

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ ВНЗ «УКРАЇНСЬКИЙ  
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цінностей»

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## DEDICATION

*I dedicate this thesis to ZSupport HR team who I have an honor of working with: Oleksandr Svergun, Olga Bortnovska, Olga Sytniak, Tetiana Ostapkevych, Yana Kryger, Yulia Tunik-Chorna, Yurii Atamaniuk.*

*They have always been my inspiration and supporting shoulder. If not for them this project wouldn't have been possible.*

## 1. INTRODUCTION

“Culture eats strategy for breakfast”, - famous quote from a legendary management guru and writer Peter Drucker. Nowadays corporate culture becomes a competitive advantage of many organizations. Business owners invest more money and resources into building a corporate culture that would support their business strategy and vision. Culture represents how a company interacts with its employees, partners, vendors and clients. It dictates how the company perceives its role and the beliefs in order to achieve its goals. It is a driving force that supports business leaders in making most strategic decisions and helping companies survive through hard times.

Corporate culture has become known to drive employee performance and define the amount of risks a business can take in order to achieve its goals. Marketing advantage of corporate culture shouldn't be undermined since culture represents what kind of people work for the organization, what their believes and behaviors are and how they treat their customers. In a global world it has become a public information that can influence many investing and partnership opportunities.

Even though corporate culture is often thought to be hard-to-define and measure it has a direct influence on employee retention and performance which impacts the time and cost for hire and training. Also higher employee continuity leads to better customer relationships that contribute to greater customer loyalty, lower marketing costs, and enhanced sales. All this together had a direct impact on company's bottom-line.

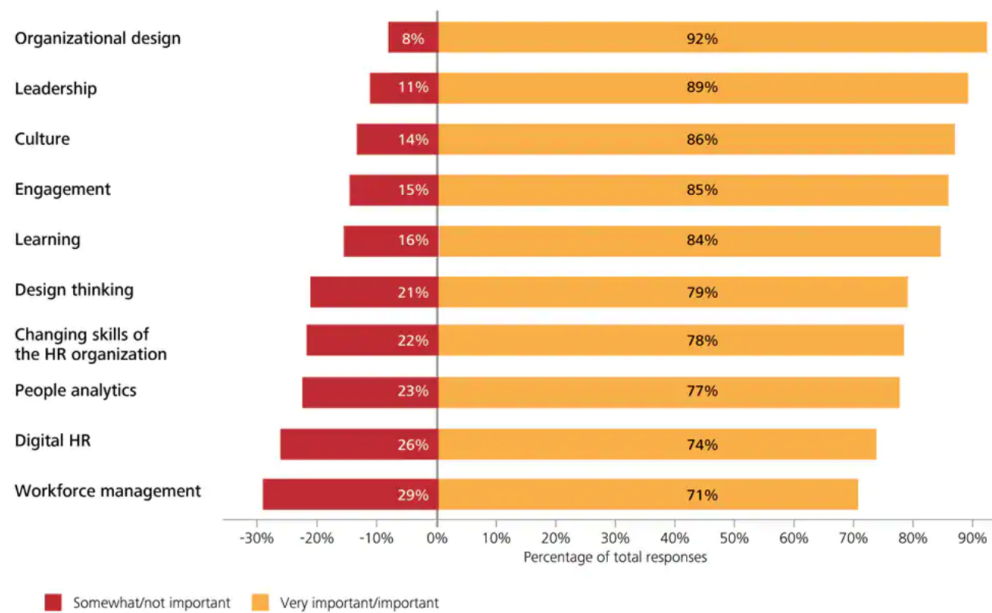
2016 Global Human Capital Trends report by Deloitte shows that 86% of C-suit leaders believe that corporate culture is very important making it third important factor after Organization Design and Leadership.<sup>1</sup> “Cultures Develop with or without conscious effort”<sup>2</sup>. In order to control the bottom-line managers need to invest their time into

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<https://www2.deloitte.com/insights/us/en/focus/human-capital-trends/2016/human-capital-trends-introduction.html>

<sup>2</sup> The Culture Cycle: How to Shape the Unseen Force that Transforms Performance

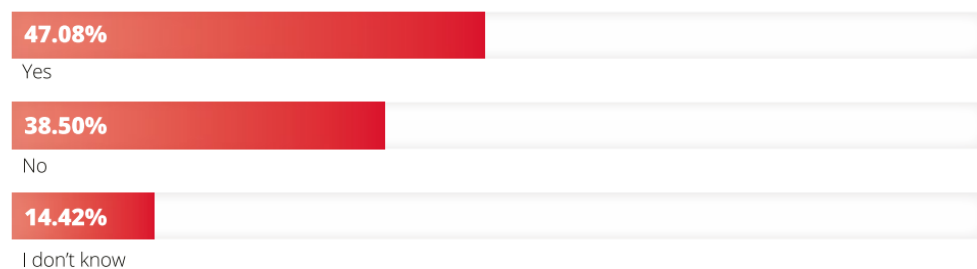


Graphic: Deloitte University Press | DUPress.com

building and maintaining an effective corporate culture that would support their business strategy.

*Figure 2. The 10 trends ranked in order of importance according to 2016 Global Human Capital Trends report by Deloitte*

**Would you pay a higher price for a product or service in exchange for a better customer experience?**



With business shifting from product to service over last years many discussions around meeting customers needs and fulfilling their expectations arise. There are many researches that show that customers decide to stay with the companies that provide excellent customer service and make them feel valued sometimes compromising the

quality of the product or even the price. 50% of all US customers were “somewhat” to “very” likely to defect to a competitor after a single bad experience. 93% of consumers worldwide would defect to another company after three or fewer bad experiences.<sup>3</sup> This data shows that there is only one chance of making first impression that will define if the customer will choose to stay with the company. Customer service experience has a long lasting effect on customers and influences long-term relations with a company. 52% of consumers indicated they decided to make a purchase after having a good customer experience and 24% would stay with the company for at least two years. 87% of customers share their good experience with a company with their friends and family.<sup>4</sup> With referrals and recommendations being a most effective marketing and user-winning tool and loyal customers willing to spend more in long-term, providing a good customer service can have a tremendous influence on company’s sales and revenue.

*Figure. Customers ready to pay more for good service.*

ZSupport as a customer service and support company makes its profit from providing service to computer users worldwide and being customer centric for it is crucial. The competition on the market is significant and all players are trying to find their competitive advantage. While technical possibilities within the competition remain the same, the quality of customer service and employee experience are key differentiators. Outstanding customer service along with quality and compliance are a rare find nowadays which makes ZSupport’s attractive for partners and favored by the customers.

The company invests a lot of human and financial resources into quality assurance and services level agreement processes in order to maintain certain level of customer service. There is an urge to create a corporate culture that would support the quality system as the competitive advantage inside the company and assure potential scale of the company. Instead of forcing the quality and high level standards they should

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<sup>3</sup> [http://www.customerservicegroup.com/pdf/CX\\_Report-Stay\\_or\\_Stray.pdf](http://www.customerservicegroup.com/pdf/CX_Report-Stay_or_Stray.pdf)

<sup>4</sup> <https://www.zendesk.com/resources/the-impact-of-customer-service/>

become a natural occurrence initiated by employees themselves. Customer centric corporate culture as a set of common beliefs and behaviors is expected to create a certain level of understanding and dedication among employees and give them a sense of bigger purpose in their jobs. This would align business strategic goals with front-line agents' day-to-day work and support organization's long-term vision of becoming a customer service unicorn and #1 technical support company in the world.

The ultimate goal of the project is to bring the existent corporate culture to a

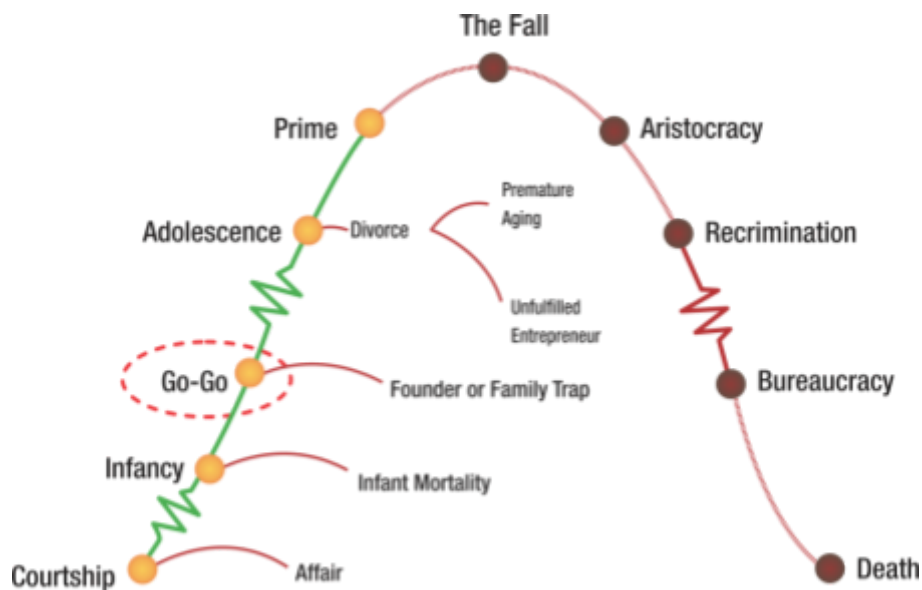


Figure3. The Adizes Corporate Lifecycle

whole new level and put a customer in the center of it. ZSupport is a fast-growing and dynamic company which attracts young professionals with a little or no career background. It is entirely millennial organization which knows no boundaries or limits. Its corporate culture was developing and maturing along with its employees. While the company is in transition from a start-up to adolescence stage according to corporate lifecycle<sup>5</sup> and is defining its niche and long-term strategy the corporate culture needs to be directed and guided in order to support these transformations.

<sup>5</sup> <http://adizes.com/lifecycle/>



## 1.1 COMPANY PROFILE

ZSupport. Tech support from start-up to shutdown.

ZSupport's mission is to change the computer optimization services by taking time and space out of the equation. No matter where in the world customers live and when they want to contact the company, it can bring a certified PC or MAC technician to them in seconds by using a secure remote connection. Certified technicians can quickly connect to any computer, diagnose any problems that it may be experiencing and take the necessary steps to optimize its performance. Comprehensive system repair takes only a few hours, and customer satisfaction is guaranteed.<sup>6</sup>

Company's vision: "To become every customer's remote assistant and simplify their lives through the effective use of technical solutions".

Core values:

- Customer Centricity
- Result-orientation
- Team Cooperation
- Candor and Trust
- Proactiveness

ZSupport is a Ukrainian company that helps computer users around the world resolve their technical problems remotely. The company was founded in May 2014 in Lviv a new project in a group of a larger company. When it was still an emerging niche with almost no competition the company expanded and opened two more offices during its first year of operating. Consecutively after only 18 month of successful entrance to the market, business grew into 5 offices in Western Ukraine employing one thousand workers. It was an extremely fast-growing business trying to win its place in a global marketplace. The company was still working on setting its processes and procedures while the number of employees was growing day by day.

Nowadays ZSupport serves 90 000 computer users around the globe from more than 100 countries. It has undergone undergone more than three major transformations in pursuit for its competitive advantage and value proposition. The biggest and most tenacious transformation happened when the company had to adopt to international compliance and Trade Agreement Act and move from hard sales to quality and compliance. This process caused a significant drop in sales which had a direct impact on employees income and followed by a consequential employee turnover.

Being fully compliant and meeting international regulation standards demands extra effort and financial resources. It required a shift not just in operations but also in managers and employees perception of their job. The challenge was and still is to make whole organization believe and follow the newly introduced quality and compliance standards to make the business sustainable and surviving in international environment.

The structure of the company is functional with three core operations processes: Sales, Support and QA which means that a greater number of employees communicate with customers on a daily basis. Vast majority of employees are students or recent graduates with little or no work experience who are fluent in foreign languages and show some leadership potential. Average employee age is 27 years which makes it a completely young company of millennials. Since the company works in a young and not fully discovered niche it leverages young not framed-minded talents who are not afraid to try and fail fast. However it requires a strong leadership and fulfillment of their need of purpose in their job.

Marketing research done by external provider defined ZSupport 's User Persona: American middle-class male baby boomer over 50 years old. Not confident, mostly computer illiterate desktop user who has some soft of technical issues. With this information company realized another challenge of a generation gap in agent-client relationship. Most of the time Generation Xers might become suspicious or feel pressured of the over-involved style of the Millennials. While the second become easily triggered and irritated by the pace and level of understanding of their customers.

In 2016 ZSupport successfully passed international certification by Benchmark Portal in order bring its operations processes in line with universal customer service standards and received a certificate of “Customer Service Center Certified Center of Excellence”



*Figure4. CCW Excellence 2018 Award*

ZSupport was also nominated Honorable Mention in a category Best in-class contact centers with 200+ seats and took third place at Contact Center Week Excellence Awards in Las Vegas, USA in June 2018.

## 1.2. BUSINESS MODEL ELEMENTS<sup>7</sup>

1. **Customer Segments:** the company creates value for all computer users no matter of the platform they use (Windows, MacOS or other) as well as other devices that can be connected to remotely. It is a mass market business model in telecommunications and computer optimization area for Business to Customer (B2C) model which means that Value Proposition, Distribution Channels and Customer Relations are the same for all customers. Although it is also a niche market for Business to Business (B2B) model since this area is targeted towards computer optimization software that can be used as a Call to Activate (CTA) platform for new revenue generation channels. All services and call center are localized to seven languages: English, German, French, Spanish, Portuguese, Italian, Japanese. As a result company operates 24/7 and serves more that 90 000 customers from 100 countries around the globe.

2. **Value Proposition:** ZSupport tailors its services to the specific needs of the customers in order to create value and satisfy an entirely new set of requests that customers previously didn't perceive. Company's Support Center helps its consumers have their machines fixed and maintained remotely without having the customers leave their house. Considering that many people are computer ignorant the services are catered to be easy-to-understand and follow. Contact center offers online communication via chat or real-time conversation with the customer on call. Additionally in order to win more customers of different income levels the services are subscription based for different time periods (month, year, 2 years) but also there is a onetime fix offering for reduced price that give customers a chance to have their problem fixed immediately without having to subscribe for services. Safety and security create another added value. Nowadays the number of online threats and

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<sup>7</sup> Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers  
Book by Alexander Osterwalder and Yves Pigneur

frauds is growing leaving technology users' data vulnerable to leaks and breaches. However with the new technology of identification ZSupport services help customers data remain safe and not compromised. Another significant value making feature is personalized human-customer interaction and user experience which is consistently being improved and tailored to the needs of the customers.

3. **Channel types** used to communicate with customers and deliver Value Proposition both: direct and indirect. Product website serves for direct customer reach and sales as well as and Pay per Click (PPC) campaigns. But main traffic generation sources are Call to Activate (CTA) models based on B2B partnerships. Company partners up with software selling companies and up-sells its product on their traffic.

4. **Customer Relations** are thoroughly designed and monitored in order to establish proper communication and user experience for existing and new-coming customer. Personal assistance and human interaction helps create real connection and relationship with the customer and build mutual trust. Automated and scheduled services make customers feel like their devices are under control and protection and their technical assistants know when to look into them. Referral programs, holidays discounts and other perks are in place in order to create the feeling of belonging and individual approach to each customer, make the feel valued and special and encourage to maintain a long-term relationship.

5. ZSupport's business model involves two types of **Revenue Streams**: transaction revenues resulting from one-time customer payments and recurring revenues resulting from ongoing payments (both from B2C and B2B work models). Subscriptions are main priority in terms of sales strategies since they assure a long-term relationship with customers and create opportunities to deliver personalized service that would meet customers expectations and satisfy their needs. Subscriptions follow usage fee principles and can vary depending on the number of devices that are included in the price. Thus some customers may get their personal

technician for their whole family or household. As for partnerships and B2B call center may be outsourced by other software selling companies that don't want in-house customer support. For such cooperation company charges partners per call or per contact.

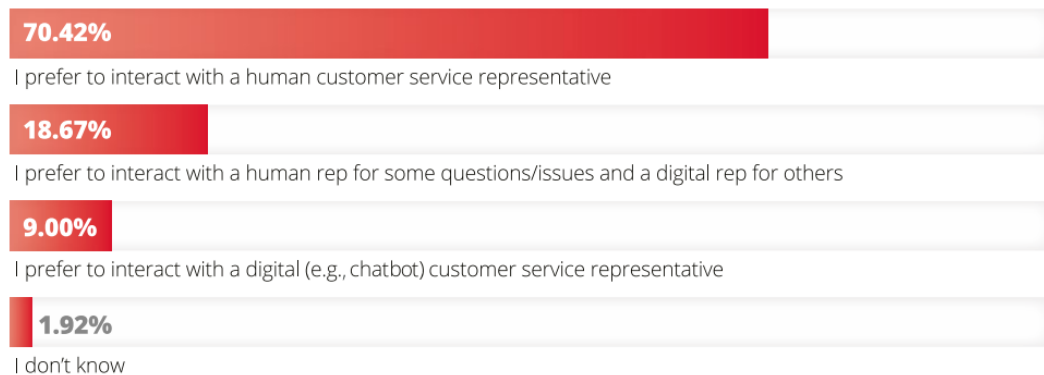
6. **Key Resources** in order to make the business model work and deliver its Value Proposition are mostly human and technological. People are particularly prominent in this business model since they deliver a knowledge-intensive work that can not be automatized or substituted by a robot. Some regular fix work is automated and requires special technology to be done but all the custom fixes, which make 30% of total, are done by technicians who apply their knowledge and problem-solving skills to each case in order to solve. All the sales work is also done by specially skilled and trained sales people who close their deals in omnichannel environment. As for technologies they serve to build the infrastructure for such business model and make the connection between the customer and organization possible. Special software for Customer Relations Management (CRM) as well as for remote connection are basic requirements for such type business.

7. **Key Activities** that describe a contact center like ZSupport are sales and problem solving activities. Sales people make sure there is ongoing and consistent revenue income whilst support people work on technical devices and their optimization to deliver what the customers paid money for. These two activities are the core of the money-making model and make business exist on the market. The demand for such skills and knowledge is constantly growing but it is taught on-house from scratch which makes it so unique on the market.

8. There are two types of **Key Partnerships**: vendor and B2B partners. Vendors are the suppliers of technical infrastructure described in Key Resources. One of those is world biggest CRM which was implemented to ensure of customers' personal data safety and sustainability. B2B partnerships are used as CTA platforms to generate new revenue sources and expand customer userbase. Some B2B partnerships are

created for up-, cross-sell strategies which are beneficial for both sides of contract. Another type of B2B arrangement is outsourcing. Some big software development companies choose to use the already existing knowledge and experience instead of creating their in-house contact center. In such case ZSupport (provider) delivers signed in the contract work for respectful payment. This type of Partnerships as additional money-making model is a new but very potent developing area for the company.

9. The **Cost Structure** fo the Company consists of Key Resources, Key



Activities, and Key Partnerships. Even though it is a cost-driven organization human resources or salary cost takes up to 60% of all costs. Some manual work can not be replaced or automated and requires a human being work on it. Additionally Sitel Group 2018 Customer Experience (CX) Index Report<sup>8</sup> shows that 70% of customers would rather prefer talking to person than a robot and this dependency has a significant influence on sales and company's bottom line. Other 40% are equally divided between vendors and administrative cost.

*Figure 5. Favored communication channels among customers.*

<sup>8</sup> <https://explore.sitel.com/cx-survey-whitepaper>

### 1.3. PROBLEM STATEMENT

ZSupport provides its services to hundreds thousands of clients around the world. More than 70% of its employees talk to customers on a daily basis and have at least seven customer interactions on calls or 13 via chats during their shift. Front-line agents compensation system depends on number of interactions and sales revenue while quality assurance system implies penalties based on compliance and customer service quality. This fact creates some kind of motivation discordance for agents and a conflict of interest of the company and employees .

While trying generate more revenue employees run their regular sales and support procedures without double thinking who they are talking to. Most of the time employees do not realize that it is a human being on the other side of the call or chat who contacted the company in order to get help. As mentioned before most of the customers are middle-aged computer ignorant technical consumers who have a computer or some other device software related issue. They approach ZSupport looking for help to resolve their problem and enjoy their devices in future. Most of the time customers first experience defines the future of their relations with the company and if they will recommend it to their friends and relatives. According to Frederick Reichheld of Bain & Company (the inventor of the net promoter score) research increase in companies retention rate impacts revenue growth from 25% to 95%<sup>9</sup>.

By the means of sales revenue and its increase being one of the biggest company priorities, emotional aspect of customer experience is often being compromised since the agents are trying to push the sale. While agents compensation and motivation systems supports this notion it is nearly impossible put customers and their user experience first.

Quality assurance system is ZSupport's competitive advantage. The system is strict and carefully worked out aiming to make sure customers get the service they paid for, which meets all international law regulations and satisfies customers needs. The system

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<sup>9</sup> <https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>



is Score Card based and gives agents point in accordance with them meeting indicated criteria. This system has a direct influence on agents salary and makes them follow the rules and standards uncompromisingly.

Although the quality system is absolutely transparent and fair, lost points and respectfully the money have some negative impact on agents motivation and loyalty. It is a rather short-term solution towards providing outstanding customer service than a long-term strategy.

Not once can you hear agents negatively discussing customers and their ridiculously trivial and simple problems that they have in ZSupport's halls or work rooms. For millennials who were born with a smartphone in their hands some of the problems their older customers face are annoying and irritating. Negative attitude towards clients and their technical ignorance influences the overall environment and company's atmosphere. These discussions were considered to be normal and ordinary until it got out of hand and some incidents cost the company its reputation and money not mentioning customers loyalty and satisfaction.

It is a current need from the within of the organization to put the customer in the center of every business process and decision and switch the approach to motivating the employees. Instead of punishing them for breaking the rules the company sees an opportunity in encouraging the right customer oriented behavior which ZSupport believes would in long-term lead to sustainable business and bottom-line improvement.

Customer centric corporate culture defines how the company operates and how key decisions are made. No matter of the role and position in organization structure employees know and understand how their day-to-day work impact the customer. It is especially crucial for bigger organizations like ZSupport since front-line agents are the the predominant majority in numbers and those who work with the customer directly. The way the talk and treat the customer defines customer experience and company's brand. With so many management layers it is way more difficult to keep each employee engaged and focused on the quality of the service. However making it come from within

and creating a customer centric environment will sort out those who believe in company's brand promise by default. Corporate culture works like a system that attracts like-minded individuals and gets rid of those who do not belong to it.

Investing in a customer centric corporate culture leads to better customer experience which improves retention and referral rates and has a positive impact on the bottom-line.

## 2. CORPORATE CULTURE DEFINITION DEFINITION AND MODELS

### 2.1. CULTURE DEFINITION AND COMPONENTS

“Corporate culture is the way an organization’s members think, act, and understand the world around them.<sup>10</sup>”

Harvard Business Review outlines six crucial components of a Great Corporate Culture:<sup>11</sup>

1. Vision. Every culture starts with business vision or mission statement. Simple work that are put together can have a strong power and influence major decisions of thousands of people. They guide employees through their work and provide them with purpose. Mission or vision help find the right direction thought hard times and unite the company at the times of success. Having vision is critical in order to give employees a clear understanding why they come to their workplaces everyday in the morning and what should be done before leaving it in the evening. It has created a sense of alignment inside the organization and has everybody working towards a common goal.

2. Values. A company’s values are the core of its culture. While a vision addresses a company’s purpose, values are a set of guidelines on the behaviors and mindsets needed to achieve that vision. Different employers chose different approaches to creating and formulating values. Some create whole sentences that describe what is important to the organization and what behavior is encouraged. Others use just one word and put their own meaning to them leaving some space for creativity and flexibility. No matter how values are reflected, it is important to have them in place and refer to them every time there is some misunderstanding or hard decision inside the company. Being authentic and consistent with values creates trust inside the organization and builds employees loyalty to it.

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<sup>10</sup> The Service Culture Handbook. Jeff Toister

<sup>11</sup> <https://hbr.org/2013/05/six-components-of-culture>

3. Practices. Of course, values are of little importance unless they are consecrated into company's processes and practices. If the company states that customer is its biggest value, it should be ready to invest into training its employees to deliver a high-level customer service. All decisions should be validated through customer perspective and quality metrics should be the ones a company pays attention to. Whatever company's values are, they should be the building bricks to all internal processes like recruitment, learning and development, promotions, performance evaluation etc.

4. People. No company can build a culture without people who share its values or are willing to adopt and embrace those values. People come first in the equation when it comes to building the culture. Corporate culture isn't a static phenomenon it is dynamic and evolves or degrades in accordance to the people who assemble it. "Culture is the organization's immune system." — Michael Watkins. Culture is a form of protection that has evolved from situational pressures. It prevents "wrong thinking" and "wrong people" from entering the organization in the first place. Strong corporate culture is a system that attracts congruent people who make it stronger and leaves behind those who are not ready or willing to embrace it.

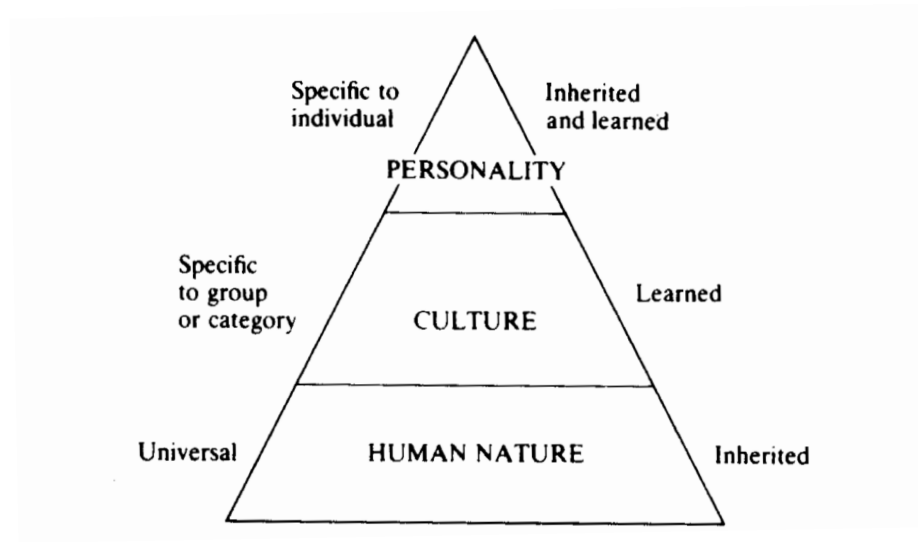
5. Narrative. Any organization has a unique history — a unique story. And the ability to unearth that history and craft it into a narrative is a core element of culture creation. It is important to be proud of the wins and successes the company achieved as well as be ready to embrace and learn for past lessons and fails and be open and honest about them.

6. Place — whether geography, architecture, or aesthetic design — impacts the values and behaviors of people in a workplace. Open spaces encourage openness and collaboration. The atmosphere created by the building design and attributes creates emotional attachment that comes first to peoples minds when they think about their workplace. It is important that the place supports the culture and has all needed equipment to make employees feel comfortable spending their time in the workplace.

Understanding and identifying these six factors is the first step towards creating a desirable corporate culture. They are a foundation that creates opportunities for further work and corporate culture development.

Culture is consistent, observable patterns of behavior in organizations. Aristotle said, “We are what we repeatedly do.” All organizations have a culture. Most of the times it is something that wasn’t intentionally created. Culture usually evolves over time through business strategy, leadership approach, key decisions and employee relationships. Corporate culture is a representation of the employees who work for the company and how they treat each other, customers and the company itself. Service culture is an organizational culture where there is a collective way employees **think** about providing outstanding service, **act** to provide it, and **understand** how and why they do it.

## 2.2. HOFSTEDE: CULTURE AS SOFTWARE OF THE MIND



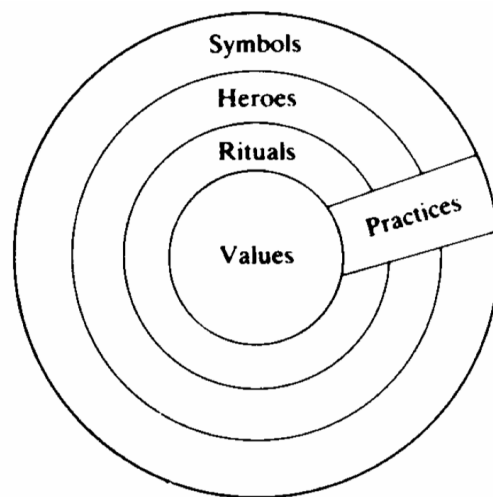
According to Geert Hofstede Corporate Culture “is the collective programming of the mind which distinguishes the members of one group or category of people from another.”<sup>12</sup> Hofstede believes and proves that culture is learned and not inherited. It is influenced from one's external environment, not from one's genes. From the very day when a person is born they look after their parents, later their teachers and other personas in the social environment. Their behavior is often shaped to the norms and expectations of the people around them. When a person joins any type of organization they learn some rules this organization follows and sooner or later modify their behavior in order to meet those rules. When we look at corporate culture from behavior perspective we might state that it is a set of behaviors and habits that are encouraged in an organization. Every individual is either encouraged for meeting those rules or punished if not following them. But human beings are way more complex creatures than others and the system or environment they belong to can not be distinguished by behaviors only, there is also a personality and human nature parts that add up to the culture.

<sup>12</sup> <https://laofutze.files.wordpress.com/2011/01/hofstede.pdf>

*Figure6: Hofstede - Three levels of uniqueness in human programming*

Culture should be distinguished from human nature on one side, and from an individual's personality on the other. It is important to understand the corporate culture is not something that exists in the company from day one. Corporate culture is something that evolves from the people who work in organization. It's both the leaders and they are leadership approach as well as employees who come to work every day and drive the performance of an organization. Every person who works for a company brings a piece of their personality and their nature and adds up to the common culture. It is important to understand that culture consists of human nature which is universal and basically inherited as well as personality which is specific to each individual and is both inherited and learned in the process of its evolvment. When these two factors come together they create a fundamental of culture which is specific to group or organization and can be learned and modified in the process.

Once in organizational culture is identified there are some emotive and visual



elements that distinguish it and its uniqueness. Culture manifest itself in several ways - symbols, heroes, rituals, and values. Symbols, heroes, rituals can be subsumed under the term practices which leaves two ingredients to the culture: practices and values.

*Figure7: Hofstede Culture Onion Model*

Symbols are words, gestures, pictures or objects that carry a special meaning which is only recognized by those who share the culture. Special words or jargon belong to this category, dress-code, etc.

Heroes are persons, real or imaginary, who possess characteristics which are highly encouraged and valued in a culture, and who thus serve as models for behavior.

Rituals are collective activities, which, within a culture, are considered as socially essential: they are therefore carried out for their own sake. Ways of greeting and paying respect to others, social events and activities are some examples.

The core of culture is formed by values. Values are overused nowadays as some behavioral descriptions or emotions that are described under values. But what values really are is some guidances as what is right and what is wrong and what we as a group who belong together believe in.

It is important to understand all these ingredients that create corporate culture and create an environment that would nourish them and support their development. It takes a long time to create a desirable corporate culture but it is very easy to lose the hold of it. Understanding and influencing symbols, rituals and heroes can help take the culture into desirable direction.



### 2.3. TITANIC SANK AFTER COLLIDING WITH AN ICEBERG

In 1976 Edward T. Hall developed the iceberg analogy of culture. If the culture of a society was the iceberg, Hall reasoned, there are some aspects visible, above the water, but there is a larger portion hidden beneath the surface.<sup>13</sup>

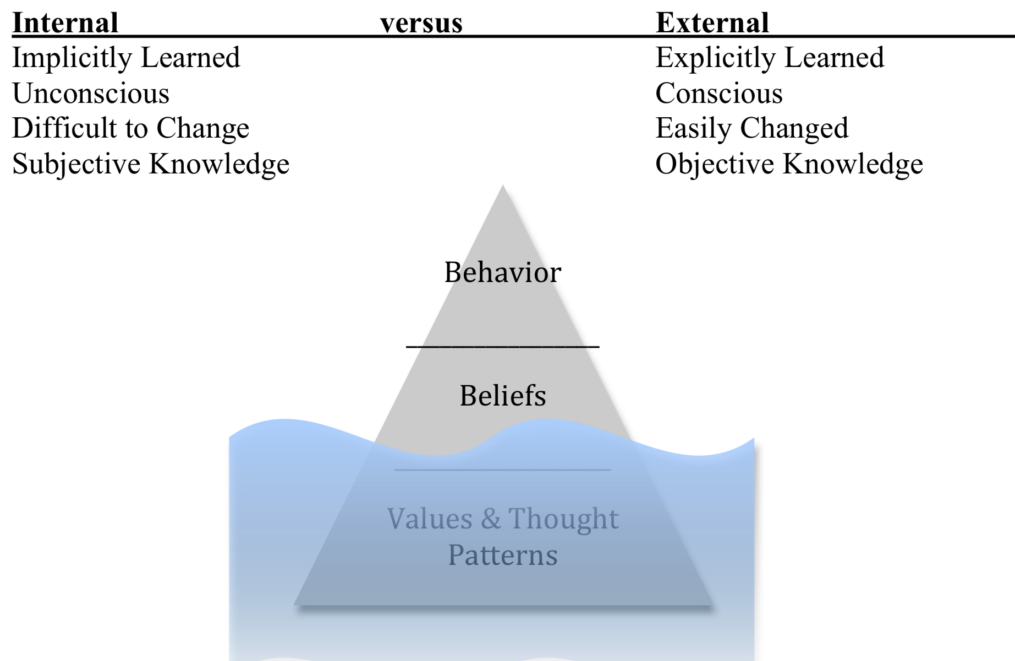
Those element about the surface are behavior models - well visible and beliefs - somewhat visible. Values, unwritten rules and patters are those below the surface that are usually the underlying causes of what manifest on the visible side. None of the visible elements can ever make real sense without understanding the drivers behind them and are hidden on the bottom side of the iceberg.

With most of iceberg's weight and bulk below it should also be considered to be a force to be reasoned with, because of what may lie beneath the surface. Some aspects of organizational culture are visible on the surface, like the tip of an iceberg and are referred to as the external, or conscious, part of culture , while others are implicit and submerged within the organization and represent the internal, or subconscious, part of culture.



<sup>13</sup> [https://www.spps.org/cms/lib/MN01910242/Centricity/Domain/125/iceberg\\_model\\_3.pdf](https://www.spps.org/cms/lib/MN01910242/Centricity/Domain/125/iceberg_model_3.pdf)

While External Culture is something that is more objective, can be measured and



managed, Internal Culture or what is beneath the surface is very difficult to change and is more subjective. Unconscious Culture is a tacit phenomenon and required a lot of time and effort to be identified and understood. Only those coming from the within of the organization can really define what lies under the water.

In 1912 the Titanic was the largest ocean passenger liner of its time and was significant for many reasons. The Titanic was thought to be an unsinkable vessel. Yet it was not prepared for the ill fate it met on April 15, 1912. This passenger vessel sank after colliding with an iceberg.<sup>14</sup>

The fate of the Titanic might have some similarity to a seemingly well-planned and structured organization. Most of the time organizations and their leaders work with what's above the surface and make decisions or build strategies according to those attributes. But the fact is that those things above the water make only 10% of the

<sup>14</sup><https://www.torbenrick.eu/blog/culture/organizational-culture-is-like-an-iceberg/>

organizational culture and ignoring the rest 90% or simply not knowing them can be fatal.

Ron Johnson's move from Apple to JC Penny is a clear business case when leveraging what's above the surface is not enough in order to change things around and achieve business goals. Ron Johnson was a very successful Retail Vice President at Apple for almost 12 years and turned "the boring computer sales floor into a sleek playroom filled with gadgets"<sup>15</sup>. Under his leadership Apple's retail stores achieved a record level of growth, exceeding a billion dollars in annual sales within two years of their debut. In 2011m Apple Stores in the United States had revenue of \$473,000 per employee. According to the research firm RetailSails, the Apple Store chain ranked first among U.S. retailers in terms of sales per unit area in 2011, with sales of US\$3,085 per square foot, almost double that the second retailer on the list. <sup>16</sup> In 2011 Ron Johnson was hired as Chief Executive Officer at J.C. Penny to perform rebranding and business transformation. But when it came to actual execution it was described as "one of the most aggressively unsuccessful tenures in retail history". Many of the initiatives that were successful at the Apple Stores, did not work for the J.C. Penney brand and culture and ended up alienating its customers who were used to heavy discounting. This case is known to be the biggest failure in retail business and can be called the "Retail Titanic" which faced an iceberg of ignorance and led to company share declining 51% in less than a year.

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<sup>15</sup> <https://www.nytimes.com/2011/06/15/business/economy/15shop.html>

<sup>16</sup> David Segal (June 23, 2012). "Apple's Retail Army, Long on Loyalty but Short on Pay". *The New York Times*. Retrieved June 23, 2012.

## 2.4. EXAMPLES OF GREAT CORPORATE CULTURE: RACKSPACE



**FANATICAL SUPPORT® FOR AWS**

*“The internal network at Rackspace went down and took the phone system with it. Customer’s weren’t able to call. Employees couldn’t even access the company directory to contact each other.*

*Rackspace provides computer hosting services for more than 300 000 customers. These companies run their websites, email, and internal computer systems on its network. It’s all mission-critical stuff. When there’s a problem, Rackspace customers need help fast.*

*A lone technical support agent sprang into action. He tweeted his personal phone number, letting customers know they could reach him directly in they needed help. Soon other tech support reps followed the suit and tweeted their numbers too. For the next four hours, they used Twitter and their cell phones to serve customers until Rackspace restored its telephone service. The support team typically handles a thousand calls during a four-hour time frame, so their extraordinary service prevented a lot of unhappy customers.*

*The stakes were high, but nobody from management told these employees to tweet their personal phone numbers. It wasn’t part of a carefully scripted procedure. No one even asked permission. They just did.”<sup>17</sup>*

This is an example of a hero moment created by a regular front-line agent who cared more about company's customers potentially losing money and being unhappy which could lead to losing them instead of waiting for managers call or approval. There is always a risk and all actions should be well thought out. There are procedures and data protection regulation that can not be compromised but when the stakes are so high all it needs sometimes is just an immediate decision and action.

It is not about just doing the job well and following the procedures. Every customer hero moment takes an extra mile and additional effort. It is about understanding the meaning of one's job and being ready to do whatever it takes in order to fulfill company's mission.

Such actions can not be expected from every employee and most of the time they wouldn't happen. There are companies where the environment is not a fit for such proactiveness and these actions would be considered as rules violation. The point this story makes is when you have a culture that aligns with employees expectation and personal values they are ready to do extra and put effort in order to see the company succeed. It is about shared responsibility and empowerment that creates opportunities for such hero moments. They can not be forced or faked, it takes time and effort to build a system that would give birth to its heroes.

## 2.5. ZAPPOS CORPORATE CULTURE STUDY CASE

*“ Customer service shouldn't be a department, it should be the entire company.”*

*Tony Hsieh*

Zappos is a unique phenomenon and fast-growing company that has a solid reputation of an outstanding customer service and one of the strongest corporate cultures in the world. Zappos is an online shoe store who has one of the strongest customer centric brands and is famous around the world for its strong culture.



The company was founded in 1999 and is based in Las Vegas, Nevada. The company now has roughly 1,500 employees and more than \$2 billion in annual revenue. In 2009 it was acquired by Amazon for around 1.2 billion American dollars. Tony Hsieh is Zappos CEO and its inspiration figure. In 2010 Tony published a book “Delivering Happiness”

about his entrepreneurial experience which was #1 on the New York Times Best Seller List for 27 weeks.

Tony Hsieh managed to build a self-manageable extremely successful organization with an outstanding customer service investing his time and efforts into corporate culture and people and setting priorities right. Hsieh decided to take Zappos in a bold new direction. when instituted holacracy<sup>18</sup>, a business model where teams are replaced by concentric circles, managers become “lead links” who have very little formal authority over other employees, and everyone in the company is empowered to make decisions. Customer service representatives have the same authority as the CEO to help customers who call in with complaints.

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<sup>18</sup> <https://www.zapposinsights.com/about/holacracy>

His initial idea was to empower employees and share the responsibility for customer journey and customer experience. From day one Tony Hsieh gathered employees to talk about what culture they were going to have in the organization. The key is to work on your culture from the very beginning and hire those who would enrich and protect the culture regardless of their skillsets or revenue-generating potential..

For Zappos culture is: happiness, people, being yourself, uniques, fun, perpetual, not always measured, work-life integration, partnerships, real, core values. But most importantly, culture is BRAND. Zappos created a culture where trust and creativity are two main elements and every employee is a part of a community of like-minded people.

Zappos doesn't invest money into marketing but rather into selecting right people and untraining their bad habits from previous workplaces like to be more efficient and spend as least time on the phone with the customer as possible. Positive customer experience and client's feedbacks speak for the brand and do all the marketing.

Zappos is not a shoe company. It is a service company that happens to sell shoes according to Tony Hsieh. Zappos hire people who are excited about shoes, but those who are willing to provide an amazing customer service. Customer service representatives at Zappos are not expected to follow the script or some procedures. Their mission it to "deliver WOW" and create emotional connection.

#### Zappos Values:



- Deliver WOW Through Service
- "Embrace and Drive Change
- "Create Fun and A Little Weirdness
- "Be Adventurous, Creative, and Open-Minded
- "Pursue Growth and Learning

- "Build Open and Honest Relationships With Communication
- "Build a Positive Team and Family Spirit
- "Do More With Less
- "Be Passionate and Determined
- "Be Humble"

Zappos enforces its culture by incorporating it into most important processes like hiring, development and performance evaluation. Zappos takes cultural fit very seriously. Culture fit is most important criteria regarding hiring potential employees. The recruitment process is rather slow but it screens the candidate from different perspectives in order to make the right choice regarding who will join the company and its culture. Interviewers use five or six behaviorally based questions with each Zappos core value in order to make sure the candidate is the best fit. Not just hiring managers participate in selection process but also team members who are supposed to give specific feedback about candidates. Once recruitment process is completed Zappos employees are offered \$3000 to leave the company in order to sort out those who prioritize money over service.

Every employee who joins the company has to pass customer service training and spend a week on the front line talking to the customers. No matter if it is a leading lady or new Chief Financial Officer, everybody has to know what the company holds dear and understand how to give an outstanding customer service. Every newcomer is also trained in each core value in order to be familiar with them and live them everyday at work.

Managers are very important in Zappos. They are the linking chains between employees and hold responsibility for corporate culture. It is their job to protect the culture and reinforce it through their daily work. Each manager is expected to spend 10-20% of the department's time on employee team building activities in order to build a trusting and friendly community. Managers also do cultural assessments rather than



performance evaluations and give employees feedback on their fit within the culture and how to improve.

Zappos has a culture book that is written by employees every year. It shows how people feel about the Zappos culture, what it means to them and how they reinforce and develop the culture every day.

How to build a Great Corporate culture following Zappos example:

- Define what your current culture is or what culture you want to have
- Hire only those who will fit in
- Live your culture
- Align the culture to your business objectives

### 3. ZSUPPORT CULTURE TRANSFORMATION INTO CUSTOMER CENTRIC ORGANIZATION

#### 3.1. APPROACH

In order to start the transformation it is important to understand what culture the organization has now and where it should be transformed. There are 6 dimensions of corporate culture:

1. Means-oriented vs. goal oriented
2. Internally driven vs. externally driven
3. Easy-going work discipline vs. strict work discipline
4. Local vs. Professional
5. Open system vs. Closed system
6. Employee oriented vs. work-oriented

ZSupport has a very easy-going open system corporate culture which is goals and results oriented. In the process of transformation we plan to shift work orientation into employee orientation as a way of employee customer experience focus and in such a way start building Customer Centric corporate culture from the within.

There are three stages of the transformation: defining the culture we are moving



to, understanding the gap we have between the current and desirable states, plan and implement changes.

The biggest challenge for the transformation is to deliver the message of a new culture to each employee of a big and complex organization. In order to make employees understand, buy-in and believe in the new culture the transformation will be based on three pillars:

1. Values and Internal Communications
7. Learning and Development
8. Sophisticated HRM system

Corporate culture transformation is a long-term and challenging affair. It requires a lot of effort and time resources from various stakeholders on different stages and well as budget and strong buy-in and dedication to its success. Corporate culture starts with leaders. In order to get from point A to point B it is essential to identify and agree on where is the destination point and what would be a definition of success. Leaders must define the new behaviors to create a good example for the whole organization, and to demonstrate that these changes are not temporary. If leaders do not demonstrate signs of change, the culture would not stick for long. It is essential to show integrity in the message an organization delivers and the behavior leadership shows. Leaders must fully commit to and believe in the new culture making it a priority for the whole organization without exceptions in order to make a successful transformation happen.

### 3.2. STEAKHOLDERS ANALYSIS

“A stakeholder is either an individual, group or organization who is impacted by the outcome of a project. They have an interest in the success of the project, and can be within or outside the organization that is sponsoring the project.”<sup>19</sup>

Within this project there are following identified stakeholders: business owners, senior management, company clients, third-party partners, employees, HR department.

Table 3.1.

<b>Stakeholder</b>	<b>Interest</b>	<b>Power (RACI)</b>	<b>Engagement Activity and Methodology</b>
Business owners	Improving company's bottom-line through increased retention and referral rates. Improving brand promise. Making the company more attractive for potential investors or buyers.	A/I	Project presentation along with project objectives, budget and expected business outputs. Project stages reports and summary.
Senior management	Increase in company profit through new sales and retention revenue. Decrease in Average Contact time and Employee Turnover. Improved brand promise and recognition and creation of additional added-value for business.	A/C/R	Project presentation along with project charter and involvement plan. Project budget and resources presentation. Expectation survey and predictive interview. Meetings with employees, goals setting procedures.
Company clients	Receiving an outstanding customer service and positive user experience with the company. Getting real value for the money spent with the company.	I	Interview with cutomers and experience surveys. NPS survey. Meetings with customers.

<sup>19</sup> <https://www.projectengineer.net/how-to-perform-a-stakeholder-analysis/>

Third-party Partners	Effective partnership through quality customer service. Increase in profit and product value.	I	Calibration sessions in order to align the quality of customer service and standardize operations processes between two companies.
Employees	Positive working environment. Personal alignment with company's mission and vision. Empowerment to take responsibility for ones work.	I/C	Meetings with employees, quarterly Q&A, trainings. Feedback surveys. Events engagement. Internal competitions and contests. Motivation programs.
HR Department	Employee turnover rate improvement. Decrease in time and cost per hire and training. Employee satisfaction and engagement improvement. Brand recognition improvement. Higher level of internal communication and better working environment.	R/C	Project development and approval. Budget planning and control. Project stages execution and result analysis.

Stakeholders Interest and Power Matrix<sup>20</sup> was used for this analysis in order to give brief and precise information of the key involved participants. Responsibility Assignment Matrix<sup>21</sup> (RACI) was applied to stakeholders power differentiation to describe their roles and responsibilities in the project where R stands for responsible, A - accountable, C - consulted, I - informed.

Among all stakeholders there are key participants who take the most responsibility of the project and are influenced by the results of it the most. Senior management,

<sup>20</sup> <https://www.projectengineer.net/3-types-of-stakeholder-matrix/>

<sup>21</sup> [https://en.wikipedia.org/wiki/Responsibility\\_assignment\\_matrix](https://en.wikipedia.org/wiki/Responsibility_assignment_matrix)

employees, company clients and HR department are the ones who either play major role in project success and are in charge of its execution or get influenced by the project's development and involvement inside the organization.

Business owners' biggest interest in this project is to make the business sustainable and attractive on the market. Customer centric corporate culture would promote long-term substantial Business - Client relationship and help build loyalty to business. It would also make the business attractive for potential investors or buyer and ensure sophisticated future growth and development possibilities. In order for the owners to see the urge and benefits of such transformation they need to understand the connection between corporate culture and its influence on the bottom-line and brand development. Their biggest interest lies in increasing the profit through retaining loyal customers and prolonging their lifetime value as well as growing Net Promote Score. Business owners are involved in the first stage of the project and are key decision makers and budget approvers. Additionally they are informed and updated on the status and interim results throughout all project stages.

Senior management representatives are crucial participants and key stakeholders since they are the ones to actively participate in the project and share the responsibility for its success. They are culture ambassadors and opinion leaders in the company. The success of this project depends on their buy-in and dedication to making it work inside the organization. Their interest lies in creating a common culture environment where all participants share same values and behaviors that define the quality and standards of the customer service the company provides. Corporate culture for senior management is also a tool to manage the complex and large organization through encouraging positive attitudes and loyalty to the clients. In case of projects success decrease in turnover rates as well as cost for hire and training rates and improvement in the bottom-line of the company are expected. Also believing the in a bigger purpose of the company and personal alignment to its missions should create in all employees a feeling to shared

responsibility of company's success which would motivate them to stay longer for the company and show better results.

For the employees of the company this project is a chance to be involved in corporate culture transformation and define new standards of outstanding customer service that would define company's place in the industry and global market in general. Since most of the employees are Millennials it is their best interest to feel like their job makes a difference and matters. New corporate culture will create alignment between company's vision and employees self-realization needs. Creating a customer-centric culture aims to unite one thousand employees around a common bigger goals and give a meaning in their day-to-day job. The goals is to make every employee understand how their work impacts customer user experience with the company and empower their responsibility for brand reputation.

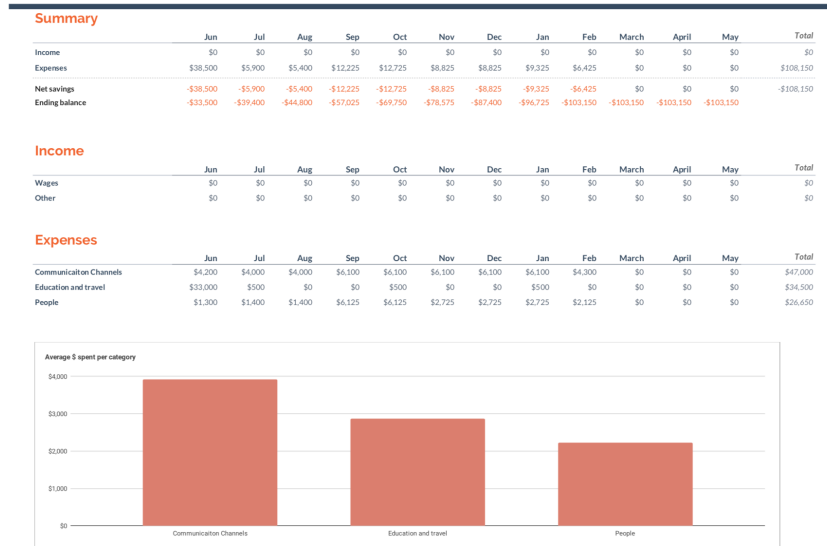
Third-party partners who provide ZSupport with traffic and outsource its services have interest in a high-level customer service that would maintain their good name on the market. They are interested in working with a company that delivers a sophisticated service and builds trustworthy relations with its customers. Third-party partners will be informed about the changes the company is undergoing and might be consulted in terms of what is best for their clients.

ZSupport's clients who approach the company are computer consumers who have encountered some kind of technical problem while using their device. It is important for them to invest their money and time into a solid technical solution that will not only fix their problem but will also prevent it from happening in the future. However every purchase has a large emotional aspect and most of the time is a determinant of a successful purchase. Positive user experience and feeling values are the driving forces in customer's long-term relationship with the company. The goals of customer centric culture is to ensure customer's positive experience with the company since customers who were please with the services they received tend to spend more money and stay with the company longer rather than new clients.

### 3.3. RESOURCES AND BUDGET

#### 3.3.1. Budget

The resources needed for Corporate Culture Transformation project fall into tree



groups: communication channels, education and travel and people per hour. (See Appendix 1.)

Communications channels that are used for the projects are the following: corporate communication platform - Workplace by Facebook, email tracking tool in order to measure communication open-rate, office live events and printed promo materials.

As for education and travel: ICMI conference and Zappos visit were main resources for learning the matter and its importance and industry trends as well as Lviv Business School MA in HR&OD as main source of methodologies and information for the project. Business trips to all offices were help quarterly in order to have important conversations and maintain consistent communication around company values.

Biggest people resource used for the project is HR dedicated team that includes Corporate Communications Team, Talent Managers Team, HR Operations team and HR Director.



It was claimed that a significant change in customer satisfaction levels typically hits a company's earnings after three to eleven months.

A research conducted by Avanade and Sitecore showed that there is a \$3 return on investment (ROI) expected for every \$1 invested in the customer experience.<sup>22</sup> With overall \$108150 project budget it is expected to see profit growth after the activation stage by approximately \$200 000 since it's not direct investment into CS but on corporate culture that should hypothetically improve CX.

### 3.3.2. Roles and Responsibilities

A dedicated HR team was created to create all phases of the project and make them peahen within the organization. This cross-functional HR group included centers of expertise and shared services with HRD leading the team. In total there were 13 dedicated people to the Culture Transformation.

Roles within the project:

HR Director - project and budget owner, methodology approver, consultant and team leader, main responsible person for project's success within the organization.

Additionally, this project is HR Director's diploma work for Lviv Business School, where she gained all the knowledge that was applied in different phases of the project by knowledge and experience sharing with the dedicated team.

Talent Managers Team - center of expertise responsible for creating and delivering "Outstanding Customer Service" workshop as well as developing core values behavior indicators.

Corporate Communications Team - center of expertise responsible for creativity and ideation regarding the project, methodology and communications plan development and execution, results reporting.

HR Operations - shared services responsible for high quality delivery of the communications and event plan within the project, events organizing and reporting.

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<sup>22</sup> [https://www.avanade.com/~/\\_/media/asset/white-paper/sitecore-customer-experiences-whitepaper.pdf](https://www.avanade.com/~/_/media/asset/white-paper/sitecore-customer-experiences-whitepaper.pdf)

Designer - responsible for creative visuals that support communications plan and project strategy.

### 3.4. UNDERSTANDING THE CURRENT CULTURE AND CREATING AN URGE FOR CHANGE

In order to understand the corporate culture in an organization it is important not just ask for the opinion but also observe and learn in the working process. It is important to unleash all layers of organization culture in order to analyze it and define what has to be altered and added.



ZSupport employees were asked to give three words that come to their mind when they hear ZSupport. This is a method that describes common emotive thinking and attachment to the organization and its culture. It helps understand what are the most important factors that employees value in the company. The results were following:

Most common words used by employees to describe ZSupport were: Team, Friends, Development, Support, Opportunity, Comfort, Family, Trust. This gives an understanding of the corporate culture that create a feeling of a belonging to a community where trust and comfort are ensured.

Employee engagement and eNPS were also measured in order to get general understanding where the organization is in terms of these metrics. The results were very positive.

Engagement survey was measure using Gallup methodology along with a survey previously developed by a branding and internal communication especially for ZSupport and the result was: 91% and eNPS - 64,3%.

It was an important insight to understand that organization is a second home to employees and they feel valued there. That they are engaged and the culture is positive and support business. This is the culture we want to build on, not to change or dismiss. It meets the company strategy and direction, the only thing that it lacks is work oriented Customer Centricity and the goal of this project is to add some focus on customer's need to the existing corporate culture,

### 3.5. ACTIVATION STAGE

#### 3.5.1. Phase 1: Introducing a new value to the organization.

First and most important step of the transformation was to introduce a fifth value of Customer Centricity to already existing four values: Candor and Trust, Team Cooperation, Result Orientation and Proactiveness. It was clear and obvious that a company which generates its revenue from customer services can not operate successfully without having Customer Centricity in its core values. However in order not to repeat previous mistakes made by the management it was important to ask employees their opinion on the matter and do some pre-work. It needed to be employees initiative to include Customer Centricity into the core values.

Corporate Communications Team initiated a set of Culture Talks in each office where employees shared their opinions on what they think company's culture is, who their customer is and what can be done in order to improve the culture. Meetings were followed-up with 1x1 sessions where employees from focus groups shared their opinions on the matter.

As a result of the Culture Talks all six offices voted for having Customer Centricity as fifth core value.

Customer centricity as a new was introduced by COO and presented in each office with senior management team. The key message was that we already know that the customer is important, now we need to transform this knowledge into behavior and unconscious competence in order to become #1 customer service company in the world.

We used Chick-Fil-A's video "Every Life Has a Story... if we only bother to read it"<sup>23</sup> in order to get every employee understand who are the customers and who we deal with everyday. The video didn't leave anybody careless and started a new era of culture transformation.

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<sup>23</sup> <https://youtu.be/2v0RhvZ3lvY>

Management team shared their insights from meeting company customers in the US after attending the conference and some world trends in terms of customer centricity in contact centers. It was an important kick-off hosted by the management team to show the importance of being customer centric. It was important to follow-up this movement and introduce more event to the organization in order to give a clear understanding of what is expected in term of customer centricity at ZSupport.

## .5.2. Phase 2: Values Dedicated Months

### September: Customer Centricity Month

In order to make the organization more familiar with company's values and incorporate them in corporate day-to-day life a whole month was dedicated to celebrating each value followed by a set of communication, events, competitions and other engaging activities. Project Chart was developed and coordinated by Corporate Communication Team and delivered by HR Operations.

September 2018 - Customer Centricity was officially added to a set of ZSupport's core values. Internal and external customer philosophy was implied behind customer centricity meaning that every employee in the company has a customer. For front-line agents it is external client while for support functions and management team it is the employees of the company who are their customer. Only by treating employees right and setting an example of customer service same can be expected from each individual in the company.

### Key highlights of Customer Centricity Month:

1. ZSupport COO announces that Customer Centricity has been added to core values of the company.



9. HR Director announces start of Culture Campaign and Customer Centricity month.

10. Customer Centricity Cases competition launched. Winner case:

*Customer called to activate her software which the agent did. She wanted to buy additional service because she had problems with her computer but had no money. The customer was a single mother of many children. The agent offered her free fix of her poorly working computer and the customer promised to purchase the service next month. "Everybody on the shift was laughing at me and didn't believe she would call back but I trusted her and she trusted me.", - agent says. After having her computer fixed the customer called in one month on exact date and time as she promised and purchased one-year service from the company to fix her another computer. You just have to believe in people.*

11. Customer Day introduced at the company. Celebrations took place in each office with management making coffee and hot drinks to all employees as customer care gesture. Together with Marketing Department special greeting for all clients and 10% discount was offered.

12. Thank you cards sent out on Customer Day as a part of internal customer philosophy. More than 1000 cards were sent out inside the organization.

Intermit results showed that QA Sales Customer Satisfaction rate in the end of the month grew from 43,5% to 45,4% comparing to three previous months. QA Support Customer Satisfaction rate increased to 93,5% comparing to 88,86% average of three previous months.

October: Team Cooperation Month

Teams are the biggest asset of ZSupport and its culture. Every employee who works for the company values and appreciates most their team. It is crucial to have a feeling of belonging and ZSupport satisfies it to its best. The company welcomes inclusion and diversity and there is a place and opportunity for everybody. When the company was still developing there was a tough competition between departments which

goals sometimes conflicted with each other. But with new management team who managed to build a strong cross-functional team it no longer was a problem. Collaboration displaced the competition which led to a better and more productive work.

Having one thousand employees in six different geographical locations that are not replicas makes it hard to establish effective communication and keep everybody on the same page. The goals of Team Cooperation Month was to introduce workers and teams to one another and build effective communication between them.



Key highlights of Team Cooperation Month:

1. Month celebration and expectations announced by HR team.

13. My Bro is from project launched. The goals of the project is to improve employees awareness of the functions and departments inside the company. Participants can sign up to spend a day with a representative of a department they want to find out more. Mentor prepares a presentation and guides their visitor through regular work procedures as well as shares some insights and job specialties. Overall 119 participants took part in the project and rate its usefulness 4,6/5.

Employees feedback about the project:

- *“My ignorance has moved away from me in regard to the place where I participated in “My Bro is From”. Seriously, I did not expect all the information I received, it was one of the best experiences I shared, knowing exactly what people are doing. The fun part was when I realized the position of some people in ZS”*
- *“It was an eye-opening experience”*
- *“See how other work and realize that we are one big family”*



- *As a mentor I was very pleased to host workers from other department and have a chance to share with them my experience and the importance of my job. It is always nice when people are interested in your job. Special thank you to those who prepared presentations about their departments. It was very meaningful. You never really understand the importance of somebody's job until you find out what they actually do for the company.*

14. Best team video competition across the organization launched. Employees submitted over 20 videos presenting their teams, their diversity and inclusiveness, internal jokes and some work-related pains. Three winners were announced based on likes and votings on Workplace. Overall 121 employees participated in the competition which made it 20% of company operations population.

#### November: Result Orientation Month

This core value is an essential rule by which ZSupport operates. If not for result orientation the company would have been able to grow this fast and achieve its results in such short time. It is very important thought to keep healthy balance as long-lasting persistence and push for results can lead to employees burnout.

In order to support customer centricity and hear the customer HR department surveyed employees and asked them for their opinion on how they would like to spend Result Orientation Month. The idea that was mostly supported from within the organization was implemented in November in ZSupport.

#### Key highlights of Result Orientation Month:

1. Month celebration and expectations announced by HR team.



15. Board game championship launched across all locations (Most supported employee initiative). When asking for feedback and ideas on how to celebrate the month many employees

stressed the importance of healthy balance between work and fun at a workplace. Board games are popular among agents who work 24/7 and have some time in-between interactions with customers. The championship gathered 105 employees from the company including senior management and COO of the company. HR team created a special ZSupport edition of Alias which is now the most popular game in the office.

- *Board game championship was really fun. It started a new tradition in our team.*

16. Best customer feedback celebration was another activity launched to support both Result Orientation and Customer Centricity values. QA department gathered positive customer feedbacks and played them on TV screens in every office with a nickname of an agent who the feedback was about. More than three hundred feedbacks were gathered and played on the screen and you could literally see people standing in the hallways waiting for their feedback to be played to share it with their friends. Along with this Best Feedback Competition was launched on Workplace and employees who received most positive feedback from the clients received a gift certificate as a motivational bonus. Some feedback examples:

- *I am very happy with the way I was treated and how helpful your workers are. - About Otto*

- *The representative was very informative and listened to my needs. - About Noah*

- *Immediate response, very friendly, always try to help you as long as it takes. They don't rush, always available. - About Amy*

- *Frank was very patient and he really knows his stuff. - About Frank*

- *This service from ZSupport is amazing and I could not be without it now. - About Greg*

December: Proactiveness Month

Proactiveness is the most hard to measure and define value among all. It has a different meaning for everyone. In ZSupport it means thinking outside the box and being ready to go an extra mile. When ZSupport was only established there was a group of people who didn't ask for permission, only forgiveness. This rule made a major contribution to such fast growth and development of the company as well as its success. It teaches to fail fast and try again. Most of ZSupport managers treat the business as their own which takes the responsibility and dedication they put into it to a whole new level.

*“Leadership is not a rank or a position to be held. Leadership is a service to be given.”- Simon Sinek.*

Leadership is what plays a big role in corporate culture. Early during Customer Centricity month the company implemented a philosophy of having both internal and external customers. That managers should treat their teams and employees as their internal customers and set high standards of customer service by leading by example. This



philosophy was inspired by Servant Leadership approach which defines Leader as who shares power, puts the needs of the employees first and helps people develop and perform as highly as possible. Servant leadership inverts the norm, which puts the customer service associates as a main priority. Instead of the people working to serve the leader, the leader exists to serve the people and their development.<sup>24</sup>

December as Proactiveness month was about giving back to community and nourishing social responsibility among employees. ZSupport acts as socially responsible brand and encourages its employees do the same. December is a month of kindness and forgiveness around the world and what is a better way to unite the organization than helping those in need on the even of Christmas Holidays.

<sup>24</sup> <https://www.servantleadershipinstitute.com/>



### Key highlights of Proactiveness Month:

- Workplace online charity auction where employees could sell their personal belongings of some values and donate earned money to charity. Total of 48 lots were sold and all the money went to local orphanage.

- Food charity fair in every office.

- “Who would have thought” flashmob where some shocking information about employees and their hobbies or achievements was shared.

- *Charity fair was amazing since everybody was so dedicated tail to the bigger and noble goal this*

*event was a good presentation of all our values and the best in our corporate culture*

- *Charity fair had a deep and practical meaning and united or teams at the same time.*

### January: Candor and Trust Month

Candor and Trust is the most cherished and appreciated value in the company. Trust is a foundation of every relationship possible no matter if it's a personal or work relationship. It is very important to know that you can count on the people you work with. For a large organization like ZSupport it is important to be transparent with the employees and build the employee-company relationship based on trust. For a new generation of Millennials transparency and honesty are very important at a workplace. They want to know how and why the decisions are made as it gives them a sense of confidence and stability in their career. It is crucial to have transparency in the organization if you want your employees to treat your customers the same way. Trust is the foundation of loyalty. Employees who believe in the company and its leadership tend to work better and stay longer with the organization.

### Key highlights Candor and Trust Month



- Workshop for managers on how to give honest and constructive feedback. January is a month when performance evaluation process began. This process includes values evaluation and feedback to each employee. Talent Managers team prepared a workshop for company managers on how to give honest feedback in order to help them make Performance Evaluation process most effective way possible.
- Candor and Trust team building activities were initiated in every office in order for employees to get to know each other better and build a mutual understanding which is expected to lead to future trust.
- #10yearschallenge online flashmob was launched on Workplace and was a viral initiative where employees shared their photos from 10 years ago. It was a fun way to get to know each other better and reveal some personal stories.
- Candor&Trust fun questionnaire launched in order to find out who is the biggest non-formal influencer and hold most power inside the organization.
- *Candor and Trust activities helped us understand each other better and see how we already trust our colleagues.*



After 5 intense months dedicated to each value there was no employee who wouldn't know company values or what they mean. A total of 638 employees participated in the events and competition described below which makes it 75% of the total headcount. Every activity was supported with internal communication and visuals and each month was celebrated with senior management's active participation.

In the end of The Values Dedicated Months campaign HR team sent out a survey asking employees "Do you think ZSupport corporate culture changed during last 6 months. If yes then how?"

*"Our corporate culture improved a lot in a positive way. People started to understand what it is and are really living our values."*

*"I think the culture has changed in the way that more and more attention is paid to the values and how they are followed in our every day work."*

*"I think it has changed a lot. At least employees remember about values not just during performance review but every day when they are at work place."*

*“Yes, the culture has changed. We added a new value and these events have showed everybody how important it is to live or values. It was very nice that management team was a part of every activity.”*

*“The corporate culture has changed for better and now I understand 100% why it is important for a company to have it. Moreover I think it is impossible to be without it.”*

*“Thanks to the events that were happening during past six months, there was more communication between the employees that have never talked before because of their functional responsibilities. And there is more and more people who know what our values are and what they actually mean”.*

### 3.5.3. Phase 3. Customer Centricity through Learning and Development

In order to adopt Customer Centricity as a value, some behavior patterns had to be introduced and taught in order to make it stick for a long time. ZSupport decided to use Zappos best practice and approach customer centricity through education and learning. Every employee had to go through “How to deliver outstanding customer service” workshop developed by the team of Talent Managers based on industry best practices analysis. After the whole organization passed the training it was included in to the on-boarding process for all new coming employees no matter of their position. By this mean every employee who joins the company understands that customer centricity is the main focus and value of the organization and no matter of your position in the organizational culture you have to deliver a great service. It also helps to unite the whole organization around one big goals.

Talent Managers Team was responsible for creating a training that would meet business needs and stress on the importance of outstanding customer service and encourage employee to be the ambassadors of the new culture. It has to be work related and help be more effective at work but involve cultural part at the same time. The training was universal for every employee in the company and every position and was applied to both internal and external customers.

The main goals of such training was to make every employee understand the new customer centric philosophy inside the organization and create some fundament for the new value to evolve. By teaching new skills and behavior models the company made clear expectations of employees performance and how work process should be influenced by the organization’s beliefs.

Employees feedbacks after the training:

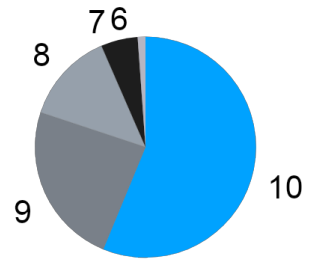
*"We need more such interesting and applicable trainings that would help us improve our work results and change our work tactics. It also helps us build cross-department and cross-team communication."*



*“Thanks to this training I has a fresh look on simple skills that I always forget about in the work process but that are so important for the customer experience.”*

*“This workshop reminded us that we work with the customers and have to respect them. There is just no other way around”.*

After the training all employees has to give feedback as for how relevant and helpful the training was. Average score across the whole organization was 9.2/10 which gave HR department and management team an understanding that employees understand the importance of customer centricity in their work.



New acquired skills and knowledge had a positive impact on business metrics (CSAT and NPS) and proved to be useful for company operations.

#### 3.5.4.Phase 3. Adopting HRM system to core values

The last step in introducing and reinforcing customer centricity in the organization was incorporating it into the internal processes and adopting Human Resource Management system to the new value.

After the new value was introduced we developed **behavior indicators** (Appendix 2) for each core value in order to make it clear what exact behavior is expected from employees in terms of living corporate values. We created focus groups of middle and top performers and went through structured in-depth interviews with them. The process covered 20% of the company which was about 150 employees. The behavior indicators were developed in regard to the level in organization structure since there are different levels or access to the information and responsibility.

After behavior indicators were created and ZSupport adopted them into the **Recruitment process** by creating a set of behavior questions that would screen the candidates for cultural fit and help chose the best candidates out there in order to support and protect the corporate culture. Along with recruitment, ZSupport **On-boarding process** was updated and included the information about core values and their behavior indicators that are encourage in the company in order to make the arrival process more smooth for the newcomer.

Internal **learning and development system** was updated and included soft skills trainings in order to meet role expectations and fall into middle and top performers group. As well as **annual performance management** and evaluation process was updated towards company values and included an additional step - values 360 revue.

All following decisions were made from values prospective and were properly communicated to the entire organization. There were two dismissals done for violating company values that were communicated to the whole organization in order to promote trust and transparency. All communication is now done from Candor and Trust point of

view where healthy discussions are welcomed and encouraged in frames of tolerance and patience.

This way corporate values were incorporated into the whole people management system in the company and supported business strategy and goals. Every candidate who joins the organization automatically falls under values based management system that follows their employee journey throughout their company lifecycle. This system creates consistency and transparency in terms of what is expected and encouraged in the organizations from day one.

## 4. MANAGERIAL IMPLICATIONS AND CONCLUSIONS

### 4.1. FINANCIAL METRICS AND INTERMIT RESULTS

The main goals of the Culture Transformation project was to adopt a new value into business operations in order to support the business model and company strategy.

Core business quality and quantity metrics that have a direct influence on company bottom line are metrics are Net Promoter Score (NPS), Customer Satisfaction Rate (CSAT), Effort rate and Re-bill rate. In order to state whether the project and culture transformation was successful and supported business vision these core metrics were analyzed from the beginning of the project.

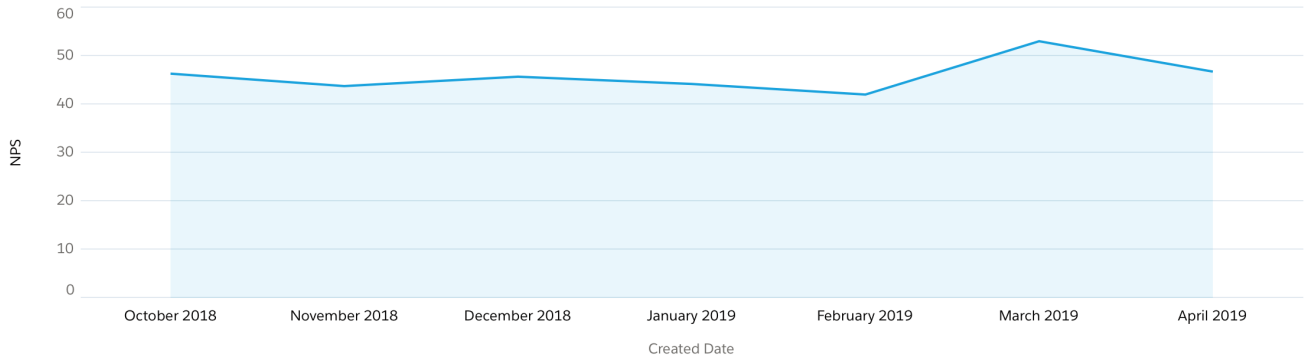
1. **Net Promoter Score** is a universal service business metric that measures customer experience and predicts business growth. It has direct correlation with retention and refill rates since NPS answers a question “How likely is it that you would recommend [brand] to a friend or colleague?”.

Respondents fall into three groups:

- **Promoters** (score 9-10) are loyal enthusiasts who keep buying and refer the brand to others
- **Passives** (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- **Detractors** (score 0-6) are unhappy customers who can damage your brand

Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score, which can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).

ZSupport service NPS dynamics since the start of the project. It is clearly visible



that average NPS after the end of the project increased by 2.3% from 45.03% to 47.3%. According to research from Frederick Reichheld of Bain & Company (the creators of the NPS framework) for an organization with such user database and, something as simple as increasing customer retention by 5% (which is achieved by increasing customer satisfaction with your brand) can result in a 25% to 95% increase in profits.<sup>25</sup>

2. **Customer Satisfaction Rate** or the Happy Customer KPI is another universal service metric that is used to measure the level of customer’s satisfaction with their user experience within the business.

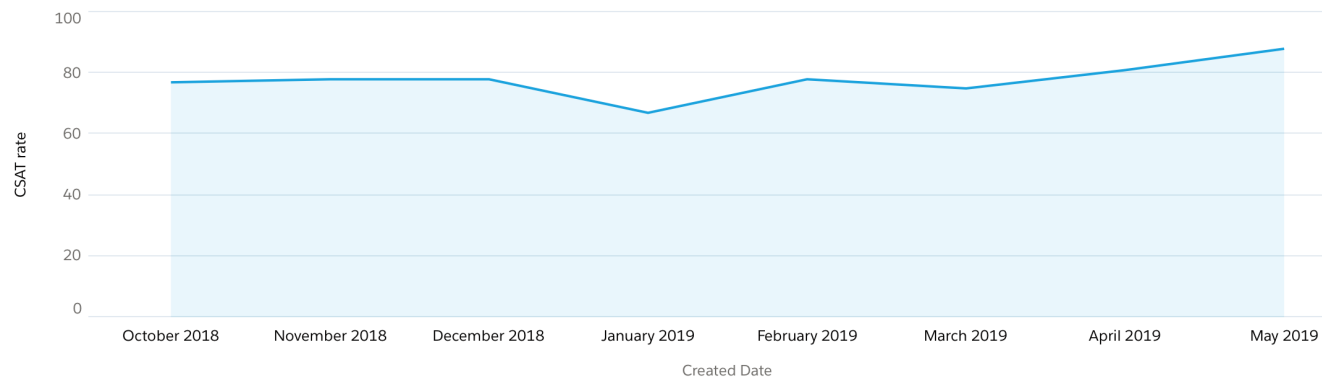
$$\frac{\text{\# of Satisfied Customers}}{\text{\# of Satisfaction Survey Responses}} \times 100 = \% \text{ of Satisfied Customers}$$

Typically, some variation of the following question is asked at the end of a customer feedback survey: “How would you rate your overall satisfaction with the service you received?”. Respondents rate their satisfaction on a scale of 1 to 5, however, CSAT scores are expressed on a scale of 0 to 100 percent. Formula for CSAT:

<sup>25</sup> <https://go.forrester.com/what-it-means/ep04-rethinking-customer-loyalty/>

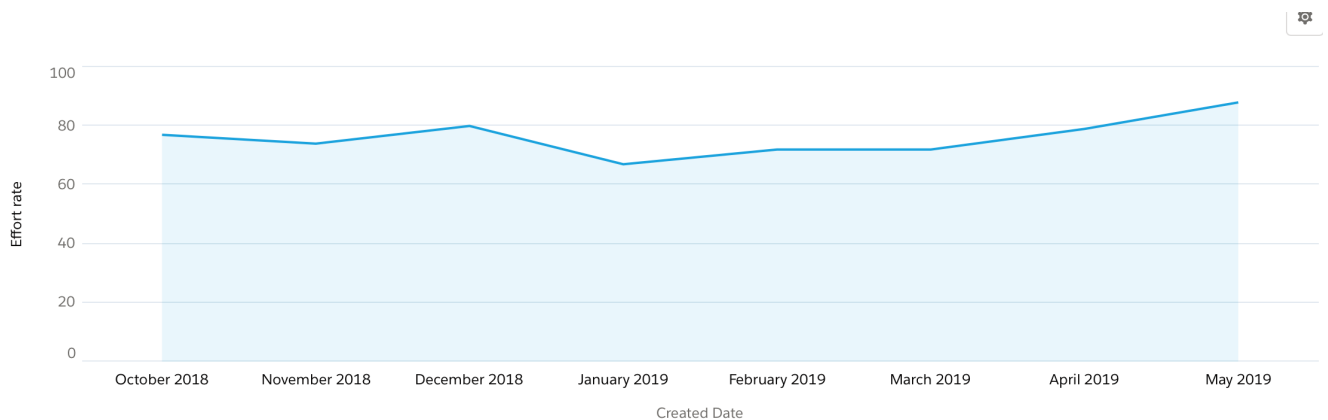
The probability of selling to a new prospect is 5-20%, while the probability of selling to an existing customer is 60-70% according to Marketing Metrics. <sup>26</sup>Murphy & Murphy estimate that a 2% increase in customer retention has the same effect on profits as cutting the costs by 10%. <sup>27</sup>

ZSupport has shown a great positive dynamics and growth in CSAT in the end



and after the Culture Transformation Project. The start point in the beginning of the project was 77% and end point - 88%.

**3. Customer Effort Score (CES)** gives us information about how substantial



and easy to use our service is for the customers. It helps us understand if our funnels, scripts and processes are easy for the customer to follow and use. We gather information through surveys to hear our customers voice and if needed our Quality Assurance team

<sup>26</sup> Marketing Metrics: The Definitive Guide to Measuring Marketing Performance Paul W. Harris

<sup>27</sup> <https://www.amazon.com/Leading-Edge-Chaos-Critical-Elements/dp/0735203121>

connects with the customers to get more insights on how we can make our Customer Journey more comfortable and efficient for the customers to use.

	% AR
Apr 18	76%
May 18	75%
Jun 18	79%
Jul 18	81%
Aug 18	83%
Sep 18	82%
Oct 18	82%
Nov 18	85%
Dec 18	87%
Jan 19	85%
Feb 19	84%
Mar 19	86%
Apr 19	84%

Throughout the project effort rate was growing in correspondence to NPS rates and has also increased by 10%. It is believed that such initiatives as new on boarding process and well as customer based training and development made their contribution to this score.

4. **Average Re-bill Rate (AR)** shows how many subscription based re-bills were successful in correspondence to those expected.. This metric is used in order to measure customer retention rates and there is a visible improvement in this score throughout the project timeline. It seems that more and more customers decided to stay with the company and use its services for longer period of time.

Taking into account that Murphy & Murphy estimate that a 2% increase in customer retention has the same effect on profits as cutting the costs by 10% and that it was claimed that a significant change in customer satisfaction levels typically hits a company's earnings after three to eleven months this information was modeled into project cashflow to see the dynamics of the financial influence.<sup>28</sup>

Starting Average rebill rate in September when the activation stage of the project started it was 82% and was consistently growing which had a significant impact on company's profit (Appendix 1 for more information) with project ROI 14%

<sup>28</sup> <https://go.forrester.com/what-it-means/ep04-rethinking-customer-loyalty/>

<b>Income</b>														
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Total	Average
Retention revenue	AR revenue %			82%	82%	85%	87%	85%	84%	86%	84	\$0		
	Monthly totals:	\$0	\$0	\$0	\$0	\$0	\$38,833	\$23,300	\$15,533	\$31,067	\$15,533	\$0	\$124,267	\$10,356
	Retention Revenue	\$0	\$0	\$0	\$0	\$0	\$38,833	\$23,300	\$15,533	\$31,067	\$15,533	\$0	\$124,267	\$10,356



## 4.2. INTANGIBLE RESULTS

Apart from tangible and financial results there have been important positive changes in internal environment and employees attitude.

There hasn't been any toxic thread on work email during the period of the project and after it. Neither has there been any cross-team or cross-department conflict that would escalate to company level. These facts are important for internal culture since there used to be at least 1 conflict of toxic conversation per quarter.

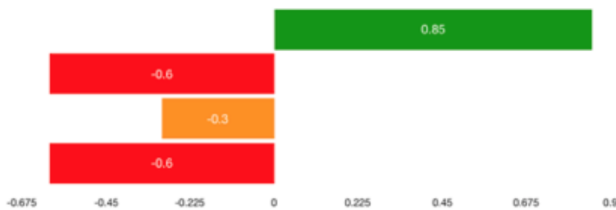
On emotive level every employee can feel that the culture has changed in terms of how the discussions inside the teams, how management communicates with employees and how most important decisions inside the organization are made. Customer has begun to be a center of attention and decision making process which has a positive impact on employees overall attitude towards work and the company.

Employee attrition rates decreased by 5% after the project was implemented and brand recognition improved which had a positive impact on time and cost per hire.

### 4.3. LEARNINGS AND NEXT STEPS

By the end of the project the company has decided to change its strategy and start working and creating and launching a new product. The company attracted most successful C-suit representatives from the abroad with a vast experience of leading the transformation.

ZSupport as a service company had to merge with a product company inside same group of companies and together start developing brand new competitive product to launch on cybersecurity market. ZSupport and the product company share same customers but they had no or very little communication. These companies merging into one means merging two absolutely different cultures and environments. In order to launch a new product the company has also decided to do a rebranding of the business and create a new brand that would unite ZSupport and the product company. The company attracted a world-know brand agency who will be developing new product brand as well as mission and values for the newly created company.



The biggest achievement of this project I consider to be the fact that when new C-suit joined the company they were amazed with the corporate culture ZSupport has and how it influences overall company's performance. And now when the

culture merge is about to happen it is ZSupport's culture that will be built on and translated into the new organization. Brand agency who will be developing a new brand for the new product together with company's senior management decided to build the brand around customer centricity and make it a new brand promise which makes this project evolve into a new stage.

Also another result of the project's success is a feedback form ZSupport's biggest third-party partner:

*“ZSupport has cultivated a culture of performance across its organization. This performance culture extends beyond traditional contact center business KPIs like revenue, first call resolution, and case closure rate and asks front line employees to “be a customer service unicorn”. This mentality, of providing customer service so rare and pleasing, is directly connected to the culture of the organization.*

*ZSupport approaches this task by placing the customer in the center of the organization and working outward. By doing this, the organizations performance culture has a total focus on how the customer will benefit from all business decisions.”*

As for learning the most important one for me as project owner was that HR department should understand the business and its needs. The idea if this project came after analyzing and diving deep into business core metrics and their meanings. Once you operate with the facts and business proof it is easy to sell the idea and get the support you need from business.

Another key learning was that corporate culture is something that should be worked on everyday and it is not only HR responsibility but it is every team lead's and manager's responsibility to make it work inside the organization.

I was lucky enough to have a very conscious and sensible senior management team who dedicated a lot of their time and energy into supporting this project and making it happen. It played a very important role in the culture transformation and led it to success.

ZSupport started its culture transformation with a new management team which contributed to the success of the project. After almost four years of fast and exhausting company growth, switching from hard-sale tactics to quality assurance and compliance and undergoing two restructuring processes new management team impersonated positive changes and new era for the company. Positive image of the new management

team who started a whole new approach to leading the company, delivering on promises and being closer to each employee played its major role in the transformation

What every HR leader should be very cautious about is long-term strategy and company direction. I was a lucky coincidence that company decided to turn to a new era of high quality of the product and build in on the existing in ZSupport customer centricity. But it could have been different and would have turned as a waste of time and money if the new direction was different.

Another important learning is that line managers role in culture transformation should not be undermined and it is important to work with them and guide them through the process. They are not as skilled as senior managers and require more training in order to contribute to building a successful corporate culture.

Next Steps in Customer Centricity direction:

- Company merge with the product part and translating ZSupport best practices on culture development into the new company.
- Brand creation and development around Customer Centricity.
- Leadership approach definition, introduction and education
- Employee Customer Experience approach definition and current state analysis

## 4.4. ONE YEAR SUMMARY

### 4.4.1. Project recap

Corporate Culture Transformation project lasted for more than 12 month and became a part of company's corporate life. During its active stage whole organization learned what stands behind each corporate value, what it really means to live values and started working towards becoming a customer-centric organization.

Main goals of the the project was to strengthen the corporate culture and its values, create a real values of the customer and turn the organization into customer-centric.

The transformation was driven by a complex approach and three pillars:

1. Values and Internal Communications
17. Learning and Development
18. Sophisticated HRM system

First phase of the project was introduction of Customer Centricity as a new value to the organization. This whole project was build around transforming the functioning and positive corporate culture into a customer-friendly culture that would support business model and give company's population purpose in their day-to-day work and enforce more positive attitude towards customers. Important commentary to this phase is that while having four set-in-stone corporate values that did not include customer centricity, it was present in the organization on intuitive level and it was just a matter of time when it would have been formalized. However introducing a corporate value is one thing while building or transforming corporate culture around it is another. In order to enforce customer centric corporate culture, these principles had to be incorporated into business processes and employees day-to-day routine which was done in the next phases of the project.

During the second stage which lasted almost 6 month, employees and managers got to learn about each corporate value though values dedicated month driven by internal

communications along with events and activities. Each values was visualized and delivered to the organization in an easy and fun way to match employees profile and needs and create a positive learning environment. Through this stage we managed to increase values awareness and draw attention to the importance of customers to the business and organization.

Third phase of the project was meant to teach and educate the organization about customer centricity and set clear expectations of the outstanding customer service and attitude. Learning from leading customer service companies and adopting it to company's realities helped us create a valuable and useful knowledge base that not only helped enforce the customer centric culture but was also beneficial and helpful to employees at work.

Last stage of the project was adopting all HR processes to customer centricity and internal customer philosophy that evolved in the process of this project. While communicating and working through the values was the main part of the project in order to ensure its long-term sustainability it was important to make sure the new culture is supported by the correspondingly build processes that are in line with what is preached to the employees.

As a result of this complex approach this project managed to set grounds for new customer-centric corporate culture that was supported by facts and numbers-based evidence. It also took the organization to a new level in terms of the environment and internal atmosphere in the company. Anyone can see and feel the results of this massive work until these days even though the project came to its end and was replaced by another massive transformation which I see as an evolution of what was created in the process of the "Culture Transformation" project.

#### 4.4.2. Culture Clash.

One year ago when this project was coming to an end, the company started a massive transformation process. A new management team that joined the company was

taking it to a new future. ZSupport was merged with a product development company from under the same umbrella. It is important to mention that even though the two organizations were from the same group of companies, they had different backgrounds, employee profiles and most importantly corporate cultures. While ZSupport had a strong and defined customer-centric culture that was developed through this project, the product development company did not have a clearly outlined corporate culture or its attributes.

Another challenge was that employees in these two previously companies, now business units of a new company, had a very different background. While ZSupport's typical employee was a student or a recent graduate with little or no experience, product development employees were accomplished professionals in their fields with years of work experience.

This brought a new organization's management and HR team to a position where they had to create a culture that would compliment two different audiences with their legacies and will create a new engaging environment to maximize everyone's potential and achieve business goals set for the organization.

#### 4.4.3. New strategic goals

Newly formed organization's long-term strategy was to create and release a new disruptive product in the cybersecurity niche while maintaining stable results with initial product and service. New product creation and launch was very time-bound since there was a defined market need that could have been taken by the competitors.

The situation required rapid decisions and changes in order to be able to deliver the results. The case was that recently merged two companies did not have time to learn how to work together. With goals being set and deadlines so sharp they had to jump into working together figuring it out on the way.

#### 4.4.4. New product and brand

Along with merging two companies and creating a new software the organization started re-discovering its brand identity for the new product. One of world's best branding agencies were attracted to help create a new brand identity to disrupt the cybersecurity market. The organization went through mission and vision creation process that were co-created with company employees. They ended up sounding like a manifesto meant to give people back their human right to digital privacy and security.

Inspired by the levels of customer centricity and of the organization and its love for the customer, new brand positioning, tone of voice and user journey were created to reflect it at every step. Customer centricity was set at a heart of the new brand and product and gave the organization purpose and calling it had never had before.

With customer being put at the heart of the business there were a lot of challenges that the business was not ready to face yet. There were many operational processes that had to be altered or adapted. One of the biggest questions was whether the company is ready to be driven by service and quality metrics versus revenue and financial performance indicators.

In order to become an organization that would be consistent on its way to delivering on its mission promise and to ensure long-term success the company required culture changes.

#### 4.4.5. Values Re-discovery

Culture is a glue that connects people to business goals, aligns personal values to organizational values. Newly created brand was inspiring and uplifting that was leaving only one question to the organization: "How are we going to deliver on our promise".

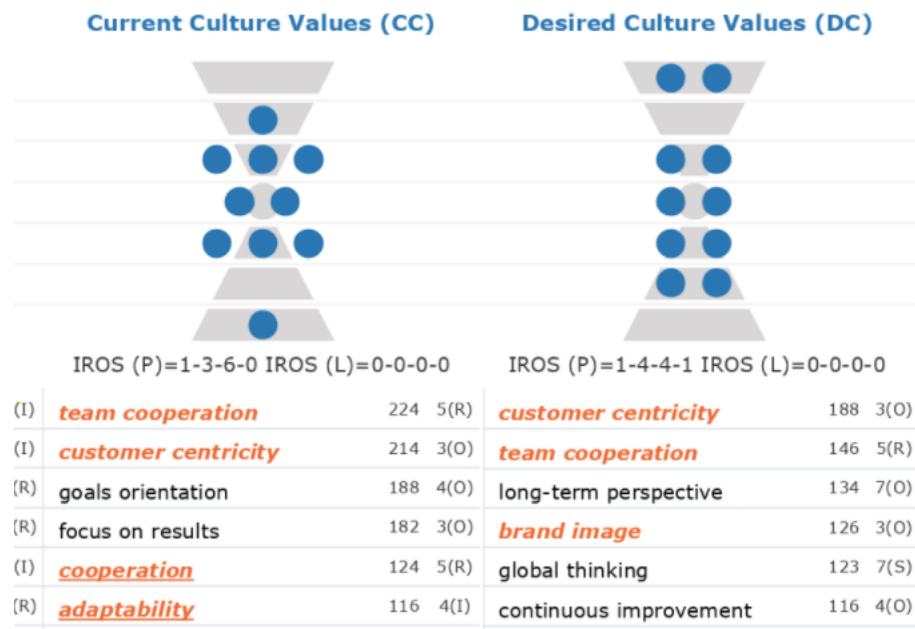
In order to bring two parts of the organization together and create an environment that will help the new organization on its mission we started values re-discovery process. Its goals was to respect two legacies and build on their best parts.



Values re-discovery was a joint process along brand creation and which in the end had to represent and reflect the people of the company, their beliefs and characters.

Values re-discovery process proved that customer-centricity was by far one of most important values for ZSupport part of the business and became a core for the set of company values.

We chose Barrett Assessment methodology for the re-discovery process. Our main goal was to see what values were live and important for both audiences in the past in order to build on them and add things that will help the organization achieve its goals. We wanted our values to represent the people who work in this company and be the real guidances in our work process.



First step was the assessment itself. Almost 600 employees (78% of the organization population) took part in the survey which gave us sophisticated data for the analysis. It broke the information into three groups: personal values, current culture values, desired culture values).

As you can see on the table above from the assessment report of ZSupport customer centrality was second most important corporate value in the current culture and first most important corporate value value in the desired culture.

These results prove that customer centrality was a real value that was living in the organization and was shared by all employees in it.

Additionally old (espoused) values were analyzed in the values re-discovery

<b>Espoused Value</b>	<b>CC Votes</b>	<b>%*</b>	<b>DC Votes</b>	<b>%*</b>	<b>Difference</b>
candor and trust	86	15%	112	19%	4%
customer centrality	247	42%	262	44%	2%
focus on results	229	39%	104	18%	-21%
proactiveness	96	16%	60	10%	-6%
responsibility	89	15%	100	17%	2%
team cooperation	278	47%	204	35%	-12%

process. The report below shows the degree to which the espoused values are lived in the Current Culture and supported in the Desired Culture.

The following espoused values are those that participants recognize as being of significant importance within the Current Culture of the organization: team cooperation, customer centrality, focus on results.

These are values which participants believe are of significant importance for the future direction of the organization: customer centrality, team cooperation.

An interesting trend that you can see from this data is that while team cooperation is the first most important espoused value (47%) and customer centrality - second (42%) in Current Culture report, they switch places and customer centrality becomes number one most important value (44%) in the desired culture report.

After thorough analysis of this data and numbers of discussions with different focus groups and management team, we created a new set of corporate values with

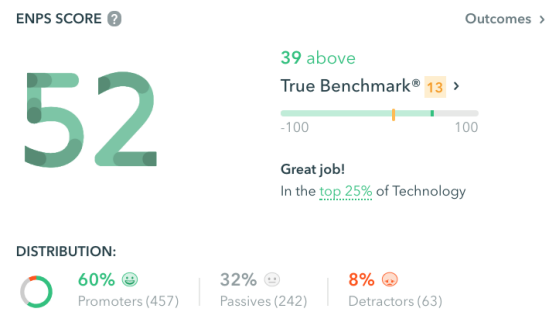
customer centricity being a core value. Now these values are translated into behaviors and published on internal resources.

#### 4.4.6. Employee Experience approach

Taking a whole organization through this massive transformation required strong visionary and transformational leadership. Newly formed structure adopted Employee Centricity approach that was previously introduced in ZSupport as “internal customer approach ” believing that satisfied and engaged employees will take the organization and customer service to the next level.

Managerial staff was given an opportunity to pass change management training in order to be able to support their team through the transformation and make it as fast and effective as possible. Moreover, inspired by Employee Experience Approach the organization chose exponential leadership as leadership model and organized Leadership school for all managerial staff.

Internal HR processes were and are adopted to Employee Experience philosophy in order to increase employee engagement and build a strong customer centric culture. Employee Engagement tool was introduced and adopted in order to be able to measure, react and work on employees satisfaction and engagement. After second engagement measurement we were able to observe a positive growth in results which proved the approach and previously mentioned initiatives to be effective.



#### 4.4.7. Personal reflection

One year ago this project was coming to an end, but now looking back on it I understand that there is no end to it. This is an ongoing project that turned into

organizations philosophy and I am humbled to have been there from the outset. I remember the day the idea of introducing customer centricity into ZSupport was born and now it grew big and became a heart of a new beginning. I truly believe this project was a turning point for ZSupport at some point and had its influence on the business's future.

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# APPENDICES

## APPENDIX 1. PROJECT CASHFLOW

## APPENDIX 2. VALUES BEHAVIOR INDICATORS

Entry level	Team Leads	Middle Management
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### Summary

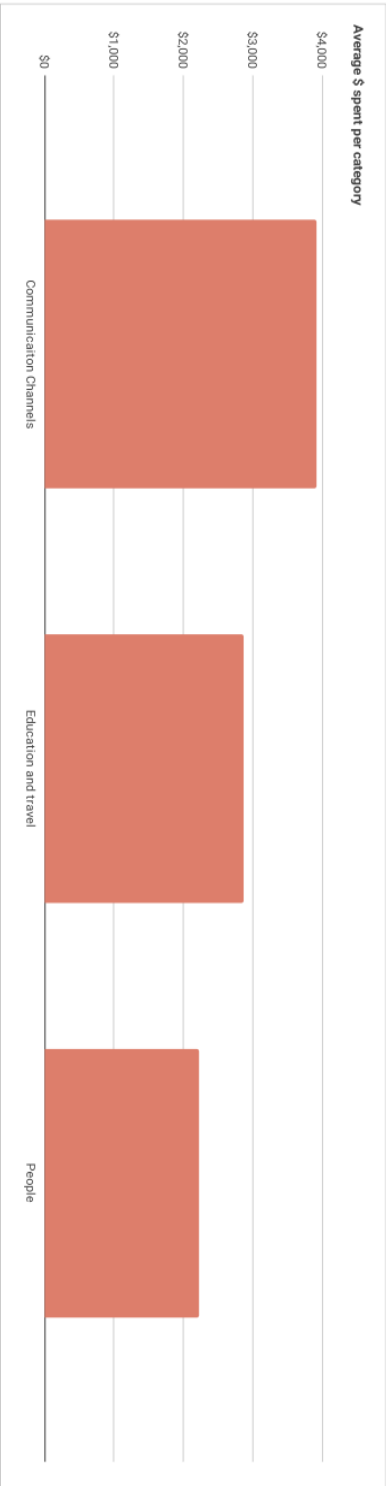
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Tot
<b>Income</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$38,833	\$23,300	\$15,533	\$31,067	\$15,533	\$0	\$124,225
<b>Expenses</b>	\$38,500	\$5,900	\$5,400	\$12,225	\$12,725	\$8,825	\$8,825	\$9,325	\$6,425	\$0	\$0	\$0	\$108,117
<b>Net savings</b>	<span style="color: #E67E22;">-\$38,500</span>	<span style="color: #E67E22;">-\$5,900</span>	<span style="color: #E67E22;">-\$5,400</span>	<span style="color: #E67E22;">-\$12,225</span>	<span style="color: #E67E22;">-\$12,725</span>	<span style="color: #E67E22;">-\$8,825</span>	\$30,008	\$13,975	\$9,108	\$31,067	\$15,533	\$0	\$16,117
<b>Ending balance</b>	<span style="color: #E67E22;">-\$38,500</span>	<span style="color: #E67E22;">-\$44,400</span>	<span style="color: #E67E22;">-\$49,800</span>	<span style="color: #E67E22;">-\$62,025</span>	<span style="color: #E67E22;">-\$74,750</span>	<span style="color: #E67E22;">-\$83,575</span>	<span style="color: #E67E22;">-\$53,567</span>	<span style="color: #E67E22;">-\$39,592</span>	<span style="color: #E67E22;">-\$30,483</span>	\$583	\$16,117	\$16,117	\$16,117

### Income

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Tot
<b>Retention revenue</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$38,833	\$23,300	\$15,533	\$31,067	\$15,533	\$0	\$124,225

### Expenses

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Tot
<b>Communication Channels</b>	\$4,200	\$4,000	\$4,000	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100	\$4,300	\$0	\$0	\$0	\$47,000
<b>Education and travel</b>	\$3,000	\$500	\$0	\$0	\$500	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$9,450
<b>People</b>	\$1,300	\$1,400	\$1,400	\$6,125	\$6,125	\$2,725	\$2,725	\$2,725	\$2,125	\$0	\$0	\$0	\$26,650



**ROI** 14.909  
**Payback Period** 7 month



Proactiveness	Generated new ideas in the work process. Is interested in team and company's success.	Takes initiative in work process, give ideas for department development.	Joins projects beyond job description in case it would bring additional value for the business and will improve business metrics.
	Works on professional development, checks work-related materials in order to improve skills.	Thinks critical in order to prevent or give a timely response to force-majeure situations.	Thinks strategic based on best practices analysis, follows industry tendencies and makes long-term forecasts.
	Actively participated in office and teams lives. Offers improvements to the team or company's work.	Ready to do tasks beyond job description in order to achieve company goals. Offers improvements to the team and company in general.	Generates and shares new ideas as how to increase the effectiveness and uses correct arguments in order to implement them.
	Ready to do more and gove beyond job description in order to achieve company goals.	Works on self-development in order to grow professionally. Shares knowledge with the team.	Motivates onself and their team to take the initiative and be ready to do more in order to achieve a better result.

	Entry level	Team Leads	Middle Management
Customer Centricity	Is patient and tolerant towards clients. Always tries to find a solution for their problems.	Through consistent communication reminds the team that they should provide high quality service and meet customers needs.	Builds and encourages customer centric culture in their department, works towards meeting internal customer's needs.
	Adjusts to different types of clients, their tone of communication. Tries to find individual approach to every customer.	Understands their subordinates' needs and makes everything in order to provide them with comfortable working environment and conditions.	Analyzes and forecasts customers needs and makes impact for product improvement.

	<p>Shows empathy to all clients. Knows how to put himself into customers shoes, explains in simple words and checks customers understanding</p>	<p>Works individually with employees, guides and mentors them.</p>	<p>Works individually with employees, guides and mentors them.</p>
	<p>Builds trustworthy relationships with customers by being polite, open and kind to them. Expresses the importance of every customer and their requests and communicates in polite and professional manner.</p>	<p>Shows tolerance towards employees, respects colleagues and helps them grow professionally through constructive and effective feedback.</p>	<p>Helps employees and colleagues in achieving their goals by providing them with all resources necessary and explains the importance of providing high quality service.</p>

	Entry level	Team Leads	Middle Management
Candor and Trust	Is sincere and open with colleagues, distinguishes professional and personal in conversations.	Is first source of information for their employees, explains company direction and important decisions in order to avoid rumors. Stands up from company and interests.	In sincere and honest while giving feedback referring to real facts and data. Is open to both positive and negative feedback in order to improve departments performance.
	Can give and receive constructive feedback, listens to ideas and suggestions.	In sincere and honest while giving feedback referring to real facts and data.	Discusses openly employees achievements and failures of the department in order to contribute to company's effective growth and development.
	Trusts their manager and the company and doesn't undermine their competency. Lives company values.	Is ready to receive feedback from the team, creates an environment of a constructive dialogue where everybody is invited to speak freely.	Deliveres on promises, supports employees and is the first person the come to with a business related quesiton.
	Is honest with the client, builds trust and shows high responsibility and professionalism.	Deliveres on promises, supports employees and is the first person the come to with a business related quesiton.	Builds trust and openness inside the team, discusses work results with employees. Explains business and its strategy in order to support employees in their work.

	Entry level	Team Leads	Middle Management
Team Cooperation	Ready to help colleagues with complex tasks and offers alternate solutions. Asks for help when needed themselves.	Supports the team when needed, shares ideas and works together on global tasks and goals.	Takes responsibility for achieving department goals. Supports the team when needed in order to help them grow professionally.
	Makes impact into creating a positive and friendly work environment where all feel belonging and respect one another.	Actively and effectively collaborates with other departments in the company, shares experience and ideas in order to achieve company goals.	Builds a culture of trust and productive environment inside the department in order to encourage creative process and collaboration where each individual builds on their strengths.
	Knows how to share responsibilities inside the team in order to understand personal input into achieving goals.	Nourished collaboration inside the team, involved team members to goals setting and prioritises team goals where every one carries personal responsibility for achieving team goals.	Is open for feedback and discussions within whole organization regarding their department and is ready to give honest and constructive feedback to other departments representatives in order to minimize potential risks and contribute to effective business operations.
	Understands their area of responsibility and share knowledge and experience with team members.	Works on effective communication inside the team and uses various team-building instruments, encourages comfortable work environment, manages conflicts and encourages team spirit and collaboration,.	Takes into consideration other departments goals while setting department goals and forecasts their influence on company performance overall.

	Entry level	Team Leads	Middle Management
Result Orientation	Works towards achieving team goals. Understands their impact on them and takes responsibility for their work.	Understands company goals, ways of their achievement and deliverables. Prioritizes team goals before personal.	Sets ambitious goals and focuses on their achievement overcoming potential challenges and minimizing existant risks.
	Looks for solutions and tries different approaches in order to achieve company goals.	Constantly checks team KPIs in order to take timely actions if needed and make right decisions.	Prioritizes company goals and their achievement compromising personal ambitions and preferences, understanding the value of shared result.
	Constantly checks their performance scores and takes actions if needed.	Discusses potential challenges and risks with the team, looks for available resources and takes on best practices from other teams.	Supplies team with all required resources for effective operations, collaborates with other departments in order to achieve company goals.
	Constantly work on improving their skills and abilities, shares knowledge with the team in order to support their development.	Works with the team on their performance, identifies strenthes and weaknesses and works towards maximizing teams potential.	Sets goals that contribute to maximizing departments effectiveness and connects them to core business processes.
	Ready to compete and improve ones results, set ambitious goals and work towards achieving them.	Proves leadership and effective managerial abilities, uses effective management instruments in order to maximize teams performance.	Organizes effective work processes and systems in order to help the organization achieve goals faster, effectively uses available resources and sets priorities.