# Implementing Customer Relationship Management (CRM) in hotel industry from organizational culture perspective Case of a chain hotel in the UK

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#### Abstract

**Purpose** – The purpose of this research is to empirically investigate the impact of organizational culture on implementing customer relationship management (CRM) in the hotel industry.

**Design/methodology/approach** – The research is conducted with a quantitative approach and a questionnaire adapted from Denison Organizational Culture Survey, and the Mendoza CRM model is the research instrument. The questionnaire was administered among 346 managers of a chain hotel in the UK. Gathered data were subjected to correlation and multiple regression analyses.

**Findings** – The correlation analysis demonstrates that organizational culture factors of adaptability, consistency, staff involvement and mission have a positive significant impact on CRM implementations. The multiple regression analysis further showed that though CRM implementation is highly correlated with these four factors, its successful implementation is not dependent on all of them.

**Research limitations/implications** – The research is conducted in the frame of a case study where a UK chain hotel is selected; therefore, the findings cannot be generalized to a larger population. This research is conducted in the context of hotel industry and the result might be different for other industries. Due to the limitation in access to all employees, only managers were selected as the sample of the study and future studies with all staff may show different results.

**Practical implications** – Organizational culture readiness is one of the most important requirements in CRM implementation initiatives. The results of this study will benefit hotel managers in measuring their organizational culture and improve it toward better CRM outcomes.

Originality/value – Previous studies on organizational culture and CRM with qualitative approaches have tried to highlight the role of organizational culture on CRM implementation or some have attempted to identify the organizational culture factors with potential impact on CRM implementations. However, very few of these studies have empirically investigated the impacts of organizational culture on CRM implementation, and this is the first study that empirically investigates this impact in the context of the hotel industry.

**Keywords** Marketing strategy, Organizational culture, Hotel industry, Customer relationship management (CRM), Chain hotel, International hospitality

Paper type Research paper



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#### Introduction

With high competition of business environment, hotel businesses have realized that they need to improve the quality of their services to gain new customers (Wu and Lu, 2012; Lo et al., 2010). The key factor of success for hotel industries is not only the quality of the products or services, but also the quality and importance of guest relationships (Olsen and Connolly, 2000), particularly the relationship with existing loyal customers, as the cost of gaining new customers is approximately five times greater than the cost of keeping current customers. Customer relationship management (CRM) in hotels has a strong focus on identifying and retaining the most profitable guests and improving the profitability of less profitable guests (Wang, 2012). Previous studies showed that hotels that set up CRM systems to find and retain their best guests and develop long-term relationships with loyal guests could acquire greater benefits (Sigala, 2005; Wu and Lu, 2012). In recent years, CRM has become a widely discussed topic within the hotel industry (Lo et al., 2010) and has gradually been applied to the hotel industries to enhance the relationship between enterprise and guests, and increase business profit (Wu and Lu, 2012).

Beside the well-known and significant stories about CRM success and the benefits it brought to the companies (Sheth and Parvatiyar, 2002; Sheth and Sharma, 2001), failing rates of CRM projects are as high as 65 per cent (Almotairi, 2010; Kale, 2004). A survey on 202 CRM projects found that 70 per cent of the organizations could not achieve any improvements in the way they sell and serve customers (Dickie, 2000). CRM implementations are expensive and time-consuming and despite the huge investments, organizations are still struggling to gain their expected benefits (Corner and Rogers, 2005). Considering this high failing rate, it has become imperative that everything related to CRM should be handled with care (Mendoza *et al.*, 2006; Olsen and Connolly, 2000).

There are different reasons resulting in the failure of CRM, and organizational culture is identified by different researchers as one of the most important factor that enables or disables the achievement of desirable CRM outcomes (Curry and Kkolou, 2004; Iriana and Buttle, 2006; Kale, 2004; Siriprasoetsin *et al.*, 2011). Alduwailah and Maged (2013) in their study mentioned that cultural aspects are the most important factor in success or failure of CRM, and CRM implementations will not succeed unless a proper cultural foundation exists. McKinsey and Company report that 59 per cent of companies that had addressed the required cultural changes reported successful CRM implementation results, whereas only 33 per cent of those reporting a failed CRM implementation had made the necessary cultural changes (Iriana *et al.*, 2013).

CRM implementation needs changes in attitudes and processes, hence organizational culture changes are required to encourage the personnel to accept and implement these changes (Mendoza *et al.*, 2006; Stone *et al.*, 2001). It can be said that, for ending the risk of CRM failure, managers must create a CRM environment to support all stages of CRM implementation. This CRM environment requires new forms of organizational culture and leadership (Galbreath and Rogers, 1999). Creating this environment is more critical in the hotel industry due to its human-based nature and the critical role of organizational culture in the quality of delivered services (Pryce, 2004). CRM should not be considered as a set of management tools but a cultural process to be successful and a way of running the business (Curry and Kkolou, 2004).

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Organizational culture and its impacts on CRM implementation have been at the center of attention for various researchers. Most of these studies, with qualitative approaches, have tried to highlight the role of organizational culture on CRM implementation (Chen and Popovich, 2003; Karakostas et al., 2005; Raman et al., 2006; Verhoef and Fred, 2002), while others have attempted to identify the organizational culture factors with potential impact on CRM implementations (Mitussis et al., 2006; Reinartz, 2004; Ryals and Knox, 2001). Very few of these studies with empirical approaches tried to investigate the relationship between a limited set of organizational culture factors and CRM (Siriprasoetsin et al., 2011; Iriana and Buttle, 2006), and to the best knowledge of the authors, no study has been found to be investigating this impact in the context of the hotel industry. As Denison and Mishra (1995) mentioned. organizational culture is composed of different dimensions and each dimension has a unique way of impact on organization's performances. Hence, the position taken in this research recognized the need of enhancing the knowledge of organizational culture impacts on implementing CRM strategy in the hotel industry via considering a broad set of organizational culture factors. Such a research approach indented to be followed via below steps; first, via a comprehensive literature review, the authors try to find all organizational culture factors identified by previous studies with potential impacts on CRM implementations. Second, they try to find an organizational culture model with the ability to measure these factors. Third, they find a CRM model and, finally, empirically investigate the potential impacts among them.

#### Literature review

Customer relationship management

CRM is based on the principles of relationship marketing (RM), which is considered as one of the key developmental areas of modern marketing (Sheth and Parvatiyar, 2002). Back in the early 1990s, RM was embraced as a way for marketing departments to get to know their customers more intimately by understanding their preferences and thus increasing the odds of retaining them (Dyche, 2002). Peppers and Rogers (1993) argued that in the coming years, businesses would not be trying to sell a single product to as many customers as possible. Instead, they will be trying to sell a single customer as many products as possible over a long period. To do this, businesses will need to concentrate on building unique relationships with individual customers on a one-to-one basis. This one-to-one approach of RM, which was very popular throughout the 90s, was then replaced with a new approach known today as CRM.

Although within the past 20 years, CRM has been a focus of attention across various studies (Croteau and Li, 2003), there are still a lot of disagreements on its definition and meaning. Researchers from marketing, management and information system disciplines made various attempts to define CRM from three diverse perspectives of *philosophy, strategy and technological solution*.

Ryals and Knox (2001, p. 535) and Zablah *et al.* (2004, p. 478) defined CRM in the frame of business *philosophy* as: "the idea that believe the most effective way to achieve loyalty is by proactively seeking to build and maintain long term relationships with customers" (Zablah *et al.*, 2004, p. 478). Karakostas *et al.* (2005, p. 854), Parvatiyar and Sheth (2000, p. 4) and Tarokh and Ghahremanloo (2007, p. 2) defined CRM as a *business strategic approach* for systematically targeting, tracking, communicating and transforming relevant customer data into actionable information on which strategic



decision-making is based. Bose (2002, p. 89), Campbell (2003, p. 375) and Zablah *et al.* (2004, p. 479) defined CRM as an enterprise-wide integration of technologies working together, such as data warehouse, Website, intranet/extranet, phone support system accounting, sales, marketing and production.

Pedron and Saccol (2009, p. 40) explained the link among these three perspectives and considered that CRM as a philosophy is the background for any strategy and information technology (IT) application where the philosophy is proposed to guide the strategies, which in their turn are going to guide the IT applications for CRM. Rababah *et al.* (2011, p. 223) in their study said that that the best CRM definition is the one that include all perspectives because of its comprehensive view. Accordingly, their definition that is also used for the current study is:

[...] the building of a customer-oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both the organization and the customers.

# CRM and hotels' performance

CRM solutions in hotel business aim to seek, gather and store the right guests' information toward identifying and retaining the most profitable customers and improving the profitability of less profitable customers, and develop the quality of the services via customizing them based on the need of customers (Sigala and Connolly, 2004). Different numbers of studies have been investigating the impact of CRM implementation on hotels' performances. Wu and Chen (2012) found in their research that a successful implemented CRM strategy in hotel companies not only increases customer lifetime value but also has a significant and positive effect on the business performance and customer satisfaction. Josiassen et al. (2012) in their study find that CRM implementation improves the technical efficiency of hotels. Lo et al. (2010) mentioned that CRM plays a vital role in achieving the hotels' main objectives, which are increasing guest's satisfaction and retention. Piccoli et al. (2003) stated that CRM could enhance hotels' performance through improving customer satisfaction and loyalty, reducing customer acquisition costs and increasing profitability. CRM has a positive influence on relationship quality, and relationship quality has a positive influence on customer lifetime value in hotel companies. CRM application is a great opportunity for hotel enterprises to increase business performance, such as customer lifetime value, customer satisfaction and higher profit (Daghfous and Barkhi, 2009; Lin and Su, 2003; Wu and Lu, 2012). In summery, implementing CRM could improve the performance of hotel businesses through:

- · increased customer satisfaction;
- enhanced customer loyalty;
- increased brand loyalty;
- increased customer lifetime value;
- repurchases:
- reduced cost of new customer acquisition; and
- · increased profits.



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## CRM implementation

CRM is the combination of *people*, *process and technology* components, and an integrated and holistic approach between these three components is required for a successful CRM implementation (Chen and Popovich, 2003; Mendoza *et al.*, 2006; Iriana *et al.*, 2013).

*Process*; implementing CRM projects require business process reengineering (BPR) from being product-centric to customer-centric. According to Mendoza et al. (2006), the main business processes that should be addressed for change in CRM implementation are marketing, sales and services. *People*; people have a key role within CRM strategy, both on behalf of employees and customers. It is evident that the human factor is crucial in a CRM strategy (Chen and Popovich, 2003). Even with the best definitions of processes and the most advanced technology, the relation between people has determining effect in any business strategy. It is important, then, to get those people involved with the strategy and motivate them to reach the objectives (Iriana and Buttle, 2004). Technology: IT plays a key role in CRM to collect and analyze data on customer patterns, interpret customer behavior, create a 360-degree view of customers, develop predictive models, respond with timely and effective customized communications and deliver product and service value to individual (Mendoza et al., 2006; Chen and Popovich, 2003). As mentioned, an integrated and holistic approach between these three components is required for a successful CRM implementation. Toward implementing these three components, each component contains set of factors, known as critical success factors (CSFs) (Mendoza et al., 2006). Oakland (1995) defined CSFs as those critical areas where the organization must succeed to achieve the organization's mission. In terms of CRM, they can be viewed as the factors whose presence in the CRM program of the company can guarantee a successful implementation (Mendoza et al., 2006; Almotairi, 2008).

Different authors have proposed different models for successfully implementing CRM applications (Eid, 2007; Mendoza et al., 2006; Payne and Frow, 2005; Richard et al., 2007; Roh et al., 2005). Toward finding an appropriate model for the current study with considering the importance of the three components of CRM and the role of CSFs, an evaluation among different models has been conducted. The results demonstrated that, in most of the proposed models, CRM is considered as a strategic process and the importance of integration and interplay between people, process and technology has been ignored (Roh et al., 2005). These models mostly do not highlight the role and importance of CSFs (Payne and Frow, 2005; Richard et al., 2007) and have limited extrinsic success on profitability and neglected other success measurements that assess the performance of CRM implementations. Further evaluations show that the Mendoza model (Mendoza et al., 2006) with highlighting the CSFs of CRM, considering all three components of CRM and the ability to adapt to the different markets where CRM is to be implemented, can be considered as the most applicable model for the purpose of the current study. Hence, in this study, CRM outcome is measured as the composite variable of people, process and technology via the Mendoza model and composite score is calculated by averaging items of three components.

#### Organizational culture and CRM implementation

A survey on businesses with implemented CRM strategy showed that failing rates are between 65 and 70 per cent (Almotairi, 2010; Kale, 2004). Organizational culture is



identified by most researchers as one of the most important factors that enables or disables the achievement of desirable CRM outcomes (Curry and Kkolou, 2004; Iriana and Buttle, 2006; Kale, 2004; Siriprasoetsin *et al.*, 2011; Iriana *et al.*, 2013). Various studies have attempted to find organizational culture factors with potential impacts on CRM implementations. Galbreath and Rogers (1999) in their study found below factors to be essential to fill in the existing gap between CRM vision and its reality:

- defined set of mission and vision of the CRM strategy between all personnel and departments;
- move decision-making processes down to all personnel (known as front-line empowerment);
- motivating and involving personnel; and
- creating a learning environment and innovative atmosphere is essential to fill in the existing gap between CRM vision and its reality.

Further, Chen and Popovich (2003) in their study identified a set of organizational culture factors as predictors of a successful CRM program such as:

- · having a customer-centric culture;
- · staff commitment and involvement; and
- having a clear set of mission and vision about CRM goals.

Mack *et al.* (2005) in their study mentioned the importance of communicating in organizational culture and making sure that all employees have a clear image about the importance of adopting customer-centric behaviors for better implementation of CRM. In another study by Verhoef and Langerak (2003), organizational culture factors of cross-functional teamwork, customer-centric culture, defined set of missions and visions and interdepartmental integrations identified as the key factors that managers should consider before implementing their CRM program.

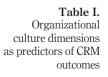
Campbell (2003) found that having a cross functional teamwork, rewarding the employees for having a customer centric behavior and supporting knowledge management (KM) implementation are important organizational culture factors for implementing CRM. Organizational culture changes are required, as CRM implementation needs change in attitudes and processes and organizations need to encourage personnel to accept these changes (Mendoza *et al.*, 2006; Foss *et al.*, 2008).

According to Galbreath and Rogers (1999), decentralized decision-making process and empowered front-line people who can solve customers' problems are other critical organizational culture issues. Organizations that promote 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.

Table I highlights those organizational culture dimensions that are identified by previous studies as predictors of a successful CRM implementation. An overview shows that companies that have cross-functional teams, culture of teamwork, committed and involved employees, adaptive and responsive attitudes toward change, information sharing, learning orientation and KM, defined set of mission and visions and higher degree of innovation are more likely to be successful in their CRM implementations.

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Culture dimensions as predictors of CRM implementation outcomes	Source
Cross-functional teams	Langerak and Verhoef (2002)
	Starkey and Woodcock (2002)
	Campbell (2003)
	Raman et al. (2006)
	Siriprasoetsin et al. (2011)
Empowerment/Staff motivation and training	Galbreath and Rogers (1999)
	Reinartz (2004)
	Ryals and Knox (2001)
	Chen and Popovich (2003)
Risk-taking/Innovation	Reinartz (2004)
	Ryals and Knox (2001)
Commitment	Kristoffersen and Singh (2004)
	Kale (2004)
	Chen and Popovich (2003)
	Curry and KKolou (2004)
- ·	Siriprasoetsin et al. (2011)
Геатwork	Ryals and Knox (2001)
	Siriprasoetsin et al. (2011)
Customer-centric culture	Ryals and Knox (2001)
	Rigby et al. (2002)
	Langerak and Verhoef (2002)
	Starkey and Woodcock (2002)
	Kale (2004)
	Curry and Kkolou (2004)
	Karakostas <i>et al.</i> (2005)
	Raman <i>et al.</i> (2006)
	Mack et al. (2005)
Adaptability	O'Malley and Mitussis (2002) Ryals and Knox (2001)
Information sharing	O'Malley and Mitussis (2002)
into mation sharing	Chen and Popovich (2003)
	Siriprasoetsin <i>et al.</i> (2011)
Learning orientation and knowledge management	Raman <i>et al.</i> (2006)
searming orionation and microage management	Sigala (2005)
	Campbell (2003)
	Siriprasoetsin <i>et al.</i> (2011)
Defined set of mission and visions and clear roles and	Langerak and Verhoef (2002)
responsibilities	Galbreath and Rogers (1999)
	Curry and Kkolou (2004)
	Chen and Popovich (2003)
	Siriprasoetsin et al. (2011)
interdepartmental integration	Langerak and Verhoef (2002)
	Campbell (2003)
	Curry and Kkolou (2004)
	Ryals and Knox (2001)
	O'Malley and Mitussis (2002)
	Chen and Popovich (2003)
Staff involvement	Wilson et al. (2002)
	Kristoffersen and Singh (2004)
	Ryals and Knox (2001) - Kale (2004)
	Karakostas et al. (2005)
	Chen and Popovich (2003)
	* * * * * * * * * * * * * * * * * * * *



As mentioned before, most of these factors were identified with qualitative approaches to highlight the potential role of organizational culture in implementing CRM (Chen and Popovich, 2003; Raman *et al.*, 2006; Verhoef and Langerak, 2002), and their impacts on CRM implementations were not subjected to empirical analysis specifically in the hotel industry. Iriana and Buttle (2006) in their study mentioned that the future generation of the researchers should prove the claim of the literature about this impact. Considering the critical role of organizational culture in the hotel industry due to its human-based nature, current research will be empirically investigating the impact of organizational culture as identified by previous studies (Table I) on implementing CRM in the context of the hotel industry.

In the first step toward finding a valid and appropriate model with the ability of measuring these factors, a comprehensive literature review was conducted among organizational culture measuring instruments (Ashkanasy *et al.*, 2000; Denison *et al.*, 2012). Considering the different classification of instruments and the aim of the research, the need for an *effectiveness instrument* was recognized (Ashkanasy *et al.*, 2000). According to Ashkanasy *et al.* (2000), effectiveness instruments can empirically measure the values that organizations need to be effective in management practices and implementing strategies. Within the past decade, the number of effectiveness instruments proposed by researchers for finding the link between organizational culture and effectiveness has been increased (Hartnell *et al.*, 2011; Jung *et al.*, 2009; Wilderom *et al.*, 2000). In a recent review, Sackmann (2011) identified 55 empirical studies around organizational culture measurements and 45 of which had been published in the domain of culture and effectiveness.

Review of different effectiveness instruments demonstrated that identified organizational culture factors are, directly and indirectly, related to the organizational culture traits of the Denison organizational culture model (Denison and Neale, 1996). Denison and Mishra (1995) found that highest performing organizations are those who empower and engage their people (*Involvement*), facilitate coordinated actions and promote consistency of behaviors with core business values (Consistency), translate the demands of the organizational environment into action (Adaptability) and provide a clear sense of purpose and direction (Mission). Denison and Mishra (1995) further defined three dimensions for each trait. According to them, the trait of involvement consists of three dimensions of empowerment, team orientation and capability development. The trait of consistency consists of three dimensions of core values, agreement and coordination and integration. The trait of adaptability consists of three dimensions of creating change, customer focus and organizational learning. The trait of mission trait consists of three dimensions of strategic direction, goals and objectives and vision. Denison and Neale (1996) further designed an instrument with the ability of empirically measuring these trait and dimensions.

Dimensions and traits of the Denison model demonstrate overlaps with organizational culture factors identified by previous studies as CRM success factors (Table II). Accordingly, the Denison Organizational Culture Survey (DOCS) was selected as the model with the ability to measure these factors. DOCS has been validated in a number of international studies under different conditions (Denison *et al.*, 2003; Yılmaz and Ergun, 2008; Zheng *et al.*, 2010), and Denison *et al.* (2012) in their study found that DOCS is the most valid and well-researched effectiveness instrument to date.

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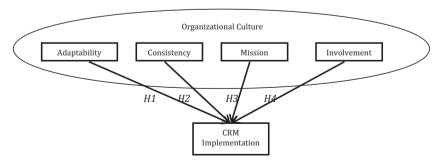
# Hypotheses development

Adaptability. Organizations considering customers' behaviors and needs, having KM capabilities (Sigala, 2005), possessing process change capabilities (Curry and Kkolou, 2004; Kale, 2004; Raman *et al.*, 2006; Starkey and Woodcock, 2002) and willingness to change processes from service-centric to customer-centric (Langerak and Verhoef, 2002; Rigby *et al.*, 2002; Ryals and Knox, 2001; Starkey and Woodcock, 2002) have more successful CRM programs. According to Denison and Mishra (1995), organizations with high level of adaptability are aware of the demands of customer and market and take action to transfer them into action. Thus, first hypothesis is:

## H1. Adaptability has a positive impact on CRM implementation.

Consistency. Organizations which have cross-functional teams (Campbell, 2003; Langerak and Verhoef, 2002; Raman et al., 2006; Starkey and Woodcock, 2002; Wilson

Culture dimensions as predictors of CRM implementations outcomes	Denison organizational culture dimensions	
Cross-functional teams	Involvement and consistency	
Empowerment/Staff motivation and training	Involvement	
Risk-taking/Innovation	Adaptability	
Commitment	Involvement	
Teamwork	Involvement	
Customer-centric culture	Adaptability	Table II.
Adaptability	Adaptability	Link between
Information sharing	Adaptability	Denison
Learning orientation and knowledge management	Adaptability	organizational
Defined set of mission and visions and clear roles		culture dimensions
and responsibilities	Mission	and culture
Interdepartmental integration	Consistency	dimensions as
Staff involvement	Involvement and consistency	predictors of CRM
	ž	implementation
Source: Created by authors		outcomes



Source: Created by authors

Figure 1. Conceptual framework of the research



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et al., 2002; Siriprasoetsin et al., 2011), top management support and highly committed staff (Kristoffersen and Singh, 2004; Lindgreen, 2004), system integration capabilities (Campbell, 2003; Chen and Popovich, 2003; Curry and Kkolou, 2004; Langerak and Verhoef, 2002; O'Malley and Mitussis, 2002; Ryals and Knox, 2001) and communication of CRM strategy within organization's departments receive more benefits from their CRM strategies. According to Denison and Mishra (1995), consistent companies provide a central source of integration, coordination and control, and help organizations develop a set of systems. These organizations have highly committed employees, a distinct method of doing business and a tendency to promote from within. Hence, the second hypothesis is:

*H2*. Consistency has a positive impact on CRM implementation.

Shared vision and mission. Having a clear set of CRM goals, objective and processes and sharing it through the entire organization levels are recognized as CSFs of most successful CRM programs (Campbell, 2003; Curry and Kkolou, 2004; Chen and Popovich, 2003; Langerak and Verhoef, 2002; O'Malley and Mitussis, 2002; Ryals and Knox, 2001). According to Denison and Mishra (1995), organizations that are high in traits of mission have a clear set of purpose and direction that define organizational goals and strategic objectives to their employees and provide everyone with a clear direction in their work. Hence, the third hypothesis is:

H3. Shared vision and mission have a positive impact on CRM implementation.

Staff involvement. Staff involvement and top management supports are among the most important CRM success factors of CRM programs (Chen and Popovich, 2003; Curry and KKolou, 2004; Kale, 2004; Kristoffersen and Singh, 2004; Reinartz and Chugh, 2003). In fact, CRM is all about employees. In reality, these are employees who are putting the block of CRM together and their involvement will cause the success of the project (Chalmeta, 2006; Kale, 2004; Mendoza *et al.*, 2006). According to Denison and Mishra (1995), in the organizations with high involvement, managers and employees are committed and feel a strong sense of ownership. People at all levels feel that they have input into decisions that will affect their work and see a direct connection to the goals of the organization. Hence, the fourth hypothesis is:

H4. Staff involvement has a positive impact on CRM implementation.

#### Methodology

Instrument and sampling

A chain hotel from the UK was selected as the case of the research. It started its CRM project in 2003 through using a combination of software packages, BPR and organizational and leadership changes toward customer-centricity. The instrument for gathering the data was a questionnaire comprising standard questionnaires of DOCS (Denison and Neale, 1996) and the adjusted Mendoza CRM model (Mendoza *et al.*, 2006). The questionnaire consisted of 86 questions and was designed based on a five-point Likert scale with an agree/disagree continuum (1 – strongly disagree, 2 – disagree, 3 – neither agree nor disagree, 4 – agree and 5 – strongly agree). The first 60 questions were related to organizational culture and adapted from DOCS. The following 26 questions belong to CRM implementation and adapted from the Mendoza model. The final 6 questions of the questionnaire were related to demographic details of the respondents.



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The total population was 364 managers of all branches. The reason for selecting the managers was their key role in implementing and supervising CRM program. Another important point about selecting managers is that the research's case study is a green company with a paper-less policy. Therefore, an online survey tool (Survey Monkey) was used and the survey link was sent via e-mail to the respondents and the employees; managers have been the only group with regular access to the e-mail and Internet.

Cochran's (1977) formula was used for determining the sample size of the research, and the optimal sample size calculated was 187. Questionnaires were distributed between July and August 2013. One week later, reminder e-mails were sent. Within the following two weeks, the second reminder, and eventually in four weeks time, the final reminders were sent stating the importance of the participant's input for the study. In total, 235 (64 per cent) completed questionnaires were returned. Partly completed questionnaires were disregarded, and 214 (58 per cent) questionnaires were used for the statistical analysis of the study. Collected data were subjected to correlation and multiple regression analyses by using Statistical Package for the Social Sciences (SPSS) version 20.

# Validity and reliability

Cronbach's alpha test is conducted for reliability analysis of the instrument. The total alpha coefficient was 0.95 (p < 0.001) and alpha coefficients for all items of the instrument were  $\leq 0.70$  (p < 0.001), which are in the acceptable range ( $\leq 0.70$ ) suggested by Nunnally (1978). The research instrument is composed of two standard instruments of DOCS and the Mendoza model. For the purpose of this research, these two instruments are combined and a new instrument is developed. Accordingly, the internal consistency of the items is calculated (Table III). When the corrected item-total correlations are examined, correlations range from 0.33 to 0.78, which are above 0.32 level suggested by Saxe and Weitz (1982). This indicates that the instrument meets the minimum standards of convergent validity. Item 15 (from DOCS), the capability development index, showed an unusually low item correlation (0.17). This result is in line with Denison *et al.* (2012) and the item retained on the questionnaire as the alpha coefficient for the item itself still reaches an acceptable level of 0.70, and the item was judged to have adequate content validity based on its fit with the definition provided by Denison and Mishra (1995).

Toward measuring the discriminant validity of the instrument, correlation coefficient for research variables was calculated. The result showed that the correlations between variables do not exceed 0.717 and each factor relates more strongly to its own factor (Hair et al., 2007). All correlations were statistically significant p < 0.01 (two-tailed). This also shows that the research instrument variables are interrelated and measure the same concept. Further, toward validity test of the questionnaire, exploratory factor analysis is conducted. First, to see whether the distribution of the values is adequate, the Kaiser-Meyer-Olkin (KMO) measure is used with a result of 0.888 (0.0.50). In addition, 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). Rotated component matrix was inspected (Table III) and in observing the commonalities, it was found that five factors related to jobs and goals, customer needs, contact with customers, clear direction of the company and knowledge about customer



IJCHM 28,1	Variance (%)	38.920			7.673			7.220						38.449				12.091				8.612		(continued)
100	Eigenvalue	5.835			1.151			1.083						2.767				1.814				1.292		<u> </u>
	Factor loading	0.61 0.52 0.49 0.52	0.49	0.42	0.53	0.72 0.44	0.47	0.49	0.48	0.43	0.52	0.53	0.61	0.47	0.61	0.57	0.91	0.62	0.75	0.71	0.70	0.53	0.55	Q <b>F</b> :0
	Alpha	0.72 0.72 0.70 0.70	0.74	0.78	0.75	0.78	0.74	0.73	0.73	0.71	0.75	0.72	0.71	92.0	0.73	0.70	0.73	0.79	0.78	0.71	0.71	0.78	0.74	3
	SS	0.75 0.69 0.85 0.83	98.0	0.70	0.84	0.70	0.76	0.88	69.0	1.08	0.95	0.70	0.84	89.0	0.73	0.81	0.79	0.89	0.74	0.73	0.78	0.83	0.99	2
	Mean	3.78 3.81 3.63 3.59	3.68	3.87	3.84	3.80	3.62	3.82	3.83	2.72	3.61	3.92	3.87	4.11	3.85	3.73	3.44	3.20	3.68	3.63	3.63	3.38	2.0 88.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9	9
	Item total correlation	0.52 0.52 0.60 0.56	0.47	0.58	99:0	0.58	0.43	09:0	0.46	0.13	0.50	0.59	0.35	0.48	09:0	0.65	0.57	0.40	0.44	0.40	0.55	0.42	0.53	<b>F</b> :0
	Items	Staff involvement Decision and information Shared information Believe in having a positive	impact Everyone is involved in Business Plan	Cooperation is encouraged Being part of team	Teamwork	Tams are primary Anthority is delegated	Capability of people improving	Continues investment	Competitive advantage	No necessary skills	Practice what they preach	Set of values	Core values	Ethical code	Win-win solutions	Strong culture	Reach consensus	Reaching agreements	Clear agreement	Consistent business	Common perspectives	Coordinate projects	Uitterent organization	mignificates of godies
	Index	Empowerment $\alpha = 0.76$		Team orientation $\alpha = 0.82$	}	Canability develonment	$\alpha = 0.70$				Core values $\alpha = 0.72$				Agreement $\alpha = 0.73$					Coordination and	integration $\alpha = 0.73$			
Table III. Scale items, reliabilities, itemtotal correlations and deceptive results of the research instrument	Dimension	Involvement $\alpha = 0.86$									Consistency $\alpha = 0.84$													

Customer
Relationship
Management

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Adaptability $\alpha=$ Creating change (55 331 0.90 0.74 0.54)  Adaptability $\alpha=$ Creating change (55 331 0.90 0.74 0.54)  Constant of correct change (55 3.73 0.80 0.73 0.51)  Constant change (54 2.20 0.93 0.76 0.50)  Constant change (54 2.20 0.93 0.77 0.70 0.70 0.70 0.70 0.70 0.70 0.7	Dimension	Index	Items	Item total correlation	Mean	SD	Alpha	Factor loading	Eigenvalue	Variance (%)
$\alpha = 0.78 \qquad \text{Respond to change} \qquad 0.53 \qquad 3.73 \qquad 0.80 \qquad 0.73 \qquad 0.51$ $\text{New ways to work} \qquad 0.61 \qquad 3.80 \qquad 0.74 \qquad 0.78 \qquad 0.50$ $\text{Coustomer focus} \qquad \text{Coustomer change} \qquad 0.46 \qquad 2.20 \qquad 0.93 \qquad 0.76 \qquad 0.50$ $\alpha = 0.74 \qquad \text{Customer comments} \qquad 0.46 \qquad 3.93 \qquad 0.74 \qquad 0.77 \qquad 0.66$ $\alpha = 0.74 \qquad \text{Customer comments} \qquad 0.46 \qquad 3.93 \qquad 0.74 \qquad 0.71 \qquad 0.84$ $\alpha = 0.73 \qquad \text{Lavining customers} \qquad 0.55 \qquad 3.82 \qquad 0.77 \qquad 0.45$ $\text{Drectuning customers} \qquad 0.50 \qquad 3.42 \qquad 0.89 \qquad 0.73 \qquad 0.45$ $\text{Drectuning in important} \qquad 0.42 \qquad 3.99 \qquad 0.72 \qquad 0.74 \qquad 0.42$ $\text{Right hand} \qquad 0.90 \text{ crustly} \qquad 0.39 \qquad 0.72 \qquad 0.74 \qquad 0.88$ $\text{Strategic direction and} \qquad \text{Long-term direction} \qquad 0.78 \qquad 3.85 \qquad 0.76 \qquad 0.73 \qquad 0.66$ $\text{Intent } \alpha = 0.83 \qquad \text{Strategy to change} \qquad 0.78 \qquad 3.85 \qquad 0.76 \qquad 0.73 \qquad 0.66$ $\text{Intent } \alpha = 0.83 \qquad \text{Strategy to the future} \qquad 0.78 \qquad 3.85 \qquad 0.77 \qquad 0.70$ $\text{Goals and objectives} \qquad \text{Widespread agreement} \qquad 0.64 \qquad 3.81 \qquad 0.70 \qquad 0.77 \qquad 0.48$ $\alpha = 0.82 \qquad \text{Realistic goals} \qquad 0.64 \qquad 3.81 \qquad 0.70 \qquad 0.77 \qquad 0.44$ $\text{Meet goals} \qquad 0.61 \qquad 3.80 \qquad 0.76 \qquad 0.75 \qquad 0.61$ $\text{Vision } \alpha = 0.70 \qquad \text{Shared vision} \qquad 0.65 \qquad 3.86 \qquad 0.78 \qquad 0.76 \qquad 0.57$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.86 \qquad 0.77 \qquad 0.61$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.86 \qquad 0.77 \qquad 0.61$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.86 \qquad 0.77 \qquad 0.61$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.86 \qquad 0.77 \qquad 0.61$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.86 \qquad 0.77 \qquad 0.61$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.86 \qquad 0.77 \qquad 0.61$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.87 \qquad 0.70 \qquad 0.77 \qquad 0.88$ $\text{Long-term vision} \qquad 0.65 \qquad 3.42 \qquad 0.87 \qquad 0.80$ $\text{Creating motivation} \qquad 0.65 \qquad 3.42 \qquad 0.77 \qquad 0.75 \qquad 0.75$ $\text{Creating motivation} \qquad 0.65 \qquad 3.42 \qquad 0.77 \qquad 0.75 \qquad 0.75$ $\text{Creating motivation} \qquad 0.65 \qquad 3.42 \qquad 0.77 \qquad 0.75 \qquad$	Adaptability $\alpha =$	Creating change	Easy to change	0.56	3.31	06.0	0.74	0.54		
Customer focus         Ofer lange         0.61         3.80         0.74         0.78         0.50           Coustomer focus         Cooperate to create change         0.46         3.20         0.74         0.71         0.89           Customer focus         Customer comments         0.46         3.93         0.74         0.71         0.84           α = 0.74         Customer comments         0.62         3.82         0.76         0.73         0.75         1.649           Ignorium construction         0.73         0.82         0.74         0.77         0.66         1.649           Organizational learning         Opportunity to learn         0.52         3.80         0.74         0.45         1.649           Risk-taking         Cracks         0.89         0.74         0.45         1.434           Cracks         Cracks         0.89         0.72         0.74         0.45           Right hand         Loung-term direction         0.78         3.89         0.76         0.73         0.66           Strategy chieved agreement         0.48         3.49         0.80         0.81         0.65           Goals and objectives         Widespread agreement         0.64         3.86         0.77	0.70	$\alpha = 0.78$	Respond to change	0.53	3.73	0.80	0.73	0.51		
Create change 0.46 2.20 0.93 0.76 0.59 5.130 Cooperate to create change 0.48 3.61 0.75 0.70 0.70 0.70 0.70 0.70 0.70 0.70			New ways to work	0.61	3.80	0.74	0.78	0.50		
Customer focus Cooperate to create change 0.48 3.61 0.75 0.70 0.70 Customer comments 0.46 3.93 0.74 0.71 0.84 0.70 0.70 0.70 Customer and decisions 0.52 3.82 0.76 0.73 0.75 1.649 0.73 0.72 0.75 0.73 0.75 0.75 0.73 0.75 0.75 0.73 0.75 0.75 0.73 0.75 0.75 0.75 0.73 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75			Create change	0.46	2.20	0.93	92.0	0.59	5.130	34.202
Customer focus Customer comments 0.46 3.93 0.74 0.71 0.84 $\alpha=0.74$ Customer sand decisions 0.52 3.82 0.76 0.73 0.75 1.649 Organizational learning Opportunity to learn 0.52 3.80 0.82 0.74 0.77 0.66 0.73 0.73 0.79 0.80 0.82 0.74 0.77 0.66 0.73 0.73 0.79 0.80 0.82 0.74 0.75 0.65 0.73 0.73 0.84 0.89 0.73 0.70 0.80 0.87 0.74 0.88 0.81 0.82 0.74 0.88 0.81 0.82 0.74 0.88 0.81 0.82 0.82 0.82 0.82 0.72 0.72 0.72 0.72 0.88 0.82 0.82 0.82 0.83 0.83 0.83 0.83 0.83 0.83 0.83 0.83			Cooperate to create change	0.48	3.61	0.75	0.70	0.70		
$\alpha=0.74$ Customers and decisions         0.52         3.82         0.76         0.73         0.75         1.649           Organizational learning Opportunity to learn $\alpha=0.73$ Organizational learning of protrunity to learn at $\alpha=0.73$ 0.56         2.39         1.04         0.77         0.66           Organizational learning of protrunity to learn $\alpha=0.73$ Risk-taking         0.50         3.42         0.89         0.73         0.45           Cracks         Learning is important 0.39         2.92         0.70         0.72         0.56         0.51         1.434           Right hand 1.         Long-term direction 0.78         3.85         0.76         0.77         0.56         0.74         0.88           Strategy to drange 1.         0.48         3.49         0.80         0.81         0.65         0.74         0.73         0.66           Strategy to change 2.         0.48         3.49         0.80         0.81         0.65         0.77         0.48         0.73         0.74         0.73         0.66         0.77         0.74         0.73         0.74         0.73         0.74         0.73         0.74         0.73         0.74         0.73         0.74         0.74         0.74         0.74         0.74 <td></td> <td>Customer focus</td> <td>Customer comments</td> <td>0.46</td> <td>3.93</td> <td>0.74</td> <td>0.71</td> <td>0.84</td> <td></td> <td></td>		Customer focus	Customer comments	0.46	3.93	0.74	0.71	0.84		
Organizational learning Opportunity to learn $\alpha = 0.73$ (Pignortunity to learning is important $\alpha = 0.83$ (Pignortunity to change (Pignortunity and Pignortunity and Pignortunity and Pignortunity (Pignortunity and Pignortunity and Pignortunity and Pignortunity (Pignortunity and Pignortunity (Pignortunity and Pignortunity and Pignortunity (Pignortunity and Pignortunity (Pignortunity (Pignortunity and Pignortunity) (Pignortunity (Pignortunity (Pignortunity) (Pi		$\alpha = 0.74$	Customers and decisions	0.52	3.82	92.0	0.73	0.75	1.649	10.994
Organizational learning         Opportunity to learn         0.52         3.80         0.82         0.74         0.42 $\alpha = 0.73$ Risk-taking         0.50         3.42         0.89         0.73         0.45           Cracks         Cracks         0.39         2.92         0.91         0.76         0.56           Right hand         0.39         3.99         0.72         0.72         0.56           Strategic direction and intent $\alpha = 0.83$ Strategy to order         0.78         3.85         0.76         0.73         0.66           Strategy converses         0.76         3.85         0.72         0.73         0.74         7.336           Goals and objectives         Widespread agreement         0.64         3.81         0.70         0.77         0.48           A = 0.82         Realistic goals         0.64         3.81         0.70         0.77         0.48           A = 0.82         Meet goals         0.64         3.81         0.70         0.77         0.48           A = 0.82         Meet goals         0.64         3.81         0.70         0.77         0.44         4.504           Vision $\alpha = 0.70$ Shared vision         0.61         3.82			Ignoring customers	0.56	2.39	1.04	0.77	99.0		
$\alpha = 0.73 \qquad \text{Risk-taking} \qquad 0.50 \qquad 3.42  0.89  0.73  0.45$ $\text{Cracks} \qquad 0.39 \qquad 2.92  0.91  0.76  0.51$ $\text{Learning is important} \qquad 0.42 \qquad 3.99  0.72  0.72  0.56$ $\text{Right hand} \qquad 0.39 \qquad 3.50  0.87  0.74  0.88$ $\text{Strategic direction and} \qquad \text{Long-term direction} \qquad 0.78  3.85  0.76  0.73  0.66$ $\text{intent } \alpha = 0.83 \qquad \text{Direction to work} \qquad 0.76  3.85  0.72  0.73  0.64$ $\text{Strategy for the future} \qquad 0.64  3.81  0.70  0.77  0.48$ $\text{Goals and objectives} \qquad \text{Widespread agreement} \qquad 0.64  3.81  0.70  0.77  0.48$ $\alpha = 0.82 \qquad \text{Meet goals} \qquad 0.61  3.80  0.77  0.41  4.504$ $\text{Track progress} \qquad 0.61  3.92  0.64  0.77  0.61$ $\text{Vision } \alpha = 0.70 \qquad \text{Shared vision} \qquad 0.61  3.92  0.64  0.77  0.61$ $\text{Long-term vision} \qquad 0.60  3.42  0.86  0.77  0.65$ $\text{Long-term vision} \qquad 0.60  3.42  0.85  0.70  0.53$ $\text{Long-term vision} \qquad 0.60  3.42  0.85  0.70  0.53$ $\text{Long-term vision} \qquad 0.60  3.42  0.85  0.70  0.53$		Organizational learning	Opportunity to learn	0.52	3.80	0.82	0.74	0.42		
Cracks         0.39         2.92         0.91         0.76         0.51         1.434           Learning is important         0.42         3.99         0.72         0.72         0.56           Right hand         0.39         3.50         0.87         0.74         0.88           Strategy to change         0.78         3.85         0.76         0.73         0.66           Direction to work         0.76         3.85         0.72         0.73         0.65           Goals and objectives         Widespread agreement         0.64         3.80         0.77         0.74         7.336           A = 0.82         Realistic goals         0.53         3.60         0.77         0.48         4.504           Vision $\alpha = 0.70$ Track progress         0.61         3.80         0.77         0.44         4.504           Vision $\alpha = 0.70$ Shared vision         0.61         3.70         0.77         0.44         4.504           Long-term viewpoint         0.57         3.86         0.78         0.76         0.57           Long-term vision         0.50         3.42         0.88         0.71         0.66           Long-term vision         0.62         3.61         <		$\alpha = 0.73$	Risk-taking	0.50	3.42	0.89	0.73	0.45		
Learning is important 0.42 3.99 0.72 0.72 0.56  Right hand 0.39 3.50 0.87 0.74 0.88  Strategic direction and Long-term direction 0.78 3.85 0.76 0.73 0.66  intent α = 0.83 Direction to work 0.76 3.85 0.72 0.73 0.65  Direction to work 0.76 3.85 0.72 0.73 0.65  Strategy for the future 0.78 3.80 0.72 0.73 0.74  Strategy for the future 0.78 3.80 0.77 0.77 0.48  Realistic goals 0.64 3.80 0.77 0.44  Track progress 0.63 3.85 0.68 0.77 0.61  Vision α = 0.70 Shared vision 0.57 3.86 0.73 0.78 0.46  Long-term viewpoint 0.57 3.86 0.73 0.78 0.46  Long-term vision 0.50 3.42 0.85 0.70 0.53  Long-term vision 0.50 3.42 0.85 0.70 0.53  Long-term vision 0.50 3.42 0.85 0.70 0.53			Cracks	0.39	2.92	0.91	92.0	0.51	1.434	7.049
Right hand         0.39         3.50         0.87         0.74         0.88           Strategic direction and intent $\alpha = 0.83$ Long-term direction         0.78         3.85         0.76         0.73         0.66           intent $\alpha = 0.83$ Strategy to change         0.48         3.49         0.80         0.81         0.65           Direction to work         0.76         3.85         0.72         0.73         0.74         7.336           Goals and objectives         Widespread agreement         0.64         3.80         0.78         0.77         0.48 $\alpha = 0.82$ Realistic goals         0.64         3.80         0.77         0.48         4.504           Track progress         0.64         3.80         0.77         0.44         4.504           Vision $\alpha = 0.70$ Track progress         0.61         3.70         0.77         0.44         4.504           Vision $\alpha = 0.70$ Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term vision         0.50         3.42         0.85         0.77         0.61         0.50           Long-term vision         0.62         3.61         0.74         0.75			Learning is important	0.42	3.99	0.72	0.72	0.56		
Strategic direction and Long-term direction $0.78$ $3.85$ $0.76$ $0.73$ $0.66$ intent $\alpha=0.83$ Strategy to change $0.48$ $3.49$ $0.80$ $0.81$ $0.63$ Direction to work $0.76$ $3.85$ $0.72$ $0.73$ $0.74$ $7.336$ Strategy for the future $0.78$ $3.80$ $0.78$ $0.79$ $0.77$ $0.79$ $0.70$ Strategy for the future $0.64$ $3.81$ $0.70$ $0.77$ $0.48$ Realistic goals $0.64$ $3.80$ $0.77$ $0.77$ $0.48$ Meet goals $0.64$ $3.80$ $0.77$ $0.77$ $0.44$ $4.504$ Track progress $0.61$ $3.80$ $0.77$ $0.77$ $0.44$ $4.504$ Vision $\alpha=0.70$ Shared vision $0.64$ $0.67$ $0.67$ $0.77$ $0.61$ Shared vision $0.67$ $0.67$ $0.78$ $0.60$ $0.79$ $0.79$ $0.79$ $0.79$ Long-term vision $0.60$ $0.79$ $0.79$ $0.79$ $0.79$ $0.79$ $0.79$ Creating motivation $0.50$ $0.79$ $0.79$ $0.79$ $0.79$ $0.53$ Long-term vision $0.60$ $0.79$			Right hand	0.39	3.50	0.87	0.74	0.88		
Strategy to change 0.48 3.49 0.80 0.81 0.63  Direction to work 0.76 3.85 0.72 0.73 0.74 7.336  Strategy for the future 0.78 3.80 0.78 0.72 0.70  Widespread agreement 0.64 3.81 0.70 0.77 0.48  Realistic goals 0.64 3.80 0.77 0.47 0.47  Meet goals 0.64 3.80 0.77 0.47 0.41 4.504  Track progress 0.61 3.92 0.64 0.78 0.60  Long-term viewpoint 0.57 3.86 0.77 0.61  Long-term vision 0.57 3.86 0.73 0.78 0.46  Long-term vision 0.50 3.42 0.85 0.70 0.53  Long-term vision 0.50 3.42 0.85 0.70 0.53  Long-term vision 0.50 3.42 0.85 0.70 0.53	Mission $\alpha = 0.90$	Strategic direction and	Long-term direction	0.78	3.85	92.0	0.73	99.0		
Direction to work 0.76 3.85 0.72 0.73 0.74 7.336  Strategy for the future 0.78 3.80 0.78 0.72 0.70  Widespread agreement 0.64 3.81 0.70 0.77 0.48  Realistic goals 0.64 3.80 0.77 0.47 0.47  Meet goals 0.61 3.80 0.77 0.47 0.44 4.504  Track progress 0.61 3.80 0.77 0.61  Long-term viewpoint 0.57 3.86 0.78 0.60  Long-term viewpoint 0.57 3.86 0.73 0.78 0.46  Long-term vision 0.50 3.42 0.85 0.70 0.53  Long-term vision 0.50 3.42 0.85 0.70 0.53  Long-term vision 0.50 3.42 0.85 0.70 0.53		intent $\alpha = 0.83$	Strategy to change	0.48	3.49	0.80	0.81	0.63		
Strategy for the future         0.78         3.80         0.78         0.70         0.70           Widespread agreement         0.64         3.81         0.70         0.77         0.48           Realistic goals         0.53         3.68         0.78         0.80         0.47           Meet goals         0.64         3.80         0.70         0.77         0.44         4.504           Track progress         0.61         3.92         0.64         0.78         0.60           Long-term success         0.63         3.85         0.68         0.77         0.61           Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term vision         0.33         3.66         0.88         0.81         0.50         2.254           Creating motivation         0.50         3.42         0.85         0.70         0.53         2.05           Long-term vision         0.62         3.61         0.74         0.75         0.53         2.54			Direction to work	0.76	3.85	0.72	0.73	0.74	7.336	49.106
Widespread agreement         0.64         3.81         0.70         0.77         0.48           Realistic goals         0.53         3.68         0.78         0.80         0.47           Meet goals         0.64         3.80         0.70         0.77         0.44         4.504           Track progress         0.61         3.92         0.64         0.78         0.60           Long-term success         0.63         3.85         0.68         0.77         0.61           Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term vision         0.33         3.66         0.88         0.81         0.50         2.254           Creating motivation         0.50         3.42         0.85         0.70         0.53         2.04           Long-term vision         0.62         3.61         0.74         0.75         0.53         2.254			Strategy for the future	0.78	3.80	0.78	0.72	0.70		
Realistic goals         0.53         3.68         0.78         0.80         0.47           Meet goals         0.64         3.80         0.70         0.77         0.44         4.504           Track progress         0.61         3.92         0.64         0.78         0.60           Long-term success         0.63         3.85         0.68         0.77         0.61           Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term viewpoint         0.57         3.86         0.73         0.78         0.46           Long-term vision         0.50         3.42         0.85         0.70         0.53           Long-term vision         0.62         3.61         0.74         0.75         0.53		Goals and objectives	Widespread agreement	0.64	3.81	0.70	0.77	0.48		
Meet goals         0.64         3.80         0.70         0.77         0.44         4.504           Track progress         0.61         3.92         0.64         0.78         0.60           Long-term success         0.63         3.85         0.68         0.77         0.61           Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term viewpoint         0.57         3.86         0.73         0.78         0.46           Long-term vision         0.50         3.42         0.85         0.70         0.53           Long-term vision         0.62         3.61         0.74         0.75         0.53		$\alpha = 0.82$	Realistic goals	0.53	3.68	0.78	0.80	0.47		
Track progress         0.61         3.92         0.64         0.78         0.60           Long-term success         0.63         3.85         0.68         0.77         0.61           Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term viewpoint         0.57         3.86         0.73         0.78         0.46           Long-term vision         0.50         3.42         0.88         0.81         0.50         2.254           Long-term vision         0.62         3.61         0.74         0.75         0.53			Meet goals	0.64	3.80	0.70	0.77	0.44	4.504	8.692
Long-term success         0.63         3.85         0.68         0.77         0.61           Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term viewpoint         0.57         3.86         0.73         0.78         0.46           Long-term vision         0.50         3.42         0.88         0.81         0.50         2.254           Long-term vision         0.62         3.61         0.74         0.75         0.53			Track progress	0.61	3.92	0.64	0.78	09.0		
Shared vision         0.61         3.70         0.75         0.76         0.57           Long-term viewpoint         0.57         3.86         0.73         0.78         0.46           Long-term vision         0.33         3.66         0.88         0.81         0.50         2.254           Creating motivation         0.50         3.42         0.85         0.70         0.53           Long-term vision         0.62         3.61         0.74         0.75         0.53			Long-term success	0.63	3.85	89.0	0.77	0.61		
wpoint         0.57         3.86         0.73         0.78         0.46           ion         0.33         3.66         0.88         0.81         0.50         2.254           ration         0.50         3.42         0.85         0.70         0.53           ion         0.62         3.61         0.74         0.75         0.53		Vision $\alpha = 0.70$	Shared vision	0.61	3.70	0.75	92.0	0.57		
on 0.33 3.66 0.88 0.81 0.50 2.254 on 0.50 3.42 0.85 0.70 0.53 0.62 3.61 0.74 0.75 0.53			Long-term viewpoint	0.57	3.86	0.73	0.78	0.46		
on 0.50 3.42 0.85 0.70 0.53 0.62 3.61 0.74 0.75 0.53			Long-term vision	0.33	3.66	0.88	0.81	0.50	2.254	7.693
0.62 3.61 0.74 0.75 0.53			Creating motivation	0.50	3.42	0.85	0.70	0.53		
(contin			Long-term vision	0.62	3.61	0.74	0.75	0.53		
										(continued)

Table III.



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agers 0.58 3.84 0.714 0.90 0.63 3.90 0.798 0.90 0.68 3.62 0.920 0.90 0.68 3.62 0.920 0.90 0.33 2.93 0.090 0.91 0.41 2.76 0.991 0.91 0.41 2.76 0.991 0.91 0.41 3.70 0.028 0.91 0.50 3.41 0.798 0.90 0.50 3.41 0.798 0.90 0.62 3.41 0.798 0.90 0.62 3.41 0.798 0.90 0.62 3.41 0.798 0.90 0.62 3.64 0.737 0.90 0.62 3.64 0.737 0.90 0.60 3.63 0.757 0.90 0.60 3.63 0.757 0.90 0.60 0.60 3.63 0.757 0.90 0.60 0.60 0.60 0.60 0.60 0.60 0.60	Dimension	Index	Items	Item total correlation	Mean	SD	Alpha	Factor loading	Eigenvalue	Variance (%)
Responsible mangers 0.49 3.56 0.858 0.90 Staff knowledge 0.63 3.90 0.798 0.90 Employees capability 0.68 3.62 0.90 0.798 Training programs 0.33 2.93 0.090 0.91 Staff motivation 0.41 2.76 0.991 0.91 Mangers objectives 0.33 3.12 0.993 0.91 Teamwork 0.34 3.70 0.028 0.91 Staff turnover 0.34 3.77 0.028 0.91 Staff turnover 0.34 3.77 0.795 0.90 Budget related to CRM 0.50 3.93 0.675 0.90 Follow-up meeting 0.62 3.72 0.747 0.90 Documents related to CRM 0.62 4.14 0.642 0.90 Interdepartmental integrations 0.60 3.86 0.757 0.90 Internal information 0.62 3.64 0.737 0.90 Internal support 0.63 3.63 0.828 0.90 Guest retention plan 0.53 3.63 0.878 0.90 Electronic media Communications 0.69 3.77 0.806 0.90 Remote transactions 0.63 3.77 0.806 0.90 Remote transactions 0.63 3.77 0.808 0.90 Rest-sele communications 0.63 3.77 0.808 0.90 Rest-sele communications 0.63 3.77 0.808 0.90 Rest-sele communications 0.63 3.77 0.90	CRM Implementation	People $\alpha = 0.90$	Participation of hotel mangers	0.58	3.84	0.714	0.90	0.67	12.26	25.081
Staff knowledge         0.63         3.90         0.798         0.90           Employees' capability         0.68         3.62         0.920         0.90           Training programs         0.33         2.93         0.090         0.91           Staff motivation         0.41         2.76         0.991         0.91           Mangers objectives         0.33         3.12         0.993         0.91           Teamwork         0.41         3.70         0.028         0.91           Staff turnover         0.34         3.77         0.795         0.90           CRM in hotel strategic plan         0.33         3.41         0.798         0.90           Budget related to CRM         0.50         3.93         0.675         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Interdepartments related to CRM         0.62         3.64         0.737         0.90           Interdepartments lintegrations         0.60         3.86         0.754         0.90           Interdepartmental information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.754         0.90     <	$\alpha = 0.91$		Responsible mangers	0.49	3.56	0.858	06.0	99.0		
Employees' capability         0.68         3.62         0.920         0.90           Training programs         0.33         2.93         0.090         0.91           Staff motivation         0.41         2.76         0.991         0.91           Mangers objectives         0.33         3.12         0.993         0.91           Teamwork         0.41         3.70         0.028         0.91           Staff turnover         0.34         3.57         0.795         0.90           CRM in hotel strategic plan         0.33         3.41         0.798         0.90           Budget related to CRM         0.50         3.82         0.675         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Interclepartmental infegrations         0.62         3.64         0.737         0.90           Interclepartmental infegrations         0.60         3.86         0.754         0.90           Internal information         0.62         3.64         0.742         0.90           Internal information         0.60         3.63         0.757         0.90           Guest retention plan         0.53         0.759         0.90			Staff knowledge	0.63	3.90	0.798	0.00	0.65		
Training programs         0.33         2.93         0.090         0.91           Staff motivation         0.41         2.76         0.991         0.91           Mangers objectives         0.33         3.12         0.993         0.91           Teamwork         0.41         3.70         0.028         0.91           Staff turnover         0.34         3.77         0.795         0.90           CRM in hotel strategic plan         0.33         3.41         0.798         0.90           Budget related to CRM         0.62         3.72         0.747         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Interdepartmental treated to CRM         0.62         3.64         0.737         0.90           Interdepartmental integrations         0.60         3.86         0.754         0.90           Interdepartmental integrations         0.60         3.86         0.754         0.90           Interdepartmental integrations         0.60         3.84         0.742         0.90           Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.754 <td< td=""><td></td><td></td><td>Employees' capability</td><td>89.0</td><td>3.62</td><td>0.920</td><td>06.0</td><td>09.0</td><td></td><td></td></td<>			Employees' capability	89.0	3.62	0.920	06.0	09.0		
Staff motivation         0.41         2.76         0.991         0.91           Mangers objectives         0.33         3.12         0.993         0.91           Teamwork         0.41         3.70         0.028         0.91           Staff turnover         0.34         3.57         0.795         0.90           CRM in hotel strategic plan         0.33         3.41         0.798         0.90           Budget related to CRM         0.62         3.72         0.747         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Documents related to CRM         0.62         3.64         0.754         0.90           Interdepartmental integrations         0.60         3.64         0.747         0.90           Different areas of the hotel         0.59         3.64         0.737         0.90           Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           Internal support         0.48         3.63         0.828         0.90           Guest retention plan         0.57         3.90         0.798         0.90			Training programs	0.33	2.93	0.090	0.91	0.59		
Mangers objectives         0.33         3.12         0.993         0.91           Teamwork         0.41         3.70         0.028         0.91           Staff turnover         0.34         3.77         0.028         0.91           CRM in hotel strategic plan         0.33         3.41         0.795         0.90           Budget related to CRM         0.50         3.93         0.675         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Documents related to CRM         0.62         3.72         0.747         0.90           Interdepartmental integrations         0.60         3.64         0.742         0.90           Different areas of the hotel         0.59         3.64         0.742         0.90           Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           Internal support         0.48         3.63         0.828         0.90           Guest retention plan         0.57         3.90         0.798         0.90           Pre-sale communications         0.61         3.77         0.806         0.90			Staff motivation	0.41	2.76	0.991	0.91	0.56		
Teamwork         0.41         3.70         0.028         0.91           Staff turnover         0.34         3.57         0.795         0.90           CRM in hotel strategic plan         0.33         3.41         0.798         0.90           Budget related to CRM         0.50         3.93         0.675         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Documents related to CRM         0.62         3.72         0.747         0.90           Interral uncepartmental integrations         0.60         3.64         0.774         0.90           Inferent areas of the hotel         0.59         3.64         0.774         0.90           Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           Internal support         0.48         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.798         0.90           Pre-sale communications         0.61         3.86         0.806         0.90           Real-time action         0.69         3.77         0.806         0.90			Mangers objectives	0.33	3.12	0.993	0.91	0.51		
Staff turnover         0.34         3.57         0.795         0.90           CRM in hotel strategic plan         0.33         3.41         0.798         0.90           Budget related to CRM         0.50         3.93         0.675         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Documents related to CRM         0.62         3.72         0.747         0.90           Interdepartmental integrations         0.60         3.86         0.754         0.90           Different areas of the hotel         0.59         3.64         0.73         0.90           Internal information         0.62         3.64         0.73         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           Internal support         0.60         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.828         0.90           Pre-sale communications         0.61         3.86         0.778         0.90           Renote transactions         0.63         3.77         0.80         0.90           Real-time action         0.63         3.73         0.80         0.90 <td></td> <td></td> <td>Teamwork</td> <td>0.41</td> <td>3.70</td> <td>0.028</td> <td>0.91</td> <td>0.47</td> <td></td> <td></td>			Teamwork	0.41	3.70	0.028	0.91	0.47		
CRM in hotel strategic plan         0.33         3.41         0.798         0.90           Budget related to CRM         0.50         3.93         0.675         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Documents related to CRM         0.62         3.72         0.747         0.90           Interdepartmental integrations         0.60         3.86         0.754         0.90           Different areas of the hotel         0.59         3.64         0.73         0.90           Internal information         0.62         3.64         0.73         0.90           Customer satisfaction         0.60         3.63         0.75         0.90           Internal support         0.60         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.828         0.90           Pre-sale communications         0.61         3.86         0.778         0.90           Renote transactions         0.63         3.77         0.80         0.90           Use of IT         0.63         3.74         0.80         0.90           Post-sale communication         0.63         3.74         0.80         0.90 <td></td> <td></td> <td>Staff turnover</td> <td>0.34</td> <td>3.57</td> <td>0.795</td> <td>0.00</td> <td>0.43</td> <td></td> <td></td>			Staff turnover	0.34	3.57	0.795	0.00	0.43		
Budget related to CRM         0.50         3.93         0.675         0.90           Follow-up meeting         0.62         3.72         0.747         0.90           Documents related to CRM         0.62         4.14         0.642         0.90           Interdepartmental integrations         0.60         3.86         0.754         0.90           Different areas of the hotel         0.59         3.64         0.737         0.90           Internal information         0.62         3.64         0.737         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           Internal support         0.48         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.850         0.90           Pre-sale communications         0.61         3.86         0.80         0.90           Renote transactions         0.61         3.86         0.80         0.90           Use of IT         0.63         3.74         0.80         0.90           Post-sale communication         0.63         3.74         0.80         0.90           Post-sale communication         0.63         3.74         0.90		Process $\alpha = 0.88$	CRM in hotel strategic plan	0.33	3.41	0.798	0.00	0.41		
Follow-up meeting         0.62         3.72         0.747         0.90           Documents related to CRM         0.62         4.14         0.642         0.90           Interdepartmental integrations         0.60         3.86         0.754         0.90           Different areas of the hotel         0.59         3.64         0.737         0.90           Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           importance         0.60         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.828         0.90           Pre-sale communications         0.61         3.86         0.80         0.90           Renote transactions         0.61         3.86         0.80         0.90           Use of IT         0.63         3.77         0.80         0.90           Real-time action         0.63         3.74         0.80         0.90           Post-sale communication         0.63         3.74         0.80         0.90			Budget related to CRM	0.50	3.93	0.675	0.00	0.41		
Documents related to CRM         0.62         4.14         0.642         0.90           Interdepartmental integrations         0.60         3.86         0.754         0.90           Different areas of the hotel         0.59         3.64         0.737         0.90           Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           importance         0.60         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.850         0.90           Pre-sale communications         0.61         3.86         0.80         0.90           Renote transactions         0.61         3.86         0.80         0.90           Use of IT         0.63         3.77         0.80         0.90           Real-time action         0.63         3.74         0.80         0.90           Post-sale communication         0.63         3.74         0.80         0.90			Follow-up meeting	0.62	3.72	0.747	06.0	09.0		
Interdepartmental integrations         0.60         3.86         0.754         0.90           Different areas of the hotel         0.59         3.64         0.737         0.90           Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           importance         0.60         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.850         0.90           Pre-sale communications         0.61         3.86         0.80         0.90           Read-time action         0.63         3.77         0.80         0.90           Real-time action         0.63         3.74         0.80         0.90           Post-sale communication         0.63         3.74         0.80         0.90			Documents related to CRM	0.62	4.14	0.642	0.00	0.84		
Different areas of the hotel 0.59 3.64 0.737 0.90 Internal information 0.62 3.64 0.742 0.90 Customer satisfaction 0.60 3.63 0.757 0.90 importance Internal support 0.48 3.63 0.858 0.90 Guest retention plan 0.53 3.63 0.878 0.90 Pre-sale communications 0.61 3.86 0.802 0.90 Real-time action 0.63 3.77 0.806 0.90 Post-sale communication 0.68 3.86 0.774 0.90 Post-sale communication 0.68 3.86 0.774 0.90			Interdepartmental integrations	09.0	3.86	0.754	06.0	0.84		
Internal information         0.62         3.64         0.742         0.90           Customer satisfaction         0.60         3.63         0.757         0.90           importance         0.48         3.63         0.757         0.90           Internal support         0.48         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.879         0.90           Pre-sale communications         0.61         3.86         0.80         0.90           Remote transactions         0.61         3.86         0.80         0.90           Use of IT         0.63         3.77         0.80         0.90           Real-time action         0.63         3.54         0.80         0.90           Post-sale communication         0.68         3.86         0.77         0.90			Different areas of the hotel	0.59	3.64	0.737	06.0	0.82		
Customer satisfaction         0.60         3.63         0.757         0.90           importance         Internal support         0.48         3.63         0.828         0.90           Guest retention plan         0.53         3.63         0.850         0.90           Pre-sale communications         0.57         3.90         0.798         0.90           Electronic media         0.61         3.86         0.802         0.90           Read-time action         0.69         3.77         0.806         0.90           Use of IT         0.63         3.77         0.80         0.90           Post-sale communication         0.68         3.86         0.70         0.90			Internal information	0.62	3.64	0.742	0.00	0.82		
importance Internal support Guest retention plan Office of the communications Office of IT Clear of IT			Customer satisfaction	09.0	3.63	0.757	0.00	0.75		
Internal support			importance							
Guest retention plan         0.53         3.63         0.850         0.90           Pre-sale communications         0.57         3.90         0.798         0.90           Electronic media         0.61         3.86         0.802         0.90           Remote transactions         0.69         3.77         0.806         0.90           Use of IT         0.63         3.73         0.812         0.90           Real-time action         0.63         3.54         0.808         0.90           Post-sale communication         0.68         3.86         0.724         0.90			Internal support	0.48	3.63	0.828	0.00	0.75		
Pre-sale communications 0.57 3.90 0.798 0.90 Electronic media 0.61 3.86 0.802 0.90 Remote transactions 0.69 3.77 0.806 0.90 Use of IT 0.63 3.73 0.812 0.90 Real-time action 0.63 3.54 0.808 0.90 Post-sale communication 0.68 3.86 0.724 0.90			Guest retention plan	0.53	3.63	0.850	06.0	09.0		
0.61 3.86 0.802 0.90 0.69 3.77 0.806 0.90 0.63 3.73 0.812 0.90 0.63 3.54 0.808 0.90 0.68 3.86 0.724 0.90		Technology $\alpha = 0.92$	Pre-sale communications	0.57	3.90	0.798	06.0	0.65		
0.69 3.77 0.806 0.90 0.63 3.73 0.812 0.90 0.63 3.54 0.808 0.90 0.68 3.86 0.724 0.90			Electronic media	0.61	3.86	0.802	06.0	0.65		
0.63 3.73 0.812 0.90 0.63 3.54 0.808 0.90 0.68 3.86 0.724 0.90			Remote transactions	69.0	3.77	908.0	06.0	09.0		
0.63 3.54 0.808 0.90 0.68 3.86 0.724 0.90			Use of IT	0.63	3.73	0.812	06.0	09.0		
0.68 3.86 0.724 0.90			Real-time action	0.63	3.54	0.808	06.0	0.55		
00:0 +71:0 00:0			Post-sale communication	89.0	3.86	0.724	0.00	0.40		

Table III.



Source: Created by authors

Customer Relationship Management

#### Results

As mentioned earlier, partly completed questionnaires are disregarded and 214 questionnaires are used in the statistical analysis of the study. Table IV shows the demographics of the respondents. As demonstrated, the majority of the respondents (53.2 per cent) were female. More than 40 per cent of the respondents were between the ages of 30 and 39. Thirty per cent of the respondents had undergraduate education, and 30 per cent of the respondents had postgraduate education.

Correlational analyses were used to examine the relationship between the four organizational cultural factors (involvement, consistency, mission and adaptability) and CRM implementation (composite factor). Composite scores are calculated by averaging items representing CRM. The results suggested that all variables are positively correlated and all correlations were significant and greater or equal to +0.71 (p < 0.001, two-tailed; Table V). These results suggest that; when the level of staff involvement, consistency of the company, adaptability toward customer and market needs and defined mission and vision of the organization among the staffs increase, CRM implementation outcomes increase. The highest correlation coefficient belongs to mission, followed by consistency, adaptability and staff involvement.

Toward testing the hypotheses and finding whether organizational culture factors of consistency, involvement, mission and adaptability (independent variables) are the predictors of CRM implementation (dependent variable), multiple regression analysis is conducted (Table VI). Multiple regression analyses are first confirmed by testing the assumptions of normality, linearity, homoscedasticity and independence of residuals,

Demographic variables	(%)
Age	
17 or younger	0.0
18-20	1.0
21-29	34.8
30-39	45.3
40-49	11.9
50-59	6.0
60 or older	1.0
Gender	
Female	53.2
Male	46.8
Education	
High school	27.8
Under graduate	31.3
Post graduate	31.3
Other	9.6
Olici	3.0
Source: Created by authors	

**Table IV.** Demographic profile



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revealing that the residuals are normally distributed (Tabachnick and Fidell, 1996). In addition, there is no evidence of the multicollinearity problem (Hair *et al.*, 1995). The model shows that the variables of mission; consistency and adaptability (the independent variables) jointly explain 53 per cent of the variance ( $R^2$ ) of CRM implementations. As F-value = 60.346 with p < 0.05, it can be said that the model has a good fit for the data. Beta values in the table indicate the individual contribution of each predictor to the model. As shown, there is a significant relationship between the three variables of adaptability, consistency and mission with CRM implementation; hence, H1, H2 and H3 are accepted. CRM implementation has the highest dependency on the variable of mission ( $\beta = 0.567$ , p < 0.05), followed by consistency ( $\beta = 0.178$ , p < 0.05) and adaptability ( $\beta = 0.174$ , p < 0.05). Involvement with t = -0.413 and  $\beta = -0.31$  (sig> 0.05) do not have a significant impact on the model's ability to predict CRM implementation, hence H4 is rejected. The results show that though staff involvement is positively correlated with CRM implementation, CRM implementation is not dependent on it.

#### Discussion and conclusion

Theoretical contribution

While different researchers identified organizational culture factors as most important factors that enable or disable the achievement of desirable CRM

Table V.
Correlation
coefficient between
dependent and
independent
variables

Independent variables	Dependent variable CRM
Mission	0.717
Involvement	0.551
Consistency	0.595
Adaptability	0.553

**Notes:** Pearson correlation, N=214; all correlations are statistically significant p<0.01 (2-tailed)

Source: Created by authors

	Dependent variable: (	CRM		
Independent variables	Beta	<i>t</i> -value	Sig.	Results
H1 Adaptability	0.174	1.090	0.036	Supported
H2 Consistency	0.178	2.405	0.017	Supported
H3 Mission	0.567	7.151	0.000	Supported
H4 Involvement	-0.031	-0.413	0.680	Rejected
Multiple $R = 0.73$	$R^2 = 0.53$	Adjusted	St	andard
F = 60.346	p < 0.001	$R^2 = 0.52$	Erro	r = 0.3125

**Notes:** Constant: B = 0.861; SE = 0.208; t = 4.138; Sig. = 0.000; Assumptions: Normality: Kolmogorov-Smirnov statistics 0.018 < 0.721 at a significant level of 0.001; Linearity: Confirmed by the analysis of partial regression plots; Homoscedasticity: Confirmed by the analysis of partial regression plots; Independence of residuals: Durbin-Watson test, score = 2.175; No collinearity and multicollinearity problems confirmed by correlation coefficients

**Table VI.**Multiple regression analysis

**Source:** Created by authors



Relationship

outcomes, the current study was conducted to address the gap in the literature regarding a comprehensive empirical study to investigate the detailed impacts of four main organizational cultures of consistency, adaptability, mission and involvement on CRM implementation in the hotel industry. The correlation analysis demonstrates that organizational culture factors of adaptability, consistency, staff involvement and mission and vision of the organization have a positive significant impact on CRM implementation of hotels, which is the answer to the gap in the literature (Iriana and Buttle, 2006). However, the regression analysis further showed that while all of these factors are important, some of them have a higher level of impact and CRM implementation is not dependent on all of them. The result showed that though a successful CRM outcome is highly correlated with staff involvement, it is not dependent on it.

This outcome challenges previous literature. The role of staff involvement is highlighted with previous researches as an inseparable part of CRM projects (Kale, 2004; Reinartz, 2004; Ryals and Knox, 2001). Previous literature insists that human factor is crucial in a CRM strategy and companies have been repeatedly warned that failure is eminent if they believe that CRM is only a technology solution (Mendoza et al., 2006). This conflict can be discussed from two perspectives; first, IT changed the business world dramatically, such as implementations of CRM projects. Investigating the CRM program of the research's case study showed that most of the processes are handled with the help of IT and people play a less important role in the success of the CRM projects. For example, having an efficient reservation process is one of the main parts of the CRM project. This is while the number of reservations through phone is decreasing and day-by-day the number of people who prefer to make online reservation is increasing. Online process is handled by IT through Website and mobile apps (24/7) without needing any staff presence. Offering customized services is another part of CRM programs, which is nowadays facilitated with the help of IT. It is not the staff that should remember the favorite drink of the guests; instead, this is the hotel's software (e.g. Opera) advising the staff what to do and what to serve. Web check-in or kiosks in the lobby of most branded hotels decreased the level of employee and guest interactions. In Web check-in, the guest has a membership number and password and uses them for making reservations and online check-in. Following that, a room number is given to the guest and the guest's smart phone becomes an electronic key for opening the door. A guest can also make his/her payment online via online checkout and leave the hotel with minimum interaction with the staff. Guests are still being served by customized services, but it is not through staff.

It can be said that host–guest relationships have dramatically changed and IT has replaced (or at least largely impacted on) most part of this relationship. Software packages have replaced most part of manpower in the CRM process and downplayed the role of staff involvement. This can be an explanation to the result of the research demonstrating that CRM implementation is correlated with staff involvement but not dependent on it.

Second, the low impact of staff involvement can be explained from a weak organizational culture point of view. According to Denison and Mishra (1995), staff involvement is an organizational culture trait which is composed of three indexes of empowerment, teamwork and staff development. While the case study of the research has a strong position in staff empowerment and teamwork, the



organization's action toward staff development is weak. This is proven by the descriptive results of research (Table III). Conducting further regressions with these three indexes of staff involvement showed the negative impact of staff development on regression results. So, weak staff development index had an influence on staff involvement trait and, therefore, CRM outcome. It could be concluded that while strong organizational culture has a positive impact on CRM implementation, the weak culture organizational culture may have a negative impact on CRM outcomes. However, the impact of weak organizational culture needs to be investigated more by future research.

Results further show that among these four factors, sharing the mission and vision of the CRM among the staff has the most impact on CRM implementations. This result is in line with previous qualitative studies (Chen and Popovich, 2003; Curry and Kkolou, 2004; Jeremy and Rogers, 1999; Verhoef and Langerek, 2003) highlighting the role of sharing the mission and vision among the staff as an important organizational culture factor for better CRM outcomes. Regression analysis further demonstrates that having an adaptable approach toward changes (customers' needs and market's trends) is the second important factor for having successful CRM implementations in hotels.

This is in line with previous qualitative studies (Ryals and Knox, 2001; Wilson *et al.*, 2002) identifying adaptability as an important organizational culture factor for better CRM outcomes. Regression analysis also reveals that consistency is the third important organizational culture factor for better CRM outcomes. Finally, regression analysis showed that staff involvement is the factor with the least impact on CRM implementation. Hence, it can be said that in the current business world, among three components of CRM, IT and having appropriate CRM software play the most important role, and this is then followed by process and people.

# Practical implications

The results of the study show that in CRM investments, IT plays a critical role; however, the findings also imply that it should also be viewed as change management projects. Below organizational culture considerations can be suggested toward having more successful CRM implementations in hotel businesses. Considering the importance of sharing the mission and vision among the staff in implementing CRM applications, it can suggested that the hotels should have a clear and realistic mission and vision statement for their CRM and it should move the direction of the hotel toward customer-centricity. CRM goals should become the philosophy of the business and shared and kept alive among the staff on regular and consistent basis. Toward having more adaptability and better CRM outcomes, the customer-centric approach should become a part of organization's culture and be communicated with staff in all departments. Staff should be empowered to deal with guests' complaints. Rewarding the staff for having a customer-centric attitude will cause a healthy competition, and hence more adaptability toward customer's needs and better CRM outcomes. Toward improving the consistency of the hotel. information should be shared with staff and staff should be kept updated about the business' trends. Training keeps the employees' attitude, skills and abilities at the same level of standards and causes consistency in offered services. Interdepartmental integration and having multi-skilled staff are also important for consistency of the hotels, specifically with the nature of business that is busier during a specific time of the day (e.g. check-in, check-out, breakfast time or evening in the bar).

Though staff involvement was found as the last important factor for achieving CRM goals, taking below actions can help managers increase level of staff involvement. A supportive management style for supporting the staff in the difficult situations is required. Staff's satisfaction should be one of the company's main attentions. The company should keep an open and honest communication with staffs and encourage them to talk about their concerns and problems, and the company should try to fulfill their requests in the best possible way. Having staff satisfaction surveys or monthly meetings for solving the problems could be a good solution. Providing the staff with a pleasant working environment should also be in the attention of the company.

#### Limitations and future research

The main theory driving the research was Denison organizational culture (Denison and Mishra, 1995). Denison and Mishra (1995) defined organizational culture based on 4 traits and 12 indexes. Current research used the model based on its four traits, while future researches can consider the 12 indexes and investigate their potential impact on CRM implementations.

CRM in the current research has been considered as the composite of the there components of CRM based on the Mendoza model. The Mendoza model also can be used based on the three components of CRM: people, process and technology. In future research, the impact of organizational culture (composite or organizing culture traits) can be investigated on these three components. Mentioning of the organizational culture can raise the importance of national culture and its impact on organizational culture. The research conducted in UK culture and future research could be done via multinational companies for finding the impacts of national culture on organizational culture and consequently on CRM outcomes. Research case study is selected because of its strong position in organizational culture and CRM programs. Future research could be investigated for finding the impact of weak organizational culture on implementing CRM.

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