The Link between Internal Marketing and Customer Relationship Management

A Case Study of one Nordea Call Center in Sweden

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Abstract

Purpose: The purpose of this thesis is to increase the understanding of the link between internal marketing and customer relationship management by conducting a case study of one Nordea call center.

Background: Keeping existing customers is less expensive than acquiring new ones. Nowadays, up to sixty percent of marketing budgets are being dedicated towards retaining customers. So forth customer relationship management is slowly beginning to penetrate the banking industry as sustainable relationships between organizations and their customers are becoming more evident.

Theory: The case study is based on an internal marketing model by Bansal et al. (2001) which shows how managers can influence the job satisfaction of their employees through six dimensions. Based on the previously mentioned model, customer relationship management theory and the service marketing triangle by Kotler et al. (2002), the researchers present their own model, at the end of the theoretical section, which seeks to enhance the understanding of the link between internal marketing and customer relationship management.

Method: Since there was lacking theoretical evidence in how to link internal marketing to customer relationship management, the study was of ex-
ploratory nature. Qualitative data was collected by conducting two focus groups (independently of each other) at one Nordea call center. The first focus group was composed of five managers and the second focus group of three frontline employees.

**Conclusion:** Nordea has been used as an example to illustrate that customer relationship management, such as using sales opportunities to strengthen relationships with customers, is dependent on managers’ ability to “sell” the organization’s customer relationship management ideas to its frontline employees. Moreover managers have the ability through the six dimensions of internal marketing to affect job satisfaction which in turn will determine how frontline employees make use of the sales opportunities provided by Nordea’s content management system (CMS).
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1 Introduction

For an organization to stand out amongst their competitors and market themselves as delivering superior service quality and customer specific products, has become increasingly difficult in the highly saturated market of consumers that the organization faces today (Bansal, Mendelson & Sharma, 2001). Therefore the organization builds relationships with their customers since it helps to retain and make them more loyal (Rust et al., 1996). Customer relationship management (CRM) is in its most basic state about the management of relationships with existing customers. Furthermore it explains how the organization works to strengthen the relationships by means of providing customized service offerings which make the customer feel special from the perspective that only their needs are being catered to. In other words, customer relationship management has the objective of improving the long term profitability of customers. (Porter, 1980)

In contrast to customer relationship management, internal marketing deals solely with interactions between managers and employees. To enhance the profitability of customer relationships, those who interact with the customers need to be taken care of in the first hand. As the quality of service lies in the responsibility of frontline employees, organizations must carefully manage the types of behaviors that those employees display to ensure that they engage in behaviors that will derive high customer satisfaction. (Morrison 1996) Since services are intangible and tough to standardize, especially in the case of the banking industry where each customer has individual needs and preferences, the right kind of organizational environment must be created so that employees will be motivated to make the most of every customer encounter. (Morrison 1996) An approach to create the right environment that is suggested by Bansal et al. (2001), emphasizes that frontline employees should be treated in the same way as the customers. If employees coincide with the organization’s goals and visions then they can deliver a service quality that helps form a strong relationship with its customers. (Bansal et al., 2001) In other words, the organization that focuses on internal marketing as a means to improve the profitability of customer relationships, concentrates on maintaining and nurturing relationships with its own employees.

Customer relationship management and internal marketing are two concepts that can be linked together, that is to say, they are related to each other. The relationship between the two is such that without internal marketing, customer relationship management has no backbone.
If there are no managers to market the organization’s customer relationship management ideas to frontline employees, then how will the employees know to act in customer interactions? One of the fundamental ideas behind customer relationship management is that employees can utilize certain tools provided to them by the organization to quickly retrieve necessary customer information. So forth, the entire point is that the successful use of an organization’s customer relationship management tools by frontline employees is reliant upon the successful internal marketing of an organization’s customer relationship ideas. (Vanhamme & Lindgreen, 2001)

1.1 Background
In the late 1980s the deregulation of the Swedish financial market was initiated. The deregulation affected the lending volume, the rate of interest and the exchange activities. Although, the deregulation created a business opportunity, the competition between the banks and other financial institutes increased. As a result, banks had to become more customer oriented in order to stand out in the saturated market. To retain their customers the banks began to offer a wide range of products and services that were customized and had the price adjusted accordingly. (Lindblom, 1994)

Keeping existing customers is less expensive than acquiring new ones. Nowadays, up to sixty percent of marketing budgets are dedicated towards retaining customers. (Reichheld, 1996) In the Swedish banking industry where four large banks together hold a substantial market share, the fear of losing customers to smaller competitors is being dealt with by other means than price (Svenska Bankföreningen, 2007; Zeneldin, 2005). In other words, the practice of customer relationship management is slowly beginning to penetrate the banking industry as sustainable relationships between organizations and their customers are becoming more evident.

1.2 Problem Discussion
In service organizations such as banks where customer interactions are broad and intense, all employees must be well informed of and aligned with the mission, goals, and strategies of the organization. Otherwise they cannot represent their organization properly and successfully handle all the crucial service encounters. (Gummesson, 1987) In order to accomplish this task of alignment, managers must create an organizational environment which fosters the continual development of employees and clearly communicates to them what exactly managers expect.
Differently put, the organization must be able to “sell” its ideas to employees so that they will be motivated and willing to carry out the task at hand successfully. Looking at it from a different perspective, the elementary idea behind internal marketing is, “to apply the marketing concept, originally developed for the organization’s external marketing, to the ‘internal market’ as well” (Gummesson 1987, pp.24). Thereby, when managers experience difficulty in “selling” the organization’s customer relationship management ideas to its frontline employees, the link between internal marketing and customer relationship management is slowly deteriorated. This is a problem which deserves closer attention because ultimately it is the organization’s relationship with its customers that suffers the most.

1.3 Purpose
The purpose of this thesis is to increase the understanding of the link between internal marketing and customer relationship management by conducting a case study of one Nordea call center.

1.4 Delimitation
Within the case study of the Nordea call center, the researchers have limited the concentration to Nordea’s customer relationship management tool, namely CMS. The content management system (CMS) is in no way produced by Nordea, rather it is a universal customer relationship management tool that Nordea has adjusted to fit the needs of its organization. Nordea’s CMS exists of three parts: customer information, which shows their address and age, secondly, customer activities in Nordea and thirdly sales opportunities. These sales opportunities are based on information that originates from a central data warehouse which is updated on a monthly basis (Nordea manager, personal communication, 2008-12-05). Moreover the focus is narrowed down to a specific area of CMS known as sales opportunities. These sales opportunities are what comprise the customer relationship management tool in CMS that frontline employees in the call center use on a daily basis in customer interactions. So forth on a more basic level, the case study seeks to show how frontline employees in one Nordea call center make use of CMS-provided sales opportunities.

1.5 Overview
Nordea is one of Sweden’s four major banks with almost ten million customers and over thirty-two thousand employees (Nordea manager, personal communication, 2008-12-05). The
fact that Nordea has so many customers makes the organization and even more specifically one of their call centers a very interesting case to examine, especially since this thesis seeks to increase the understanding of the link between internal marketing and customer relationship management. The call center is a vital organ of Nordea’s organization as customers who often demand quick answers will contact (via telephone) the call center first (Nordea manager, personal communication, 2008-12-05). In difference to a normal branch office, frontline employees (all together) at the call center interact with several thousands of customers each day. Therefore it is first and foremost in Nordea’s call center where customer relationship management is put under most pressure on a daily basis.

The bricks and mortar of this thesis are the three theories upon which it is built: 1.) Customer relationship management 2.) Services marketing triangle by Kotler et al. (2002) 3.) Internal Marketing model by Bansal et al. (2001). These theories have been selected as the framework from which the researchers depart when conducting the case study on the Nordea call center. Customer relationship management theory is essential to this thesis because it provides context to why frontline employees at Nordea’s call center make use of the sales opportunities provided by Nordea’s CMS. The services marketing triangle is crucial to this study because it demonstrates how the organization is linked to the customer through frontline employees in one instance. Since the organization is represented by frontline employees in customer interactions, the organization or rather managers need to give clear directives to employees. Therefore, internal marketing theory is used to show how managers market Nordea’s CMS to those who interact with the customers, the frontline employees.

As mentioned earlier, a case study was carried out on a Nordea call center. The overarching goal of the case study was to contribute concrete examples of how internal marketing and customer relationship management work in practice so that this thesis could help increase the understanding of the link between the two. To retrieve the necessary data, two focus groups were conducted at the Nordea call center. In one group five managers participated and in the other group three frontline employees participated. The use of focus groups was deemed the most appropriate method because it gave the researchers access to a variety of first-hand accounts, which could unveil valuable in-depth information.
1.6 Disposition

This thesis consists of six chapters. Chapter one begins with an introduction to customer relationship marketing and internal marketing. Throughout the background and the problem discussion, the reader is familiarized with both the link that exists between these two concepts and the shortcoming associated with it, which can create problems for organizations. In the next chapter, the frame of reference is presented which in more detail explains customer relationship management, the services marketing triangle, the link between internal marketing and customer relationship management, and lastly internal marketing. The chapter is then summarized by the researchers’ own model which functions as the unit of analysis in the latter half of the thesis. In chapter three, the method section, the researchers explain how they went about collecting qualitative data through the use of two focus groups at the Nordea call center. In the following chapter, the empirical section, the data is presented in the form of a story to help the reader more easily understand and get a better feeling for what the environment was like in the focus groups. In chapter five, the qualitative data that was retrieved is analyzed both internally and in a comparative manner. Finally, in chapter 6, the conclusion of the thesis is laid forth which presents theoretical and managerial implications of the case study as well as suggestions for future research.

2 Frame of Reference

First a brief overview of customer relationship management and the services marketing triangle is presented. This is followed by a more thorough depiction of internal marketing and how it links to customer relationship management.

2.1 Customer Relationship Management

Customer relationship management seeks to establish closer relationships between the organization and its customers through the help of frontline employees (McKenzie, 2001). For organizations, customer relationship management is a necessary tool because it distinguishes them from their competitors with the ability to identify and find personalized solutions to customers’ individual problems (Kotler, 2000). Differently put, customer relationship management is the utilization of customer related information by frontline employees to deliver relevant products or services to customers. (Levine, 2000) The advantage of customer relationship management is so forth that it can shorten the distance between customers and frontline
employees, contributing to organizational success through customer loyalty, superior service, and better information gathering (Nguyen et al., 2007). By improving the quality of the provider's service, customers' satisfaction is improved. Satisfied customers are important because it is first when they are satisfied, that they are willing to create a strong relationship with the provider which leads to relationship longevity (customer loyalty). Loyalty generates steady revenues and by adding the revenues over time customer relationship profitability is improved. (Grönroos et al., 1994) To summarize, customer relationship management helps companies to understand the drivers of present and future customer profitability, which in turn makes it possible to appropriately and proportionately allocate organizational resources to all functional areas that affect the customer relationship (Chou et al., 2002).

2.2 Services Marketing Triangle

Kotler et al. (2002) explain that superior employee training and a quality working environment results in more satisfied, loyal and hard working employees. When employees are more satisfied with their jobs they tend to create more value for the customers thus an organization has to manage those who take care of the customers (Kotler et al., 2002). Internal marketing demands great investments in employee training to ensure quality and performance. The organization has to make the employees feel like they are part of a team that through combined forces can achieve great customer service. The challenge lies so forth in motivating each individual to induce their uttermost performance. According to Kotler et al. (2002) this can be accomplished by promotional opportunities, rewards and organizational benefits.

In interactive marketing the service quality depends on the interaction between the customer and the employees (Figure 1). Through successful interactions more long-lasting relationships can be built which over time can lead to more personalized service offerings. (Kotler et al., 2002) Further, Lewis & Entwistle (1990) state that employee motivation, performance, job satisfaction, rewards and promotion opportunities all need to be managed in order to get a rewarding interactive process with the customers. Above, focus was paid to internal and interactive marketing since these two concepts will be highlighted later for the sake of establishing a new connection between existing theories. Therefore external marketing, which is how the organization markets itself to the customer through direct mailings and advertisements, will not be brought up even though it is a part of the services marketing triangle (Figure 1).
In the services marketing triangle above, the customer is ultimately the end receiver of the information that originates at the top of the triangle or in other words the organization. The only difference with regards to the flow of information that the customer may experience is that, on the one hand information passes through an intermediary, the employee, whereas on the other hand information may come directly from the organization without any employee interaction (Kotler et al. 2002). In section 2.4, only internal marketing theory will be presented to further develop the “internal” leg of the services marketing triangle, since external marketing as previously mentioned will be disregarded throughout the entirety of this thesis.

2.3 Linking Internal Marketing to Customer Relationship Management

Internal marketing has to do with the interactions between managers and employees. It is important that both of these players whom belong to the same team, the organization, communicate in the “same language” in order to achieve a state of equilibrium. Equilibrium in this case simply means that managers and employees are interpreting each other’s messages properly, which translates into the “enabling of the promise” in the services marketing triangle.

Customer relationship management on the other hand is the instance in the services marketing triangle in which the employees interact with the customer; it is the time when frontline employees must “deliver the promise” of the organization to the customer. This service encounter serves in a sense as a “moment of truth” for the customer in that the organization must live up to the expectations that it has created in the eyes of the customer. If the organization such as in the case of Nordea has promised to deliver “great customer experiences”, then good experiences will not suffice as this will impact the view of the organization negatively.
So forth the link between internal marketing and customer relationship management is one that can be accomplished by realizing the two promises of the services marketing triangle. The employees’ success in interacting with the customer and “delivering the promises” is directly dependent on managers’ ability to “enable the promise” internally, so that frontline employees will 1.) Know what to deliver and 2.) Experience such a high degree of job satisfaction that they will be motivated to deliver it. By fulfilling the customer’s expectations and living up to the promise, the “moment of truth” will thereby ascertain the position of the organization in the relationship and simultaneously strengthen the bond to the customer.

2.4 Internal Marketing

The satisfaction of a bank’s customers is determined by critical events such as the “first encounter” and the “moment of truth” which are the responsibilities of frontline employees (Bansal et al., 2001). Therefore, management of internal markets must be viewed as critical in creating a strong link to the customers. Employees might be the largest cost facet, but they can also be a major asset in terms of the impact they have on the quality of service. Consequently recruiting, training and managing frontline employees becomes a crucial part of an organization’s core actions. (Lewis & Entwistle, 1990) According to Heskett, Jones, Loveman, Sasser, and Schlesinger (1994, pp. 164–165), “Satisfied, loyal and productive employees create value. Employee satisfaction, in turn, results primarily from internal practices that enable employees to deliver results to the customers.” For that reason, internal marketing activities will be examined in the succeeding section so as to specify what exactly determines and influences how employees behave towards customers (Figure 2).
The model (Figure 2) above is a depiction of internal marketing. To understand why frontline employees engage in certain behaviors the six dimensions of internal marketing which are shown above, will be examined since these influence job satisfaction. According to the model, depending on the level of job satisfaction that the frontline employees experience, a certain behavior will be directed towards the customer. (Bansal et al., 2001)

2.4.1 Employment Security
The component, employment security, is concerned with providing frontline employees reasonable assurance that they will not be laid off, even during difficult times. Rather than layoffs, the organization will engage in transfers, retraining or job rotation. In other words, organizations that provide employment security will be more committed to their workforce because managers have realized that investing time and resources in frontline employees and then terminating their contracts provides competitors with well-trained autonomous team players. (Dessler, 1999)
2.4.2 Extensive Training
Continuous training is important for frontline employees to undergo as they progressively need the knowledge and ability to recognize and solve problems so as to ensure the customer of high service quality. (Pfeffer, 1995) Not only do training programs act as an essential driver for knowledge development, but they can also function as a tool of trust reminding frontline employees of the organization’s commitment to their professional development. Additionally, investment in training programs is a vital component of internal marketing as they can help to ensure that frontline employees make the most of any possibilities that surface from customer interactions. (MacCauley & Kuhnert 1992)

2.4.3 Generous Rewards
In organizations whose goals amongst others are to be profitable and productive, rewards in the form of monetary types such as bonuses, salaries, and preferential stock options, are most often used. In one sense, rewards may be viewed as a tool for strengthening the commitment to the organization because the more money that is invested in the frontline employees, the more the organization is communicating how valuable the frontline employees are. With regards to the banking industry, where service functions as the key link between the organization and the customer, rewarding frontline employees for providing excellent customer service would enhance the behavior desired by managers. (Luthans & Stajkovic, 1999)

2.4.4 Sharing Information
If information is not distributed evenly amongst all frontline employees, then trust issues will begin to surface because the internal environment is thereby not transparent, “if you’re trying to create a high trust organization, an organization where people are all-for-one and one-for-all, you can’t have secrets” (Fishman, 1996, pp. 106). The basic point is that the organization needs to build a sense of trust between its frontline employees and managers by openly sharing information on the organization’s strategy, financial performance, and expenditures (Walton, 1985). The potential benefit of openly sharing information is enhancing frontline employees’ ability to provide customers with a better service and other colleagues with useful information (Bansal et al., 2001).

2.4.5 Employee Empowerment
The concept of empowerment is one which is being adopted all the more frequently by managers in organizations that have come to realize the weight of its importance with regards to
service (Bansal et al., 2001). According to Thompson (1993, pp. 14-15), empowerment entails that, “employees have the decision latitude to fix problems without any fear of being blamed if things go wrong; more importantly, employees can address these complaints without supervisory approval.” What is vital to recognize about empowerment is that it can only survive in certain organizational environments where rules and regulations are minimized, job responsibilities are broad, and processes are managed within a “decentralized, team oriented, and loose-knit structure” (Day, 1997, pp. 86). The general idea is that employee empowerment is a way to impact employee attitudes and behaviors that in turn will translate into a higher level of service provided to the customer (Goodale, Koerner, & Roney, 1997).

2.4.6 Reduced Status Distinctions

In order to create a sound workplace milieu that will keep frontline employees committed to the job it is important to create an environment in which all frontline employees are treated in a uniform manner so as to make them feel of equal value to the organization (Bansal et al., 2001). In other words, organizations should work to reduce status distinctions as distinguishing frontline employees diminishes the incentive to put forth extra effort if there are colleagues that are worth more. (Pfeffer, 1995) More importantly, the major problem with status distinctions is that they can:

“reduce levels of creativity, openness, and trust due to increasing competition amongst frontline employees, and can produce outcomes that are antithetical to team accomplishment and, by extension, organizational performance” (Bansal et al., 2001 pp. 71).

Thus if organizations implement policies which emphasize the limitation of status differentials, employees will be more loyal, satisfied, and trusting of managers than those found in more traditionally structured and bureaucratic organizations (Bansal et al., 2001).

2.5 Theoretical Summary

Bansal et al. (2001) show that internal marketing impacts employee job satisfaction and ultimately the behavior that the employee displays towards the customer, whereas the services marketing triangle by Kotler et al. (2002) explains how internal marketing as well as external marketing are related to the customer through interactive marketing. However, in Figure 3 the researchers propose in agreement with Bansal et al. (2001) that the six dimensions make up internal marketing although what Kotler et al. (2002) define as interactive marketing, the researchers classify in Figure 3 as customer relationship management. The reason being is
that without any dependable solution to fulfill customer needs, interactive marketing becomes strictly dependent on the performance of the individual employee. So forth interactive marketing is situation dependent which implies that the employee-customer interaction is the direct result of the employee’s way of acting. Differently put, in interactive marketing, the situation creates the opportunity whereas customer relationship management uses previously gathered customer information to create the opportunity for the frontline employee. Figure 3 below functions as the unit of analysis for conducting the comparative analysis between management and frontline employees at the Nordea call center.

![Figure 3 - Linking Internal Marketing to Customer Relationship Management](image)

### 3 Method

The following chapter explains how the researchers collected data through the use of two focus groups at the Nordea call center. In addition, validity and reliability are also discussed.

#### 3.1 Research Approach

Exploratory studies attempt to find new insights and ask questions that can shed new light on a research phenomenon or investigate an issue where few or no studies have been conducted before (Saunders et al., 2007). Therefore this thesis investigated the use of CMS-provided sales opportunities by frontline employees in one Nordea call center since there was lacking theoretical evidence in how to link internal marketing to customer relationship management.

The qualitative research strategy emphasizes words rather than the collection of numerical data. The outcome is based on the interaction between individuals, rather than defining the phenomenon founded on statistical parameters. (Bryman & Bell, 2007) According to Zikmund (2000) most exploratory research produces qualitative data, thus it is vital that the researchers are flexible when conducting the investigation in order to fully cover all possible angles. Due
to the purpose of this thesis, conducting a qualitative study was the most suitable option because it helped reveal the frontline employees’ use of sales opportunities at one Nordea call center.

3.2 Company Sampling
The decision to conduct a case study of a Nordea call center was founded on a couple of motivations. In the case of Nordea, their call center is exposed to the organization’s customers strictly through the telephone. This means that frontline employee’s are put to test on a daily basis on how well they can verbally deliver services to the customer that strengthens their relationship to Nordea. Not only that, but frontline employees also have considerably less time to deliver services as opposed to an employee working in a branch office, since the number of customers in the telephone queue can grow considerably faster. Due to the purpose of this thesis which allowed the researchers to conduct a case study of a Nordea call center, the findings could thereby contribute to the development of theories that linked internal marketing to customer relationship management.

3.3 Choice of Data Collection
Bryman & Bell (2007) argue that a case study entails the study of a specific organization with focus on in-depth detail and complexity. A case study was therefore the most suitable for this thesis since it allowed the researchers to get in-depth and detailed information about the use of CMS-provided sales opportunities in one Nordea call center. Furthermore, since each case study is unique, the choice of an appropriate data collection method had to be considered. The researchers used two focus groups since it helped to reveal attitudes and experience regarding the use of sales opportunities by frontline employees and also the view that managers had on their employees’ use of CMS. According to Fern (2001) the researchers can adjust the methodological approach to fit the unique characteristics of the research phenomenon and since a case study can rarely be used to generalize for a broader context, the use of focus groups fit accordingly.

Earlier in this thesis, a framework by Bansal et al. (2001) was presented, which contained six dimensions of internal marketing. These dimensions were used as the foundation for the questions that were posed to the focus groups (see appendix 1 & 2). To justify the link between internal marketing and customer relationship management, the use of focus groups to collect da-
ta was necessary since it helped shed light on how Nordea’s customer relationship management tool was used by the frontline employees.

### 3.4 Focus Groups

According to Hague (2004), the focus group is a research technique that collects data through interactions in a group on a specific topic of choice. The group provides a forum for discussion which the moderators steer in certain directions to generate ideas, attitudes and experiences.

This study was based on responses from two focus group sessions which lasted a little over one hour per group. These groups were interviewed separately to help assure non biased responses. Focus groups in general rely on a relatively small number of respondents, and therefore it is crucial that a proper sample profile is selected. (Saunders et al., 2007) The researchers met with a couple of managers at Nordea’s call center and requested respondents with certain characteristics. This way the managers were able to select appropriate candidates ahead of time that could participate during normal working hours.

When choosing the physical environment Puchta & Potter (2006) argue that it is important to set up focus groups in a familiar and ‘safe’ surrounding that carefully matches the respondent’s expectations to ensure a higher level of confidence. Therefore, the focus group sessions were held at the work place of the respondents (i.e. the Nordea call center). Additionally, the moderators of a focus group are supposed to use an interview guide that is prepared prior to the session in order to keep track of what needs to be covered (Hague, 2004). The interview guides (see appendix 1 & 2) that were created helped the researchers to ensure a constant flow and a clear focus throughout the discussion.

### 3.5 Sample Characteristics

One focus group consisted of five managers and one focus group consisted of three frontline employees that were full time employed. The focus group with managers had three men and two women while the employee focus group had two women and one man. Both groups contained respondents with varying work experience in the bank as well as different ages. Even though the respondents in the two focus group sessions fit the pre-determined criteria, they were still picked on a subjective basis and therefore they could not be viewed as representative for the entire Nordea organization. The point of having these two focus groups was to see
whether or not managers had succeeded in marketing the importance of using sales opportunities to frontline employees.

3.5.1 Designing the Interview Guide
The formulation of the questions is just as important as the composition of the focus group. The trick here is to strike the right balance between questions that allow for too broad of answers and questions that limit the respondents too much (Stewart et al., 2007).

The first area of focus consisted of employment security and how the respondents distinguished their current employment. After this, extensive training at the workplace was discussed and whether or not Nordea had administered the necessary training to help their frontline employees handle their jobs. Moreover, there were some questions regarding generous rewards where the respondents had to express an opinion about their current wage as well as the potential use of commission and bonuses. Questions about the dimension, sharing information allowed respondents to voice their concerns about the issue of information sharing within the organization. The next topic dealt with employee empowerment and how much authority the frontline employees had to compensate customers who had complaints. Lastly, reduced status distinction, was brought up to see how much Nordea acknowledged their frontline employees at the workplace.

3.6 Conducting the Focus Groups
First the agenda was laid forth, followed by a short introduction to the subject which helped prepare the respondents. After the researchers had introduced themselves, the respondents explained their history within the organization by means of a short oral presentation. Then, the purpose of the focus group sessions was explained in order to clarify to the respondents how they would be a significant source of contribution to this study. A recording device was used (which the respondents were made aware of), that helped the researchers transcribe what was said during the sessions. According to Bryman & Bell (2007) the use of a recording device helps the researchers to hear certain words and phrases that were emphasized. The researchers functioned as moderators and explained before the sessions that the respondents’ participation was going to be monitored to ensure that no respondent would dominate the discussion.
3.7 Validity
As the managers were given the opportunity to choose frontline employees from a defined set of criteria, there was a possibility to select candidates with whom they had a good relationship thus the respondents might have felt the need to only say positive things. This “flexibility” that the managers were given lowered the validity of the focus group with frontline employees. Additionally, the researchers chose not to send out an overview of the questions prior to the focus group sessions which could be viewed both positively and negatively. On the one hand sending out questions ahead of time may have allowed respondents to come to the focus group sessions more prepared thus providing the researchers with one kind of answer. On the other hand the purpose of the focus groups was to create a very informal atmosphere where respondents should not have felt the need to possess prior knowledge of the subject to partake in the sessions. They should have been able to contribute to the discussion simply by providing their own opinions and views. Therefore, it can be argued that sending out questions ahead of time to respondents would not have been acceptable as the answers that may have been provided would have been too well prepared and formalized thus affecting the internal validity.

The geographical range of the study was limited to one Nordea call center in one city which posed threats to the external validity as this study did not accurately represent the entire population. The sample that participated in the two focus groups would not necessarily respond in the same way as focus group samples would at other Nordea call centers. The opinion of individuals in the focus group would most likely differ based on various job conditions and the dynamics between colleagues. In other words, each situation is unique. The researchers did not try to generalize how frontline employees at one call center used the sales opportunities; rather they tried to present how the case of Nordea functioned as a tool to make a contribution to existing theories that sought to link internal marketing to customer relationship management.

3.8 Reliability
Reliability refers to the replicability of the study that is to say the study would lead to the same results when other researchers tried to do it at another point in time (Saunders et al., 2007). In this study the degree of reliability was medium because of the method chosen by the researchers to retrieve data. The criteria that were given to the managers at the call center
could be used at a later point in time by future researchers to retrieve results; however, the researchers felt that the likelihood of obtaining similar results could not be guaranteed thus the need existed to classify the reliability of this study as medium. The criteria for frontline employees were: varying work experience in the bank, fulltime employed, as well as a balanced mix of gender and age. For the group consisting of managers similar criteria were desired with the exception of part-time employment as all managers work full time. To ensure that the reliability level was kept as high as possible, the researchers constructed interview guides in which the questions were grouped according to each dimension of internal marketing.

The managers at the call center were given the flexibility to choose frontline employees freely within the scope of certain criteria that were well defined. Even if these criteria limited the range of potential respondents, the managers were able to influence which people they wanted to represent Nordea. Some respondents may have chosen to participate simply because of the psychological fear of saying no to the manager might damage their relationship with them. In other words, there was a possibility that some respondents may have felt forced to participate thus the answers they provided may have challenged the reliability of this study.

Another factor which might have caused a bias in the results was the fact that one of the researchers worked for Nordea. As this researcher was present in the focus group sessions, colleagues might have felt hindered from ventilating some of their emotions and true feelings. In addition, bias may have surfaced due to the fact that some respondents held stronger opinions than others. To prevent a bad atmosphere from being created in respective groups, employees as well as managers may have agreed to a dominant opinion, which in turn lowered the reliability of some answers that were given.

Lastly, translation bias had to be considered. The interview guides used when conducting the focus group sessions were written in Swedish and both sessions were held in Swedish. The answers generated from the questions, were then translated into English (by the researchers) and further processed to construct an analysis and conclusion. After the answers had been translated into English, they were sent to the respondents for approval. Since all respondents were bilingual they had no problems understanding the translated answers and additional evidence of their understanding is the fact that no changes had to be made to the original script.
4 Empirical Findings

Below, the data is presented from the two focus group sessions that were held at a Nordea call center.¹ The call center is responsible for handling all incoming phone calls from Nordea customers who need help with various bank related issues. The first focus group consisted of five managers that work at the call center on a daily basis. In the second focus group, which consisted of three frontline employees that were full-time employed, both women were over thirty years of age and the man was in his late twenties. The answers from both groups are categorized according the six dimensions that were presented in the model by Bansal et al. (2001).

4.1 Focus Group 1 – Managers at Nordea Call Center

On the dimension of employment security Mr. Johnson said with a glow on his face that individual meetings are held once a month with each frontline employee that is employed full time. Mr. Brown, who seemed stressed over having to take part of the focus group, stated with some irritation in his voice that frontline employees who work part-time must at their own discretion set up a time to meet individually with their manager. In addition to these individual meetings, informal group meetings are held which help update all frontline employees on vital information and campaigns at the time being. Mr. White said almost in a laughing manner that

“younger employees (eighteen to thirty year olds) do not really understand what exactly different types of employment entail.”

The question that Miss Williams followed up with, who agreed strongly with the opinion of Mr. White was “what do younger employees see as employment security?” What concerns the employment security of the older generation (thirty year olds and above), Mr. Johnson, Miss Williams, Mr. Brown, Miss Davis, and Mr. White all believed that those frontline employees feel very secure in their job positions.

When asked about extensive training, Mr. Johnson, Miss Williams, Mr. Brown, Miss Davis, and Mr. White all agreed that the use of sales opportunities in CMS had not spread equally amongst frontline employees. Especially Miss Davis and Mr. Johnson had observed that those employees, who use sales opportunities routinely, achieve fairly good sales results. According

¹ Respondents from both focus groups are given fictitious names in order to provide complete confidentiality.
to Miss Davis and Mr. Johnson it is a matter of stepping over the threshold which is created by a number of factors. Mr. Johnson, Miss Williams, Mr. Brown, Miss Davis, and Mr. White all contributed happily (even Mr. Brown who at first seemed somewhat stressed) to the discussion by saying that these factors consist of: information in the sales opportunities is not easily understandable, the sales opportunities contain many links, there is a lot of information, and the information is not quickly retrievable. Mr. Johnson claimed, almost shaking his head in disbelief, that

“the low use of sales opportunities by frontline employees is most likely the result of technology that has been poor and frontline employees that have not taken a big enough responsibility in trying to use them.”

Following up the statement by Mr. Johnson, Miss Williams, who almost looked embarrassed to speak, added that

“also, Nordea has not really emphasized how to make the most of sales opportunities in their three week training program, which all frontline employees must go through.”

Mr. Johnson, Miss Williams, Mr. Brown, Miss Davis, and Mr. White were all greatly convinced, which was reflected by the sound of confidence that resonated in their voices, that generous rewards such as commission could not be used to increase the performance of frontline employees because not all employees see wage as a driver of performance. Additionally, Miss Davis firmly expressed her belief that a “commission based salary would lead frontline employees away from working to achieve high customer satisfaction, the true goal of Nordea.” With regards to wage, Mr. Johnson and Mr. White were of the opinion, which Miss Williams, Mr. Brown and Miss Davis consented with by a nod of the head, that wage will be experienced as right or wrong depending on whether or not the employee is satisfied with their job. When asked about the length of the incoming telephone queue and frontline employee performance, Mr. Johnson, Miss Williams, Mr. Brown, Miss Davis, and Mr. White confirmed that they had noted a higher level of sales in their respective teams when telephone queues were longer and lower levels of sales when queues were shorter. Mr. Johnson said with a big smile on his face,

“what would reward frontline employees more is if they could see the connection between making greater use of sales opportunities and the increased sales that resulted from using it.”
All of the frontline employees regardless of employment type (part-time, fulltime) have access to the same information; that is information that they should have and only do need access to, Miss Davis responded. Mr. Brown, who by now seemed a lot more comfortable to be part of the focus group, stated that “information is distributed equally amongst all frontline employees however it is up to each employee how much information they want to absorb.”

With respect to sales opportunities in CMS, Miss Davis said that not all employees are allowed to make use of everyone of them because some sales opportunities such as retirement savings plans and insurances require that employees have a specific type of certification. With a small smile on their face, Mr. Johnson lifted forth the fact that all employees have the ability to create a sales opportunity in CMS which helps expedite the spread of valuable customer information amongst frontline employees. Lastly, Mr. White, who had been anxiously waiting with his comment, contributed to the discussion on sharing information by emphasizing that

“there are sales opportunities available on every third customer, however it is just a matter of the employees using the available technology and seeing the value that the sales opportunity can create for the customer as well as the bank. Currently only two to three percent are being used.”

In terms of employee empowerment, Miss Davis led off the discussion by saying that Nordea has a routine that all frontline employees, despite employment type, can take part of in customer interactions where customer compensation is required. Mr. Brown added that “we as managers must approve of the decision that the employee has taken, but rarely does it happen that the managers do not support the employee decision.” Mr. Johnson mentioned briefly that in ninety percent of the cases, employees will decide whether or not the customer should be compensated. Miss Williams, Mr. Brown, Miss Davis, and Mr. White all nodded their heads to express silent agreement with this number. When asked about decision making (by employees) that requires managerial expertise or support, Mr. White and Miss Davis spoke for the rest of the group and said that they as managers feel that it takes very little time for employees to get a hold of the right manager to assist with solving the issue.

Mr. Johnson, Miss Williams, Mr. Brown, Miss Davis, and Mr. White were all glad to discuss, probably because it was the last dimension, how Nordea tries to reduce status distinction amongst its employees. Mr. Brown answered with a slight smile on his face that

“frontline employees are acknowledged on Nordea’s local intranet or by a pat on the back for having solved a problem in a creative or superior way.”
Mr. Johnson jumped in and added that the intranet is a good way to allow colleagues to see what was done and who did it. Miss Williams mentioned that one award which has just recently been introduced is employee of the month, which shows who has put forth exemplary effort and achieved outstanding results. Mr. Johnson, Miss Williams, Mr. Brown, Miss Davis, and Mr. White also discussed how employees view their colleagues as information rich resources rather than competitors. Mr. Brown really tried to emphasize the group’s aggregate opinion as he stated that

“newly employed frontline employees feel very secure right away as they can take assistance from experienced employees, which are glad to help their inexperienced colleagues.”

4.2 Focus Group 2 – Frontline Employees at Nordea Call Center
The first dimension that was brought up with Mr. Jones, Miss Miller and Miss Lee was employment security. Miss Miller and Miss Lee, seeming somewhat agitated about their need to participate in the focus group, said that their respective managers devote time and resources to them in the form of individual and informal group meetings. Mr. Jones, who later on came to be the strongest voice in the group, did not have anything to add. On the next question of employment security, Miss Miller answered with confidence in her voice that fulltime employees feel secure at the work place. She even went on to speculate about the security of part-time employees, “there exists a general belief amongst fulltime employees that part-time employees experience larger amounts of pressure to always perform.” Mr. Jones jumped into the discussion interrupting Miss Miller and explained that

“the individual goals are set to the same level for all frontline employees but there exists a feeling amongst many frontline employees that part-time employees have to achieve these pre-determined goals to a much greater extent than fulltime employees.”

Miss Miller and Miss Lee nodded their heads in agreement with a small smirk on their faces. Miss Lee added briefly that the motivation to perform however has not changed due to a full-time employment contract. To summarize the discussion on employment security, Mr. Jones, Miss Miller, and Miss Lee all mentioned with a bit of irritation in their voices how they wished that their managers would take a more active role in individual coaching rather than engaging in follow-up sessions once a month.
When asked about extensive training Mr. Jones threw out his opinion without hesitation and Miss Miller and Miss Lee were quick to agree that the available sales opportunities in CMS are hard to interpret as they are relatively unstructured and contain too much information. Miss Miller commented with a slight smile on her face, “to look on the bright side, the heading of the sales opportunity can sometimes function as a potential ‘door opener’ as it might awaken a thought that leads to a potential sale.” Shaking her head, Miss Lee expressed her disappointment over the fact that no emphasis had been placed on the relevance of sales opportunities in the introductory three week training session,

“I have learned to use the sales opportunities solely by listening to colleagues at the workplace; however, this has not affected my motivation to use sales opportunities.”

Mr. Jones and Miss Miller were quick to agree with the comment by Miss Lee and explained how they also had done the same as Miss Lee, that is learned to use sales opportunities by listening to colleagues.

The discussion on generous rewards was a dimension that Mr. Jones, Miss Miller, and Miss Lee were all very eager to come with input on. The general attitude that the three of them displayed was that they were quite satisfied with their current wage. Mr. Jones explained further that

“there is so no real motivation to enhance your level of performance since the difference in pay between those who perform well and those who perform less well, is relatively small.”

Miss Miller and Miss Lee both contributed by explaining that the reliance on commission to stimulate an increased use of the sales opportunities by frontline employees would not enhance performance. Moreover Mr. Jones, who felt the need to voice his opinion again injected that commission would only help to distort Nordea’s main focus of fulfilling customer needs. Mr. Jones, Miss Miller, and Miss Lee all made it clear as well, that the incoming telephone queue does not affect their use of sales opportunities as it is part of the job description to use sales opportunities regardless of how long telephone queue is.

Miss Miller answered with assurance in her voice that all frontline employees have access to the same information regardless of employment type. When discussing the sharing of information, Miss Lee answered somewhat irritably that information is distributed via different
channels which can cause it to pass by unnoticed at times, especially if frontline employees have not been at the work place for a couple of days. Mr. Jones and Miss Miller picked up on this comment and continued along the same line stating that most information is available through Nordea’s intranet. However, Miss Miller said, information that is communicated orally is especially hard to obtain (for an employee not at work) due to a lack of protocols from formal meetings and other informal group meetings. Miss Lee then proceeded to vent her frustration over the fact that

“there is too much information available which can complicate the employee’s ability to find relevant information.”

What concerns the information presented in sales opportunities, Miss Miller and Miss Lee expressed with a certain tone of anger in their voices that they feel hindered from using them as it can be difficult to see if they are applicable or not. Mr. Jones said simultaneously giving off a sense of hubris that he

“prefers to check the customer profile and then offer products and services based on his own analysis of the customer situation.”

When it comes to creating new sales opportunities for their colleagues, Mr. Jones, Miss Miller, and Miss Lee quickly reached the consensus that they would prioritize keeping the phone line open for incoming calls rather than putting up new sales opportunities as there are statistical follow-ups that put great emphasis on the frontline employee’s availability to the customers.

Mr. Jones, Miss Miller, and Miss Lee all felt without need for further discussion amongst themselves, that the individual authority, or in other words employee empowerment, is great enough to handle roughly ninety percent of customer issues at their own disposal. However, Mr. Jones and Miss Miller said that even though they are given this power, they still feel the need to check with their manager (most of the time) if their decision to compensate the customer was correct. Mr. Jones, Miss Miller, and Miss Lee also felt that decisions or special scenarios that require managerial involvement are almost always dealt with right away.

In terms of reduced status distinction, Mr. Jones and Miss Miller expressed a sense of discontent when they answered that part-time employees are treated differently from full-time employees. Miss Lee leaped in and added that part-time employees are not offered the same
overtime pay as fulltime employees. Mr. Jones, Miss Miller, and Miss Lee contemplated this fact briefly and explained together that part-time employees are not around as often which makes it harder for them to strengthen relationships with managers as well as colleagues. Mr. Jones also explained that colleagues view each other as sources of information rather than competitors. Miss Miller noted with a hint of embarrassment in her voice that special attention is given to individuals at times by means of a pat on the back, but that’s it. Further, Miss Miller noted that

“there is greater emphasis on the accomplishment of the individual than on the collective. Rarely is the team as a whole given praise for a job well done”

In the end Mr. Jones, Miss Miller, and Miss Lee all made it clear that managers are always willing to listen to ideas and suggestions to help improve the work place and whenever possible expedite the implementation.

5 Analysis
First an internal analysis is done for each of the two focus groups, which implies that the data from both groups is analyzed independently of each other against the background of the six dimensions belonging to the model by Bansal et al. (2001). Under each dimension below in the analysis, the data from the managers is laid out and analyzed before the data from the frontline employees. Furthermore, the researchers make clear under each dimension, how that specific dimension should impact the job satisfaction of the frontline employees based on the data presented in the empirical section for managers and employees respectively. In the last part of the analysis section, a comparative analysis is conducted, which means that the two focus groups are analyzed against each other without consideration to any earlier theory. The model (Figure 4) serves to illustrate and remind the reader of what the researchers will analyze in the following section.
Figure 4 above is a further development of Figure 3. The difference is that in Figure 4, CRM has been replaced by CMS since CMS is Nordea’s customer relationship management tool. Figure 4 explains that managers at Nordea can influence the job satisfaction of frontline employees through the six dimensions of internal marketing. Depending then on the level of job satisfaction that frontline employees experience will determine how they use CMS and more specifically the sales opportunities in customer interactions at the call center.

### 5.1 Employment Security

Organizations that provide employment security in the form of time and resources will be more committed to their workforce (Dessler, 1999). Evidently, managers at Nordea dedicate more resources to their full-time employees than they do to their part-time employees. The difference is that managers hold monthly individual meetings with full-time employees and informal meetings with part-time employees. Therefore, part-time employees should feel less employment security since less time is being invested in them by managers. Additionally, younger frontline employees (younger than thirty), irrespective of employment type, do not fully understand what the different types of employment imply. This means that they do not feel the same sense of employment security as the older generation (those older than thirty) which will negatively impact their commitment to the job and the behavior they direct towards the customers.

Frontline employees that have a fulltime contract answered that they feel secure at the work place. There is however some ambiguity present as fulltime employees have expressed a distinct need for managers to take a more active role in individual coaching yet strong argumentation was laid forth that the individual motivation to perform does not diminish when being offered a fulltime contract. In other words the request for more coaching implies that the level
of employment security associated with fulltime employment is not complete thus the job satisfaction will be impacted negatively.

5.2 Extensive Training

It is vital for organizations to engage in continuous training to ensure that employees are properly suited to handle potential customer situations (Pfeffer, 1995). As the managers emphasized the inconsistent use of sales opportunities amongst frontline employees, it is apparent that the extensive training at Nordea is insufficient. Those frontline employees that have made it a routine to use sales opportunities reach their sales goals and achieve acceptable results. As the training is clearly inadequate, the frontline employees are to a certain extent training themselves since the repeated use of the sales opportunities enables them to reach their sales targets. Since not enough resources in the form of training are being invested in the frontline employees, their job satisfaction is impacted negatively. In other words, the managers need to do a better job of providing extensive training so that all frontline employees will want to step over the threshold created by the complexities of the sales opportunities and do as Miss Davis and Mr. Johnson said, use the available technology to see the value that these sales opportunities can create for the customer as well as the bank.

The frontline employees said that sometimes the headings of the sales opportunities in CMS can awaken a thought that can later lead to a potential sale. One explanation for this behavior of only looking at the heading may be that sales opportunities are unstructured, hard to interpret and contain too much information. At Nordea during the three week introductory training program, no emphasis is placed on getting frontline employees to understand the relevance and potential benefits that sales opportunities can have for the performance at work. If used properly the sales opportunities will both help to strengthen the relationship and lead to better (in terms of quality) customer service. In addition sales opportunities can function as a tool for frontline employees to help achieve pre-determined sales targets. As it is now, frontline employees depend mainly on listening to colleagues at the work place to gain further knowledge about using the sales opportunities. Therefore the training that is provided by Nordea is not enough which will negatively impact the level of job satisfaction that frontline employees experience.
5.3 Generous Rewards

In the bank industry where customer loyalty and customer satisfaction is key, rewarding frontline employees for providing excellent customer service should enhance their performance (Luthans & Stajkovic, 1999). Managers at Nordea felt that rewarding frontline employees in the form of commission would not have the intended effect of stimulating performance. This means two things: managers feel that employees are getting the right wage at present which should positively impact their job satisfaction and secondly, the use of commission at Nordea would not lead to greater job satisfaction because then frontline employees would engage in behaviors such as using sales opportunities more frequently to create more value for the customers and thereby Nordea.

In the case of Nordea rewarding frontline employees would correspond with offering more sales opportunities to customers since it would yield more satisfied customers. The frontline employees however were quite satisfied with their current wage because in the case that a pay raise would present itself, it would be so minimal that neither the raise nor commission would enhance their job performance. As employees are presently satisfied with their wage, then this dimension should positively impact their job satisfaction. In the case that a commission based wage were to be implemented, focus would shift from assistance to sales, thus Nordea would be affected negatively. Moreover an attempt to boost the use of sales opportunities with additional rewards, when there is a telephone queue, would be a waste of resources since it is part of the job description to use sales opportunities regardless of how long the incoming telephone queue is.

5.4 Sharing Information

Information needs to be distributed evenly amongst frontline employees to create a sense of trust in the internal environment and enhance their ability to provide better customer service (Fishman, 1996, pp. 106). At Nordea information is shared equally amongst all frontline employees which implies that they should feel a strong sense of trust for managers as the internal environment is transparent. All frontline employees also maintain the right to spread valuable customer information by creating new sales opportunities for their colleagues. This means that frontline employees are not only receivers of information but also distributors which should enhance the level of trust that managers can put in them. In other words the managers are getting confirmation of the information they send out in the form of increased participation and
responsibility from the frontline employees. Job satisfaction should so forth be positively influenced since all frontline employees are given access to the same information.

Frontline employees were in line with the managers in that all employees have access to the same information thus job satisfaction should be positively influenced. However as information is distributed through different channels it can slip by some individuals at times, especially if they have been off work. With regards to the information in the sales opportunities, frontline employees are of the opinion that there is too much information that needs to be processed during the few seconds they have available before answering the phone, thus customers are not even offered these services in most cases. Since there is a consensus already that frontline employees are struggling to find relevant information, the option of creating individual sales opportunities is not prioritized since managers have encouraged their frontline employees to focus on being available to the customer.

5.5 Employee Empowerment

Employee empowerment allows frontline employees to address customer complaints without supervisory approval (Thompson, 1993, pp. 14-15). At Nordea managers have given frontline employees the ability to compensate customers at their own discretion, but managers must approve (they tend do so ninety percent of the time) of the decision before the compensation is delivered to the customer. The fact that managers must ultimately agree to the compensation, impacts negatively how comfortable the front line employee is with compensating customers. Evidently frontline employees are not completely confident in their decisions to compensate thus impacting job satisfaction negatively and in the end the service that the customer receives.

At Nordea it has been made very clear that all frontline employees have the authority to compensate customer complaints up to a predetermined amount. Roughly ninety percent of all complaints can be dealt with by frontline employees without the need to check back with their managers. Though in practice frontline employees still feel the need to get a verdict from managers whether they used good judgment or not. Henceforth the individual authority appears not to have been fully absorbed by frontline employees, which should impact their job satisfaction negatively.
5.6 Reduced Status Distinctions

Organizations should avoid distinguishing frontline employees as it will keep them equally committed, loyal and display greater trust in managers (Bansal et al., 2001). At Nordea, managers acknowledge all frontline employees by a pat on the back or on the intranet for having done a good job. The only way in which frontline employees are truly distinguished is through the newly introduced employee of the month award. This award may bother fellow colleagues because it makes one frontline employee standout more than others but it should be remembered that this award is strictly result based thus the employee has earned the distinction through hard work. As colleagues (frontline employees) don’t view each other as competitors and managers acknowledge all frontline employees, it is clear that managers have succeeded in reducing the status distinction thus the job satisfaction of all frontline employees should be positively affected.

According the frontline employees individuals with fulltime and part-time contracts are treated differently. Part-time employees do not have the same chance as fulltime employees to establish a strong relationship with managers since they are not around as often which will affect their level of job satisfaction negatively. There is no special attention given to frontline employees other than compliments for outstanding individual sales performances. According the respondents frontline employees would appreciate if managers were to acknowledge the group’s collective performance once in a while. In other words, the lack of group acknowledgement by managers should impact the job satisfaction of frontline employees negatively. What respondents did appreciate however was that managers at Nordea listen to ideas and suggestions that frontline employees come with and they are willing to do what it takes to implement them as quickly as possible.

5.7 Comparative Analysis

What managers view as employment security differs from the denotation that employment security has for frontline employees. To managers, investing time in meetings should confirm the organization’s commitment to the frontline employees which in turn should assure frontline employees of their employment security. Together with older (more than thirty years old) fulltime employees, younger (less than thirty years old) fulltime employees expressed the desire for managers to take a more active role as coaches. Perhaps managers feel that investing time in younger frontline employees through meetings is enough especially as they
claimed that the younger generation is unaware of what the different employment types imply. Therefore younger frontline employees are more prone to view their jobs with less responsibility thus managers feel the right to display the same attitude towards them. The fact that older (more than thirty years old) fulltime employees expressed a need for more coaching, despite the fact that they feel secure in their job positions, indicates that their level of employment security has not reached its peak, which negatively impacts job satisfaction.

As extensive training is a necessity in order to keep frontline employees up to date with the latest information and organizational strategies, it is crucial that those responsible for this “knowledge development” of the frontline employees understand their approach to the job. At Nordea’s call center it seems as though managers have only comprehended a small part of the underlying factors that lead to the inconsistent use of sales opportunities amongst frontline employees. Managers seem to understand that those who have made the use of sales opportunities into a routine achieve better results than those who don’t use them that often, but managers can’t really put a finger on why exactly this inconsistency exists. Frontline employees pointed to the fact that sales opportunities are hard to interpret due to the overload of information in them and secondly no emphasis is placed on their overarching importance to Nordea as an organization or to the frontline employees during the introductory three week training session. The fact that managers did bring it up briefly that there is a lack of focus on sales opportunities in the introductory training leads the researchers to wonder why this issue has not been resolved since frontline employees mention it as a problem as well.

It is important that generous rewards help stimulate frontline employees and do not shift the focus of the job. In the case of Nordea, both managers and frontline employees shared views on the implementation of a commission based wage and the wage that frontline employees currently receive. Both parties agreed that a commission based wage would only serve to shift the focus from customer assistance to sales because the more the frontline employee is able to sell the more money they will earn. Furthermore a commission based wage could be detrimental to the work environment at Nordea as presently frontline employees view each other as valuable sources of information; however this atmosphere would most likely change as commission tends to create competition between frontline employees. The current wage that frontline employees receive is acceptable according to them because even if they were to get a pay raise it would be so minimal that it would hardly make such a large impact on their motivation to perform better.
With regards to sharing information both managers and frontline employees agree that all information is shared and available to all frontline employees regardless of being fulltime or part-time employed at Nordea. Managers are of the impression that frontline employees should view it as a blessed opportunity to create their own sales opportunities for colleagues. Frontline employees feel that there is too much information in the sales opportunities, which hinders their ability to filter and grasp and thereby offer it to the customer during such a short period of time when answering the phone. In addition, managers emphasize through their directives that frontline employees should be available to serve customers rather than creating individual sales opportunities. Evidently, there is a lack of consistency on the managers’ part as they on the one hand promote frontline employees to create individual sales opportunities but on the other hand demand that frontline employees keep the phone line open for incoming calls. Therefore it is no surprise that frontline employees feel confused.

At Nordea frontline employees are given so much empowerment that they have the right to compensate customer complaints up to a pre-determined amount. Both managers and frontline employees are of the impression that this delegated authority does not work the way it was intended to. Frontline employees still feel the need to check with managers whether their judgment was correct or not and this action is not in any sense rewarding for managers. This only proves that frontline employees are too scared to stand up for their own decisions in the case that they would be faulty. In other words they feel insecure which impacts not only their attitude towards the customer but also their job satisfaction negatively.

With respect to reduced status distinction managers distinguish their frontline employees by giving them individual rewards for sales and personal achievements. Frontline employees would appreciate it if managers could acknowledge the collective performance of the entire frontline-employee-group, especially in situations that require a joint effort by the entire team. Managers agree with the opinion of frontline employees that the competition between colleagues is nonexistent. In the case of Nordea, help from colleagues has proven to be very useful since very little training has been given to frontline employees in how to effectively make use of the sales opportunities. Frontline employees are experiencing a certain behavior from managers that they deem as selective when comparing fulltime colleagues and those employed part-time. The empirical data showed that managers avoided answering the question (regarding the special treatment) by referring to general acknowledgements at the work place in the form of a pat on the back to whoever had done a good job. Suggestions by frontline
employees to help improve the workplace are acknowledged by managers which illustrates that managers support the creative spirit amongst frontline employees. Perhaps managers are so open to new ideas and suggestions because they have learned from past experiences that they can often be beneficial to the other parts of the organization thus strengthening a cornerstone of Nordea, “One Nordea Team.”

6 Conclusion

Through this thesis, the researchers have tried to create an increased understanding of the link between internal marketing and customer relationship management by conducting a case study of one Nordea call center, which functioned as the instrument through which the empirical findings helped answer the purpose.

The case of the call center has been used as an example to illustrate that the implementation of a customer relationship management tool, such as using sales opportunities to strengthen relationships with customers, is dependent on managers’ ability to “sell” the organization’s customer relationship management ideas to its frontline employees. Moreover the researchers have shown that management has the ability, through the six dimensions of internal marketing, to affect job satisfaction which in turn will determine how frontline employees make use of the sales opportunities in Nordea’s CMS. The theoretical implication was therefore as follows: the researchers had to present their own model which expressed the relationship or link rather between existing theory such as the service marketing triangle by Kotler et al. (2002) and the internal marketing model by Bansal et al. (2001) since the use of these two models alone presented limitations. In other words, through the independent use of the two previously mentioned models, the researchers would not have been able to see how management, through the six dimensions of internal marketing, were able to influence the frontline employees’ job satisfaction, which in turn had consequences for their use of Nordea’s customer relationship management tool, CMS.

In terms of managerial implications, six dimensions were examined in the case of the call center to see how management could influence their employees’ job satisfaction and also prove whether or not internal marketing had been successful. From the analysis of the six dimensions, the researchers can conclude that employment security, extensive training, and employee empowerment negatively impacted the job satisfaction of the frontline employees. The implications that these empirical findings have for managers at the call center is that they need
to provide a higher level of employment security, significantly more extensive training, and help instill more confidence in employees so that they will be more comfortable with using the individual authority (empowerment) that they have. With regards to generous rewards and sharing information, these dimensions both had a positive impact on job satisfaction. For managers this means that frontline employees are satisfied with their current wage and access to information. On the last dimension, reduced status distinction, managers and employees had contrasting views on the impact that this dimension had on job satisfaction. Managers felt that they treated all employees in a similar manner thus there barely existed any status distinction which should have positively affected the employees’ job satisfaction. Employees on the other hand expressed the complete opposite opinion which just goes to show that managers understand employees in one way and what employees truly feel is not revealed to managers. The managerial implication of this last dimension is that communication between managers and frontline employees needs to be improved. In other words, frontline employees need to open up more to managers so that both parties will understand each other better.

6.1 Further Research

As is the risk with conducting case studies, conscious decisions need to be made which place certain limitations on the study. These have been acknowledged in selected parts of the method section. For instance, frontline employees were selected from a defined set of criteria that were given to the managers by the researchers. Due to the geographical range of this study which was limited to one Nordea call center the conclusions based on the empirical findings cannot be generalized towards the entire organization. Likewise as the sample is not entirely representative the conclusions would not necessarily be replicated.

On the basis of these aforementioned limitations, we suggest that future researchers should investigate the use of sales opportunities across all three Nordea call centers in Sweden. As the call centers are situated in different parts of the country it would be interesting to see if regional differences impact the directives that managers give regarding the use of sale opportunities to frontline employees. We recommend that further research be carried out based on the model (Figure 3) presented in this study which links internal marketing to customer relationship management.
References


Appendices

Appendix 1 - The Interview Guide for Managers at Nordea Call Center.

AGENDA

1. Introduktion

Kort presentation av uppsatsförfattarna med tillhörande rollfördelning.

Syftet med denna fokusgrupp är att undersöka användandet av Nordeas CMS-system mot bakgrund av olika arbetsmiljöfaktorer som eventuellt har en inverkan på detta användande.

Sedvänja och genom förande (konfidentialitet, turtagning under samtaleets gång, inspelning, fördelning av åsikter samt förespråkande av en öppen debatt).

Kort presentation av deltagarna samt deras anställningsbakgrund.

2. Diskussionsfrågor

i) Anställningstrygghet
   - På vilket sätt investerar Ni inom ledirabben tid och resurser på era anställda?
   - Anser Ni att kundtjänstmedarbetarna skulle uppleva en högre tillfredsställeldhet och förtroende för lediraben på Nordea om Ni kunde försäkra en viss anställningstrygghet?

ii) Utbildning
   - Vilken syn har Ni om säljmöjligheterna i CMS?
   - Hur pass viktiga uppfattar Ni att säljmöjligheterna i CMS är för att stärka bankens kundrelationer?
   - Hur pass komfortabla anser Ni att Er kundtjänstpersonal är med användandet av säljmöjligheterna i CMS?
   - Anser Ni att er kundtjänstpersonal har tillräckligt med utbildning för att utnyttja alla de säljmöjligheter som erbjuds i CMS? Om ’nej’ hur kan det komma att påverka dess motivation att använda de säljmöjligheter som erbjuds?

iii) Förmåner
   - Anser Ni att de säljmål som Ni delegerar till Er kundtjänstpersonal är rimligt satta med hänsyn till dess lön? Ja/Nej? Varför?
   - Hur tror Ni provision skulle påverka kundtjänstmedarbetarnas säljarbete?
   - Finns det andra sätt än provision som skulle kunna påverka kundtjänstmedarbetarnas motivation?
   - Hur tror Ni att era kundtjänstmedarbetare påverkas av längden på telefonkön med hänsyn till säljmöjligheter?

iv) Informationsfördelning
   - Anser Ni att alla, oavsett anställningsform, har tillgång till samma information?
   - Känner Ni att kundtjänstpersonal har förtroende för Er vad beträffar information om företagsstrategier, finansiella mål etc.?
- Känner Ni att kundtjänstpersonalens arbete hindras av att säljmöjligheterna inte erbjuder rätt/aktuell information i CMS?

v) Befogenhet som anställd
- Tror Ni att kundtjänstmedarbetare upplever det vara långt mellan beslutsvägarna inom Nordea?
- Hur pass stor befogenhet har kundtjänstpersonal att ta itu med klagomål utan ledarstabens involvering? Tycker Ni det är tillräckligt för att kunna tillfredsställa kundes behov?

vi) Åtskillnad på arbetsplatsen
- Kan Era kundtjänstmedarbetare bli uppmärksammade, om De agerar eller tänker kreativt, av ledarstaben?
- Finns det utrymme för extra uppmärksamhet om man agerar eller tänker kreativt inom Nordea?
- Tror Ni att kundtjänstmedarbetare upplever varandra på olika sätt beroende på kunskapsnivå samt anställningstid och – form?

3. Summering

Tacka deltagarna för ett aktivt engagemang!
Appendix 2 - The Interview Guide for Frontline Employees at Nordea Call Center.

AGENDA

1. Introduktion

Kort presentation av uppsatsförfattarna med tillhörande rollfördelning.

Syftet med denna fokusgrupp är att undersöka användandet av Nordeas CMS-system mot bakgrund av olika arbetsmiljöfaktorer som eventuellt har en inverkan på detta användande.

Sedvänja och genomförande (konfidentialitet, turtagning under samtaleets gång, inspelning, fördelning av åsikter samt förespråkande av en öppen debatt).

Kort presentation av deltagarna samt deras anställningsbakgrund.

2. Diskussionsfrågor

i) Anställningstrygghet
   - På vilket sätt investerar ledarstaben tid och resurser på er?
   - Är känslan överhängande att Ni kan bli avskedade?
   - Skulle Ni önska att Ni hade bättre villkor vad gäller anställningstrygghet? Hur tror Ni att detta skulle påverka er relation till ledarstaben?

ii) Utbildning
   - Vilken syn har Ni om säljmöjligheterna i CMS?
   - Efter avslutad utbildning, hur pass viktiga uppfattar Ni att säljmöjligheterna i CMS är för att stärka bankens kundrelationer?
   - Känner Ni er komfortabla att använda säljmöjligheterna i CMS? Ja/Nej?
   - Anser Ni er ha tillräcklig med utbildning för att utnyttja alla de säljmöjligheter som erbjuds i CMS? Om ’nej’ hur kan det komma att påverka er motivation att använda de säljmöjligheter som erbjuds?

iii) Förmåner
   - Borde Ni ha högre lön? Varför?
   - Hur skulle provision påverka ert säljarbete?
   - Finns det andra sätt än provision som skulle kunna påverka er motivation?
   - Påverkas Er motivation att utnyttja säljmöjligheter av längden på telefonkön?

iv) Informationsfördelning
   - Anser Ni att alla, oavsett anställningsform, har tillgång till samma information?
   - Känner Ni att ledarstaben har förtröende för Er vad beträffar information om företagsstrategier, finansiella mål etc?
   - Känner Ni att Ert arbete hindras av att säljmöjligheterna inte erbjuder rätt/aktuell information i CMS?
v) Befogenhet som anställd
   - Upplever Ni det vara långt mellan beslutsvägarna inom Nordea? På vilket sätt?
   - Hur pass stor befogenhet har Ni att ta itu med klagomål utan ledarstabens involvering?
     Tycker Ni det är tillräckligt för att kunna tillfredställa kundes behov?

vi) Åtskillnad på arbetsplatsen
   - Upplever Ni att alla oavsett anställningsform behandlas lika på jobbet? Behandlas
     anställda som jobbat i banken länge på ett bättre sätt? Vad beträffar ålder, kön?
   - Finns det utrymme för extra uppmärksamhet om man agerar eller tänker kreativt inom
     Nordea?

3. Summering

Tacka deltagarna för ett aktivt engagemang!