The correlation between culture of consistency and customer relationship management (CRM) in Asia Insurance Company of Gilan province

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Abstract

The aim of this study is to investigate the culture of consistency(stability) and each of the customer relationship management dimensions (focus on key customers, appropriate organization, knowledge management, technology) in Asia Insurance Company of Gilan province. This research is descriptive- survey in terms of method and applies the questionnaire tool for data collection and its reliability and validity are confirmed. The statistical population of this study is equal to 104 of whom 82 ones are selected by simple random method according to Kerjcie and Morgan table. In this study, Spearman correlation coefficient test is applied to respond to the hypotheses. The research findings indicate that there is a significant positive relationship between the culture of consistency and dimensions of appropriate organizing, knowledge management and technology in Asia Insurance Company of Gilan province, but no relationship between the cultures of consistency and focus on key customers.

Key words: Organizational culture, culture of consistency, customer relationship management

1. Introduction

The relationship marketing, customer retention, profitability and satisfaction through the business management processes are the philosophical bases of customer relationship management. Furthermore, Boos argues that the customer relationship management is created since the customers are different in terms of purchase preferences and habits. Therefore, understanding the customer stimuli and needs helps the organizations to improve the specific suggestions for maximizing the customers' overall values (Gartner, 2001). In general, the customer relationship management is based on the principles of relationship marketing (Grabner, 2007). The organizational culture is the individuals' subjective identity of organization; in other

words, it is the imagination of strategies, products, values and services existed in employees, managers and executives 'minds (daneshfar, 2010).

The successful programs require a fundamental change of culture, deepening the belief in service and quality and continuous improvement in each individual's working life in business. It is only achieved by constant attention to all different parts of business activities. There is no short way to create a quality, customer-oriented culture and the resulted success (Robbins, 1998). The organizational culture dominating the companies and managers' efficiencies in this industry becomes more prominent according to the philosophy of insurance industry existential value in society and financial, economic and product markets of country. Furthermore, the organizational culture and its management and the impact on customer relationship are significantly important in new attitude towards the organization. Jack Welch said: The success of any organization is resulted from the appropriate choice of people for important and key affairs. The importance of human resources key role in current modern organizations is to an extent under which the researchers attribute the effectiveness of all techniques and tactics to human factor because they believe that the proper utilization of software and hardware is any fields leads to its efficiency, thus the employees are more important than the customers since a good staff can attract good customers for organization (hopson, 2005). Therefore, this study investigates the relationship between culture of consistency and the dimensions of customer relationship management in Asia insurance company in Gilan Province in 2013. According to above-mentioned cases, the main research question is whether there is a significant relationship between the culture of consistency and each dimension of customer relationship management (focus on key customers, appropriate organizing, knowledge management, and technology) in Asia insurance company in Gilan Province?

2. Research literature and background:

2-1- Organizational culture

There are different and maybe conflicting viewpoints on the nature of organizational culture and its relationship with concepts of culture and management (Denison, 2000). Armstrong defined the organizational culture as follows: "The common beliefs, viewpoints and values in an organization; in other words, the culture means the "Way we do affairs" (Armstrong, 2009). The

organizational culture is very useful for creating the space for staff higher efforts and also has a positive impact on the efficiency of organization regardless of its fields of work (Hisrich, 2010). Since the past thirty years, the world has been faced with the researchers' interest in nature and impact of organizational culture on modern organization and work. In the late 1960s, the research in this regard changed from the relative stagnation to a part of organizational studies and management (Mccaffery, 2009). Culture of consistency: The organization, which has such this dominating culture focusing on the affairs within the organization, is active in an environment with relative stability and has the continuity in terms of behavior, has a kind of culture in which the specific method or stable style is taken into account in doing affairs and no special attention is taken to the individuals' participation especially indecisive affairs of organization, but high attention is taken to the continuity of behavior, individual consistency with common procedures, collaboration and cooperation; and the success of organization depends on the integration, solidarity and performance with high efficiency (Hopson, 2005).

2-2 Customer Relationship Management

For several decades, the management academics recommended the organizations to pay attention to the customers, but the organizations remained the product-centered without taking it into account (Ryals, 2001). However, the current producers are competing in a quite different environment and the transactional marketing based on the Marketing Mix (products, price, location and promotions) cannot be merely effective (Lindgreen, 2006). The organizations have found that the customers are their main assets, thus they consider the customer relationship as the useful interaction which needs the appropriate management (Plakoyiannaki, 2005). Customer relationship management is a term for a set of methodologies, processes, software and systems and helps the institutions and companies in effective and organized customer relationship management. (Burnett, 2001) The customer relationship management means to establish and retain the personal relationships with efficient customers through the appropriate use of information and communication technologies (Hippner, 2001). The customer relationship management is as a process composed of customer supervision, appropriate data collection, data management and evaluation and ultimately creation of real advantage from extracted data of their interactions (Kim, 2010).

2-3 Research background:

Abdul Vahid Fahed and Ali Majed (2013) have investigated the impact of organizational culture on CRM success. The aim of their study is to develop the theoretical framework which clarifies the impact of organizational culture on the success of customer relationship management systems by examples.

Sarah Basahel (2012) has investigated the impact of organizational culture and its leadership on the achieved customer relationship management: The aim of her study is at empirical research of specific impact which the leadership and organizational culture has on the successful information system (IS) especially in customer relationship management.

3- Research hypotheses:

3-1- Main hypothesis:

There is a significant relationship between the culture of consistency and the customer relationship management (CRM).

3-2- Subsidiary hypotheses:

- There is a significant relationship between the culture of consistency and appropriate organizing.
- There is a significant relationship between the culture of consistency and knowledge management.
- There is a significant relationship between the culture of consistency and technology management.
- There is a significant relationship between the culture of consistency and focus on key customers.

4- Conceptual model of research:

Conceptual model of research based on Denison Model is according to Figure 1.

5- Research Method:

This study is applied in terms of objective and has a descriptive- survey nature. The spatial domain of research consists of 104 managers and experts in Asia Insurance Company of Gilan province during the research period(summer 2013) and Morgan Table is utilized to estimate the statistical sample size; thus, 82 samples are selected according to the simple random sampling method. For data collection of theoretical sector, this research utilized the library studies (books, articles, theses, etc.),referred to the documents and scientific sources, and searched different websites and databases such as Google, Science direct, Sid, Iran doc, Elsevier, etc, and applied the questionnaire.

The judgmental approach is applied to investigate the validity of research and it has been approved due to the professors and experts' advisory assistance. The reliability of research questionnaire is done by SPSS software and Cronbach's alpha and the results of investigating Cronbach's alpha indicate the reliability of questionnaire because Cronbach's alpha coefficient is obtained equal to 0.892 and since it is higher than 0.7, it has high reliability. Spearman correlation coefficient and SPSS software are applied to analyze data.

6- Research Findings

Spearman correlation coefficient is applied to test the hypotheses of this research.

Main hypothesis: There is a significant relationship between culture of consistency and Customer Relationship Management.

H_0: There is no significant relationship between culture of consistency and Customer Relationship Management.

H_1: There is a significant relationship between culture of consistency and Customer Relationship Management.

Table 1: Spearman correlation coefficient between culture of consistency and Customer Relationship Management

The research results indicate that there is a direct, positive and significant relationship between the culture of consistency and each indexes, namely the appropriate organizing, knowledge management, and technology in Asia Insurance Company of Gilan province, but no significant relationship between the culture of consistency and focus on key customers. In terms of respondents' views, the appropriate organizing index with a correlation coefficient of 0.402 is put in the first level of desirability and importance and has the highest correlation with culture of consistency, but the knowledge management index with a correlation coefficient of 0.259 has the lowest correlation with culture of consistency in Asia Insurance Company of Gilan Province.

7- Discussion and conclusion

According to the research findings, there is a significant correlation between the culture of consistency and Customer Relationship Management in Asia Insurance Company of Gilan Province. Based on the obtained results, the following items are recommended for research subject:

7-1-   Suggestions based on research findings
- Given this fact that the collaboration and agreement on issues lead to the common views in different sectors of company and create the desired balance of objectives at different levels of company, the collaboration and coordination process of implementing plans should be facilitated in different sectors.
- To develop the coordination and integration, a special focus should beprovided on establishing the activities based on understanding and portraying the basic values. Therefore, the basic values and consistent behavior should be actively made in cultural field. Thus, the basic values and skills should be developed and considered as a part of competitive strategies of organization.
- The interaction and communication level should be raised between individuals and groups and the number of people involved in problem solving should be increased, and also the organization should encourage planning the goals and developing the new ideas.

- A group of experts should be formed and they will reach consensus on difficult affairs and adopt right ways to do affairs in organization in the case of severe conflict.

- Coordination in the projects of different sectors in the organization and cohesion in staff in different sectors in order to achieve a common vision and perception of organizational objectives at all levels.

7-2-   *Suggestions and providing strategies in terms of researcher's viewpoint:*

✓ It is suggested investigating other indexes and dimensions of organizational culture and customer relationship management in target Insurance Company. For instance: Harrison-Handy Organizational Culture Theory for dimensions of power culture, task culture, role culture, and person culture; and Gilbert-Rogers customer relationship management theory for dimensions of customization, creating a personal connection, providing after-sales support services.

✓ A research should be conducted on the strengths and weaknesses of customer relationship management development in insurance companies.

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Table 1: Spearman correlation coefficient between culture of consistency and Customer Relationship Management

First variable	Second variable	No.	Correlation coefficient	Significance level	Result
Culture of consistency	Customer Relationship Management	82	0.341	0.002	H_1
Culture of consistency	Focus on key customers	82	0.124	0.294	H_0
Culture of consistency	Appropriate organizing	82	0.402	0.000	H_1
Culture of consistency	Knowledge Management	82	0.259	0.026	H_1
Culture of consistency	Technology	82	0.326	0.004	H_1

Figure1: Conceptual model of research