



# Creating shared views of customers: Individuals as sense-makers in multinational companies



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## ARTICLE INFO

### Article history:

Received 1 May 2013

Received in revised form 14 November 2014

Accepted 2 February 2015

Available online 29 March 2015

### Keywords:

Sense-making

Individual sense-maker

Shared view

Customer relationship

Multinational company

## ABSTRACT

Global suppliers' relationships with their global customers tend to be complex, as each consists of multiple geographical, technological and functional units. For a supplier to manage these customer relationships, some shared views of each relationship are likely to be needed for consistency of activities. This creates a need within supplier MNCs to make sense of customers. This research focuses on sense-making by individuals in supplier MNCs. It considers individuals acting in the sense-making process a means of creating shared views. A qualitative process research strategy is utilized to uncover this process. As a result, this research recognizes four mechanisms, defined as individual-level behavioral patterns, for creating shared supplier views of the customer: defining, linking, triggering and creating. Furthermore, the study defines the triggers that cause individuals increasingly to share similar or dissimilar views of the customer. These triggers are recognized at different levels of management: within the MNC (i.e., internal cooperation, shared projects, limited customer contacts), at the customer-relationship level (i.e., previous cooperation with the customer) and at the network level (i.e., involvement of third parties).

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## 1. Introduction

An industrial supplier's ability to develop and manage its customer relationships is a core competence and a source of competitive advantage (Möller & Halinen, 1999; Ritter, Wilkinson, & Johnston, 2004; Wilson, 1995). Based on global account management research, we know that multinational customers often request for global contracts, prices and products rather than country-based services (Harvey, Myers, & Novicevic, 2003; Montgomery & Yip, 2000). Therefore, a relationship between a particular supplier unit and a particular customer unit affects the relationships of other supplier units of a multinational company (MNC) with the same globally operating customer. To manage a global customer relationship, some shared views of that relationship should be created within the supplier MNC (Young & Javalgi, 2007).

It is difficult to have simultaneous knowledge about these relationships; in MNCs, some geographical units may belong to multiple functional groups, and any given unit may be a member of several systems, each of which may be conceived as a different, more or less formal, hierarchy (Dörrenbächer & Gammelgaard, 2010; Ghoshal & Bartlett, 1990; Gupta & Govindarajan, 2000). Creating shared views at the organizational level is particularly complex because doing so is conditioned by sense-making at the multi-faceted, individual level. Leek and Mason (2010), for example, illustrate how individuals'

different experiences of a relationship produce different understandings; no one person has a complete picture of what is occurring in a specific relationship. Thus, "who the customer actually is" is often a fundamental question in supplier MNCs' efforts to manage their global customer relationships.

Having a shared view of the customer is critical for corporate-level managing of a customer relationship, but the intricate nature of MNCs complicates achieving a shared view and managing on that basis. Consistent with Öberg, Henneberg, and Mouzas (2012), we emphasize the interpersonal alignment of individuals' understandings of the customer with organizationally shared views that have an important influence on business activities. In contrast to Öberg et al. (2012), however, we do not primarily search for meso-level company inscriptions of managerial cognitions at the network level but instead focus on sense-making by individuals related to specific customer relationships of the supplier MNC. We approach individuals acting in the sense-making process as a means of creating shared views of global customers. This study aims to answer the question, *how does individual-level sense-making relate to shared views of global customers within MNCs?*

We emphasize that creating shared views of global customer relationships is inseparable from the sense-making of individuals interacting with customer representatives and from the development of the relationship over time. More specifically, we consider sense-making to be about individuals' understanding of their positions and their available options for change in networks (Henneberg, Naudé, &

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Mouzas, 2010). At the organizational level, sense-making then becomes continuous refining of an emerging story shared by organizational members (Näslund & Perner, 2012; Weick, Sutcliffe, & Obstfeld, 2005). Individuals' understandings develop toward organizational stories through individuals acting in customer relationships and within the MNC. Empirically, we utilize qualitative process research strategy and elaborate on the process of sense-making based on an analysis of individuals' narratives of a specific customer relationship and their acting in relation to their respective global customers. As a result, this research depicts four mechanisms for creating shared supplier views of the customer: (1) constantly defining the customer, (2) linking events, actions and meanings to stories about the customer, (3) triggering change, and (4) creating unexpected results. These mechanisms are patterns of behavior that connect individual-level understandings of the customer to shared supplier views (cf. Mason, Easton, & Lenney, 2013).

The contribution of this study arises out of its focus on individuals acting in relationships as a primary determinant of an organization's understanding of its customers. We provide one explanation of individuals and groups' approaches to creating, sharing and using at the relationship level the meanings that they give to particular actions. Thus, we are able to conceptualize the intra-organizational sense-making process through individuals. Whereas much of the literature on sense-making has been concerned with how individuals relate to network-level phenomena (e.g., Abrahamsen, Henneberg, & Naudé, 2012; Ford & Redwood, 2005), we scrutinize the sense-making process in relation to specific global customer relationships. Instead of approaching sense-making using network pictures as tools (Leek & Mason, 2010) or exercises (Colville & Pye, 2010), we define behavioral patterns in the customer-related sense-making process. This focus on behaviors in the sense-making process also differentiates our study from most of the global account management research that has searched for effective segmentation and other strategies in meeting global and local customer needs (e.g., Millman, 1996; Wilson & Weilbaker, 2004). The major managerial implications of this study focus on defining the triggers that increasingly cause individuals to share similar or dissimilar views of customers.

The next section discusses concepts of sense-making and develops this study's analytical framework. The following sections present the research methodology and the empirical data analysis. Finally, conclusions are drawn and limitations and further research are discussed.

## 2. Understanding customer relationships in MNCs

We define MNCs as relatively non-hierarchical, heterogeneous and loosely coupled organizations embedded in business networks consisting, most particularly, of customer relationships (Piekkari & Welch, 2010). In MNCs, individuals operate at different managerial levels and in different functions all over the world. This means that no single individual has a complete understanding of the customer relationship; however, different experiences should be turned into some shared views (see Leek & Mason, 2010). We conceptualize the creation of MNC views as a process of sense-making.

### 2.1. Individuals as sense-makers of global customer relationships

Sense-making is the means by which we enact—i.e., make real—our surrounding environment (Cunliffe & Coupland, 2012; Maitlis, 2005). Sense-making is associated with structuring the unknown, which enables individuals to comprehend, understand, explain, attribute and predict events and actions (Weick, 1995: 4–5). The ongoing, unknowable, unpredictable stream of experience outlines the story behind sense-making (Weick et al., 2005). However, sense-making is about wider narrativity rather than stories per se because sense-making refers to the social-cognitive and linguistic processes through which people interpret the world and construct meanings (Weick, 2012). This study, which emphasizes sharing views within firms,

focuses on the social aspects of sense-making rather than cognitive processes as such (see Guercini, 2012).

The nature of sense-making is both retrospective and future-oriented (see Weick, 1995); it explains the past and thus not only affects individuals' current views but also leads to actions that affect the future. Therefore, the experiences, interpretations and perceptions of individuals in their sense-making process guide their actions in business over time. In connection with a global customer relationship, this could be taken to mean that participants in that relationship do not merely adapt to the situation but historically produce the situation and use developments in the relationship to co-create actions. Involved actors interpret past events in relationships and then, based on that interpretation, act in the present and influence the future. Therefore, sense-making is about meaning, action and their interplay (Neill, McKee, & Rose, 2007; Weick et al., 2005). Moreover, sense-making is both episodic and continuous (Weick, 2012), implying that customer relationships are defined in relation to both specific events and the long-term development of those relationships (cf. Mainela & Ulkuniemi, 2013).

Sense-making occurs when organizational members confront surprising or confusing events and issues and must act (Maitlis, 2005; Weick, 1979). Managers' sense-making is needed in a world in which organizations confront numerous possibilities that are not in exact and transparent forms (Maitlis, 2005). Instead, they are dispersed and perceived by the managers embedded in their surrounding network (see Mouzas, Henneberg, & Naudé, 2008). Managers, who can make sense of what occurs in a business network and can mobilize others according to their views, can increase their firms' competitiveness (Mouzas et al., 2008). However, the basis of managerial action is not an objective view of the world but rather the world as people understand it to be (Ellis & Hopkinson, 2010; Möller, 2010).

As sense develops about an ambiguous situation, it allows an individual to act in a certain manner (Drazin, Glynn, & Kazanjian, 1999; Weick et al., 2005). Individuals' sense-making is shaped by interactions with others engaged in similar situations. In complex situations, individuals seek out the interpretations of others; through those interactions, group-level categorizations emerge (Drazin et al., 1999). Shared group-level frames do not necessarily develop across an organization; two actors may share similar experiences, but their sense-making and the resulting action may differ (Drazin et al., 1999). However, various regulations, systematic decision processes and political compromises between opposing groups within organizations guide individuals' behavior toward some commonality (Drazin et al., 1999; Öberg et al., 2012).

Customer relationships, then, develop through relationship-specific events and actions related to those events (Hedaa & Törnroos, 2008; Tidström & Hagberg-Andersson, 2012). To take action, individuals give meanings to events in an intentional process (Weick, 1995: 25). Both events and actions taken by individuals, along with the meanings that they give to those events and actions, affect customer relationships (see, e.g., Ford & McDowell, 1999). Therefore, the relationship-level events intimately intertwine with the individuals' sense-making processes. In the context of MNCs, sense-making is also inevitably influenced by internal unit and corporate-level structures.

### 2.2. Sense-making process in MNCs

All organizations are multilevel (Klein, Dansereau, & Hall, 1994). MNC research has tended to approach this aspect through analysis of the headquarters–subunit relationship (e.g., Birkinshaw, Holm, Thilenius, & Arvidsson, 2000; Holm, Johanson, & Thilenius, 1995). Of particular interest has been the strategic role of subunits within MNCs (Andersson, Forsgren, & Holm, 2002; Gnyawali, Singal, & Mu, 2009) and the embeddedness of subunits in their local environments (Nell, Ambos, & Schlegelmilch, 2011). The subunits of an MNC are considered internally differentiated in their products, business conditions, structure and coordination process because of the differences in their economic,

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