership role priorities: business performance and growth.</li> </ul>   |   | * |   |  |
| <p>Leader I</p> <ul style="list-style-type: none"> <li>Expertise: Leading large-scale programs and transformation for global social responsibility.</li> <li>Leadership role priorities: Employee engagement, building programs for social impact, scale and replicate successes across different geographies.</li> </ul> |   |   | * |  |
| <p>Leader G</p> <ul style="list-style-type: none"> <li>Expertise: Agile and design thinking methodologies, embedding service excellence in business processes.</li> <li>Leadership role priorities: Supporting customer account teams enabling learning and operations.</li> </ul>  |   |   | * |  |
| <p>Leader H</p> <ul style="list-style-type: none"> <li>Expertise: Implementing large-scale change and transformation.</li> <li>Leadership role priorities: Coaching for business agility and high-performing organizations, building outcome-based organizations.</li> </ul>  |   |   | * |  |
| <p>Leader T</p> <ul style="list-style-type: none"> <li>Expertise: Applying design thinking methodology, employee experience transformation.</li> <li>Leadership role priorities: Improving the company's employee experience, collaborating cross-functionally to optimize experience journeys.</li> </ul>                |   |   | * |  |
| <p>Leader A</p> <ul style="list-style-type: none"> <li>Expertise: Software application delivery, leadership of agile teams.</li> <li>Leadership role priorities: Improving digital Customer journey and capturing Net Promoter Score feedback of the user perceptions for company offerings.</li> </ul>                   |   | * | * |  |
| <p>Leader B</p> <ul style="list-style-type: none"> <li>Expertise: Scaling and balancing outcomes that increase customers' and business value.</li> </ul>  | * |   | * |  |

|  |  |  |   |   |
|--|--|--|---|---|
| <ul style="list-style-type: none"> <li>Leadership role priorities: Spearheading the company’s consultative methods to engage and help customers innovate in a collaborative and co-creative way.</li> </ul>  |  |  |   |   |
| <p>Leader L</p> <ul style="list-style-type: none"> <li>Expertise: Large-scale program leadership, customer advocacy, influencing teams cross-organizationally to balance and achieve outcomes.</li> <li>Leadership role priorities: Enabling process and practices to create and manage long-term strategic plans for key customer accounts, sustaining partnerships with the company’s top accounts.</li> </ul> |  |  |   | * |
| <p>Leader E</p> <ul style="list-style-type: none"> <li>Expertise: Leading large organizations, transforming learning solutions.</li> <li>Leadership role priorities: Spearheading learning programs and technical solutions, reskilling the company's talent in high value areas.</li> </ul>   |  |  | * |   |

### **Role of the Researcher**

For this study, I adopted an emic or insider perspective seeking to discover the nature of the customer-orientation mechanisms applied by leaders at GlobalTech. My interest in the study originated from professional experience working with over one hundred leaders at GlobalTech in its multi-year transformation. My role provided me access to the site and to the change leaders to conduct the study. The study allowed for flexibility and carrying consultant values during the systematic inquiry by selecting qualitative research methods. Notably, the approach enabled idea generation engaging leaders in the study. Also, a consultant background influenced the study findings as the interpretation incorporated an insider understanding of the contextual business and transformational environment at GlobalTech.

## **Data Collection**

The central data collection design elements concentrated around using a theoretical sampling process, focusing data collection on multiple individuals who have participated in the customer-orientation change (described in the Site and Participants section). Data collection leveraged the researchers' access and rapport within the GlobalTech organization, obtaining data in the form of in-depth interviews and leveraging memoing practices. Additional data collection and data management procedures adhere to the research guidelines and ethics outlined by the Florida International University Office of Research Integrity.

### **Theoretical Sampling Strategy**

The data collection process used a theoretical sampling approach (Glaser and Strauss, 1967) to select participants minimizing the differences in the group of participants and the concepts in the data (Urquhart, 2013).

The participant's selection typology considered adequate identification of GlobalTech customer-orientation change leaders leveraging researcher's knowledge and rapport in the organization. In order to conduct the screening of participants, initial exploratory discussions helped confirm involvement. The communications informed the leaders about the research study and helped answer questions. The approach helped ensure that the study's intended purpose aligned with the leaders' expectations for their participation and their agreement for access to information.

Sampling for data collection occurred in two stages. The first stage included interviews with a sample of nine leaders, Leaders U, N, C, O, P, Y, R, I, and G. The second stage expanded the insight based on the iterative analysis findings from the first

stage. The second stage included six additional Leaders: H, T, A, B, L, and E. After the second stage and a total of 15 interviews, the study reached a suitable level of theoretical saturation. The Site and Participants section in this chapter includes the participant's profile descriptions.

### **In-depth Interviews**

According to grounded theory research methodology, qualitative interviews provided an appropriate and valid data collection mechanism to obtain understanding via dialogue with the organizational leaders, reconstructing experiences without actual participation (Rubin & Rubin, 1995).

The interview approach followed a loose structure with standardized questions (Mason, 2018) guided by an interview protocol. Appendix A includes the interview protocol. The interview protocol was structured around three areas: customer-orientation definition, customer-orientation change actions, and customer orientation change implications. The order of the sections and questions varied based on the discussion flow introducing follow-up questions to gain a deeper understanding (Strauss & Corbin, 1998).

Particular attention was placed during each interview to ensure that the approach uncovered the customer-orientation change mechanisms' phenomenological interpretation while also considering literature to guide more direct inquiry. 15 interviews were conducted. The interviews took place via Zoom application audio and video conferences lasting from 40 to 60 minutes. The experience of the interview participants was similar to a business discussion. Also, the interviews were recorded and transcribed using the Otter.ai software application (Otter.ai, n.d.).



## Data Analysis

The overall data analysis was conducted over six months, following an iterative, not linear, process (Creswell & Poth, 2018). Figure 7 illustrates the data analysis approach. The purpose of the data analysis was to build substantive Theory by interpreting the nature of the leadership actions. Grounded Theory approaches, from a practical standpoint, provide data coding flexibility (Charmaz, 2014). Specifically, the coding approach was more closely aligned to a Straussian approach (Strauss & Corbin, 1998) than to a Glaserian approach (Glaser & Strauss, 1967). Consequently, the qualitative data coding approach followed a three-stage process of open, axial, and selective coding. The analysis also leveraged Saldaña's (2016) approach for coding, including gerunds, to conceptualize the actions related to the change leadership mechanisms for customer-orientation change. The data analysis process used analytical memoing as a sense-making tool. Using memos, summarizing, and clustering (Miles et al., 2020) supported the triangulation process.

The initial open coding stage involved reading each interview transcript line-by-line and generating meaning through labels for concepts and categories. The data analysis was contextual, starting as soon as data was collected and continuing iteratively until no new concepts emerged and the conceptualization ended. After coding the initial nine interview transcripts, the data generated 455 references, and 95 unique open codes emerged from the analysis. At the end of fifteen interviews, 120 unique total codes resulted from the analysis with 831 references.

The axial coding stage involved further relating the open codes and identifying relationships. The focus of this coding stage was to synthesize and organize the data into

the key leadership strategies, actions, and consequences identifying important patterns from the data. The concepts emerged through constant data comparison with additional data, supported by analytical memoing and including literature reviews as part of the data analysis (Charmaz, 2006). Axial codes for leadership change mechanisms included: Embedding learning, Communicating cross-organizationally, Engaging employees, Creating new ways of working, Focusing outside-in, Building trust and belief, and Aligning the organization. Increasing Customer-Orientation change components are explained with axial codes as Culture shift, Drive value for the customer, and Manage performance. Table 5 illustrates an example of the coding process and emerging insight for customer-orientation leadership mechanisms from open codes to axial codes. Table 6 shows the coding process for the customer-orientation definition from open to axial codes.

The selective coding stage involved further summarizing categories into a theoretical framework and formulating propositions. Chapter IV and Chapter V present the results from the selective coding phase.

**Table 5.** Coding Process Illustration: Leadership Change Mechanisms

| Open Coding Illustrations  | Axial Coding Illustrations  |
|--|---|
| <ul style="list-style-type: none"> <li>▪ Acting on feedback</li> <li>▪ Adapting actions at the role level</li> <li>▪ Applying a user-lens</li> <li>▪ Assessing change readiness</li> <li>▪ Assessing measurements</li> <li>▪ Being empathetic and listening</li> <li>▪ Building trust and belief</li> <li>▪ Building new ways of working</li> <li>▪ Closing the loop on feedback</li> <li>▪ Common goals for client focus</li> <li>▪ Communicating interactively</li> <li>▪ Continuous learning</li> <li>▪ Creating agility</li> <li>▪ Creating high performing teams</li> <li>▪ Clarifying goals</li> <li>▪ Defining roles and responsibilities</li> <li>▪ Educating and coaching</li> <li>▪ Engaging communities (coalition)</li> <li>▪ Empowering employees</li> <li>▪ Growing skills</li> <li>▪ Increasing innovation</li> <li>▪ Showing leadership adaptability</li> <li>▪ Misalignment (handling)</li> </ul> | <ul style="list-style-type: none"> <li>→ Embedding learning</li> <li>→ Communicating cross - organizationally</li> <li>→ Engaging employees</li> <li>→ Creating new agile ways of working</li> <li>→ Focusing outside-in</li> <li>→ Building trust and belief</li> <li>→ Aligning the organization</li> </ul> |

**Table 6.** Coding Process Illustration: Customer-Orientation Components

| Open Coding Illustrations   | Axial Coding Illustrations  |
|---|---|
| <ul style="list-style-type: none"> <li>▪ Big organizational shift</li> <li>▪ Connecting to the user</li> <li>▪ Driving value for the customer (outcomes)</li> <li>▪ Earning trust and partnership</li> <li>▪ Embodying customer role</li> <li>▪ Focusing on customer success</li> <li>▪ Helping customers achieve a strategy</li> <li>▪ Implementing Transformations</li> <li>▪ Knowing the customer and market</li> <li>▪ Making decisions using client feedback</li> <li>▪ Measuring success</li> </ul> | <ul style="list-style-type: none"> <li>→ Culture shift</li> <li>→ Drive value for the customer</li> <li>→ Manage performance</li> </ul> |

### **Data Integrity**

The research process was informed and conducted using qualitative study guidelines for trustworthiness and credibility (e.g., Lincoln & Guba, 1985; Creswell & Miller, 2000; Denzin, 2011; Miles et al., 2020). Specifically, the study employed the qualitative research validity framework outlined by Creswell and Miller (2020). The framework outlines nine procedures involving: 1) Triangulation, 2) Disconfirming

evidence, 3) Researcher reflexivity, 4) Member checking, 5) Prolonged engagement in the field, 6) Collaboration, 7) Audit trail, 8) Thick, rich description, and 9) Peer debriefing.

Data triangulation procedures improve qualitative study findings by leveraging different data sources, methods, and theories for convergence. The current study employed a purposeful sampling approach to engaging characteristic organizational leaders with various change management roles following data source triangulation. Also, the data collection method focused on in-depth interviews obtaining accounts directly from the research participants. Using only one data collection type was supplemented by literature reviews and framing using well-known change theories to triangulate findings as part of the substantive theory generation. Disconfirming evidence was discovered as part of the iterative data analysis, and systematic grounded theory coding helped identify patterns.

Furthermore, the study implemented an electronic project for data coding, which helped maintain clear records of the process for arriving at the data coding decisions. A documented history of the data analysis process from open codes, axial codes, and selective codes provided an audit trail throughout the data collection and analysis phases. In the role of the researcher section included in a prior section of this chapter, I relate and disclose my assumptions and insider role.

The insider role enabled prolonged engagement in the field and collaboration with the study participants. Member checking and feedback were incorporated in the data analysis by engaging the participants iteratively to provide additional insight helping identify the key themes. An audit trail for reliability was supported throughout the data

analysis by linking the source data evidence with the findings. The research was also documented using summary reports to explore and review preliminary and interim findings and assess trustworthiness.

The analysis also utilized journaling/memoing to maintain detailed records throughout the iterative coding phases. The thick, rich description includes a detailed account of the participants and the findings in themes and representative verbatim.

Finally, research advisors provided oversight throughout the research process providing effective peer debriefing, adding credibility to the results.

## **CHAPTER IV**

### **RESULTS**

The purpose of this chapter is to present the study findings. The chapter is divided into three sections. The first section provides the results derived from the research question examining the mechanisms that organizational leaders utilize to increase customer-orientation. The second section presents the theoretical contextual findings associated with how customer-orientation change components are defined from the perspective of the organizational change leaders. The third section presents the results of the analysis related to how the customer-orientation change is explained using different models of organizational change.

#### **Change Leadership Mechanisms**

The analysis related to increasing customer-orientation in an organizational environment focused on identifying the mechanisms that leaders utilize to influence and manage organizational change. The change mechanisms are interrelated as the leaders pursue to improve the organizational culture and customer-orientation outcomes in a fluid business landscape. Ultimately, leaders seek to change the organization aligned with the customer-orientation outcomes, focusing on increasing relevance and value to the company's customers. The change mechanisms are summarized into six themes as follows: (1) Aligning the organization, (2) Building organizational agility, (3) Engaging hearts and minds, (4) Building trust, (5) Applying a user lens, and (6) Amplifying learning. Table 7 provides a summary in the form of a thematic matrix. The following section elaborates on each thematic area.

**Table 7.** Increasing Customer Orientation Leadership Mechanisms Thematic Matrix

| Leadership Mechanisms and Dimensions |  |
|--------------------------------------|--|
| Aligning the Organization            | <p>Synergizing objectives</p> <p>Embedding metrics</p> <p>Communicating across ecosystem</p> <p>Clarifying goals</p> <p>Storytelling</p> <p>Signaling transparency</p> |
| Building Organizational Agility      | <p>Devising new ways of working</p> <p>Modeling agile principles</p> <p>Simplifying structures</p>   |
| Engaging Hearts and Minds            | <p>Inspiring action</p> <p>Bolstering teams</p> <p>Mobilizing advocates</p>  |
| Building Trust                       | <p>Partnering strategically</p> <p>Generating belief</p> <p>Connecting with empathy</p>  |
| Applying a User Lens                 | <p>Unlocking insight</p> <p>Channeling innovation</p> <p>Coaching for breakthroughs</p>  |



|                           |  |
|---------------------------|--|
| Amplifying Learning (360) | Motivating growth<br>Renewing skills<br>Embedding feedback |
|---------------------------|--|

### **Aligning the Organization**

Leaders recognize the need to align customer-orientation strategy with organizational strategy to create change across the ecosystem. Leader H illustrated:

You clearly are not delivering something holistically to a client all by yourself, you need other moving parts of your organization to do it. So how are you communicating with that ecosystem in and around you, whether it be other parts of your organization.

The process of aligning the organization towards customer-orientation starts by synergizing objectives consistent with the change vision. The organization's employees, at multiple levels, need to have a clear understanding of the intended shift from the starting point and as the change evolves. Increasing organization readiness for the shift involves defining clear goals and sustaining focus. Leader P illustrated:

It was unifying the organization to a common set of goals that relate to the client. There only needs to be a few. And we can focus, and we can create, we can align.

One of the difficulties of achieving alignment is reconciling the objectives and priorities from multiple stakeholders. The goals need to be balanced between delivering customer value outcomes and internal performance and financial growth. The alignment issue is magnified with many layers of management and leaders' involvement in decision-making. In an organizational shift of such large magnitude, it is expected that multiple leaders will be in charge and accountable for the change outcomes. Therefore, reconciling

differences is not optional. Negotiations happen to align the various views to ensure that the organization drives results successfully. Leader C illustrates the high risk of not aligning:

If nobody is in charge you might have some big problems if a couple of people are in charge, and they really are aligned, it'll work out. But if you're not aligned. You're in a big trouble.

Given the need for alignment through coordination and integration across multiple organizational functions, Leaders seek to collaborate across the organization to understand and integrate the plethora of parallel efforts underway to increase customer value. The difficulty of decision-making increases the leadership efforts and energy that is devoted to influencing others across the organization. This challenge can't be understated, as Leader O illustrated:

So, being courageous. Being curious, having this closed loop process and literally before you start a project look up, look left look right. If I'm creating a new initiative, I can learn from somebody else and I won't bombard my client.

To align priorities and actions that will increase customer value and ensure accountability, leaders embed metrics in the management system. Leaders need to ensure that the organizational priorities and objectives align with the most critical areas to the customers. Leader P noted:

If what you're holding your team accountable for does not line up to service to client, well, they are going to be more readily driven by what you're measuring and so I think as leaders it's incumbent upon us to make sure that measurements align with this notion of client centricity.

Ultimately, customer-orientation supports a synergistic end-to-end customer experience that necessitates collaboration and integration across the multiple parts that the customer touches when doing business with the company. Leader I illustrated: “anything

that you do in a vacuum, where you have not had your client, your user in mind has a big chance of not being successful.”

Alignment requires ecosystem communications internally with employees and externally with customers. Effective communication is a vital element for the success of the massive culture shift requiring transparency and concerted actions to unify the organization towards making the customer-orientation North Star aspiration real. The communications approach provides cohesiveness across the many parts of the extensive organizational network or ecosystem of parties involved. Leader H illustrated:

I think people forget oftentimes, which is really around your own ecosystem. You clearly are not delivering something holistically to a client all by yourself, you need other moving parts of your organization to do it. If you leave that behind, and you set out with a change agenda, you're not going to get very far.

The ecosystem is not only related to the internal organization, but it expands to the external customers. Leaders brief their customers on the customer-orientation change plans and actions. These communications happen regularly to obtain customer feedback throughout the change iterations and ensure that the customers perceive the value associated with the improvements.

To emphasize the customer-orientation priority cross-organizationally, Leaders consistently highlight the importance and linkage to the company's success. As an example, Leader P's makes a visible and continuous emphasis on the expected behavioral changes during the interactions and communications with his teams. He wittily describes the repetitive nature of change messages during the meetings with his organization:

"You've got to say it again. Say it again until it's boring and then say it again."

Progress is measured by advocacy scores obtained directly from the customers. Helping to reiterate and illustrate the desired actions and behaviors, Leaders utilize a practice of storytelling. The practice includes promoting exemplars of individual or team actions that resulted in positive outcomes from a customer perspective. The stories are shared on the company's website and in meetings to highlight best practices, celebrate successes, and provide a repeatable approach for other leaders to follow. Client feedback guides the topics to develop the stories' content, craft communications, and hold discussions with teams. Leader Y provided the example that follows:

We promote stories from our sellers on what they're currently doing with the client to get some high advocacy scores or what did they do when they got a low score. What actions they took and outcomes.

Throughout all the communication practices, Leaders strive to create an open and transparent understanding of how the change impacts the organization as a whole and the individuals' roles. Specifically, communications enable a two-way channel promoting employee collaboration and engagement towards the change, Leader N noted:

So as one goes making a change, individuals learn how to make the change if it applies to them. Sometimes it won't, but that interaction and collaboration is certainly key.

Regarding leadership practices, Leader C refers to applying different leadership styles based on different situations:

In a leadership role, you can't do the commando style leadership long term, you can only do that very short term and you should only use that if it's a crisis and you need to use it, then it's very rare that you should do that.

Even though the Leaders aim for positive results from their communications, the difficulty is acknowledged by Leader A, who illustrated: "I don't think anyone's cracked

the nut on communications in a way that's been super, super effective.” In order to increase effectiveness, leaders utilize multiple channels and approaches to spread the messages. However, within the context of a large organization, reaching every stakeholder that needs to be involved is not feasible. Leader A provides the following example:

We talk a lot about how to improve trying to reach stakeholders and trying to make sure they're hearing the things we're working on. Invariably people will come and say, Oh, I didn't know that. I didn't know. I had just a meeting yesterday where we were talking to someone about an issue and he said to me, we've been trying to find out who's responsible for this for weeks and I'm glad you found us. I found them for different reasons. It's hard.

### **Building Organizational Agility**

Leaders shape new ways of working across the organization to achieve organizational agility adapting work processes' effectiveness and efficiency that enable the organization to adapt quickly in line with customer needs. The features of the new customer-oriented work practices are centered around agile and design thinking methods.

Leader E illustrated:

Agility is about how the teams work together, not just internally but also with clients, design thinking keeping the user centric focused on business outcomes, focused on what is absolutely right for the situation, but combining with agile, nimble enough to change when we need to and still keeping the user front and center.

There's an emphasis on transforming the work outputs and outcomes with the context of the user needs. Design thinking methods put the user at the center in the form of a persona. The new work processes to build solutions start by understanding the customer persona needs combining with agility. Leader H explained:

Whether we're applying design thinking methodology with picking out a persona, or we're applying agile in understanding who we're building something for whether it's a product or service, always starts with customer orientation.

The organizational change requires sustaining process improvements over time.

The change starts with the leader's role modeling values, principles and practices signifying the new ways and adapting actions at the role and individual employee level. Agile coaches help build competence across the organization. The coaches also help amplify cross-organizational collaboration practices. The new mode of working emphasizes cohesion and simplicity. Leader T described:

And that's where we got everyone together and we co created this playbook that helped align on things like voice and tone and style and vocabulary and visual identity and branding. So that at least we're all playing from the same playbook and things start to feel more cohesive.

A related area of focus to improve work processes is by improving how the organization is structured and coordinating work activities. The emphasis is on analyzing workflows and assessing that the work adds value to the customers. Leaders try to minimize the organizational overlaps in processes and activities. There is a focus on aligning the strategy to organizational structure, ensuring that processes enable the employees to interact in ways that effectively serve the customers. Leader H noted a question she asks:

When I think about our approach, it's really strategy and structure. Is your structure aligned to your strategy, allowing you to solve and serve for those customers?

Ultimately, the effectiveness of how work is structured and accomplished is reflected in a complete end-to-end customer experience with the company. Leaders highlight the importance and challenge of integrating and simplifying the practices and

actions across the company to drive customer-orientation improvements. Leader A illustrated:

You also have to have like sort of synergistic thinking that you know you play a role in the entire experience that the client has and their ability to do business. I know we talk a lot about how we improve trying to reach stakeholders and trying to make sure they're hearing the things we're working on. Invariably people will come and say, Oh, I didn't know that.

### **Engaging Hearts and Minds**

Leaders try to engage hearts and minds involving connecting emotionally with the employees to influence the new customer-oriented behaviors and actions. Employee engagement is essential to the success of the customer-orientation change and how customers perceive the experience with the company. Leader A illustrated engaging employees as “changing hearts and minds.” He emphasized that managers cannot mandate changes and “not everything can be hammered home.” Rather than pushing for changes to happen, Leaders seek to inspire action by improving the employees’ experience and understanding the employees’ personal motivations. Leader E illustrated:

Because if we look after our folks, they will look after our customers. And if they're happy doing what they're doing in the progression. And the starting point for that again is looking at the internal motivation of the individual.

Recognizing that employee engagement is linked to how well employees experience work practices within an ecosystem and within a workgroup or team, Leaders also focus on assessing and increasing the overall team engagement. The team assessment uses a standard survey practice adapted from Spotify, which evaluates the environmental factors that comprise the health of a team. The survey results provide insight to the team leaders and team members to identify areas of weakness or gaps and features of team strength. The evaluation practices are continuous, and the resulting

actions from the findings attempt to engage and communicate with all team members transparently. In some cases, the leaders increase transparency by holding meetings with their teams to discuss survey ratings collaboratively. Leader A described a team meeting he holds where “each person discusses, are we red, yellow, green, and they aggregate, and they talk about the reasons why.”

Another technique that Leaders apply to achieve a corporate-wide scale for the customer orientation change is creating and mobilizing advocate communities. These communities are formed with employees representing multiple functions across the company who can act as advocates for the change. Company Leaders appoint the leaders of the communities to assume the accountability to embed customer orientation practices in their respective business areas. The responsibility includes obtaining customer feedback, demonstrating best practices, and measuring continuous improvement. The communities also provide a cross-organizational collaborative approach to spearhead the overall organizational change, integrate actions as needed, and sustain prominence.

Leader Y illustrates:

The engagement community has grown so many people that are helping to work on client advocacy and Net Promoter Score coming together weekly for an hour just to kind of keep the engine going and to keep the focus going.

### **Building Trust**

Customer-orientation is centered around continuously growing and amplifying the value from a customer perspective. Since value is realized from a customer perspective, leaders identify earning customer’s trust as an essential element of customer-orientation. Leaders focus on building trust defined as partnering strategically with the customers, generating belief and connecting with empathy.



Leader L noted:

Overall, we have shifted to a client centric model. We haven't necessarily seen that results yet, I mean from a growth perspective, but I think, ultimately, that's because we're still trying to gain the trust of our clients.

Leader O underscored the challenge of earning the customer's trust elaborating on the trusted advisor concepts derived from Green and Howe (2012). According to the trust equation, trust is strengthened by reliability and intimacy and diminished by self-orientation. Leader O illustrated:

I think about the trust equation. And the trust equation is credibility plus reliability plus intimacy in your numerator and the denominator is self-orientation. So, think about what happens, you divide anything by something, it gets smaller. And I think that's a challenge.

Customer-orientation is not a one-time value transaction. The successful teams that demonstrate customer orientation differentiate themselves by helping their customers generate strategic impact. The analogy made by Leader R illustrates the point:

You have to sow those seeds, and the plant doesn't grow today, it might grow, six months, it might grow in a year.

In addition to increased trust from a customer perspective, leaders also focus on building trust within their internal organizational teams. Trust is particularly important to help drive the customer-orientation goals and the belief in the change. Leader N noted:

Earning trust in leadership is important but not easy or quick to get. People go above and beyond for leaders they believe in and the leader places focus on taking care of people. The leader has to earn the trust. You don't get that on day one, you don't just get to walk in and say hey here's what I want and here's what I'm going to do and I'm asking you to change and you go ahead blindly do that. We don't work that way.

The nature of value from a customer perspective is redefined with the impact of the COVID-19 pandemic. The customers are grappling with uncertainty and trying to

manage unexpected challenges. As a result, to adapt to capture new forms of value, Leaders increase the focus on applying relationship-based practices such as bringing empathy, co-creating with the customers, and demonstrating service elements of relevance, urgency, and flexibility. Leader H illustrated:

We really focus on empathy. I think this gap that we have in understanding who really is your client, and then understanding, all of the work we put our teams through. Is teaching the leaders as well as the rest of the employees, what it means to really have empathy as you go through this.

### **Applying a User Lens**

Leaders refer to the practice of understanding and using customer knowledge as applying a user lens. Understanding the customer perspective requires deepening customer and market knowledge to provide service aligned to real customer benefit.

Leader L offers an illustrative description of what it means to apply a user lens as “taking yourself out of the equation and focus on the person, the customer in front of you.” Using a user lens is continual in nature requiring focusing, fine-tuning, and changing. Also, a user lens provides a way of connecting with the customer to recognize their perspective, as Leader I pointed out:

I'm going to describe it as a lens, because a lens is something that you can focus and change. Let's try and really connect with that user who is really going to benefit from this, what is it that they are going through, because the more you know about your user, the better you can serve.

Insight is wired throughout the organization by implementing practices to continuously value, review, and act on customer insight. Leader A illustrates the approach:

My team starts every day, every single day, on a conference call, reading through the verbatim that they've gotten about search, looking at user behavior and

figuring out what can they do to fix that problem. That's customer centricity, listening, listening and taking action.

Customers' insight is the foundation to innovate, but it's not enough. Leaders leverage the information, combined with market understanding and innovation practices, to develop forward-looking insights and identify emerging priority themes and trends. The goal is to channel innovation for customer-valued outcomes. The coalesced insight is used to design and develop innovative solutions. Expert T referred to working with experts across the organization to "come up with insights and solutions that are different from what was proposed in the feedback by the user."

As a technology company, driving innovation is one of GlobalTech's foundational company values. Leaders channel and prioritize innovation, guiding where and how new skills and capabilities can further drive the customers' success and the company's strategic objectives. Innovation is fueled with continuous insight obtained from customer feedback, a deep knowledge of the markets and industries, and actively coaching client-facing teams on practices that generate new thinking and breakthroughs.

Another key element of enabling innovation with customer insight includes coaching customer facing employees to be proactive and identify breakthroughs. The emphasis is understanding and explaining why and how to amplify the value to the customers. Leader B illustrates:

Asking the questions throughout to confirm that what we're focused on, whether it be product delivery or service delivery, that it starts with what value we intend to deliver to that customer and why we know that's the value they care about.

Consistent with an agile approach, there is an iterative emphasis on changing capabilities through coaching to consolidate more gains. Leader G noted:

That idea of coaching and helping them solve their own problems, that is not consulting, it is a coaching approach through situations and coaching them with the behaviors in mind that we're looking to change.

Customer's feedback is obtained in the form of Net Promoter Score, including verbatim, which elaborates on the customer's perceptions with service, offerings, or experience. The feedback indicates if the customer is advocating for the product or service delivered. By acting on the customer's comments, the teams can guide continuous improvements and innovation in the areas that directly matter to the customers. Leaders need to encourage an open and positive environment, particularly when the teams receive negative feedback that could have the potential to impact ratings and performance evaluations. Leader Y remarked:

We don't want to enable bad behavior. But we want to enable that you want to get feedback, you want to get as much feedback as possible. And a big theme has been penalty free because we've seen it once the leader shows that, why did you get that bad score? that can crumble everything you've been working on.

### **Amplifying Learning (360)**

Leaders emphasize a new learning approach denoted as 360-degree because it is comprehensive involving adaptation and agility, building multi-disciplinary skills, and interacting with customers using an open feedback loop. Leaders empower and inspire employees to develop a growth mindset and learning agility that facilitates delivering more value to the customers. Employees must embrace new learning attitudes and practices. Leader E describes the concepts in the following:

I think we've really raised the bar. When it comes to learning ability, which is the thing that gets you to a level of competence and makes you smart, but learning agility, is the attribute which says, I was going to drop X into a brand-new situation and X had the ability to see patterns. She can connect dots, she can take

disparate bits of information, bring it together. And suddenly, there's something different there.

The required customer-orientation skills and practices emphasize adaptation and agility in the way teams work together and in interactions with customers. Team members need to acquire new broad technical and business skills to meet the customer's needs and take advantage of opportunities for career growth. Leader N stated:

It's a cultural change because it's a real shift in how an employee typically works, but it's also a great opportunity for skills development, and a lot of growth for employees to be able to be more pivotal in their roles because it's much more substantial.

The learning priorities to achieve customer-orientation are broader than traditional technical and competence skills transfer. To facilitate agility, learning is iterative, continuously reshaping the projects and adapting to changes. To enable continuous improvement, Leaders incorporate customers' feedback. In an agile environment, feedback requires an open atmosphere where people feel they can continuously provide input, collaborate, and connect across the organization to adapt and improve. Leader I noted:

This is the agile methodology of continuous learning with the user centricity so we're just iterating and making it better and continuously receiving feedback coming back, doing it again, rethinking, and all these things vary. So, we adapt.

It's okay if we didn't have the traction that we were expecting, okay, we learned how to do something else. Let's learn from this and just keep going.

Leaders motivate teams to gain new skills and shift expertise to a new area by growing organizational talents aligned to areas that provide value to the client. Leader R recalls an example of a training session's experience:

They had to make that shift and change to become a software seller. You could see this excitement grow, because they wanted to learn and embrace change, and they were growing their skill set, but they also knew they could provide value to the client now.

The new required skills are a combination of abilities and mindsets to deliver value to the customers, including learning new technologies, business expertise, and strategic thinking. Leaders also emphasize the importance of building skills to lead the markets, help clients transform, and differentiate. Leader U illustrates the high stakes consequence of not building skills for the future in the following statements:

You have to have fresh skills. Otherwise, you'll be a dinosaur, and there's no room for dinosaurs. What's critical that makes the difference is going to be the people and the talent.

Ultimately, transforming organizational learning is part of the large change and Leaders emphasize the difficulty of the undertaking in a large company such as GlobalTech. As Leader E noted:

Very difficult when you've got a company of so many people, but it can be done, and we start to see that culture shift.

### **Customer-Orientation Change Components**

This section presents the findings associated with how organizational leaders define the components of customer-orientation. The description involves three related areas. From the leader's perspective, customer-orientation involves:

- (1) A North Star organizational culture shift
- (2) A continuous amplification of customer value
- (3) A unified management system

A description of each component follows in the sub-sections below. Table 8 summarizes the thematic analysis.

### **North Star Organizational Culture Shift**

Increasing customer orientation is an aspirational objective. The long-term and essential nature of the change is referred to metaphorically by the Leaders as a business North Star. The North Star nature of customer orientation is a significant shift requiring transforming the way the organization serves the customers while at the same time focusing on molding the internal company culture. As leader I illustrated referring to what Customer Orientation means:

It is providing that space to really have that as our North Star. It is our North Star, and this is how we want to think.

The Leaders regard the shift to become more customer-orientation as a dual impact on customers and employees. Ultimately, the customer's experience is also enhanced by improving the employee experience and increasing their engagement.

Leader E exemplifies the concept:

So internal customer orientation leads to, I believe, external customer orientation. I'm a big believer in internal customer orientation.

The cultural nature is described by Leader E as “a mindset of keeping the customer front and center.” The mindset of putting the customer at the heart of everything involves aligning to the client's actions and behaviors. This idea is illustrated by Leader G:

I would describe it as a mindset, and it's a mindset as a service provider, but also the client as a service receiver and the mindset across those organizations need to be aligned.

## **Amplification of Customer Value**

Increasing customer orientation involves amplifying customer value through a continuous value cycle that begins with understanding what is essential for the customer and results in customer benefit. The leaders portray customer orientation as delivering outcomes that provide substantial value for the customer's success. Therefore, entailing a continuous value cycle involving short and long-term outcomes aligned to the customer needs. Examples include helping them identify new market opportunities and defining strategies and facilitating technical solutions' implementations. As Leader N noted:

The goal is not about me being successful. It's about my client's success and getting them to where they need to be.

Delivering short and long-term outcomes is accomplished by using an agile and incremental approach that helps to provide solutions through iterations. The continuous value cycle begins with understanding what is essential for the customer, and it evolves by always thinking from the customer's business perspective to achieve what Leader B refers to as a “win-win” for the customer and the company's success. Customer-orientation is centered around understanding the customer's priorities and applying the company's technology and talent capabilities to deliver on those business outcomes.

Leader E noted:

And you're figuring out what's the best way to actually achieve the business outcome, which is not only solving the customer's immediate problems but position them to solve the problems in the future.

Crafting the understanding of the user lens is supported by feedback and progress checkpoints with customers. Insight about what is most important short-term and long-



term, originates from understanding the customers' priorities and challenges. Leader C noted:

Our customer centricity is like putting yourself in a different role and switching as the customer. It's making yourself think of the other side of the table, what if I was the customer? What if I was buying this product? What if I was a user of the service?"

Ultimately, customer orientation's value or lack of it is viewed from the customer value perspective. It is the result of taking actions congruent with what is vital to the customer. Thus, defining customer-orientation as a continuous amplification of customer value is directly linked to the definition mentioned above of a mindset shift that leads to actions and behaviors that put the client at the heart of everything. As Leader H portrayed it:

Bringing client orientation front and center is thinking over the value side of it but as you talk about those values what it means back to the client. How does it hit a wall, what does it look like? We don't want the teams to overuse the words, we want them to really embody the words through actions.

### **Performance Management System**

A performance management system provides the means to unify and guide the organization towards increasing customer orientation. Within the management system, measures stipulate the significance of the change actions and offer concrete meaning to the change. As Leader H illustrated: "Without measures, it doesn't really mean anything."

GlobalTech uses a Net Promoter Score (NPS) Management System, which establishes and monitors the improvement actions tactically and strategically. To measure overall business success, Leaders integrate other metrics that are not part of customer orientation but are part of a common objective for company growth. Measures include

operational goals and strategic objectives, emphasizing that customer orientation relates to short-term and long-term goals. Leader L noted:

We measure a lot of metrics. Is it client centricity metrics? not necessarily. I think our biggest metric would be growth. So, the premise is if you build a big good strategic plan, you should be able to grow as an account, working with our client. And I do think longer term, a measure of success would be shifting the client's perception of the company as a vendor to as a trusted partner.

Directly related to customer orientation, the Net Promoter Score (NPS) metric is obtained directly from the customers to ensure that the improvements align with customer's needs. Leader P emphasizes establishing measurements to align the organization with a standard set of meaningful customer experience goals:

We found that having clients with that direct sort of trust and relationship that says, hey, you know, we're going to improve something here, we believe this will make a difference for you, but more importantly, we'd like you to tell us if that is really aligned with what you need.

Leader C stresses that the NPS scores are only a number. It is essential to understand the customer's context and specific feedback comments to define actions that directly impact customer value. Accordingly, measuring involves balancing multiple areas starting with employee satisfaction at the team level and organizational level, coupled with client satisfaction. There is also an emphasis on cross-organizational collaboration, so the metrics include teams' outcomes, such as how long it takes to close a customer request. Also, leaders share financial metrics with their teams, making them accountable for identifying trends, coming up with ideas for improvement, and delivering more value. The following statement from Leader H illustrates the emphasis that the Leaders place on measuring value attainment:

We want the work to be meaningful, but we also want you to understand that the value has to be delivered.

An agile approach helps identify the most critical few and significant goals for focus, prioritizing value outcomes. Using the agile methodology also helps to assess accomplishments and adjust as needed. Metrics aligned to objectives serve as a way to motivate the teams to improve continuously. With a focus on improving, the teams are engaged to define their key goals and critical results. The employees' objectives include building skills capabilities in the industry, technical, and leadership areas and obtaining external eminence.

For organizational culture change, metrics help the Leaders reinforce desired behaviors by recognizing the individuals performing and modeling the right actions. Recognition also includes a competitive spirit aligned with the company's overall culture of high performance and desire to accelerate change. However, the teams are responsible for actions based on the customer's viewpoint for their service rather than internal organizational priorities. Leader P emphasizes:

If what you're holding your team accountable doesn't line up to service to client, well they're going to be more readily driven by what you're measuring and so I think as leaders it's incumbent upon us to make sure that those measurements, align with this notion of client centricity.

Attainment of goals encompasses helping the customers win in a competitive marketplace in which they operate. Attainment of goals encompasses helping the customers win in a competitive marketplace in which they operate. Paradoxical to the strong emphasis on customer success, the Leaders' success is primarily measured to achieve business outcomes. In tandem focusing on customer's success, the leaders are responsible for driving financial growth for the company. Leader C noted the

interconnectedness of achieving the company’s financial business and the customer objectives:

So, obviously, a customer, a company's business objectives are revenue, profit growth, that's not customer orientation, but they are objectives of the business. What's important is to figure out how to achieve those, while also delighting your clients, and there's all sorts of ways to run a business but the best way to grow your business is to have that customer orientation. I really believe one feeds the other.

**Table 8.** Customer-Orientation Change Components Thematic Matrix

| Increasing Customer-Orientation Components Thematic Matrix |  |
|--|--|
| Themes   | Characteristics  |
| North Star Organizational Culture Shift                    | <ul style="list-style-type: none"> <li>Culture as a mindset</li> <li>Aspirational objective</li> <li>Ecosystem aligned</li> <li>Employees engaged</li> <li>Organization is agile</li> </ul>              |
| Continuous Amplification of Customer Value                 | <ul style="list-style-type: none"> <li>Value-cycle</li> <li>Customer insight driven</li> <li>User-lens centered</li> <li>Learning and feedback focused</li> <li>Earning trust and partnership</li> </ul> |

|                               |  |
|-------------------------------|--|
| Performance Management System | Net Promoter System rigor<br>Metrics/Recognition aligned<br>Goals and priorities clear<br>Continuous adaptation<br>Performance focused |
|-------------------------------|--|

### **Change Leadership Challenges**

The section presents the analysis of the customer-orientation organizational change leadership challenges. For this analysis, Bolman and Deal’s Four-Frame Model (2017) provided an approach to position the leaders’ actions to increase customer-orientation within the context of a complex organizational environment.

Three organizational leadership lenses are evident in the analysis of the leader's actions to increase-customer-orientations. In the human resource model, the central concept is centered around improving skills. The image of leadership is represented by employee empowerment. The core leadership challenge is fostering change alignment of organizational and human needs. The symbolic framing lens emerges with central concepts anchored on culture and meaning, a leadership image based on inspiration, and a leadership challenge seeking to create belief and meaning in the change. The structural model focuses on clarifying rules and roles and attuning the structure to accommodate the customer-orientation goals.

Specifically, leaders steer the customer-orientation change within a broader organizational context. The change is occurring within an organizational environment where leadership mechanisms expand three organizational undercurrents: 1)

Empowerment related to the human resource frame, 2) Values and belief related to the symbolic frame and, 3) Goals related to the structural frame. Figure 7 provides a thematical framing for the multi-framing nature of the organizational dynamics.

Related to the human resource model, an image of leadership based on empowering employees surfaced. Empowering is related to building an environment where people demonstrate responsibility and accountability, which ultimately creates business success and growth. Leader U noted on the challenge:

It really comes back to making sure that you have stewards of the business and you're empowering those individuals to help grow because you won't be successful if you can't scale your business and you can't scale your business if you don't have a set of solutions, innovative solutions that an empowered team is building.

Leader E provided another illustration of the challenge emphasizing the importance of giving employees autonomy to act: “but sometimes we empower people, but we don't give them the leeway to really execute and that really is counterculture.” Similarly, related to autonomy, Leader E refers to Pink’s (2009) model of motivation at work, which emphasizes the concept of autonomy not only in the way people work but also in the way people lead others through influencing:

So if somebody actually feels that they are the captain of their own ship, master of their own destiny they can quickly get to autonomy, and that autonomy can come through things like the way that we've designed the learning platform that autonomy can come with, allowing people to manage others through influence, not authority.

An additional depiction of empowerment is related to decision-making, particularly the difficulty of balancing the business goals with customer needs. Leader I illustrated:

I think that goes back to, giving them the power, and the knowledge to make a decision. And also trusting, and this becomes really important in services because you got to balance all the time a target.

Acknowledging the challenge of harmonizing autonomy and business

performance, Leader R offers an example of how leaders can adjust rules:

I think that sometimes we get stuck in the rules. Everybody thinks these are my rules that I'm set to live by them and so that's where I need to be. And so, we took an approach where we said, from a business perspective, I understand you have certain gross profit requirements. but for a certain portion of our business, it did not make sense to be at those high gross profit requirements. And so, we took a step back and said, what if for this piece of the business, we could get a pricing delegation at x, instead of our traditional y. We ended up getting better than what we thought from the finance community. And the team that worked on it was surprised.

Illustrating a different perspective about autonomy, Leader T emphasizes

empowering employees while making them accountable for their career growth:

So for example, we have our new career experience. And this is really helping employees be in the driver's seat of their career journey, which is a bit of a departure from how things have always been in the past. But also, holding people accountable at the same time.

Related to the symbolic framing lens, leadership actions to increase customer-orientation showed central concepts anchored on culture and meaning, a leadership image based on inspiration, and a leadership challenge seeking to create belief and sense-making for the change. The culture change includes a vision and a set of principles and values. Leaders focus on embedding customer-oriented values in the organization. Leader U noted:

In an organization you have a core set of principles and values, and those are going to be most important because you need to have consistency of how you bring success to an organization, and a lot of that is going to be deeply dyed in the wool, so to speak.

Alike, Leader G refers to the behaviors ingrained in the organization in such a pervasive way that they are demonstrated consistently even when lacking monitoring:

About behaviors, the other thing is what do you do when no one's watching? And I think that's the key to thinking about behaviors and openness and transparency and customers best interest is the right thing when nobody's there.

In terms of how the Leaders encourage behavioral change, there's attention to implementing rituals that exemplify and demonstrate the importance of the shift, including seeking feedback and emphasizing the messages in meetings. Leader Y provides an account of how Leaders act to signal and motivate change:

When you're on the call and you have the highest leader of your organization talking about client experience and walking the talk. It's not just something they're saying and they're incorporating it into their meetings. If they have an individual meeting with the seller, they're asking about client experience or say if they're going out to visit a client, they asked the seller to give me all that feedback. You know, someone sees their highest-level leader is interested in doing it, then they're going to take interest.

The leadership challenge of aligning organizational and human needs was made evident in how Leader H referred to the need to have "courage" to question the way things are done. Leader H noted:

It takes a lot of courage to question why we're doing something we're doing, especially if you're in a transactional-based business or process-oriented business. And so, we talk about courage a lot from a leader perspective. We work with the leader to create that psychological safety in terms of an environment to not only empower the teams to do the right work but to empower the teams to question why.

By applying the structural frame, the customer-orientation change actions associate with social architecture and a leadership challenge to attune structure to roles and central concepts of goals, rules, and policies. By setting clear team and individual goals, leaders help guide the customer-orientation change. Leader T illustrated:



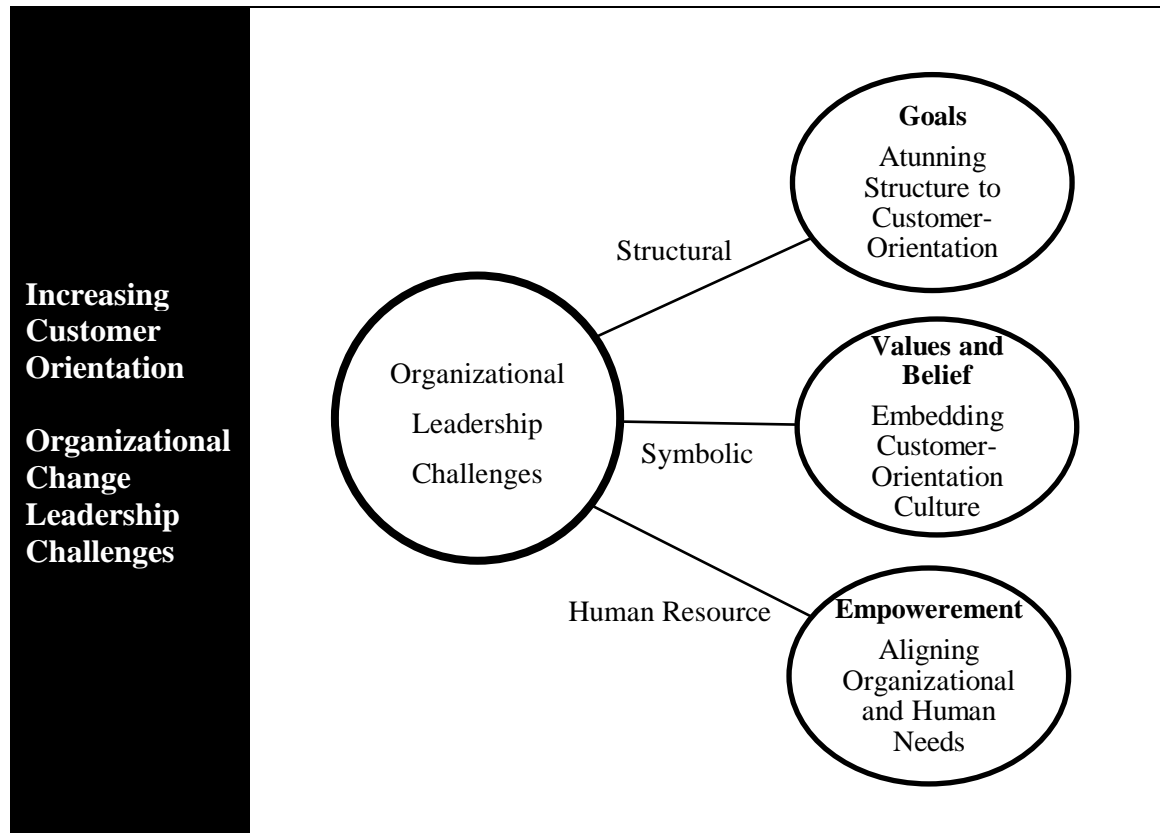
When it comes to the organization, we have a lot of senior sponsorship from our stakeholders. So, the senior leader believed in the vision. And so, from the beginning, we had a lot of senior support.

The goals are reinforced visibly by recognizing accomplishments and the right employee behaviors. Leaders also personalize the value and impact of the change to different employee levels. Leader O noted:

Meeting people where they are. There's a long way between the CEO and the guy that sits far from corporate. He doesn't know who the CEO is. And the closer you can get to the person keeping the change story across the company, translating it down to them to their role and making it more personal, then really, I find that change flourishes.

In sum, leaders look for a fit since organizational change increases the necessity for reconciling the organizational strategies and goals with human capital needs. The organizational and people needs are not always aligned (Bolman and Deal, 2017). Thus, parallel leadership attention to address central challenges of empowerment, values, and beliefs embedded in the culture, and attunement of goals (figure 8).

**Figure 8.** Increasing Customer-Orientation Leadership Challenges (Applying Bolman and Deal Model, 2017)



### Organizational Change Insight

The third research question was aimed at framing the customer-orientation change mechanisms within theories of organizational change. The analysis of the change process leveraged Van de Ven and Poole's change mode typology (1995) which provides a way to frame the "developmental progression" of change. The authors advanced the understanding of how to best capture different characteristics of a change process. Van de Ven and Poole acknowledged the complexity of the concepts and theories related to change and concluded that change needs to be evaluated using multiple approaches. The different perspectives are outlined in the form of a typology with four change modes

described as lifecycle, teleological, dialectical, and evolutionary. The modes serve as lenses to position the organizational change elements from a process pattern perspective.

The predominant change mode that surfaced from the customer-orientation change analysis aligns to Teleology theory (Van de Ven and Poole, 1995), constructive and single entity with actions and practices arranged to enable continuous improvement. (Figure 9) Teleological theory is based on the assumption that change is guided by a goal or desired end state. Leaders emphasize agility and learning to support an iterative and continuous process of improving customer-orientation and enacting the change. The customer-orientation leadership change themes aligned with a teleology mode are: Empowering Learning, Engaging Hearts and Minds, and Building Agility.

The teleological iterative environment is enabled by empowering the employees through the change process. Illustrations of the change leadership approach include building more organizational agility by improving ways of working. Leaders show an effort to support the social construction of the change. Leader T illustrated: “Let's get real crisp on the outcome that we're trying to achieve. And then let's have the teams figure out the best way to achieve that outcome and do it in a very iterative fashion.” Similarly, leaders indicate forming coalitions cross-organizationally in the form of advocates who help to engage employees on the change. A teleology constructive change mode is also evident in the learning and coaching approach applied, focusing on agility and continuous improvement.

In addition to the teleology change mode, the change process analysis suggests an engrained attention to governance, regulation and compliance, which bring into line a life cycle prescribed process change. A potential explanation of this finding could be the

multi-outcome on-linear form of the customer-orientation change, which includes North Star's strategic goals and a management system to govern the change and ensures compliance. Organizational change occurs in a non-linear and irregular form. (Bridges, 1980).

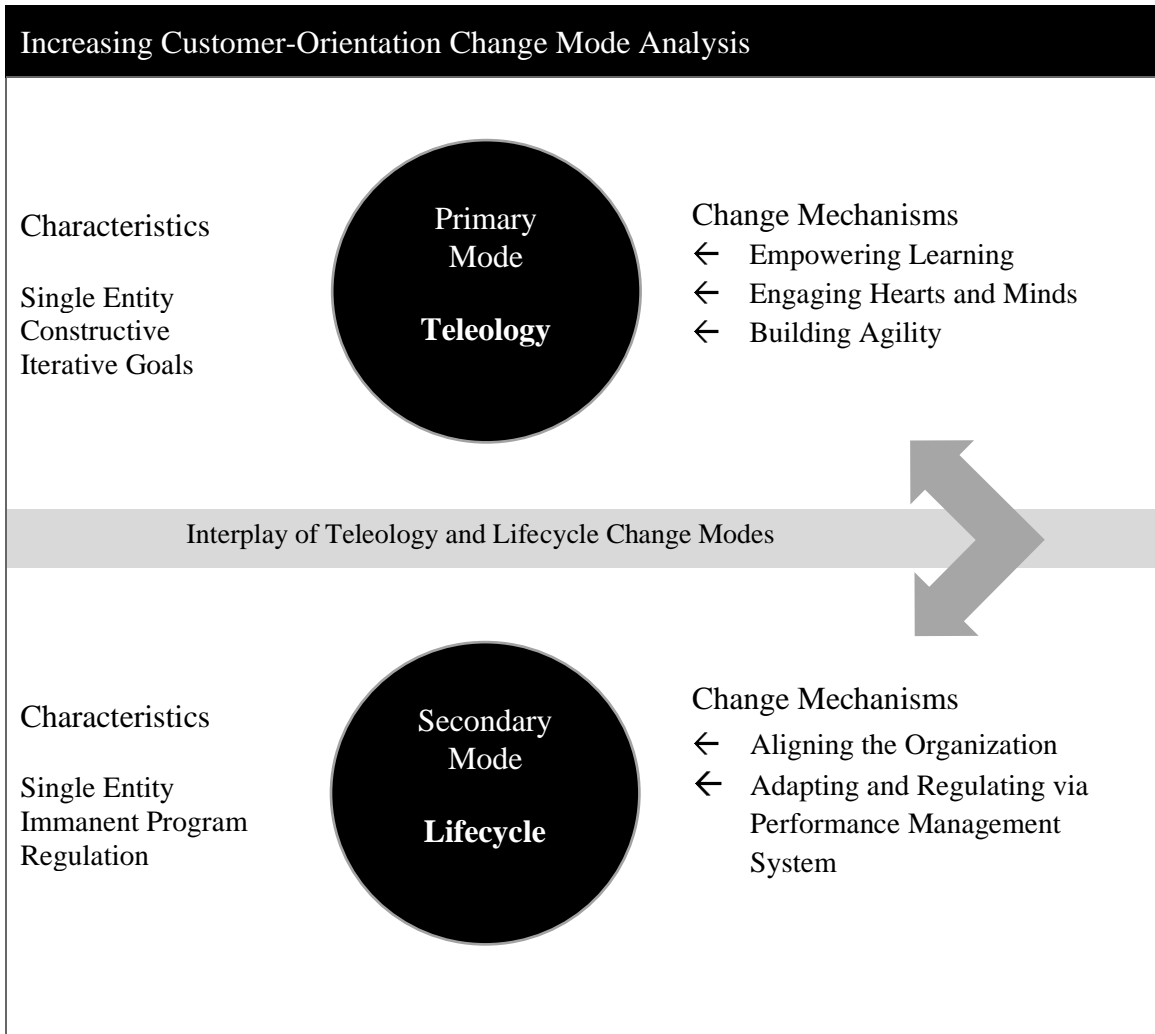
The customer-orientation leadership change themes aligned with a lifecycle mode are Aligning the Organization and Employing a User Lens with a focus on embedding insight. Leaders reflected a superposed focus on both change elements of continuously improving through goals and regulation. As an example, a teleological constructive change mode is evident in the Leader's focus on an iterative learning approach and emphasis on building organizational agility. However, there is parallel attention to lifecycle mode change areas related to aligning the organization and correspondent program regulation.

The interplay of teleological and lifecycle modes is also related to goal setting and goal regulation. In the teleological mode, goals are constructed and adjusted iteratively. (Van de Ven and Poole, 1995). However, within the contextual findings, Leaders also demonstrate a leaning toward ensuring overall compliance towards strategic program outcomes, which are characteristics of a lifecycle change mode. Also, the finding of an interplay amongst the two teleological and life cycle modes is reinforced by the change leadership analysis presented in the analysis section. The findings suggested an association to the structural leadership model elements. Specifically, leaders focused on clarifying rules and roles and attuning the structure to accommodate the customer-orientation goals.

In relationship to the evolutionary and dialectic modes, the analysis did not find applicability. These two modes are used as lenses for multiple entity units of change; therefore, they do not apply to the current study, focusing on change within one organization.

In summary, leveraging Van de Ven and Poole's change mode typology (1995), the analysis concluded that increasing customer-orientation reflects a primary teleological change mode. Additionally, the change reflects an interplay of life cycle and teleology change modes with a dual focus on a performance management system for regulation of program outcomes and parallel iterative goals that guide change construction (Figure 9). This finding is consistent with Poole et al., (2000) conclusion stating that capturing organizational change complexity requires applying more than one theory to understand the interweaving change states, interactions, and interdependencies across change modes.

**Figure 9.** Increasing Customer-Orientation Change Mode Analysis (Based on the Typology of Organizational Change from Van de Ven & Poole, 1995)



A second approach to discuss the customer-orientation change process leverages Kotter's Eight-Stage Framework for creating major change (2012). The framework provides patterns or steps required for a successful organizational change. Kotter's framework is beneficial as a structured approach to analyze and position the change process to increase customer-orientation using a change leadership lens.

The eight stages include the initial phases of change, comprised of establishing a sense of urgency, creating the guiding coalition and developing and communicating a vision and strategy, followed by change implementation steps for empowering broad-based action and generating short-term wins, and finally, steps related to scaling the change by consolidating gains for more change and anchoring new approaches in the culture (Kotter, 2012).

The customer-orientation leadership mechanisms analysis through the Eight-Stage process frame positions the change elements across multiple stages (Table 9). The change processes are not sequential but parallel and integrated. The positioning of the customer-orientation change leadership themes seems to focus on change progression versus change introduction.

The first three stages of establishing urgency and developing a vision and strategy were not dominant change themes as framed by Kotter; however, they are part of a continuous cycle of improvement by empowering learning, engaging hearts and minds, and aligning the organization by synergizing objectives. Creating a guiding coalition is framed as an initial stage. However, in the customer-orientation change context, this is a lever not only for initiation but also for anchoring new culture approaches.

The following two change stages in the framework related to communicating the change vision and empowering broad-based action are prevalent in the customer-orientation change reflected by the Leader's focus on communicating across the ecosystem and engaging hearts and minds, inspiring actions, and bolstering teams. The findings are also consistent with the organizational framing analysis, which described the human resource model with an image of leadership based on empowering employees.

The next two stages related to generating short-term wins and consolidating gains for more change are also prevalent and indicate the customer-orientation change maturity, focusing on scaling outcomes. The Leadership change actions relate to creating new ways of working by building agility, simplifying structures, and building cohesiveness. The findings are also consistent with the organizational framing analysis, associated with the structural model, focusing on attuning customer-orientation structure.

The last stage related to anchoring new approaches in the culture is closely related to how Leaders empower learning, motivating a growth-mindset and enabling adaptation. Like the stage to consolidate more outcomes, culture changes are intended to help scale the change outcomes and ultimate success. To scale the change, the Leaders underscore embedding the values and principles in the organizations' culture to make them "dyed in the wool," as Leader U eloquently illustrated. The findings related to this stage are also consistent with the organizational framing analysis, which related to the symbolic model with a focus on values and embedding a customer-orientation culture throughout the organization.

In summary, Kotter's Eight-Stage framework (1995, 2012) serves to position the customer-orientation leadership mechanisms within the context of process steps. The frame is a useful way to understand the contextual change framed within a known framework for managing change. This frame helped validate and expand the previous section's findings using the organizational framing concepts from Bolman and Deal's model (2017). The change mechanisms are multi-faceted. Also, the change processes are not sequential, and they are implemented in parallel, emphasizing agility and iteration.



An additional insight from the analysis identified an area of clarification in Kotter's framework. Even though he emphasizes lifelong learning as an essential element of successful leaders, the areas of embedding learning in the organization are not explicitly part of the change leadership stages. The current study identified that learning-orientation actions are part of anchoring new approaches in the culture. Expanding capacity is a critical component of an organizational change; thus, learning becomes an important leadership change lever. Leaders need to become better leaders, but just as important, the sustainability and vitality of the change requires embedding learning throughout the organization. Even though not made explicit in his framework, in Kotter's (2012) words: "people at the top of enterprises today who encourage others to leap into the future, who help them overcome natural fears and who thus expand the leadership capacity in their organizations - these people provide a profoundly important service for the entire human community" (p. 194). This inspiring statement symbolizes a leadership imperative to shape organizational culture for novel purposes. The current study findings highlight three areas that can help leaders spearhead transformational learning in their organizations: motivating growth, renewing skills and embedding feedback.

**Table 9.** Increasing Customer-Orientation Leadership Change (Using the Eight-Step-Process of Creating Major Change by Kotter, 1995, 2012)

| Change Stages (Kotter)                  |  | Customer-Orientation Change Leadership Themes  |
|---|--|--|
| Establishing a sense of urgency         | Examining realities<br>Discussing crises or opportunities  | <ul style="list-style-type: none"> <li>• Amplifying Learning: Embedding Feedback</li> </ul>                                      |
| Creating the guiding coalition          | Establishing group to lead change<br>Creating and empowering team environment                    | <ul style="list-style-type: none"> <li>• Engaging Hearts and Minds: Mobilizing Advocates</li> </ul>                              |
| Developing a vision and strategy        | Creating a vision for change<br>Developing strategies to accomplish vision                       | <ul style="list-style-type: none"> <li>• Aligning the Organization: Synergizing Objectives</li> </ul>                            |
| Communicating the change vision         | Communicating constantly<br>Role modeling the behaviors expected                                 | <ul style="list-style-type: none"> <li>• Communicating across Ecosystem</li> </ul>   |
| Empowering broad-based action           | Getting rid of obstacles<br>Encouraging risk taking and new ideas                                | <ul style="list-style-type: none"> <li>• Engaging Hearts and Minds</li> </ul>  |
| Generating short-term wins              | Planning for visible improvements<br>Recognizing and rewarding people                            | <ul style="list-style-type: none"> <li>• Building Agility: Creating New Ways of Working</li> </ul>                               |
| Consolidating gains, more change        | Changing systems, structures, human capabilities<br>Reinvigorating the process with new projects | <ul style="list-style-type: none"> <li>• Building Agility: Simplifying Structures</li> <li>• Applying a User-Lens</li> </ul>     |
| Anchoring new approaches in the culture | Improving success-oriented behaviors<br>Ensure leadership development and succession             | <ul style="list-style-type: none"> <li>• Amplifying Learning</li> <li>• Continuous Adaptation via a Management System</li> </ul> |

A third approach to discuss the customer-orientation change leveraged Kohli's et al. (2019) Customer Centricity Journey Framework. The authors utilized academic and

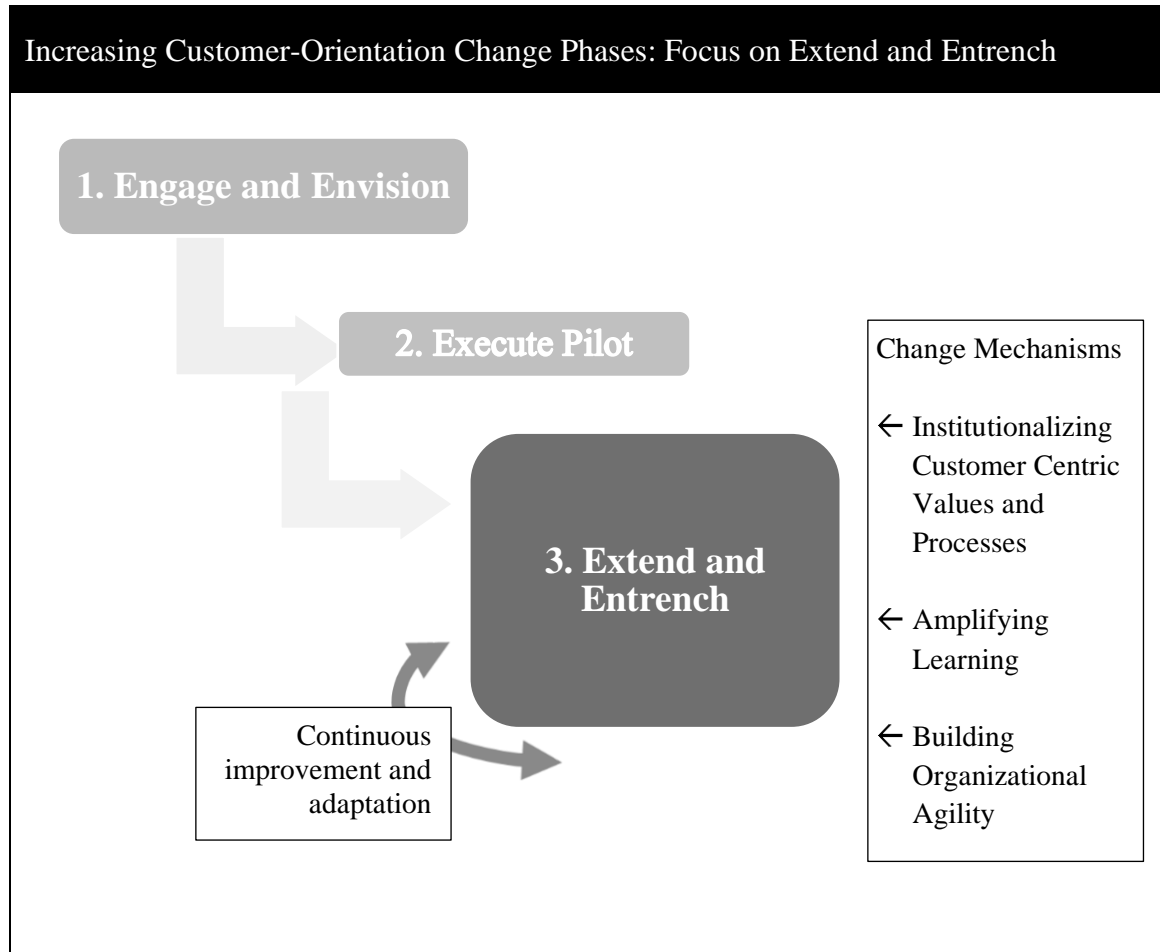
practitioner perspectives to develop the framework focusing on customer orientation and change management literature reviews. The research approach also leveraged the authors' own experiences in the field, combined with the learning and conclusions drawn from Becton Dickinson's customer orientation transformation case (Jaworski, 2018). By incorporating the learning from the field case, the framework utilizes practical terms and examples that tested the concepts' relevance for multinational organizations operating in a business-to-business environment. The phases and mechanisms involved in the journey to increase customer orientation are structured in 3 parts: (1) Engage and Envision: the mechanisms or steps that are part of this phase include building a business case, forming a guiding coalition, and developing a roadmap for change, (2) Execute Pilot: the steps to execute a pilot include pilot identification, design, and implementation, and (3) Extend and Entrench: This phase's actions involve transferring learning, which includes revising the strategic roadmap and institutionalizing the values and processes across the organization.

The analysis of the current change study in context with Kohli et al. (2019) framework indicates that the initial phase of engaging and envisioning is not prevalent in the current state of GlobalTech's customer-orientation change. Similarly, the second phase related to executing a pilot did not surface as a change mechanism theme. The analysis indicates that the customer-orientation change is centered primarily on the last phase of extending and entrenching (Figure 10). The positioning of the leadership mechanisms in this process area seems to indicate the change's maturity rather than a process of change initiation. Significantly, there is a focus on transferring learning and institutionalizing customer-centric values and processes. In this regard, even though

leaders indicate a congruent objective to institutionalize the change, they apply different approaches to achieve scale. The culture change is extended and entrenched across the organizational environment by using multiple mechanisms. Aligned to the findings leveraging Kotter's stages, a subset of institutionalizing processes is related to consolidating gains and anchoring approaches in culture for success-oriented behaviors, particularly by creating new ways of working.

To extend and entrench the customer-orientation change, leaders place a strong focus on improving human capabilities by building an environment that is continually learning and adapting. Kohli's (2019) study, based on the Becton and Dickinson case, seems to fall within a planned transformation change or lifecycle mode. Within this context, continuous improvement through iteration and agility were not principal components of Kohli's framework, contrasting GlobalTech's strong emphasis on iteration and a teleological change mode. In conclusion, the customer-orientation change process analysis leveraging Kohli et al. framework places GlobalTech's change within an extend and entrench process phase and extends insight into the leader actions to scale the change. However, the analysis highlights contextual differences and two types of organizational change modes in the GlobalTech and Becton and Dickinson cases. As part of future research, the differences can be explored further to identify varying antecedents.

**Figure 10.** Increasing Customer-Orientation Change Phases (Using the Customer Centricity Journey by Kohli et al., 2019)



## **CHAPTER V**

### **THEORY DISCUSSION**

The purpose of this study was to explore and explain the dynamics of increasing customer-orientation, as a large-scale organizational change in a business-to-business technology company setting, from the perspective of organizational leaders.

The central research question aimed to decode the customer-orientation leadership mechanisms. Additional research questions supported the research to frame a theoretical model and explore the complexity of the change dynamics.

This chapter introduces substantive theory with a set of propositions and models.

#### **Substantive Theory Summary**

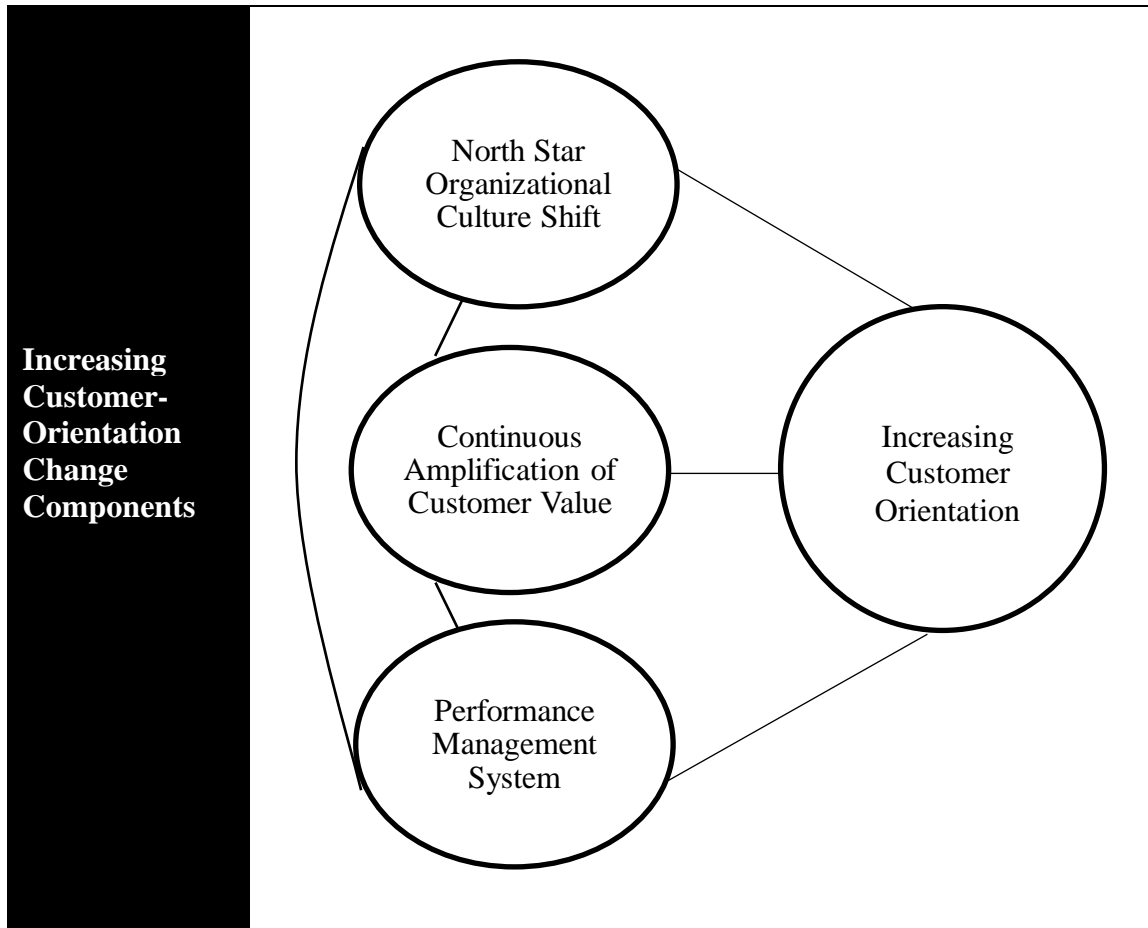
By engaging change leadership experts through a grounded theory qualitative research approach, the research resulted in a substantive theory with a set of propositions and framework offering a contextual understanding of customer-orientation change for managerial and scholarly use. The resulting theoretical propositions suggest that the organizational change to increase customer-orientation encompasses an aspirational organizational culture shift, an amplification of short and long-term customer value, and continuous adaptation through a management system. The analysis revealed that leaders steer the complex change by adopting second-order organizational orientations involving organizational culture and customer value. The culture-oriented changes center around increasing organizational alignment, agility, and engagement to shape a customer-oriented company. The customer value-oriented changes focus on building trust, employing a user lens and amplifying 360 degree learning to generate higher customer

and business value. The key organizational leadership challenges to increase customer-orientation are associated with empowering employees, embedding values and belief in the change and attuning the customer-orientation goals. From an organizational change mode perspective, increasing customer-orientation reflects an interplay of life cycle and teleology change modes with a dual focus on a management performance system for regulation of program outcomes and iterative goals construction. Also, the customer-orientation change components are positioned across multiple not sequential progression process stages with a focus on extending and entrenching the change across the organizational environment.

### **Customer-Orientation Change Components**

In order to provide substantive theory context, the following discussion synthesizes the customer-orientation components based on the perspective of the organizational leaders and literature analysis. Figure 11 provides a conceptual model for the discussion in this section. Concisely, increasing customer-orientation is shaped by components beyond organizational culture, including a continuous amplification of customer value and a performance management system that underpins the systemic change. The three components are: (1) North Star Organizational Culture Shift, (2) Continuous Amplification of Customer Value, and (3) Performance Management System.

**Figure 11.** Increasing Customer-Orientation Change Components Model



First, increasing customer-orientation purports a shift towards an aspirational North Star organizational culture. The North Star description signifies a significant target objective encompassing a change in the way the organization serves the customers while at the same time focusing on molding the internal company culture. Accordingly, leaders seek a dual customer and employee impact. The North Star customer-orientation culture embraces a mindset of putting the customers at the heart of everything. This study found that improving culture is only one of the change components. This conclusion is in line with Shah et al.'s (2006) acknowledgment that organizational culture change is a hurdle



to becoming customer-oriented. However, efforts to address culture alone might not be successful if company employees do not understand their new behaviors and the impact on the overall business success. Improving performance was translated by the leaders in the current study as part of the two other components of the change to increase customer orientation.

Second, increasing customer-orientation involves a continuous amplification of customer value by delivering substantial value for the customer's success. Customer orientation must lead to customer benefit. As it was described in an interview, "the goal is not about me being successful. It's about my client's success and getting them to where they need to be." The continuous value cycle begins with understanding what is essential for the customer. It evolves by always thinking from the customer's business perspective to achieve a win-win for the customer and the company's success. Deshpande et al. (1993) remarked that "merely having a market culture or being highly customer oriented or being innovative does not alone produce best performance. Poor performers are uninnovative, intemally oriented bureaucracies" (p. 32). Producing value is centered around understanding the customer's priorities, applying the company's technology and talent capabilities to deliver on those business outcomes, solving immediate problems, and positioning the future. The organization applies a user-lens perspective to deepen customer and market knowledge to provide solutions and services aligned to real customer benefit.

Third, increasing customer-orientation is underpinned by a performance management system that unifies and guides the organization towards the change objectives and performance outcomes. Within the management system, measures

stipulate the significance of the change. As a leader put it bluntly, "without measures, it does not really mean anything." Leaders use a Net promoter Score Management System which establishes and monitors the improvement progress using customer feedback (Reichheld, 2006). Measures involve tactical and strategic objectives, emphasizing that customer orientation relates to short-term and long-term objectives for the customer and for the company's performance. Paradoxical to the strong emphasis on customer success, the leader's success is measured mainly by achieving business performance outcomes. As part of the management system, in tandem focusing on customer success, the leaders are responsible for driving financial growth for the company. Lastly, the management system helps to incent the organizational culture change. Metrics help the leaders reinforce desired behaviors by recognizing the individuals performing and modeling the right actions.

The multidimensional nature of customer-orientation is reflected in Jaworski's (2018) characterization corresponding to a multi-faceted effort to alter the organization's DNA through a wide range of mechanisms involving capabilities, systems, processes, metrics, and culture. Additionally, Palmatier et al. (2019) considered customer-orientation as "an organization-wide philosophy that focuses on the systematic and continuous alignment of the firm's internal architecture, strategy, capabilities, and offerings with external customers" (p. 2). The widened customer-orientation definition emphasizes continuous alignment.

From the leader's perspective, the current study findings suggest that customer-orientation comprises three interrelated change components. The change involves shifting the organizational culture DNA putting the client at the heart of everything, amplifying

customer value, and applying a performance management system that helps the leaders guide and regulate the organizational change continuously. The analysis submits that increasing customer-orientation constitutes a complex organizational system-level ultimate target outcome. A target outcome is a change affected by multiple factors (Burke, 2018; Kimberly & Nielsen, 1975). There is no one exclusive starting manner or direct path to achieving the customer-orientation organizational change. Leaders confront multi-path and non-sequential choices. Nadler and Tushman (1989, p. 201) referred to a multi-component change as the "many-bullets principle" encouraging leaders to use varied approaches to affect behavioral change.

Taking the findings together, this study suggests:

P1a: Increasing customer-orientation encompasses an aspirational North Star organizational culture shift, an amplification of customer value, and progress monitoring through a performance management system.

P1b: Leaders steer the change to increase customer-orientation by adopting multi-path second-order orientations involving organizational culture and customer value.

### **Change Leadership Mechanisms**

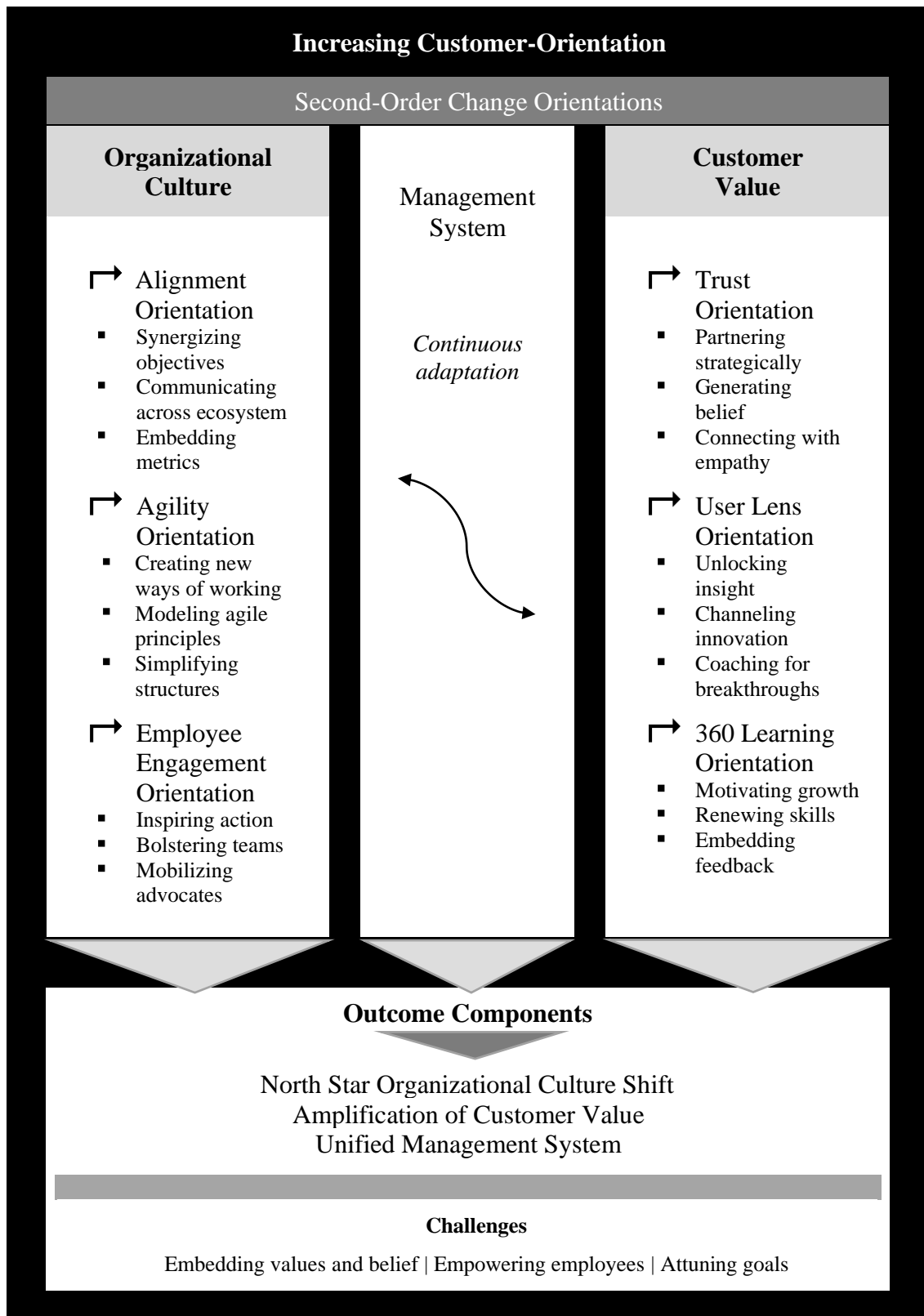
#### **Organizational Culture Orientations**

The insights from the study revealed three primary second order change orientations to shift toward the customer-orientation aspirational culture: (1) Alignment orientation, (2) Agility orientation, (3) Engagement orientation.

Leaders align the organization by influencing and motivating synergistic customer-orientation change objectives, communicating across the ecosystem and embedding metrics. In addition to a focus on aligning the organization, the customer-

orientation culture shift entails building organizational agility by devising new ways of working, modeling agile principles, and simplifying structures across the company. Lastly the study revealed that leaders focus on increasing employee engagement by inspiring action, bolstering teams, and mobilizing advocates. Ultimately, from an organizational culture perspective, customer-orientation needs to be ingrained in employee behaviors and the way of doing business. Figure 12 provides a conceptual model for the discussion in this section formulating an integrated framework.

**Figure 12.** Increasing Customer-Orientation Leadership Framework



## **Alignment Orientation**

Alignment of customer-orientation strategy with organizational strategy is needed. Analyzing successful transformations at large corporations, Hambrick et al. (1998) identified the importance of aligning the organizational strategy and organizational behaviors leveraging management processes and systems to create change. Aligning the organization starts by synergizing objectives that are consistent with the vision for the customer orientation change. Establishing a shared change vision and mission helps create a common sense of purpose to align the organization (Kennedy, 2003). One of the critical leadership challenges to achieve alignment is reconciling the objectives and priorities from multiple stakeholders. Furthermore, the organizational objectives need balancing between delivering customer value outcomes and internal performance and financial growth objectives. In an organizational shift of such large magnitude, multiple leaders are in charge and accountable for the change outcomes, and differences need reconciling. In this environment, decision-making takes the shape of collaboration and influencing considering the customer impacts and benefits. While synergizing strategic objectives occurs at the top levels of management, leaders collaborate at all levels of the organization to understand and integrate the plethora of parallel efforts underway as part of the change. Therefore, communicating across the ecosystem is critical. Leaders apply communications to build and increase capacity (Ford & Ford, 2012).

The current study findings position communications as an enabler for organizational alignment across the ecosystem to shape culture. Communication is a vital element for the success of the massive culture shift. Compelling communications require

transparency, clarity, and concerted actions to unify the organization towards making the customer-orientation North Star aspiration real. To emphasize the customer-orientation priority cross-organizationally, leaders consistently highlight the importance and linkage to the company's success. Patterns for effective communications include repetition and reiteration, storytelling, two-way channels, personalizing at the role and individual level, and openness and transparency. The communication approach involves the internal and external ecosystem. Lastly, aligning internal and external objectives involves embedding metrics in the management system. By establishing customer-oriented metrics, leaders try to influence employee behaviors towards what matters the most to customers. Metrics also drive accountability for the change results.

Ultimately, leaders affect the customer-orientation culture by aligning the customer-orientation strategy with organizational strategy through coordinated objectives, effective communications, and metrics.

Properly:

P2a: The culture-oriented changes to increase customer-orientation include a leadership focus on aligning customer-orientation strategy with organizational strategy.

P2b: Leaders increase strategic organizational alignment by synergizing business unit objectives with organizational objectives, communicating across the ecosystem and embedding metrics.

### **Agility Orientation**

Leaders seek to create a culture of customer-orientation agility. Increasing organizational agility for customer-orientation involves leadership actions toward devising new ways of working, modeling agile principles, and simplifying structures. Increasing agility involves focusing on the effectiveness and efficiency of work processes

to deliver value (Webster, 1994). Related research links customer-orientation success with the notion of inter-functional coordination. Kennedy (2003) reflected that "for cultural transformation to succeed, a customer focus must permeate the work processes deep into the organization" (p. 68). In the current study, an agile emphasis relates inter-functional coordination to a dual capability comprising work processes' effectiveness and efficiency. The companies' way of doing business through work processes needs to reflect positively on how customers experience the company outside-in. Therefore, the new agile customer-oriented work practices and methods enable the organization to adapt faster to meet customer needs. There is an emphasis on transforming the work from outputs to user outcomes. For example, by implementing design thinking, the customer solutions focus on a persona or user type, bringing a deep understanding from the customer's perspective. A leader observed that "anything that you do in a vacuum, where you have not had your client, your user in mind has a big chance of not being successful." Success also involves maintaining the focus on process improvements over time. To sustain the change, the leaders model the agile values, principles, and practices. The new agile model of working emphasizes clarity, simplicity, empowerment, and a focus on outcomes at the core.

Leaders also give meaning to the new ways of working by adapting actions at the role and individual employee level. Leaders assign coaches to train individuals and teams and are also part of change initiatives to scale the change across the organization. The coaches help increase cross-organizational collaboration practices. Building agility also involves improving how the organization is structured and enabling simplicity and cohesiveness across its multiple functions. Shah et al. (2006) refer to customer-centricity



as an organization characterized by horizontal processes that enable information sharing. Similarly, this study found a leadership focus on evaluating end-to-end process workflows and assessing that the work adds value to the customers. Revising structures also includes minimizing the organizational overlaps in processes and activities across different functions, ensuring that they can interact effectively, focusing on the customers. Taking the findings together, this study suggests:

P3a: The culture-oriented changes to increase customer-orientation include a leadership focus on creating organizational agility.

P3b: Leaders create organizational agility by devising new ways of working, modeling agile principles and simplifying structures.

P3c: Agile customer-oriented work practices and methods enable the organization to adapt faster to meet customer needs.

### **Employee Engagement Orientation**

Employee engagement is essential to the success of the customer-orientation change and how customers perceive the experience with the company. Increasing employee engagement involves inspiring action, bolstering teams, and mobilizing change advocates. Leaders try to connect emotionally with the employees to influence the new customer-oriented behaviors and actions. A leader illustrated engaging employees as “changing hearts and minds.” Rather than pushing for changes to happen, leaders seek to inspire action by improving the employees’ experience and understanding the employees’ motivations.

Even though employee engagement has many definitions and outcome associations (e.g., Kahn, 1990; Bakker & Demerouti, 2007; Saks & Gruman, 2014), leaders in this study remarked that employee engagement is influenced by how well

employees experience work practices within a workgroup or a team. Therefore, leaders focus on assessing and increasing the overall team engagement. Employee survey results provide insight to the team leaders and team members to identify weaknesses or gaps and features of team strength. The team engagement evaluation practices are continuous, and the findings yield discussions with team members transparently.

Another technique that leaders apply to achieve a corporate-wide scale for the customer orientation culture change is creating and mobilizing advocate communities. These communities are formed with employees representing multiple functions across the company who can advocate and carry accountability for the change. The communities enable scaling customer-orientation practices to obtain customer feedback, demonstrate best practices, and measure continuous improvement. The communities also provide a cross-organizational collaborative approach to spearhead the overall organizational change, integrate actions as needed, and sustain influence.

Hence, the findings suggest that:

P4a: The culture-oriented changes to increase customer-orientation include a leadership focus on employee engagement.

P4b: Leaders increase employee engagement by inspiring action, bolstering teams and mobilizing advocates.

### **Customer Value Orientations**

The insights from the study revealed three primary second-order change orientations to amplify customer value: (1) Trust orientation, (2) User-Lens orientation, and (3) 360-Learning orientation.

Leaders build customer trust by partnering strategically, generating belief in the change, and connecting with empathy. In addition to the focus on building trust, amplifying customer value involves employing a user lens by unlocking insight, channeling innovation, and coaching for breakthroughs. Lastly, the study revealed that leaders focus on creating 360 degree learning environments, continuously improving customer needs by motivating growth, renewing skills, and embedding feedback.

Ultimately, from a customer value perspective, customer-orientation needs to be deep-rooted in the organization. Figure 12 outlines a conceptual model for the discussion in this section, formulating an integrated framework combined with the discussion in the prior section related to organizational culture orientations.

### **Trust Orientation**

Customer-orientation is centered around continuously growing and amplifying the value from a customer perspective. Leaders identified earning customer's trust as an essential element towards achieving customer orientation. Customer-orientation is not a one-time value transaction. According to the trust equation, trust is strengthened by reliability and intimacy and diminished by self-orientation (Green & Howe, 2012). The successful teams that demonstrate customer orientation differentiate themselves by helping their customers generate strategic impact.

The nature of value from a customer perspective is redefined with the impact of the COVID-19 pandemic. The customers are grappling with uncertainty and trying to manage unexpected challenges. As a result, to adapt to capture new forms of value, leaders increase the focus on applying relationship-based practices such as bringing

empathy, co-creating with the customers, and demonstrating service elements of relevance, urgency, and flexibility.

Hence, the findings suggest that:

P5a: The customer value-oriented changes to increase customer-orientation include a leadership focus toward building customer trust.

P5b: Leaders build customer trust by partnering strategically, generating belief, and connecting with empathy.

### **User-Lens Orientation**

At the center of customer-orientation is the notion of employing a user-lens, deeply understanding the customer, and using the perspective and knowledge to connect to their needs. A leader illustrates the embodiment of a user-lens as "taking yourself out of the equation and focus on the person, the customer in front of you." Thinking and acting with the user in mind continually require focusing, fine-tuning, and changing with their needs. Also, a user-lens is the starting point of bringing value for the customer by understanding the benefit from their viewpoint. In a similar vein, Day (2020) framed the user-lens perspective as "outside in" portrayed as "standing in the customer's shoes and viewing everything the company does through the customer's eyes" (p. 316).

Understanding the customer perspective requires deepening customer and market knowledge and insight to provide service aligned to real customer benefit. Marketing researchers have proven the importance of market intelligence (e.g., Kohli and Jaworski, 1990). Insight is wired throughout the organization by implementing practices to continuously value, review, and act on customer insight. However, developing insight goes beyond the information obtained directly from the customer or market intelligence. Leaders leverage the information, combined with innovative practices such as design

thinking to develop forward-looking insights and identify emerging priority themes and trends. The goal is to channel innovation for customer-valued outcomes. The coalesced insight is used to design and develop innovative technologies and business solutions.

In essence, applying a user-lens means going beyond the customer's insight to help envision the future and generate bold ideas for breakthroughs, including short-term and long-term innovation. Narver et al. (2004) stressed the importance of a proactive market orientation identifying latent needs and creating innovative customer solutions. Leaders steer and prioritize innovation, guiding where and how new skills and capabilities can further drive the customers' success and the company's strategic objectives.

An additional element to help employees apply user-lens for customer value includes implementing coaching practices for proactivity and identifying breakthroughs. The emphasis is understanding and explaining why and how to amplify the value to the customers. Coaching is continuous, iterative, and situational to build capabilities and behaviors to sustain the customer-orientation change. Hence, the findings suggest that:

P6a: The customer value-oriented changes to increase customer-orientation include embedding a user-lens across the organization.

P6b: Leaders embed a user-lens by unlocking insight, channeling innovation and coaching for breakthroughs.

### **360-Learning Orientation**

The new learning model to increase customer-orientation emphasizes a 360-approach involving adaptation and agility, building a set of comprehensive skills, and interacting with customers using an open feedback loop to guide improvements and growth. Leaders motivate and inspire employees to develop a growth mindset and

learning agility to deliver more customer value. Continuity is vital for growth and progress over time. In the journey to client-centricity, sustaining the impact requires a focus on learning and improving. (Shah et al., 2006)

Employees must embrace new learning attitudes and practices. The learning priorities to achieve customer-orientation are broader than traditional technical and competence skills transfer. Individuals and teams need to acquire new deep and broad technical and business skills to meet the customer's needs and take advantage of career growth opportunities. As a leader illustrated: "You have to have fresh skills. Otherwise, you will be a dinosaur, and there is no room for dinosaurs. What is critical that makes the difference is going to be the people and the talent." Growing organizational capabilities involves shifting skills aligned to business needs. The new required skills combine abilities and mindsets to deliver value to the customers, including learning new technologies, business expertise, and strategic thinking. Leaders also emphasize building skills to lead new markets, help clients transform and differentiate. Related, Slater and Narver (1995) and Joshi (2015) put market orientation in context with the concepts of generative and double-loop learning (Argyris, 1977; Senge, 1990), which involve reframing assumptions, patterns, and limitations and devising new ways to address customer needs. In such a manner, learning is adaptive and iterative, but there is also a reshaping of assumptions. Accordingly, leaders emphasize the difficulty of the learning shift at a sizeable organizational scale.

To facilitate the shift, leaders incorporate customers' feedback to connect learning priorities with customer value. In the new 360 learning environment, feedback requires an open atmosphere where people feel they can continuously provide input, collaborate,

and connect across the organization and with customers to adapt and generate more value. Customer feedback is obtained in the form of a Net Promoter Score (Reichheld, 2006). The feedback includes customer verbatim, which elaborates on the customer's perceptions of service, offerings, or experience. The feedback indicates if the customer is advocating for the product or service delivered. Informed by the customer's comments, the teams can guide continuous learning in the areas that directly matter to the customers. Although an open feedback loop is valued, leaders need to encourage a growth-oriented and positive environment, mainly when individuals or teams receive negative feedback that could have the potential to impact ratings and performance evaluations. Ultimately, navigating through the dynamics to create a learning environment focused on customer value is a central leadership mechanism to increasing customer-orientation.

Hence, it is expected that:

P7a: The customer value-oriented changes to increase customer-orientation include a leadership focus toward creating 360 learning environments that enable continuous improvement around customer needs.

P7b: Leaders create 360 learning environments by motivating growth, renewing skills, and embedding feedback.

### **Change Leadership Challenges**

The change leadership challenges analysis leveraged the leaders' insight and examined the organizational issues using Bolman and Deal's Four-Frame Model (2017). The model is illustrated in Figure 5.

The analysis discovered that the customer-orientation change occurs within a complex leadership organizational context related to multiple frames. First, an employee empowerment challenge relates to the human resource frame; second, values and belief challenges surface for the symbolic frame; and finally, goals attunement issues surface

related to the structural frame. The concept of empowering is associated with building an environment where employees demonstrate responsibility and accountability, which ultimately creates business and customer success and growth. A leader explained the empowerment conundrum in these words: "but sometimes we empower people, but we don't give them the leeway to really execute, and that really is counterculture."

Empowerment is also related to delegating decision-making, particularly for balancing and aligning business goals with customer needs.

Consistent with the findings related to organizational engagement orientation, the symbolic framing reflects central concepts anchored on culture and meaning, a leadership image based on inspiration, and a corresponding leadership challenge to create belief and meaning on the customer-orientation change. The leadership challenge of aligning organizational and human needs was evident in how a leader referred to displaying the courage to question the way things are done at the company. In terms of how the leaders address inhibitors to behavioral change, there is attention to implementing rituals that exemplify and demonstrate the importance of the change.

In sum, leaders look for a fit since organizational change increases the necessity for reconciling the organizational strategies and goals with human capital needs. The organizational and people needs are not always aligned (Bolman and Deal, 2017). Thus, leadership attempts to address central challenges of empowerment, values, and beliefs embedded in the culture. In parallel, there is leadership attention to attune the customer-orientation goals with other company's priorities.

Hence, it is expected that:



P8: The primary organizational change leadership challenges to increase customer-orientation relate to empowering employees, embedding values and belief in the change, and attuning business and customer-oriented goals.

Finally, a management system helps leaders define and steer coherent change priorities throughout the company, continuously adapting (Kaplan & Norton, 1996). The customer-orientation change requires coordination and harmonization organizationally wide. Leaders view the management systems as enablers for making decisions, balancing priorities, and establishing and tracking customer-orientation goals. Also, the management system provides insight into the internal and external organizational ecosystem to guide and prioritize the leader's actions to build the organizational culture and focus on customer value. In essence, leaders need to frame and navigate the multi-path change alternatives. Lastly, the management system provides leaders a unified feedback loop. Decision-making is continuously informed by feedback towards the desired culture shift and amplification of customer value. Hence:

P9: Increasing customer orientation involves continuous adaptation through a management system.

### **Organizational Change Mode**

The third research question framed the customer-orientation change mechanisms within theories of organizational change. The change process analysis leveraged Van de Ven and Poole's change mode typology (1995), which provides a way to frame the change evolution.

The primary change mode that surfaced from the customer-orientation change analysis aligns with the Teleology theory, which is part of the typology. The authors describe the change mode as a constructive and single entity with actions and practices

arranged to enable continuous improvement. Teleological theory is based on the assumption that change is guided by a goal or desired end state. The current study findings indicate that leaders emphasize agility and learning to support an iterative and continuous process of improving customer-orientation and enacting the change. Illustrations of the change leadership approach include building more organizational agility by improving ways of working. Also, leaders indicate forming coalitions cross-organizationally in the form of advocates who help to engage employees on the change. A teleology constructive change mode is also evident in the learning and coaching approach applied, focusing on continuous improvement.

In addition to the teleology change mode, the change process analysis suggests an engrained attention to governance, regulation, and compliance, bringing a second mode of the typology, a life cycle prescribed process change. This finding is justified by the multi-component form of the customer-orientation change. A change characterized as lifecycle goes through prescribed program stages in progressive and sequential steps. A life cycle change operates within rules and regulations that govern the change development. Hence, there is parallel attention to life cycle change areas related to aligning the organization and correspondent regulation of program outcomes by implementing a performance management system.

The interplay of teleological and lifecycle modes is also related to goal setting and goal regulation. In the teleological mode, goals are constructed and adjusted iteratively. However, within the contextual findings, Leaders also demonstrate a leaning toward ensuring overall compliance towards strategic program objectives, which are characteristics of a lifecycle change mode. This finding is consistent with Poole et al.,

(2000) research of organizational change complexity. The change requires applying more than one theory to understand the interweaving change states, interactions, and interdependencies across change modes.

Hence, it is expected that:

P10: The organizational change to increasing customer-orientation reflects an interplay of life cycle and teleology change modes with a dual focus on a management system for regulation and iterative goals construction.

Additional process analysis using the customer-orientation change framework by Kohli et al. (2019) revealed that the customer-orientation change is centered primarily on the last phase of extending and entrenching the change across the organization. The positioning of the leadership mechanisms in this process area seems to indicate the change's maturity rather than a process of change initiation. Significantly, there is a focus on transferring learning and institutionalizing customer-oriented values and processes. In this regard, even though leaders indicate a congruent objective to institutionalize the change, they apply different approaches to achieve scale. To extend and entrench the customer-orientation change, leaders place a strong focus on improving human capabilities by building an environment where there is continual learning and adapting. In sum, the customer-orientation change indicates emphasis in the extend and entrench process phase. Combined with Kotter's Eight-Stage Process Framework (2012), the analysis indicates that the customer-orientation change elements are positioned across multiple stages. The change processes are not sequential but parallel and integrated. The positioning of the customer-orientation change leadership themes seems to focus on change progression versus change introduction. The culture change is extended and entrenched across the organizational environment by using multiple mechanisms.

Aligned to Kotter's Eight-Stage Framework (2012), a subset of institutionalizing processes is related to consolidating gains and anchoring culture approaches for success-oriented behaviors, particularly by creating new ways of working.

The first three stages of establishing urgency and developing a vision and strategy were not dominant change themes as framed by Kotter; however, they are part of a continuous cycle of improvement by empowering learning, engaging hearts and minds, and aligning the organization by synergizing objectives. The change stages in the framework associated with communicating the change vision and empowering broad-based action are prevalent in the customer-orientation change reflected by the Leader's focus on communicating across the ecosystem and engaging hearts and minds, inspiring actions bolstering teams. The findings are also consistent with the organizational framing analysis, which described the human resource model with an image of leadership based on empowering employees. The stages of generating short-term wins and consolidating gains for more change are also prevalent and indicate customer-orientation change maturity, focusing on scaling outcomes. The Leadership change actions relate to building agility, simplifying structures, and building cohesiveness. The findings are also consistent with the organizational framing analysis, associated with the structural model, focusing on attuning customer-orientation structure. The last stage related to anchoring new approaches in the culture is closely related to how Leaders empower learning, motivate a growth mindset, and enable adaptation. Like the stage to consolidate more outcomes, culture changes intend to help scale the change outcomes and ultimate success. To scale the change, the Leaders underscore embedding the values and principles in the organizations' culture to make them dyed in the wool. The findings related to this stage

are also consistent with the organizational framing analysis, which related to the symbolic model with a focus on values and embedding a customer-orientation culture throughout the organization.

In summary, the organizational change framing analysis supports the conclusions mentioned above that the change mechanisms are multi-faceted and non-sequential, emphasizing the nature of customer-orientation as an ultimate change outcome.

Therefore, it is expected that:

P11: The customer-orientation change components are positioned across multiple not sequential progression process stages, focusing on extending and entrenching the change across the organizational environment.

## **CHAPTER VI**

### **CONCLUSIONS**

#### **Implications for Research and Practice**

The dual practitioner-scholar applicability of this study is supported by Palmatier et al.'s (2019) reflection that customer-orientation research is "an evolutionary process informed by the inspired actions of companies and the research insights academics bring to the table" (p. 11). By engaging organizational change leaders in a company setting and applying research rigor, the study generated a substantive-level theory advancing the understanding of customer-orientation change for managerial and scholarly use. The results help advance multi-disciplinary marketing, leadership, and organizational change research associated with the customer-orientation definition and the nature of leadership mechanisms to affect the change.

For practitioners, the study can help systematize ways to create more value for customers and the business. The results offer an integrated understanding of the mechanisms that leaders utilize to steer organizational change towards becoming more customer-oriented. For scholars, the study can help advance multi-disciplinary marketing, leadership, and organizational change research associated with the customer-orientation definition, the mechanisms leaders use to affect the change, and the nature of the change dynamics leveraging well-known theoretical frameworks. For DBA practitioner-scholars, the study offers an account of a grounded theory application within an organizational problem context. By engaging with organizational leaders, the study incorporated an

engaged scholarship practice inspired to amplify the purpose of research bridging knowledge and impact (Van de Ven, 2007).

From an applied research perspective, this study was conducted by engaging leaders from GlobalTech, a business-to-business global technology company. A customer-orientation culture plays a central role in differentiating GlobalTech's performance in its marketplace. The resulting theoretical propositions explore and explain leadership mechanisms for organizational change providing a substantive understanding to support systematic leadership strategies and actions.

### **Research Limitations**

The research limitations are in line with the complex area of study and the applied qualitative research methodology. First, the study scope is limited to a single case business-to-business technology company. The data collection focused on the perceptions of the change leaders. Even though the study followed a structured analysis approach, the insight derived from the interviews can include bias from the researcher. Second, the substantive theory is directional, intending to set the stage for further research. The concluding theoretical propositions serve the intended applied study purpose. However, the investigation results can be expanded with other contextual settings for broader theoretical use. Third, the study provides a point in time evaluation of change leveraging theories of change to position the actions from a process perspective. Even though this approach led to expanding the understanding of leadership mechanisms using multiple models, the study leans towards practical utility. Additional research can provide a longitudinal, cause and effect deeper understanding of the phenomena.

## **Future Research**

Academic and practitioner-researchers have partially informed the journey to increasing customer orientation. However, contextually, the complexity of an organizational change in an applied setting required engagement with company leaders and methodical research to acquire knowledge and produce insight beyond what is already known. The current study highlights that increasing customer orientation involves concerted leadership actions. The actions involve steering a continuous improvement through organizational culture and customer value-driven orientations. The new understanding provides an integrative framework to inform scholarly studies and practitioner solutions. However, as highlighted in the research limitations, substantive theory offers an initial lens that cannot be generalized in its current form. In this regard, future research can shape the resulting propositions into hypotheses to test and formulate a generalizable measurement instrument.

Supplementary research is needed to validate the change elements and determine their relevance, applicability, and degree of importance in different contextual settings. An assessment of the study findings in a post-COVID business environment would offer further validation and guidance for applied company solutions. Modern digital business environments bring new opportunities and challenges with new solutions and leadership questions. The future potential research areas include the relationship of workforce engagement and customer engagement in a digital world, the reconfiguration of corporation management systems from a focus on internal metrics, and near-term growth to lasting and sustainable value.



Finally, and most pertinent to the current study findings, new forms of research are needed to evaluate and systematize organizational leadership capability and practices. The current study highlights that increasing customer orientation is a daunting and complex mission. GlobalTech can complement the internal leadership insight with the understanding obtained from research with different customer types and settings. Expanding the research, including customer viewpoints, can further clarify how increasing customer orientation affects business outcomes for GlobalTech and its customers.

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## APPENDIX: INTERVIEW PROTOCOL

### Introduction Guide

The aim of the research is to answer the question: What mechanisms to organizational leaders utilize to increase customer orientation, in a business-to-business setting? A Customer Orientation culture plays a central role in differentiating the company's performance in its marketplace. A qualitative inquiry via interviews is suited for this research since it will help explore the customer orientation change using the 'voice' of the leaders by reflecting on their experiences and their practices to affect change in their organizations. Participants of the study are change leaders representing different levels of maturity in implementation of customer-orientation changes in the company. The interview length will be approximately 45 minutes.

### Interview Guide

Prepared questions will help guide the interviews. The interview questions are organized into the following three themes:

1. Customer Orientation components definition
2. Customer Orientation change
3. Customer Orientation change implications

The order of the sections and questions will vary depending on the discussion flow.

Questions may be followed by additional questions in order to gain a deeper understanding.

## Interview Questions Examples

### Customer Orientation Definition

- What are your current business priorities?
- What is the meaning of customer orientation, how do you describe it?
- What does a customer-oriented company do? In a business-to-business setting?
- What role do you play to implement the customer orientation priorities?
- What are the consequences of the customer-orientation change in your organization?

### Customer Orientation Change

- What are the factors that enable or inhibit customer orientation?
- What actions did you take or are you taking to affect the change?
- How has your organization's work altered related to the customer orientation change? (If any)
- Can you provide examples of the process before and after the change?
- How do you measure the customer orientation change?

### Customer Orientation Change Implications

- What are the positive results of customer orientation? What are the concerns?
- How successfully is the change being implemented?
- How are the customer orientation goals communicated throughout the organization?
- How do you promote individual behaviors for customer-orientation?
- What are examples of changes in your team or individual's behaviors?



- What actions have driven people to change their behavior?

#### Closing

- Prompting for additional discussion
- Obtaining support for further interactions as part of the analysis process
- Emphasizing anonymity and thanking for participation

## VITA

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|                |   |
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| 1998 - 2003    | Software Engineer<br>IBM<br>Multiple locations  |
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