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Customer Relationship Management (People, Process and Technology) and Organisational Culture in Hotels: Which traits matter?

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Customer Relationship Management (People, Process and Technology) and Organisational Culture in Hotels: Which traits matter?

Purpose: Current study tries to examine the impact of four organisational cultural traits of adaptability, consistency, involvement and mission on the three components of CRM, namely; people, process and technology in the context of the hotel industry.

Methodology: Required data is collected with a quantitative approach and using a questionnaire adapted from the Denison organisational culture survey and the Mendoza CRM model. The questionnaire distributed among 364 managers of a chain hotel in the UK and gathered data examined by the Structural Equation Modelling method.

Findings: The results of the research reveal that the four traits of organisational culture (adaptability, consistency, involvement and mission) have positive and significant impacts on three components of CRM (people, process and technology). A set of theoretical contributions and practical implications also discussed.

Research limitations: The research is conducted with a case study approach hence the findings cannot be generalized to a larger population and the results might be different for other industries. Due to the limitation of access to all employees, only managers were selected as the sample and future studies with all employees may show different results.

Practical implications

Current study helps hotel managers to understand the role and importance of organisational cultural traits in successful implementation of the components of their CRM strategy.

Originality/value: The position taken in this research recognizes the need to enhance the understanding of organisational culture's impact on implementing CRM components. Organisational cultural traits have different levels of impact on CRM implementation and this is the first study to investigate the detailed impacts of four traits of adaptability, consistency, involvement and mission on three components of CRM, namely; people, process and technology.

Keywords: *Organisational Culture, Customer Relationship Management, CRM Components, Hotel industry, Critical Success Factors, People, Process and Technology.*

Introduction

Customer Relationship Management (CRM) is a successful marketing strategy, which has been proven to aid in improving business performance, customer satisfaction and customer retention (Kasim and Minai, 2009; Mohamed and Rashid, 2012). There is an ever-increasing use of CRM in tourism and hospitality businesses and hotels as a part of the service industry with largely applied CRM strategies to attain greater profits (Sarmaniotis *et al.*, 2013). Wu and Lu (2012) in their study found that successful implementation of CRM projects in hotels not only increases customer satisfaction but also has a significant and positive impact on business performance and customer lifetime value. Lo *et al.* (2010) mentioned that CRM plays a vital role in achieving the hotels' main objectives, which are increasing guest satisfaction, loyalty, retention, reducing guest acquisition costs and increasing profitability.

Despite all of the successful outcomes, CRM implementation is time consuming, expensive and comes with significant risk of failure, as high as 65% (Almotairi, 2010; Kale, 2004). Considering the importance of having close relationships with customers in the current competitive business environment and the failure risks of implementing CRM projects, it is imperative that everything related to CRM must be handled with care (Mendoza *et al.*, 2006; Rahimi and Gunlu, 2016). A CRM strategy is a combination of people, business processes and technology and an integrated and holistic approach between these three components is required for successful CRM outcomes (Bull, 2003; Chen and Popovich, 2003; Mendoza *et al.*, 2006; Rahimi and Gunlu, 2016; Zablah *et al.*, 2004;).

Apart from this integration, there are a set of external factors that play a vital role for successful CRM outcomes, such as organisational culture. This has been identified by different researchers as one of the most important factors that enables or prevents the achievement of desirable CRM outcomes (Buttle, 2004; Curry and Kkolou, 2004; Iriana and Buttle, 2006; Kale, 2004; Rahimi and Gunlu, 2016; Siriprasoetsin *et al.*, 2011). The role of organisational culture in CRM implementation in hotels is even more critical due to the human nature of the industry and the importance of personal contacts (Iglesias *et al.*, 2011).

Organisational culture and its impacts on CRM implementation have been at the centre of attention for a number of researchers (Chen and Popovich, 2003; Iglesias *et al.*, 2011; Karakostas *et al.*, 2005; Mitussis *et al.*, 2006; Raman *et al.*, 2006; Reinartz *et al.*,

2004; Rahimi and Gunlu, 2016; Ryals and Knox, 2001; Sigala, 2011; Verhoef and Langerak, 2002). A review of the literature has shown that most of the previous studies have tried to simply highlight the role of organisational culture on CRM implementation (Chen and Popovich, 2003; Karakostas *et al.*, 2005; Raman *et al.*, 2006; Verhoef and Fred, 2002) and others have empirically investigated the impact of a limited number of organisational culture traits on CRM implementation (Mitussis *et al.*, 2006; Reinartz and Chung, 2003; Ryals and Knox, 2001) or the impact of organisational culture traits on CRM implantation as a composite variable (Rahimi and Gunlu, 2016).

Considering the three components of CRM and a wide range of organisational culture traits, to the best knowledge of the author, no study has been focused on the impacts of a broad set of organisational culture traits on implementing the three components of CRM, especially in the context of the hotel industry. This gap has tried to be addressed in the current study via following four-steps: Firstly, via a comprehensive literature review the author will try to find organisational culture traits with potential impacts on CRM implementations. Secondly, the study seeks to identify an organisational culture model with the ability to empirically measure these factors and identify a CRM model with the ability to measure the three components of CRM, and finally, it will empirically investigated the potential impacts between the research variables.

Literature Review

CRM in Hotels

CRM defined by Parvatiyar and Sheth (2000) as a philosophy, a comprehensive strategy which describes the process of acquiring, retaining and partnering with selective consumers to create superior value for both the business and the consumer. Jain *et al.* (2007) in their study mentioned that CRM focuses on customers and tries to customize products to meet individual needs so as to create a unique value that increase customer satisfaction and loyalty. According to Greenberg (2001) CRM is a series of extensive processes to manage potential and existing customers and enhance an enterprise's partnership relationships. Christopher (2003) considered CRM as an information system that helps enterprises to understand customers' needs.

There are two main views on the definition of CRM; one describes CRM as the utilisation of customer-related information to deliver customised products and services, and another emphasises that CRM is technology orientated and should be applied via

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4 software packages (Piskar and Faganel, 2009). Rababah *et al.* (2010:223), in a more
5 comprehensive definition defined CRM as the building of a customer-oriented culture
6 by which a strategy is created for acquiring, enhancing the profitability of, and
7 retaining customers, that is enabled by an IT application; for achieving mutual benefits
8 for both the organisation and the customers. This definition is used for the purpose of
9 this study.

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14 CRM as a modern marketing strategy came to the attention of hotel managers' in the
15 early 1990's due to its focus on gathering customers' information and increasing the
16 likelihood of customer satisfaction and retention (Liu *et al.*, 2007; Sigala, 2005; Wu
17 and Lu, 2012). Since then it has been intensely adopted by different hotels to enhance
18 their relationship with customers and increase the business's profits (Liu *et al.*, 2007;
19 Wu and Chen, 2012). CRM solutions in hotels aim to seek, gather and store the right
20 guests' information towards; a) identifying and retaining the most profitable customers
21 and improving the profitability of less profitable customers, and b) developing the
22 quality of the services (Rahimi and Gunlu, 2016; Rahimi and Kozak, 2016; Sigala and
23 Connolly, 2004).

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Successfully implemented CRM strategies in hotels not only increase customer
lifetime values but also have significant and positive effects on business performance
and customer satisfaction (Wu and Chen, 2012). CRM also has a positive influence on
relationship quality and relationship quality has a positive influence on customer
lifetime value in hotels (Daghfous and Barkhi, 2009; Josiassen *et al.*, 2014; Lo *et al.*,
2010; Lin and Su, 2003; Piccoli *et al.*, 2003; Rahimi and Kozak, 2016; Wu and Lu,
2012).

CRM Components

As mentioned earlier CRM is a combination of *People*, *Processes* and *Technology* and
an integrated and holistic approach between these three components is required for a
successful CRM implementation (Bull, 2003; Chen and Poppvich, 2003; Mendoza *et al.*,
2006; Rahimi and Gunlu, 2016; Zablah *et al.*, 2004). The *Process* component of
CRM tries to focus on individual customers and by using Business Process
Reengineering (BPR) to shift the direction of organisations' processes from product-
centric to customer-centric. According to Mendoza *et al.* (2006) the main business
processes that need to be addressed during CRM implementation are Marketing, Sales
and Services. Hence a new approach to marketing should be taken, keeping customers'

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4 needs at the centre of the business. The relationship between the client and the sales
5 person should be more face-to-face and the long-term quality of the customer service
6 should be the main focus.
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9 The *Technology* component of CRM should be seen as key in implementing the CRM
10 strategy and to assist with the re-design of the business (Hansotia, 2002; Mendoza *et*
11 *al.*, 2006; Rahimi and Gunlu, 2016). Technology collects and analyses data on
12 customers' patterns interprets customer behaviour and develops predictive models. It
13 ensures timely responses, effective customised communications and delivers
14 customised products and services to individual customers (Chang *et al.*, 2010; Chen
15 and Popovich, 2003; Mendoza *et al.*, 2006). However, companies have been repeatedly
16 warned that technology is a necessary but not sufficient factor in the ultimate success
17 of a CRM system (Goldenberg, 2000; Roberts *et al.*, 2005).
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20 The *People* component of CRM includes the organisational readiness and collaboration
21 with staff, which is essential for successful CRM implementation (Chakravorti, 2006).
22 One of the greatest challenges in implementing CRM is aligning the people with the
23 new strategies and processes. CRM entails new processes, the value of which the entire
24 organisation must understand and appreciate, and staff must be involved with the
25 strategy and be motivated to reach the objectives (Chen and Popovich, 2003; Mendoza
26 *et al.*, 2009). Considering the significance of these three components for successful
27 CRM outcomes, a very limited number of studies have tried to investigate their
28 implementation process and/or impacts of external factors on them. This gap has tried
29 to be addressed in the current study.
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31 **CRM Implementation and Measurement**

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33 For a successful CRM implementation an integrated and holistic approach between its
34 above mentioned three components is required. Each component contains a set of
35 factors, known as Critical Success Factors (CSF's) (Almotairi, 2009; Mendoza *et al.*,
36 2009). Oakland (1995) defined CSF's as those critical areas where the organisation
37 must succeed in order to achieve the organisation's mission. In terms of CRM, they
38 can be viewed as the factors that help to achieve the goal of the component and require
39 consideration and presence in the CRM program of a company in order to guarantee
40 successful implementation (Mendoza *et al.*, 2006).
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43 Different authors have proposed different models for successfully implementing CRM
44 (Eid, 2007; Mendoza *et al.*, 2006; Payne and Frow, 2005; Richard *et al.*, 2007; Roh *et*
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4 *al.*, 2005). An evaluation of the different models in order to find an appropriate model
5 for this study demonstrated that in most of the models CRM is considered as a strategic
6 process and the importance of integration and interplay between people, process and
7 technology has been ignored. Further investigation showed that the Mendoza model
8 (Mendoza *et al.*, 2006) considered all three components of CRM and highlighted their
9 CSF's. As such it can be considered as the most applicable model for the purpose of
10 this research. The model is confirmed by a set of CSF's with their corresponding
11 metrics, which will serve as a guide for organisations wishing to apply this type of
12 strategy. These factors cover the three key aspects of every CRM strategy (people,
13 processes, and technology); giving a global focus and appropriating success in the
14 implementation of a CRM strategy.

22 **Organisational Impacts on CRM**

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24 Along with the combination and integration of people, processes and technology, there
25 are a set of external factors that play a vital role for successful CRM outcomes.
26 *Organisational Culture* is identified by different researchers as one of the most
27 important factors that enables or prohibits the achievement of desirable CRM
28 outcomes (Curry and Kkolou, 2004; Iriana and Buttle, 2006; Kale, 2004; Rahimi and
29 Gunlu, 2016; Siriprasoetsin *et al.*, 2011). In a study by Curry and Kkolou (2004)
30 customer focus approach, participation and teamwork of the staff has been identified as
31 important cultural issues influencing CRM outcomes. Reinartz and Chugh (2003)
32 suggest that empowering employees to excel at customer service thus ensuring their
33 job security also contribute to CRM success. Galbreath and Rogers (1999) argue that
34 an organisational culture that promotes an atmosphere of risk-taking can create a
35 climate of confidence in which employees feel empowered to act in the best interests
36 of customers.

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38 Other studies found that organisational culture with focus on customer-focused
39 behaviours, cross functional teams, performance-based rewards, adaptive and
40 responsive attitudes to change, and a higher degree of risk taking and innovation can
41 contribute to a successful CRM implementation (Deshpandé, 1999; Rahimi and Gunlu,
42 2016). Mack *et al.* (2005) in their study mentioned about the importance of
43 communication in organisational culture and making sure that all employees
44 understand the importance of adopting the customer-centric behaviours for better
45 implementation of CRM. Ryals and Knox (2001) highlight the importance of
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customer-centric organisational culture in CRM programs. Cross-functional teams can assist in the developing customer-centricity (Verhoef and Langerak, 2002) so in dealing with customer requests there is a shared customer data and different departments can support each other (Eichorn, 2004; Ryals and Knox, 2001).

An organisational environment that promotes an atmosphere of risk taking can create a climate of confidence in which employees feel able to act in the best interests of customers. This kind of climate encourages employees to be more innovative in trying to overcome problems in the CRM implementation, and can ultimately generate a better CRM outcome. Hence an innovative culture is required. Girishankar (2000) suggests organisations should adopt a holistic approach that places CRM at the heart of the organisation with customer orientated business processes and the integration of CRM systems. Campbell (2003) and Wilson *et al.* (2002) highlighted the contribution that customer-focused and cross-functional teams can make to the creation of the deeper customer-related knowledge on which CRM success is based.

To conclude as Rahimi and Gunlu (2016) also mentioned in their study an overview of the literature shows that companies who put more importance on

- *Cross Functional Teams*
- *Empowerment/Staff motivation and training*
- *Risk taking/Innovation*
- *Commitment; Teamwork*
- *Customer-Centric Culture*
- *Adaptability Information Sharing*
- *Learning Orientation and knowledge Management*
- *Defined set of Mission and Visions and Clear roles and responsibilities;*
- *Interdepartmental Integration*
- *and Staff Involvement*

are more likely to be successful in their CRM system implementation. In the next part with a comprehensive literature review the study seeks to identify an organisational culture model with the ability to empirically measure these factors.

Measuring Organisational Culture

Organisational culture was described for the first time by Elliott Jaques (1951) in his book, "*The Changing Culture of a Factory*". Jaques (1951) described organisational culture as a way to explain the failure of formal policies and procedures to resolve the unproductivity between managers and employees at the Glacier Metal Company (Denison *et al.*, 2012). Hofstede (1980) defines organisational culture as a collective

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4 programming of the mind that distinguishes the members of one organisation from
5 another. He also indicated that shared perceptions of daily practices should be included
6 in organisational culture. Organisational culture forms a significant determinant of
7 human behaviours in organisations (Denison, 1990).
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10 Ginevičius and Vaitkūnaitė (2009) in their study mentioned that researchers use
11 different concepts for explaining organisation culture. Organisational culture can be
12 described by its factors (Nahavandi and Malekzadeh, 1993), dimensions (Onken,
13 1999), traits (Denison and Neala, 1996) or elements (Carmeli and Tishler, 2004).
14 However, reviewing different organisational culture studies shows that all these terms
15 (Factors, Dimensions, Element and Traits) describe the same concept, which is the
16 content of culture. For consistency, in the current study the term *Trait* is used.
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19 Some scholars believe that organisational culture measurement is subjective and an
20 assessment concept is more suitable (Ginevičius and Vaitkūnaitė, 2006). However,
21 reviewing the literature surrounding organisational culture shows that the terminology
22 “*measuring organisational culture*” is more used by researchers. The questionnaire of
23 choice in organisational culture measurement is called an Instrument (Naham *et al.*,
24 2004; Onken, 1999; Vander *et al.*, 1997) or tool (Denison and Neale, 1996). A number
25 of studies propose different models for measuring organisational cultural factors.
26 Organisational culture measurement instruments differ based on the numbers of traits
27 they use for categorising the content of culture.
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30 Ott (1989) in his study revealed 74 unique traits, whilst Vander *et al.* (1997) identified
31 114. Though instruments measure different aspects of the culture they have many
32 overlaps on the traits they used for defining organisational culture (Denison *et al.*,
33 2012). Differences in these instruments often reflect the specific purposes they were
34 designed for (Rousseau, 1990). According to the three levels of culture defined by
35 Schein (1985), Ashkansay *et al.* (2000) proposed a typology for classification of
36 organisational culture measurement instruments. According to their framework,
37 instruments could be divided into two groups. Those that focus on patterns of
38 behaviour, known as *Typing Instruments* and those that measure values and beliefs,
39 called *Profiling Instruments*.
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42 According to Ashkansay *et al.* (2000) *Typing Instruments* provide sets of
43 organisational culture typologies. In other words, typing surveys identify organisations
44 as belonging to one of the several possible organisational culture categories and focus
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on patterns and behaviours (Denison *et al.*, 2012). *Profiling Instruments* are concerned with giving a description of organisations by measuring the strength or weakness of a variety of organisational members' beliefs and values (Ashkansay *et al.*, 2000). Askansay *et al.* (2000) further divided *Profiling Instruments* in to three subgroups of; *Descriptive Instruments*, *Effectiveness Instruments* and *Value Fit Instruments*.

The *descriptive* group comprises of those instruments that measure values and do not define the impact that value differences have on organisational effectiveness (Denison *et al.*, 2012). *Value Fit* instruments are designed to understand the value congruence between an individual and the organisation (Jung *et al.*, 2009). The focus of *effectiveness* instruments is placed on the values that the organisations need to be effective and to perform well in management practices and strategic implementation. The main goal of this study is to investigate the impact of organisational culture on components of CRM; hence an effectiveness-profiling instrument was required. Within the last decade, the number of instruments proposed by researchers for finding the link between organisational culture and effectiveness/performance has been increased (Hartnell *et al.*, 2011; Jung *et al.*, 2009; Wilderom *et al.*, 1998).

In a recent review, Sackmann (2011) identified 55 empirical studies around organisational culture measurement, 45 of which had been published in the domain of culture and effectiveness. Several authors have reviewed the reliability and validity of the effectiveness of cultural instruments (Ostroff *et al.*, 2003; Sackmann and Sackmann, 2006; Scott *et al.*, 2003; Walker *et al.*, 1996). Denison *et al.* (2012) reviewed existing effectiveness instruments and found that most of these models are in the first stage of their developments and additional research is needed to establish the validity and reliability of them. Following that, they selected nine of these effectiveness instruments and tested their validity and reliability according to the criteria of validity described by Jung *et al.* (2009). Based on their findings the Denison Organisational Culture Survey (DOCS), (Denison and Neale, 1996), is the most valid and reliable effectiveness organisational culture instrument to date.

DOCS has been used in a large number of studies (Boyce, 2010; Bonavia *et al.*, 2009; Denison *et al.*, 2003; Denison *et al.*, 2004; Fey and Denison, 2003; Gillespie *et al.*, 2008) which demonstrate that this instrument has advanced well beyond the initial stages of scale development and its validity between different industries and national boundaries (Denison *et al.*, 2012). DOCS developed based on an integrative theory of

organisational culture (Denison, 1984) and states that the four broadly defined cultural traits of *Involvement*, *Consistency*, *Adaptability* and *Mission* facilitate an organisation's capability for superior performance in the implementation of different organisation strategies (Denison, 1990, 2000; Denison *et al.*, 2000; Denison and Mishra, 1995; Denison and Neale, 1996).

Further investigation revealed that identified organisational culture factors with potential impacts on CRM implementation (Curry and Kkolou, 2004; Kale, 2004; Raman *et al.*, 2006; Starkey and Woodcock, 2002; Rahimi and Gunlu, 2016) have overlaps with four organisational culture traits of Denison model. Considering the purpose of the current study and ability of DOCS for empirically measuring these factors Denison model has been selected for measuring the organisational culture part of the study.

Hypotheses Development

Denison and Mishra (1995) found that the highest performing organisations are those which empower and engage their people (*involvement*), facilitate coordinated actions and promote consistency of behaviours with core business values (*consistency*), translate the demands of the organisational environment into action (*adaptability*), and provide a clear sense of purpose and direction (*mission*).

In more details Denison and Mishra (1995) posited that companies with *Consistency* in their culture provide a central source of integration, coordination and control, and thus these organisations develop a set of systems. They have highly committed employees, a distinct method of doing business and a tendency to promote from within. They promote consistency of behaviours with core business values. The trait of consistency consists of three sub traits (indexes) of *core values*, *agreement*, *coordination* and *integration*.

Denison and Mishra (1995) further mentioned that organisations that have clear focus on their *Mission* have a clear purpose and direction that define the organisational goals and strategic objectives to employees and provide everyone with a clear direction for their work. The trait of mission consists of three sub traits of *strategic direction*, *goals and objectives* and *vision*. They further mentioned that organisations with a high level of *Adaptability* translate the demands of the organisational environment into action and have the capability to create and accept changes. The trait of adaptability consists of three sub traits (indexes) of *creating change*, *customer focus* and *organisational*

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4 *learning*. Finally, in organisations with high levels of *Involvement*, managers and
5 employees are committed and feel a strong sense of ownership. The trait of
6 involvement consists of three sub traits (indexes) of *empowerment*, *team orientation*
7 and *capability development*.
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10 Review of the previous CRM literature show that organisations that consider
11 customers' behaviours and needs have Knowledge Management (KM) capabilities
12 (Garrido-Moreno and Padilla-Meléndezm, 2011; Sigala, 2005;) and use technology to
13 get a 360 degree view of customers and learn from past interactions to optimize more
14 successful future CRM outcomes. These types of organisations have change
15 capabilities (Curry and Kkolou, 2004; Kale, 2004; Raman *et al.*, 2006; Starkey and
16 Woodcock, 2002) and their staff are willing to change for facilitating the change in
17 processes from service-centric to customer-centric (Kale, 2004; Langerak and Verhoef,
18 2002; Rigby *et al.*, 2002; Ryals and Knox, 2001; Starkey and Woodcock, 2002).
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20 Previous literature also suggested that organisations that have cross functional teams
21 (Campbell, 2003; Langerak and Verhoef, 2002; Raman *et al.*, 2006; Starkey and
22 Woodcock, 2002; Wilson *et al.*, 2002; Siriprasoetsin *et al.*, 2011) with top
23 management support and highly committed staff (Lindgreen, 2004) have more
24 successful CRM outcomes. Having technology in place is essential for system
25 integration capabilities (Campbell, 2003; Chen and Popovich, 2003; Curry and
26 Kkolou, 2004; Langerak and Verhoef, 2002; Rahimi and Gunlu, 2016).
27 Communicating CRM strategy within the organisation's departments ,staff
28 involvement and top management support are among the most important success
29 factors for CRM programs (Chen and Popovich, 2003; Curry and Kkolou, 2004;
30 Reinartz and Chugh, 2003).
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32 Having a clear set of CRM goals and objectives and sharing them with staff throughout
33 the entire organisation are recognized as critical success factors for most successful
34 CRM programmes (Campbell, 2003; Curry and Kkolou, 2004; Chen and Popovich,
35 2003; O'Malley and Mitussis, 2002; Ryals and Knox, 2001). The present article
36 represents an investigation of the impacts of adaptability, consistency, involvement and
37 mission on three components of CRM, hence below are proposed hypotheses:
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40 H1a. Adaptability has a positive impact on people component of CRM.

41 H1b. Adaptability has a positive impact on process component of CRM.

42 H1c. Adaptability has a positive impact on technology component of CRM.
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4 H2a. Consistency has a positive impact on people component of CRM.
5 H2b. Consistency has a positive impact on process component of CRM.
6 H2c. Consistency has a positive impact on technology component of CRM.
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9 H3a. Mission has a positive impact on people component of CRM.
10 H3b. Mission has a positive impact on process component of CRM.
11 H3c. Mission has a positive impact on technology component of CRM.
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13 H4a. Staff involvement has a positive impact on people component of CRM.
14 H4b. Staff involvement has a positive impact on process component of CRM.
15 H4c. Staff involvement has a positive impact on technology component of CRM.
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17 Figure 1 displays the research model based on the proposed hypotheses.
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20 21 **Figure 1**

22 23 **Research Method**

24 **Questionnaire and Sampling**

25 A hotel chain with more than 35 branches across the UK was selected as the case study
26 for this research. The selected hotel chain was founded in the 19th century and offers
27 the same level of accommodation and service in all branches. The company started its
28 CRM programme in 2003 through a combination of software package, BPR and
29 organisational culture changes. Required data for the current research collected with
30 the help of a questionnaire comprised of Denison Organisational Culture Survey
31 (Denison and Neale, 1996), for measuring traits of organisation culture, and the
32 Mendoza CRM Model (Mendoza *et al.*, 2006) for measuring CRM components. The
33 questionnaire comprised of 86 questions based on a 5-point Likert scale with strongly
34 agrees to strongly disagree continuum.
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37 The first 60 questions are related to organisational culture, including 15 items for
38 involvement, 15 items for consistency, 15 items for adaptability and 15 items for
39 mission. This was then followed by 26 questions related to the three components of
40 CRM, including 9 items for people, 11 items for process and 6 items for technology.
41 While DOCS items are exactly adapted, the CRM items have been revised based on
42 the CRM strategy of the case study as it has also been advised by Mendoza *et al.*
43 (2006) that CSF's must be updated, revised and adapted to the environment where they
44 are to be applied. The last 6 questions were related to the demographic of the
45 respondents. Prior to data collection, a pilot test was conducted to assess the internal
46 consistency and face validity of the questionnaire and to ensure that it was free of
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wording errors. The results showed that the questionnaire had high levels of internal consistency and validity in measuring the research's variables. After few grammar amendments, the questionnaire was finalised.

The total sample comprised 364 managers from all branches around the UK. The reason for selecting managers was firstly, their key role in implementing and supervising the CRM program and the secondly that the researcher's case study is a green company with a paper-less policy. Distributing pen and paper questionnaire were not permitted and therefore an online survey tool (Survey Monkey) was used. The survey link was sent via e-mail to the respondents. Among the employees; managers are the only group with regular access to e-mail and the Internet.

One week after the distribution, the first reminder, after two weeks the second reminder and finally after four weeks the final reminder was sent. In each reminder email the importance of input from the participant was highlighted. In total, 235 (64%) completed questionnaires were returned. Partly completed questionnaires were disregarded and 214 (58%) questionnaires were used for the statistical analysis of the study. Cochran's formula (1977) was used for determining the sample size of the research and the optimal sample size calculated was 187. This higher number of collected responses is presumed to be sufficient for statistical analysis. Firstly, descriptive statistics, reliability and validity tests were conducted and after that, the Structural Equation Modelling method was applied for finding the causal relationships between organisational culture traits and CRM components.

Validity and Reliability

Cronbach's alpha test was conducted to check the reliability coefficient of the questionnaire. As Table 1 shows, the total alpha coefficient of the questionnaire was 0.95 ($p < .001$) and the alpha coefficients for variables were ≥ 0.70 ($p < .001$) (note that reliability coefficient of .70 or higher is considered in the acceptable range as suggested by Nunnally (1978). The internal consistency of items was also examined by item-total correlations which showed all correlations range from 0.33 to 0.78, which are above 0.32 levels suggested by Saxe and Weitz (1982). This indicates that the questionnaire meets the minimum standards of convergent validity. Item 15 (from DOCS) the capability development index showed an unusually low item correlation (.17). This result is in line with Denison *et al.* (2012) and the item retained on the questionnaire as; a) the alpha coefficient for the item itself still reaches an acceptable

level .70, and b) the item was judged to have adequate content validity based on its fit with the definition provided by Denison and Mishra (1995).

Further correlation coefficient of research variables were calculated and the results showed that correlations between variables do not exceed 0.71 and each factor related more strongly to its own (Hair *et al.*, 2007), which demonstrates the discriminant validity of the questionnaire. All correlations were statistically significant $p < 0.01$ (2-tailed). This also shows that the questionnaire variables are interrelated and measure the same concept.

Further, an exploratory factor analysis was conducted. In order to see whether the distribution of values was adequate, the Kaiser-Meyen-Olkin (KMO) measure was used with a result of 0.888 (.0.50). Bartlett's test of sphericity measure indicated that the multivariate normality of the set of distributions was normal, showing a significant value, $p < 0.0$. Therefore, the data was feasible for conducting the factor analysis (Hair *et al.*, 1995). The rotated component matrix was inspected (Table 1) and when observing the commonalities, it was found that factors related to jobs and goals, customer needs, contact with customers, clear direction of the company and knowledge about customer satisfaction among staff have loaded values smaller than 0.40, hence they were excluded from the dataset (Sarmaniotis *et al.*, 2013; Hair *et al.*, 2007; Rahimi and Gunlu, 2016). The lowest eigenvalue for capability development (1.083) was significant at above 1.00.

Table 1

Results

Demographic Profile

The demographic profile of the respondents is presented in Table 2. It shows that the majority of respondents (53.2%) were female. More than 40% of the respondents were between the ages of 30 and 39 and 11.9% were between the age of 40 to 49. Further analysis presents that, 48% of the respondents have worked for the company between 1 to 5 years, 32% between 6 to 10 years and 20% have been with the company for more than 10 years. The respondents had different managerial positions, including operations, front and back office, human resources, sales, food and beverage, duty, finance, conference and banqueting, housekeeping and general management.

Table 2**Goodness of Fit**

The goodness of fit of a statistical model describes how well the model fits with a set of observations. For assessing the goodness of fit of the current model, a set of the most important indices were used (Table 3). The values were carefully examined and compared with the common acceptance levels recommended by previous studies (Etezadi-Amoli and Farhoomand, 1996; Hair *et al.*, 2007; McKinney *et al.*, 2002). The results showed that values of Degrees of Freedom ($1.28 \leq 3.00$), Bentlers Comparative Fit Index (CFI) ($0.95 \geq 0.90$), Goodness of Fit Index (GFI) ($0.95 \geq 0.90$), Non-Normed Fit Index (NNFI) ($0.91 \geq 0.90$), Adjusted Goodness of Fit Index (AGFI) ($0.89 \geq 0.80$) and Normed Fit Index (NFI) ($0.96 \geq 0.90$) are all within the accepted ranges and the model shows an adequate level of fit.

TABLE 3**Testing Hypotheses**

The hypothesized relationships were tested and careful consideration of path coefficients and t-values demonstrated that there are significant and positive impacts from the four traits of organisational culture on the three components of CRM. Hence, all the hypotheses were accepted (Joreskog and Sorbom, 1993) (Table 4).

Table 4

The results demonstrate that companies with a high level of adaptability, consistency, staff involvement and shared vision and mission among their staff are more likely to have success in implementing the three components of their CRM strategy and hence the CRM strategy in general (Figure 2).

Figure 2

Theoretical Implementation

The aim of this study was to empirically investigate the impact of four organisational cultural traits of adaptability, consistency, involvement and mission on three components of CRM, namely; people, process and technology in the context of the hotel industry via proposing 12 hypotheses. The empirical results of the study firstly confirmed that there is a positive relationship between the four organisational cultural traits and components of CRM. Secondly, careful consideration of path coefficients and t-values demonstrated that among 12 impacts, the organisational cultural trait of *Consistency* has the highest level of impact on the *People* component of CRM. This suggests that Hotels' that have a clear set of core values and a reliable communication process for exchanging information on the meaning of words, actions and other symbols with their staff have a higher chance of success in their CRM programs.

In these types of organisations, amongst the organisation's members there is a common perspective, shared beliefs and communal values which enhance internal coordination and promote meaning and a sense of identification. Hence, it can be suggested that providing a consistent culture can cause a higher willingness amongst hotel staff to implement CRM, which results in a higher level of success. Also, these hotels have a better chance of success in adapting the new proposed process and more success in a customer centric approach. After *Consistency*, impacts of *Involvement* on *People*, *Adaptability* on *Technology* and *Mission* on *Technology* are important for successful CRM outcomes.

The results also show that organisational culture has its main impact on the two components of CRM, namely *People* and *Technology*. This is a new contribution, as previous studies mentioned that role of CRM components (100%) can be divided as 70% people, 20% processes and 10% technology and it had been repeatedly warned that technology is a necessary but not sufficient factor in the ultimate success of a CRM system (Chen and Popvich, 2003; Goldenberg, 2000; Roberts *et al.*, 2005). Current results highlight the role of technology, specifically in the current business environment where it plays a key role in CRM processes. This is in line with Rahimi and Gunlu (2016) findings saying that in today's CRM projects most of the processes are handled with the help of IT. Hence having a supportive organisational culture will facilitate the technology implementation and involving the staff in implementing CRM

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4 strategies will result in better outcomes. The study also shows that sharing the mission
5 and vision among the staff has the highest level of impact on accepting and
6 implementing technology part of the CRM. This suggests that hotel companies who
7 inform their employees as to why they are doing the work they do, whilst using the
8 technology that they do, contributes to the organisational goals and may have a higher
9 chance of success in adapting and using technology within their process.

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14 Table 5 shows the results of the research from a different perspective. It shows
15 consistency is the most important organisational culture factor for implementing the
16 people component and the process part of CRM and that adaptability plays the key role
17 in applying technology toward better CRM outcomes.
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22 **Table 5**
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26 **Practical Implementation**
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28 Hotel businesses that successfully implement CRM will reap the reward in customer
29 loyalty and long term profitability (Daghfous and Barkhi, 2009; Lin and Su, 2003; Wu
30 and Lu, 2012). However, successful outcomes are elusive for many hotels due to their
31 unawareness of CRM requirements and preparations. The current study shows the
32 importance of organisational culture in successful CRM implementation in hotels. The
33 study suggests that hotel managers who provide a consistent culture can cause a higher
34 willingness among their staff to implement CRM which results in a higher level of
35 success.
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41 Toward having a consistent organisational culture managers need to provide overall
42 agreement on the meaning of words, actions and other symbols among their staff. They
43 should provide a common perspective, shared belief and communal values among the
44 organisation's members, which enhance internal coordination and promote meaning
45 and a sense of identification on the part of its members. As a result these businesses
46 will have a consistent culture with a clear set of core values that help employees and
47 leaders make consistent decisions and behave in a consistent manner. These hotels
48 have a better chance of success in adapting the new proposed process through their
49 CRM strategy and more success in a customer centric approach. Whilst considering the
50 increased importance of the role of technology in CRM projects, and sharing the
51 mission of the company and its CRM programme with employees, it is also important
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4 to inform them how the work they do and use of technology each day contributes to the
5 organisational goals. This approach is critical towards increasing the chance of
6 technology adaption and CRM success. Finally, managers need to make sure that all
7 employees understand the importance of adopting the customer-centric behaviours for
8 successful CRM outcomes.
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10 11 12 **Research Limitations**

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14 One of the main criticisms of this research applies to the case study approach as it is
15 difficult to generalize the findings to a larger population (Yin, 1994). The study was
16 conducted in the context of the hotel industry and results are valid based on a chain
17 hotel in the UK. Similar studies could be done in different industries, such as food and
18 beverage, transport, banking or other service industries, with a different or larger
19 sample. Due to the limitations of access to all employees, only managers were selected
20 as the sample for the study. All employees may be included in future researches and
21 this might show different results.
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23
24 The main theory driving the research was Denison's organisational culture model
25 (Denison and Mishra, 1995). Denison and Mishra (1995) studied organisational culture
26 based upon 4 traits and 12 indexes. The current research used the model based on its
27 four traits, while future research could consider the 12 indexes and investigate their
28 potential impact on CRM implementation. It will result in research with higher number
29 of variables.
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32 33 34 35 36 37 38 **References**

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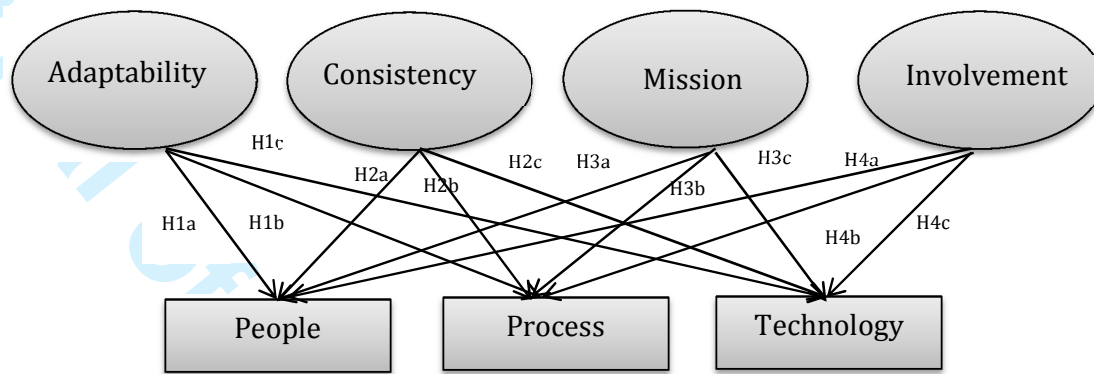
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Figure 1- Research Model



Source: Created by author

Table 1. Scale Items, Reliabilities, Item-Total Correlations and deceptive results of the research instrument

Trait	Dimension	Items	Item Correlation	Total Correlation	Mean	S.D	Alpha	Factor loading	Eigenvalue	Variance (%)	
Involvement $\alpha = .87$	Empowerment $\alpha = .76$	Involved Employees	.52	3.78	0.75	.72	0.61	5.835	38.920		
		Best information	.52	3.81	0.69	.72	0.52				
		Shared Information	.60	3.63	0.85	.70	0.49				
		Believe in positive impact	.56	3.59	0.83	.72	0.52				
		Everyone is involved	.47	3.68	0.86	.74	0.49				
	Team orientation $\alpha = .82$	Cooperation is encouraged	.58	3.87	0.70	.78	0.42			1.151	7.673
		Working as a part of team	.62	3.82	0.75	.77	0.62				
		Teamwork to do work	.68	3.84	0.84	.75	0.53				
		Teams are primary	.58	4.10	0.70	.78	0.72				
		Authority is delegated	.35	3.80	0.76	.77	0.44				
Capability Development $\alpha = .70$	Capability of people	.43	3.62	0.76	.74	0.47	1.083	7.220			
	Continues Investment	.60	3.82	0.88	.73	0.49					
	Competitive advantage	.46	3.83	0.69	.73	0.48					
	No necessary skills	.13	2.72	1.08	.71	0.43					
Consistency $\alpha = .82$	Core values $\alpha = .72$	Practice what they preach	.50	3.61	0.95	.75	0.52	5.767	38.449		
		Management Style	.47	3.69	0.75	.76	0.58				
		Set of values	.59	3.92	0.70	.72	0.53				
		Core values	.35	3.87	0.84	.71	0.61				
		Ethical code	.48	4.11	0.68	.76	0.47				
	Agreement $\alpha = .73$	Win-win solutions	.60	3.85	0.73	.73	0.61	1.814	12.091		
		Strong culture	.65	3.73	0.81	.70	0.57				
		Reach consensus	.57	3.44	0.79	.73	0.91				
		Reaching agreements	.40	3.20	0.89	.79	0.62				
		Clear agreement	.44	3.68	0.74	.78	0.75				
Coordination Integration $\alpha = .73$	Consistent business	.40	3.63	0.73	.71	0.71	1.292	8.612			
	Common perspectives	.55	3.63	0.78	.71	0.70					
	Coordinate projects	.42	3.38	0.83	.78	0.53					
	Different organisation	.53	2.88	0.99	.74	0.55					
Adaptability $\alpha = .74$	Creating Change $\alpha = .78$	Alignments of goals	.44	3.68	0.73	.79	0.40	5.130	34.202		
		Easy to change	.56	3.31	0.90	.74	0.54				
		Respond to change	.53	3.73	0.80	.73	0.51				
		New ways to work	.61	3.80	0.74	.78	0.50				
		Create change	.46	2.20	0.93	.76	0.59				
	Customer Focus $\alpha = .74$	Cooperate to create change	.48	3.61	0.75	.70	0.70	1.649	10.994		
		Customer comments	.46	3.93	0.74	.71	0.84				
		Customers and decisions	.52	3.82	0.76	.73	0.75				
		Customer needs	.49	3.60	0.84	.72	0.39				
		Ignoring customers	.56	2.39	1.04	.77	0.66				
Organisational Learning $\alpha = .73$	Opportunity to learn	.52	3.80	0.82	.74	0.42	1.434	7.049			
	Risk taking	.50	3.42	0.89	.73	0.45					
	A lot of cracks	.39	2.92	0.91	.76	0.51					
	Learning is important	.42	3.99	0.72	.72	0.56					
	Right hand	.39	3.50	0.87	.74	0.88					
Strategic Directional Intent $\alpha = .83$	Long term direction	.78	3.85	0.76	.73	0.66	7.336	49.106			
	Strategy to change	.48	3.49	0.80	.81	0.63					
	Direction to work	.76	3.85	0.72	.73	0.74					
	Strategy for the future	.78	3.80	0.78	.72	0.70					
	Widespread agreement	.64	3.81	0.70	.77	0.48					
Mission $\alpha = .90$	Goals and Objectives $\alpha = .82$	Realistic goals	.53	3.68	0.78	.80	0.47	4.504	8.692		
		Meet goals	.64	3.80	0.70	.77	0.44				
		Track progress	.61	3.92	0.64	.78	0.60				
		Long-term success	.63	3.85	0.68	.77	0.61				
		Shared vision	.61	3.70	0.75	.76	0.57				
	Vision $\alpha = .70$	Long-term viewpoint	.57	3.86	0.73	.78	0.46			2.254	7.693
		Long-term vision	.33	3.66	0.88	.81	0.50				

		Creating motivation	.50	3.42	0.85	.70	0.53		
		Long-term vision	.62	3.61	0.74	.75	0.53		
		Participation of managers	.58	3.84	.714	.90	0.67	2.269	25.081
		Responsible managers	.49	3.56	.858	.90	0.66		
		Staff knowledge	.63	3.90	.798	.90	0.65		
		Employees' capability	.68	3.62	.920	.90	0.60		
		Training programs	.33	2.93	.090	.91	0.59		
	People $\alpha = .90$	Staff Motivation	.41	2.76	.991	.91	0.56		
		Managers objectives	.33	3.12	.993	.91	0.51		
		Teamwork	.41	3.70	.028	.91	0.47		
		Staff turnover	.34	3.57	.795	.90	0.43		
		CRM in strategic plan	.33	3.41	.798	.90	0.41	4.264	6.493
		Budget related to CRM	.50	3.93	.675	.90	0.41		
		Follow-up meeting	.62	3.72	.747	.90	0.60		
	CRM Implementation $\alpha = .91$	Documentation of CRM	.62	4.14	.642	.90	0.84		
		Interdepartmental	.60	3.86	.754	.90	0.84		
	Process $\alpha = .88$	Different areas of the hotel	.59	3.64	.737	.90	0.82		
		Internal information	.62	3.64	.742	.90	0.82		
		Customer satisfaction	.60	3.63	.757	.90	0.75		
		Internal support	.48	3.63	.828	.90	0.75		
		Guest retention plan	.53	3.63	.850	.90	0.60		
		Pre-sale communications	.57	3.90	.798	.90	0.65	7.432	5.126
		Electronic media	.61	3.86	.802	.90	0.65		
		Remote transactions	.69	3.77	.806	.90	0.60		
	Technology $\alpha = .92$	Use of IT	.63	3.73	.812	.90	0.60		
		Real time action	.63	3.54	.808	.90	0.55		
		Post-sale communication	.68	3.86	.724	.90	0.40		

Source: Created by author

Table 2. Demographic Profile

	21-29	34.8%
	30-39	45.3%
Age	40-49	11.9%
	50-59	6.0%
	60 or older	1.0%
Gender	Female	53.2%
	Male	46.8%
working for the company	1-5 years	48%
	6-10 years	32%
	More than10	20%

Source: Created by author

Table 3 - Goodness of fit statistics of the model

Fit Indices	Model's Value	Recommended value
χ^2/df	1.28	≤ 3.00
GFI	0.95	≥ 0.90
CFI	0.95	≥ 0.90
AGFI	0.89	≥ 0.80
NFI	0.96	≥ 0.90
RMSEA	0.96	≤ 0.80
NNFI	0.91	≥ 0.90

Source: Created by author

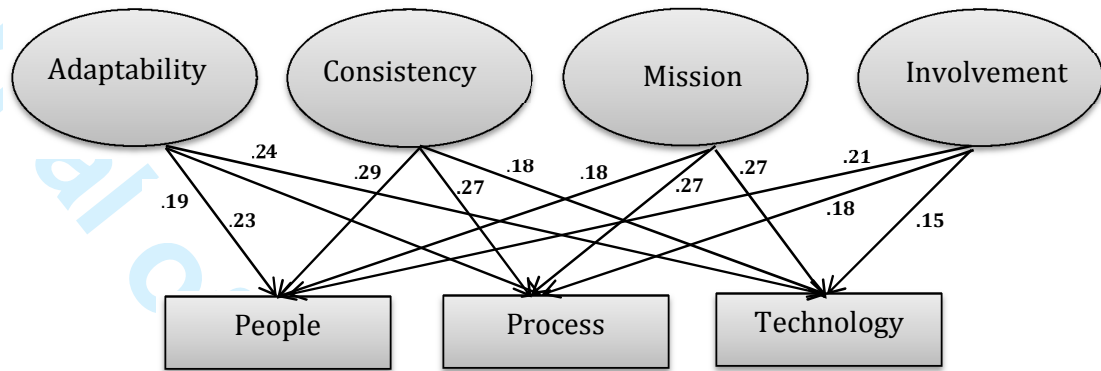
Table 4 - Tests of hypothesized model

Hypotheses	Direction	Path Coefficient	Standard Error of Estimate	T Value	Results
Hypothesis 1a	Adaptability to People	0.19	0.07	3.74***	Accepted
Hypothesis 1b	Adaptability to Process	0.23	0.08	3.30***	Accepted
Hypothesis 1c	Adaptability to Technology	0.24	0.09	2.01***	Accepted
Hypothesis 2a	Consistency to People	0.29	0.08	2.31***	Accepted
Hypothesis 2b	Consistency to Process	0.27	0.08	2.59***	Accepted
Hypothesis 2c	Consistency to Technology	0.18	0.09	2.45***	Accepted
Hypothesis 3a	Mission to People	0.18	0.07	2.35***	Accepted
Hypothesis 3b	Mission to Process	0.27	0.08	3.28***	Accepted
Hypothesis 3c	Mission to Technology	0.27	0.09	2.94***	Accepted
Hypothesis 4a	Involvement to People	0.21	0.04	4.99***	Accepted
Hypothesis 4b	Involvement to Process	0.18	0.04	4.14***	Accepted
Hypothesis 4c	Involvement to Technology	0.15	0.05	3.07***	Accepted

*P<0.10. **P<0.05. ***P<0.01.

Source: Created by author

Figure 2 -Results of Path Analysis (All Regression coefficient are $P < 0.01$)



Source: Created by author

Table 5 – Impacts’ ranking of organisational cultural factors on CRM components

Directions		Path Coefficients
Adaptability		0.19
Consistency	People	0.29
Mission		0.18
Involvement		0.21
Adaptability		0.23
Consistency	Process	0.27***
Mission		0.27**
Involvement		0.18
Adaptability		0.24
Consistency	Technology	0.18
Mission		0.27
Involvement		0.15
*** $t\text{-value} = 3.28$		** $t\text{-value} = 2.59$

Source: Created by author