

Management Communication Quarterly

<http://mcq.sagepub.com>

Communication Forum: Establishing a Companywide Customer Orientation through Persuasive Internal Marketing

Kathleen K. Reardon and Ben Enis

Management Communication Quarterly 1990; 3; 376

DOI: 10.1177/0893318990003003005

The online version of this article can be found at:
<http://mcq.sagepub.com/cgi/content/abstract/3/3/376>

Published by:



<http://www.sagepublications.com>

Additional services and information for *Management Communication Quarterly* can be found at:

Email Alerts: <http://mcq.sagepub.com/cgi/alerts>

Subscriptions: <http://mcq.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>

Citations <http://mcq.sagepub.com/cgi/content/refs/3/3/376>

COMMUNICATION FORUM

Commentary

This article explores methods for increasing the persuasiveness of internal marketing efforts to encourage employees to adopt a customer orientation. Internal marketing is a process of encouraging employees to accept changes in company philosophy or policy. This article argues that the application of persuasion strategies to internal marketing efforts can facilitate the adoption of a customer orientation among employees and elicit greater commitment to the company and its goals. The specific persuasion strategies examined in this article include: encouraging employees to define for themselves their roles with regard to customer satisfaction; enhancing employees' perceptions of self-efficacy; providing rewards commensurate with contributions to customer satisfaction; and creating a climate for continued commitment.

ESTABLISHING A COMPANYWIDE CUSTOMER ORIENTATION THROUGH PERSUASIVE INTERNAL MARKETING

Kathleen K. Reardon

Ben Enis

University of Southern California

Ask the CEO of any company if that company is customer-oriented and the answer will undoubtedly be, "By all means." After all, customer satisfaction makes or breaks companies. Customers are the "bread and butter" of companies, the people to whom ads, services, and public relations are directed.

Some of the most successful companies in the world are indeed customer-oriented or what has been called "market driven." IBM, Procter & Gamble, Disney, Coca Cola, Ford, Federal Express, Scandinavian Airline Systems, and Nordstrom Department Stores

Management Communication Quarterly, Vol. 3, No. 3, February 1990 376-387
© 1990 Sage Publications, Inc.

are only a few that make the list. Their management philosophy has evolved from a product orientation (we have neat stuff), through a sales orientation (we must persuade people to buy our product), to a market orientation (we should discover what the customer thinks is great and provide that). In short, find a need and fill it.

Despite these sterling examples of customer orientation, an “eye on the market,” so to speak, we propose that most companies are not customer-oriented in the true sense of the term. The reason—customer orientation cannot be effectively achieved by a few people in a company. Effective customer orientation requires that every employee have his or her “eye on the market.” Employees must believe that their actions are part of a communication chain to the customer. Communication and persuasion research make it clear that people are more receptive to the ideas of those whose entire being, verbal and nonverbal, voice and body, appear convinced of their own message (Buck, 1984). Organizations are no different. It is not enough to have a customer relations department handle customer concerns while the rest of the company, including those who develop products, are oblivious to the people who buy those products.

A true customer orientation exists at every level and in every office of the company. It is accomplished through internal marketing, the process of encouraging employees to accept changes in philosophy or policy (Enis & Reardon, 1989). In essence, internal marketing of a customer orientation is the application of persuasion strategies, both novel ones and those common to external marketing, to convince people in-house that they are connected to the customer. This article focuses on some lessons from communication and persuasion theory and research that can enhance the likelihood of successful internal marketing of a customer orientation. But first, a look at why such marketing is important.

WHY INTERNAL MARKETING?

Figure 1 depicts the traditional hierarchical structure characteristic of most companies: senior management at the top, supervisors

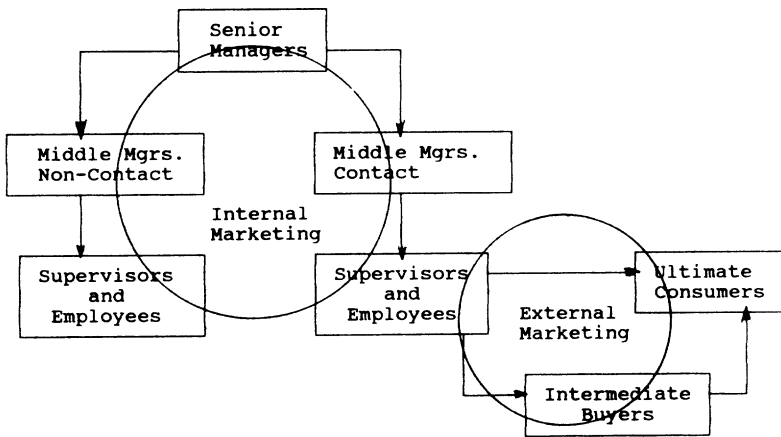


Figure 1: A Customer-Oriented Organization Chart

NOTE: The "customer" may be an internal colleague or unit, an intermediate buyer, or an ultimate consumer.

and employees at the bottom, and middle managers in their accustomed place. There is a typical channel of distribution linking some supervisors and employees with intermediate customers and/or with ultimate customers.

One feature of Figure 1 is not typical: The organizational hierarchy has been divided into managers and employees who have contact with customers and those who do not. From this model it is clear that some employees know they are in the channel of distribution, that is, engaged in external marketing. Others see themselves as disconnected from the customer, so they do not think about their performance in terms of customer satisfaction.

What happens to employees who become disconnected from the original reason for their efforts? Their success is measured solely by salary or other tangible indicators. If an individual employee is not a link in a chain, then he or she becomes no more than an isolated unit seeking some way to measure self-worth. When connectedness exists, employees are focused in a shared direction. The measurement of self-worth is inextricably connected to the measurement of group worth.

After World War II, Homer M. Sarasohn taught many Japanese businessmen how to be as successful as American businessmen. Sarasohn has described the reversal of this relationship, in which Americans now seek guidance from the Japanese as, in part, the result of American employees no longer identifying with the company enterprise (Wood, 1989). The typical employee is not clear as to his or her position in the chain to the customer. Few employers take the time to communicate to employees their “fit” in the company-customer link. In this case, the end of any task is its completion rather than its contribution to the strength of the chain and ultimately to the satisfaction of the customer.

We are proposing that companies expend some of the same efforts and use some of the same skills that they employ in external marketing to market in-house, in essence, to persuade employees that they are vital links in the production-customer satisfaction chain. Thus the term “internal marketing.” Charity, after all, is not the only thing that starts at home. Each employee has the potential to be either an ambassador for his or her company’s products or merely a cog in the wheel of an effort that is so remote from daily tasks that he or she cares little whether anyone likes or dislikes the result. The former of these two options requires a determined effort to *include* each employee in the chain to the customer. It requires persuading each person, from upper management to the people who actually put the widget together, that they are part of a worthwhile enterprise judged by the extent to which that enterprise satisfies customers. This challenge is accomplished by internal marketing.

THE “HOW” OF INTERNAL MARKETING

It would be easy to provide seminars assuring employees of the importance of their role to customer satisfaction. Yet, such seminars are not the answer to establishing a companywide customer orientation. At the very least, employees need the following: (a) clear communication regarding how their contribution fits into the chain to the customer; (b) a recognition that they can contribute to the definition of customer service guidelines by their own imaginative

suggestions; and (c) clear evidence that such contributions will be rewarded in a variety of ways relevant to the employees. We have outlined a few steps borrowed from persuasion theory and research that are likely to increase the success of internal marketing of a customer orientation.

DEFINING THE CUSTOMER SATISFACTION LINK

Persuasion research defining the customer satisfaction link clearly indicates that people are more likely to adopt an attitude or behavior if they perceive that they have *chosen* to do so and have participated in defining the direction of their actions (see Miller & Burgoon, 1973). The first step, therefore, of internal marketing is

Step 1: Encourage employees to define for themselves, as individuals and as a group, their roles with regard to customer satisfaction.

Participative management is based on this premise. But “lip service” to employee participation, what Fairhurst and Sarr (1988) call “illusory participation,” won’t work here. A serious commitment to employee involvement is needed in the transition to a customer orientation. Communication *to* employees must be balanced by communication *with* them.

As employees become involved in defining their roles in customer satisfaction, many will also find themselves having to define the “customer.” For many employees there are several customers. There is the next link in the chain, perhaps, a group of employees taking what has been created in one unit and adding to it or checking for errors, and there is the ultimate customer who buys the product. Both internal and external customers should be considered in the definition of the employee’s role.

Having identified his or her customer(s), each employee must also know the benefits of products provided by the company. What kinds of holes do our drill bits punch? What customers use our drill bits? Why are our bits better (faster, safer, more reliable, less

expensive) than those of our competitors? For some products this may mean providing employees with understandable explanations of technical material. In other cases, employees must be aware of the product's image in the consumer's mind. The point is that all employees must have an understanding of the customer benefits delivered by specific products and of his or her role in that delivery process.

Every employee's role definition should include "product ambassador." Every employee in the organization, including senior managers, should have some sales training. Employees should see themselves as sources of information for those people unfamiliar with the company's products.

Employees should also know how their efforts fit into the distribution channel so that they might be more sensitive to how their actions affect customer satisfaction. For example, operating employees who visit the customer's assembly line and see how their product is incorporated into operations will return with a clearer sense of their work's purpose. In short, employees should have "the big picture" of production and distribution rather than a myopic view of their own isolated tasks.

ENCOURAGING SELF-EFFICACY

Motivating employees to define their behaviors in terms of contribution to customer satisfaction and to make changes conducive to customer satisfaction is not likely to be accomplished unless what is expected of them is, in their minds, doable. According to social psychologist Albert Bandura (1982, p. 127), "people rely partly on information from their physiological state in judging their capabilities. They read their visceral arousal in stressful and taxing situations as an ominous sign of vulnerability to dysfunction." In short, people are more likely to expect success if they are not tense and agitated. The implications of this simple fact for establishing a companywide focus on customer orientation are evident. When people change their perceptions of how they should work, even if

by their own choice, a likely result is tension. With change comes ambiguity regarding what is expected and some degree of concern about capability to make the change successfully.

Here is where a commitment to “incremental persuasion” can make the difference between success and failure (Reardon, 1981, 1987, 1989). Suddenly announcing that all employees will now define their roles in terms of links to customer satisfaction and that they will make changes to ensure that their contributions serve customers is not likely to meet with resounding success. People need to believe that they have the capabilities to do what they seek to do or they will simply cease to do it. They must see themselves succeeding at the adoption of a customer orientation before they can be expected to embrace it wholeheartedly. So the second step of internal marketing from a persuasion perspective is:

Step 2: Encourage employees to establish a comfortable timetable for meeting their customer orientation goals, one that allows them to experience feelings of self-efficacy.

It is wise to remember that people vary in their abilities to deal with change and its frequent companion, a reduced sense of control. Bandura (1982) explains that people can take control behaviorally by forestalling or modifying aversive events or, cognitively, by convincing themselves that they can manage environmental threats that might arise. There are many competent people who are constantly troubled by a sense of inefficacy and many less competent people who are quite well assured of their abilities to handle uncertain events. The important lesson here is that employees must determine, within some reasonable guidelines, a pace of change toward the establishment of a customer orientation that will afford them a comfortable level of self-efficacy.

REWARD

The third step in internal marketing is vital. It is one thing to tell employees that they are important links to customer satisfaction

and quite another to ensure that they are rewarded for being so. The third step in persuasive internal marketing involves communicating to employees that their contributions are valued:

Step 3: Employee rewards should be commensurate with the employee's contributions to customer satisfaction.

Here is where our version of the Golden Rule enters the picture: *Do unto your employees as you would have them do unto your customers.* By letting employees know through rewards that identifying their link to customer satisfaction is more than just the latest fad in organizational management, an employee can become truly connected to the company enterprise. Sometimes this means encouraging and rewarding employee initiative. For example, when an appliance or telephone installer is on the premises, the customer may say, "Well, as long as you are here, could you do thus and so for me?" The customer-oriented installer is likely to say, "Certainly." All too often, however, the installer feels that he or she must do only what is on the work order. The customer must do without the service or arrange another visit.

In his book, *Why Leaders Can't Lead*, Warren Bennis (1989) argues that the 1980s has not been a good decade for American business in part because of the "elevation of obedience over imagination." He points out that, ironically, the very businesses that have suffered the most, such as the auto industry, were founded by people who were certainly more imaginative than they were obedient. Denying employees the discretion to determine how they might better meet the needs of the customer squeezes the life out of business and the potential for gratification out of employees.

Bennis writes, "American business has traditionally seen its workers in an adversarial light, as mere cogs in the corporate machine: necessary, perhaps, but anonymous, replaceable, and greedy" (p. 86). He proposes that leaders of business view their employees as Louis B. Mayer did during his years as the head of MGM studios in Hollywood. Mayer once said, "The inventory goes home at night," recognizing that his actors, directors, writers, and other employees were the very substance of MGM. A CEO who

harbors such an attitude is more likely to reward initiative and to trust his or her employees to be company ambassadors.

Another form of reward for customer satisfaction involves listening to suggestions. Who among us does not feel just a little better when someone has time to listen? The primary reason for most communication and persuasion failures is poor listening. When Sarasohn taught Japanese managers how to improve their companies, one lesson was especially important:

Every employee deserves the same kind of respect fellow managers receive, and good management is "democratic management." Lower level employees must be listened to by their bosses (quoted in Wood, 1989, pp. 72-73).

Employees must know what the goals of the company are and they must believe that their ideas about how to better meet those goals are not only welcome but encouraged. This is where the less than tangible rewards begin to make a difference. Being an integral part of an enterprise can be as rewarding, if not more rewarding, than salary increases.

CONTINUED COMMITMENT

Once employees know their role in customer satisfaction and feel that they are being rewarded for it, the next step is to assure that their commitment continues. So the next step in persuasive internal marketing of a customer orientation is:

Step 4: Create a climate for the maintenance of a customer orientation.

For the many decades that persuasion researchers have been exploring what it takes to change behavior, the emphasis has been on immediate change. "How should messages be formulated to encourage people to change their postmessage attitude and/or be-

haviors from the ones they reported prior to the message?” is the question that has guided most research. The fact is, however, that much persuasion is long term. Establishing a customer orientation is one case in which “persuasion maintenance” is imperative to success (Reardon, 1989).

Change brings with it uncertainty and fear of failure. Employees who have successfully implemented changes in their behaviors may still be quite uncertain of their ability to sustain the change. Here is where reward comes into the picture, particularly reward over time. People need frequent visible signs of their progress. They need pats on the back, words of encouragement, gold stars, M&Ms, trophies, or whatever makes them feel successful. It is the job of each employee to discover what the people reporting to him or her see as adequate reward for a task well done. For some people, a simple “Nice work” is all that is needed to keep them on track. For others the demands are greater. One vice-president of a Los Angeles insurance company gives little toys and gadgets to her people whenever they complete a difficult project. Once she took all of them bowling and provided the best and worst bowlers with prizes. This may not be everyone’s style, but it works for her. In a recent study of leadership styles of senior executives selected as proven leaders by a panel of Harvard Business School professors and management consultants, some creative styles of reward emerged (Conger, 1989). The majority of these proven leaders rewarded their people in “highly visible and confidence-building ways.” One executive established an “I make a Difference Club” that each year selects two or three staff members to be recognized for their excellence on the job. Another executive makes extensive use of personal letters thanking employees for their efforts on projects. Others spend “significant amounts of time” expressing confidence in their subordinates’ abilities. They do so at meetings, in speeches, and even in office hallways.

The point is that persuasion of any kind, including internal marketing of a customer orientation, is not only an incremental process prior to the persuadee’s acceptance of the position being

advocated; its maintenance is also incremental in the sense of requiring more than occasional, weak reminders that employee efforts are appreciated.

Creation of a climate conducive to companywide customer orientation also requires that employees see evidence of its success. This may translate into cafeteria posters, employee newsletter stories, awards, and other attempts at communicating that customer orientation can bring success and that it is noticed and appreciated by management.

CONCLUSION

Persuasive internal marketing is key to regaining employee connectedness to American corporate enterprise. Disconnected employees have fewer reasons to strive for quality. Persuading employees that the company not only desires their input but will reward it, enhances the likelihood of a work force committed to quality.

Four steps constitute our internal marketing method for breathing life into a floundering company or increasing the productivity of a successful one: (1) define the customer satisfaction link for each employee, (2) encourage feelings of self-efficacy among employees with regard to their ability to serve the customer more effectively, (3) provide rewards for actions that enhance customer satisfaction, and (4) elicit commitment to long term efforts directed at customer satisfaction. These steps are not so different from the ones Americans taught to enthusiastic Japanese managers after World War II. They constitute a lesson once known well and since forgotten—wisdom from our past that has faded in memory. The challenge to American senior executives is to jog that memory and to become persuasive internal marketers determined to convince themselves and to communicate to their subordinates that everyone's job, from the CEO to the visiting intern, is a fundamental link to customer satisfaction.

REFERENCES

- Bandura, A. (1982). Self-efficacy: Mechanism in human action. *American Psychologist*, 37, 122-147.
- Bennis, W. (1989). *Why leaders can't lead*. San Francisco: Jossey-Bass.
- Buck, R. (1984). *The communication of emotion*. New York: Guilford.
- Conger, J. A. (1989). Leadership: The art of empowering others. *Executive*, 3, 17-24.
- Enis, B., & Reardon, K. K. (1989). *Internal marketing*. Unpublished manuscript, University of Southern California.
- Fairhurst, G. T., & Sarr, R. A. (1988). *Confronting illusory participation in the 1980s*. Paper presented at Academy of Management, August.
- Miller, G. R., & Burgoon, M. (1973). *New techniques of persuasion*. New York: Harper & Row.
- Reardon, K. K. (1981). *Persuasion: Theory and context*. Beverly Hills, CA: Sage.
- Reardon, K. K. (1987). *Where minds meet*. Belmont, CA: Wadsworth.
- Reardon, K. K. (1989). *Persuasion in practice*. Newbury Park, CA: Sage.
- Wood, R. C. (1989, February 6). A lesson learned and a lesson forgotten. *Forbes*, pp. 70-78.

Kathleen K. Reardon (Ph.D., University of Massachusetts) is Associate Professor of Business Communication and core faculty member in the Executive MBA program at the University of Southern California. Her current research focuses on negotiation within the U.S. and across cultures, persuasion methods for changing health-related behaviors, using the business environment to change such behaviors, and methods of persuasion to manage and motivate employees. She is the author of three books: Persuasion, Where Minds Meet, and a book for business travelers, Gift-Giving Around the World.

Ben Enis (Ph.D., Louisiana State University, 1967) is Professor of Marketing at the University of Southern California. He has been a consultant to firms in the banking, retailing, telecommunications, and health care industries, and to various governmental agencies. He is the author of four textbooks and more than 70 research and professional articles.