Organisational Culture and Customer Relationship Management (CRM) System Implementation Outcomes: An Empirical Investigation

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ABSTRACT

Using data collected from a sample of organisations implementing Customer Relationship Management (CRM) system, this study examines whether and how organisational culture is associated with the outcomes of CRM system implementations. This study also considers whether those outcomes are moderated by several additional variables: the perceived ease of using the CRM system, the compatibility of the CRM system with existing systems, competitive intensity, and market turbulence. This study also tests if the type of CRM initiative - Strategic, Operational or Analytical CRM – has any bearing upon CRM system implementation outcomes.

Multiple item scales are adapted or created from a wide range of sources in the literature to measure managers’ perceptions of organisational culture (as defined by the Competing Values Model), implementation outcomes (measured by the CRM balanced scorecard), and the moderator variables. Structural Equation Modelling (SEM) is used to analyse the reliability and validity of the data and path analysis and multiple regressions are used to determine the relationships between variables.

The results suggest several organisational culture characteristics that are significantly related to good CRM system implementation outcomes. Among the four types of culture identified by the Competing Values Model, Adhocracy culture has the highest association with good CRM system implementation outcomes. Characteristics of the Adhocracy culture are innovation, adaptability, external support, and growth. A balanced culture comprising elements of both Adhocracy culture and Clan culture (that is a flexible culture orientation) is more strongly associated with good CRM system implementation outcomes than its opposite, control culture orientation. Similarly, a balanced culture comprising elements of Adhocracy culture and Market culture (that is an external culture orientation) is more strongly associated with good CRM system implementation outcomes than the opposite, internal culture orientation.

This study discovers that only one of the assessed variables, market turbulence, moderates the strength of the relationship between organisational culture and CRM outcomes. Perceived ease of use, technical compatibility and competitive intensity do
not moderate this relationship. Finally, this study also identifies that the type of CRM initiative being pursued is not associated with variance in CRM system implementation outcomes.

This study concludes that organisational culture is an important factor for achieving good CRM system implementation outcomes, and that having an organisational culture conducive to the implementation of CRM system is more important for organisations that operate in highly turbulent markets than organisations that operate in low market turbulence.
STATEMENT OF CANDIDATE

This thesis is submitted in fulfilment of the requirements of the degree of PhD, in the Graduate School of Management, Macquarie University. This represents the original work and contribution of the author, except as acknowledged by general and specific references.

Ethics committee approval has been obtained for this thesis on 25 February 2005, with reference no: HE25FEB2005-D03826C.

I hereby certify that this has not been submitted for a higher degree to any other university or institution.

Signed:

\[Signature\]

Reiny Iriana

15 January 2007
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RELATED PAPERS AND AWARD DURING THIS RESEARCH

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