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Effectiveness of the Strategic Culture on Customer Relationship Management in Tehran Tejarat Bank

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Abstract:

This study aims to investigate the effectiveness of the strategic culture on customer relationship management in Tehran Tejarat Bank. To this end, all the 1300 employees of Tehran Tejarat Bank were considered of whom 300 people were selected as the sample size using the Cochran's formulas and Morgan's table. This is an applied descriptive-analytical survey. Data were collected using the researcher-developed questionnaire based on the indicators and conceptual model. The results of the first and second orders of the factor analysis on the structures showed that the proposed pattern of the relationships and correlation of the variables, dimensions of the strategic culture and customer relationship management has a reliable fitting. Based on the results of the structural equation modeling, the main research hypothesis based on the effectiveness of the strategic culture on the customer relationship management of the Tehran Tejarat Bank was confirmed.

Keywords: *Strategic culture, customer relationship management, Tehran Tejarat bank*

1. Introduction

Implementation of the strategic thinking, analysis, and decision-making is not possible without a proper cultural environment. If implemented, pre-determined and desirable results are not obtained. Strategic culture facilitates thinking growth, strategic decision-making, and analysis. It improves the proper and well-timed reactions to the environmental changes (Behzadi, 2014). People's different conceptions and ideas play a critical role in creating the strategic culture (Queen, 2007).

In modern economy, Customer relationship management (CRM) motivates the organizations to review their relationships with the customers. However, effective CRM is not possible without using the strategic culture. Therefore, strategic culture is substantially effective for improving the organizational efficiency, ensuring the desirable presentation of goods and services, and customer satisfaction. Strategic culture is an inherent part of the CRM (Beglou and Zomorodpoosh, 2009).

Therefore, with regard to the importance of the strategic culture and its effect on the customer in the modern organizations and its gradual growth, the main question of this study is that how and to what extent is the effect of the strategic culture on CRM of the Tehran Tejarat Bank.

2. Research Objectives

2.1. General Objective

This study generally aims to investigate 'the effectiveness of the strategic culture on CRM of the Tehran Tejarat Bank.

2.2. Specific Objectives

1. Determination of the long term attitudes, and risk attitudes on CRM of the Tehran Tejarat Bank
2. Determination of the reward systems on CRM of the Tehran Tejarat Bank
3. Determination of the effect of the superior managers' recommendations on CRM of the Tehran Tejarat Bank
4. Determination of the authority in organizational structure on CRM of the Tehran Tejarat Bank
5. Determination of the concentration effect on the organizational structure on CRM of the Tehran Tejarat Bank
6. Determination of the intra-organizational teams on CRM of the Tehran Tejarat Bank
7. Determination of the effect of the marketing potentials on CRM of the Tehran Tejarat Bank
8. Determination of the effect of the technological potentials on CRM of the Tehran Tejarat Bank
9. Determination of the effect of the irregular marketing on CRM of the Tehran Tejarat Bank
10. Determination of the effect of the irregular technology on CRM of the Tehran Tejarat Bank

3. Theoretical Framework

Strategic culture plays a key role in the dynamic and competitive environment. Using a proper competitive strategy stabilizes the organization in its industrial area (Aghakhanbabaei, 2013). On the other hand, CRM includes all the processes and technologies that the organizations use for recognizing, selecting, motivating, maintaining, and serving the customers. CRM helps the managers to use the customers' knowledge for increasing their sell, presenting and developing their services and increasing their profitable relationships. In fact, conceptual model of this study is based on the study by June Moon et al (2013). This model makes a relationship between organizational internal and external variables and strategic culture that affects the CRM. Strategic culture (long-term attitudes and risk attitudes, reward system and superior managers' recommendations), organizational structure (authority, concentration, and inter-organizational teams), and organizational potentials (competitive market and technological advancements) are considered as the inhibitory or motivational variables of the strategic culture in the organizations. Moreover, fluctuating market and technology are of other variables of the strategic culture. Finally, the effectiveness of the strategic culture on interactional CRM of the Tehran Tejarat Bank is investigated.

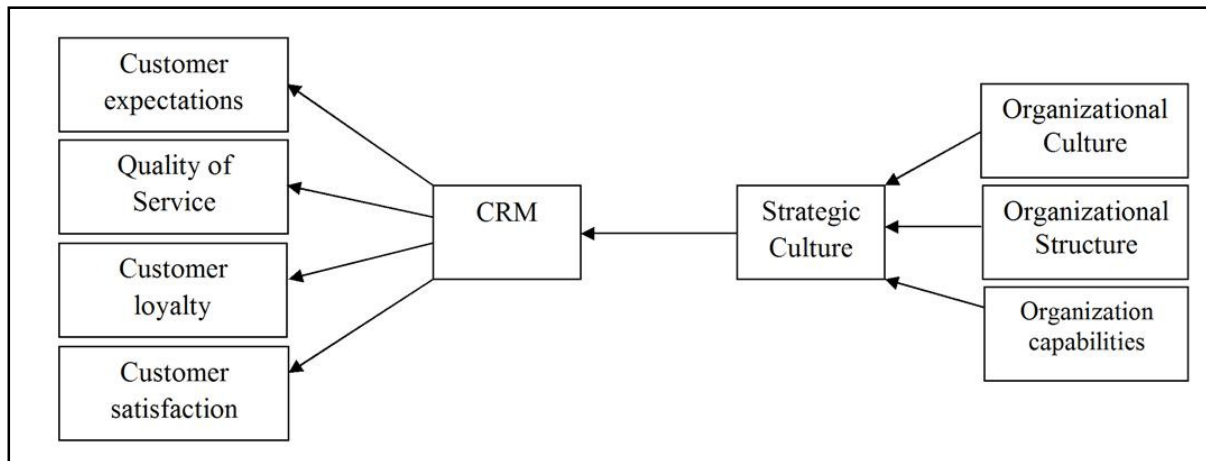


Figure 1: The conceptual model (June Moon et al, 2013)

4. Research Hypotheses

4.1. Main hypothesis

Strategic culture has a significant effect on the CRM of Tehran Tejarat Bank.

4.2. Sub-hypothesis

1. Long-term attitudes and risk Tehran Tejarat Bank has a significant effect on CRM of Tehran Tejarat Bank.
2. Reward systems have a significant effect on CRM of Tehran Tejarat Bank.
3. Superior managers' recommendations have a significant effect on CRM of Tehran Tejarat Bank.
4. Authority of the organizational structure has a significant effect on CRM of Tehran Tejarat Bank.
5. Concentration of the organizational structure has a significant effect on CRM of Tehran Tejarat Bank.
6. Intra-organizational teams have a significant effect on CRM of Tehran Tejarat Bank.
7. Marketing potentials have a significant effect on CRM of Tehran Tejarat Bank.
8. Technological potentials have a significant effect on CRM of Tehran Tejarat Bank.
9. Irregular market has a significant effect on CRM of Tehran Tejarat Bank.
10. Irregular technology has a significant effect on CRM of Tehran Tejarat Bank.

5. Methodology

This is an applied descriptive-analytical survey. To this end, all the 1300 employees of Tehran Tejarat Bank were considered of whom 300 people were selected as the sample size using the Cochran's formulas and Morgan's table. Stratified random sampling method was used for the study in which each of the geographical regions of Tehran Tejarat Bank was considered as the categories with simple random branches. Questionnaires were randomly administered to a number of employees. After collecting data and completing the questionnaires, data were coded and analyzed, using the SPSS software and Lisre. Conformational factorial analysis statistical tests were used for the statistical test of the variables.

6. Operational Definition of the variables and Research Keywords

- Strategic culture: culture may be ideal or real (pre-determined). Ideal culture shows the explicit formally accepted behavioral patterns. Real culture practically governs the society. There are varieties of the mismatches between the real and ideal cultures in the organizations that retard or divert the organizational movement towards the organizational vision or landscape (Stanely, 2006).

- Customer relationship management (CRM): CRM includes all the processes and technologies that the organizations use for recognizing, selecting, motivating, maintaining, and serving the customers (Chakravarty, 2003).
- Interactional CRM: In this kind of relationship, customers use the telephones, cellphones, fax, Internet, or other available tools for communicating with the organizations. Interactional CRM is used in this study.
- Indicators of the dependent variable of CRM: customers' expectations, quality of services, customers' loyalty, and customer satisfaction.
- Customers' expectations: Customers' beliefs about the quality of the services or products they receive based on their individual requirements, interests, or demands.
- Quality of services: customer's evaluations on the products or services based on their individual needs and desirable methods of presentation of the services.
- Customers' loyalty: Oliver defines the loyalty as the retaining the strong commitment to the permanent rebuying or reselecting the products or services in future in spite of the potential situational or marketing effects that may change the customer's behaviors.
- Customer satisfaction: it is a positive feeling that results from using the goods or receiving the services. It is the feeling caused by the interaction between the customers' expectations and suppliers performance.

7. Findings

7.1. Research Hypotheses Test Using the Structural Equation Modelling

Research Structural model is shown in tables 1 and 2 with a standard coefficient and a meaningful number.

Fitness index	IFI	NNFI	NFI	AGFI	GFI	RMSEA	SRMR	CMIN/DF
Acceptable values	>0.9	>0.9	>0.9	>0.9	>0.9	<0.08	<0.05	<3
Calculated values	0.99	0.98	0.97	0.90	0.94	0.064	0.042	2.23

Table 1: Fitting Indicators

As shown in table 1, this model is desirable in terms of the fitting indicators because k2/FD ratio is 2.23 and smaller than the limited rate of 3. RMSEA is smaller than 0.08, too. Other fitting indicators are shown in table 2 that are desirable and indicate that the structural model has a proper fitting.

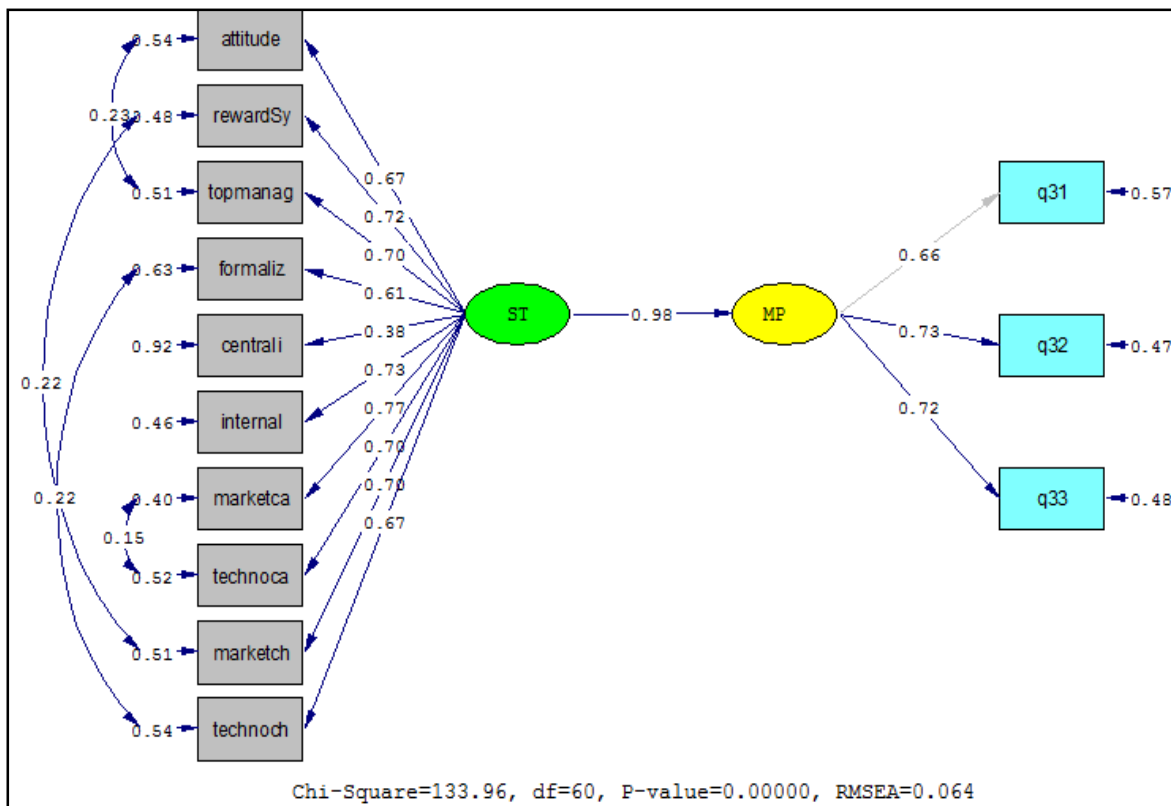


Figure 2: research structural model with standard coefficient

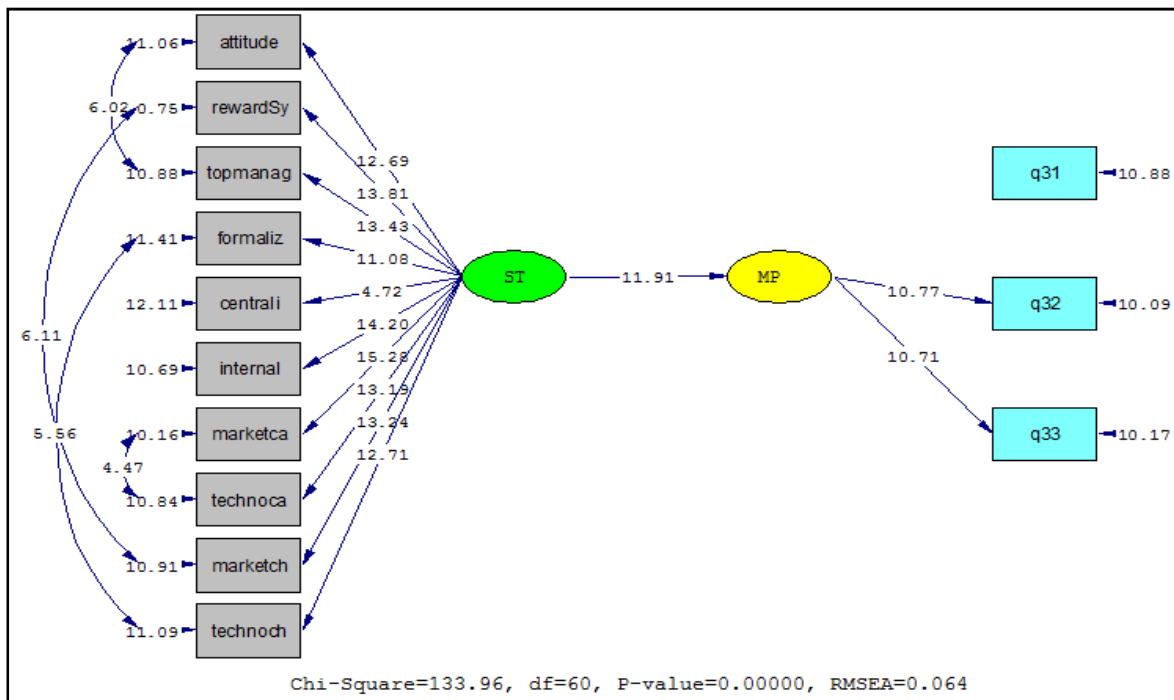


Figure 3: research structural model with a meaningful number

As shown in Figures 2 and 3, the relationship between the strategic culture and CRM is confirmed due to the meaningful number of 11.91 that is higher than 1.96. The standard coefficient shows the strong relationship between the strategic culture and CRM.

7.2. Structural Model for Research Sub-Hypotheses Test

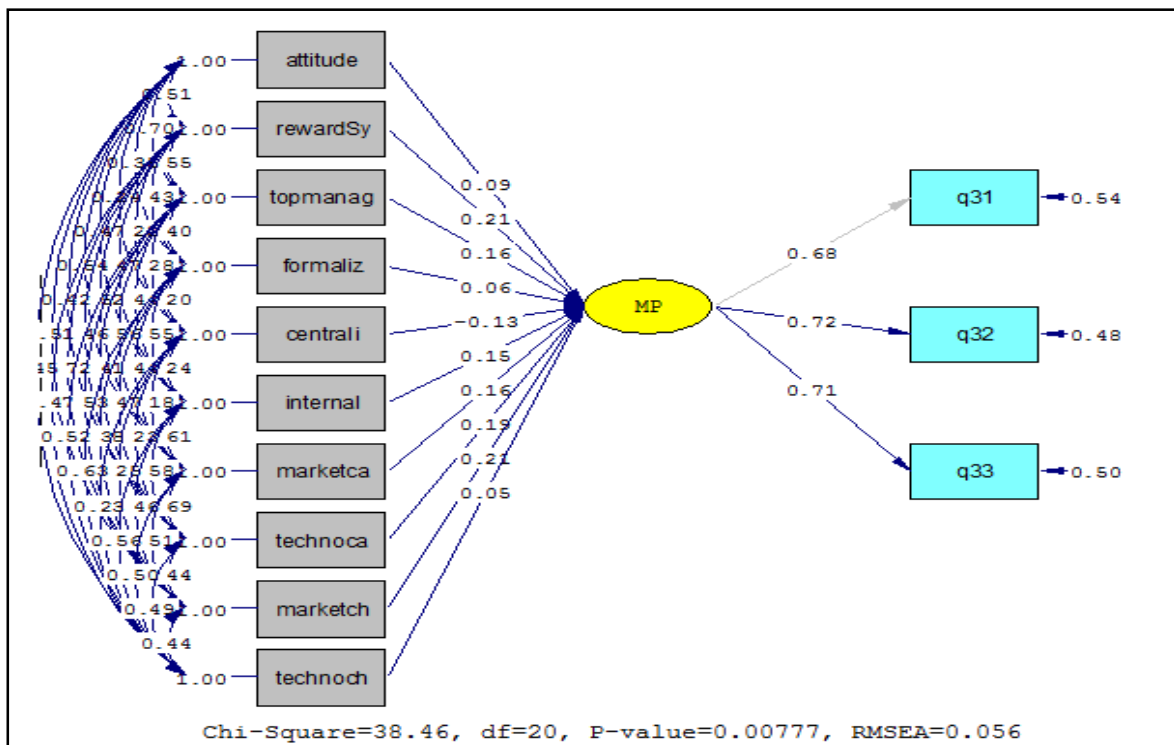


Figure 4: research structural models for research sub-hypotheses test with a standard coefficient

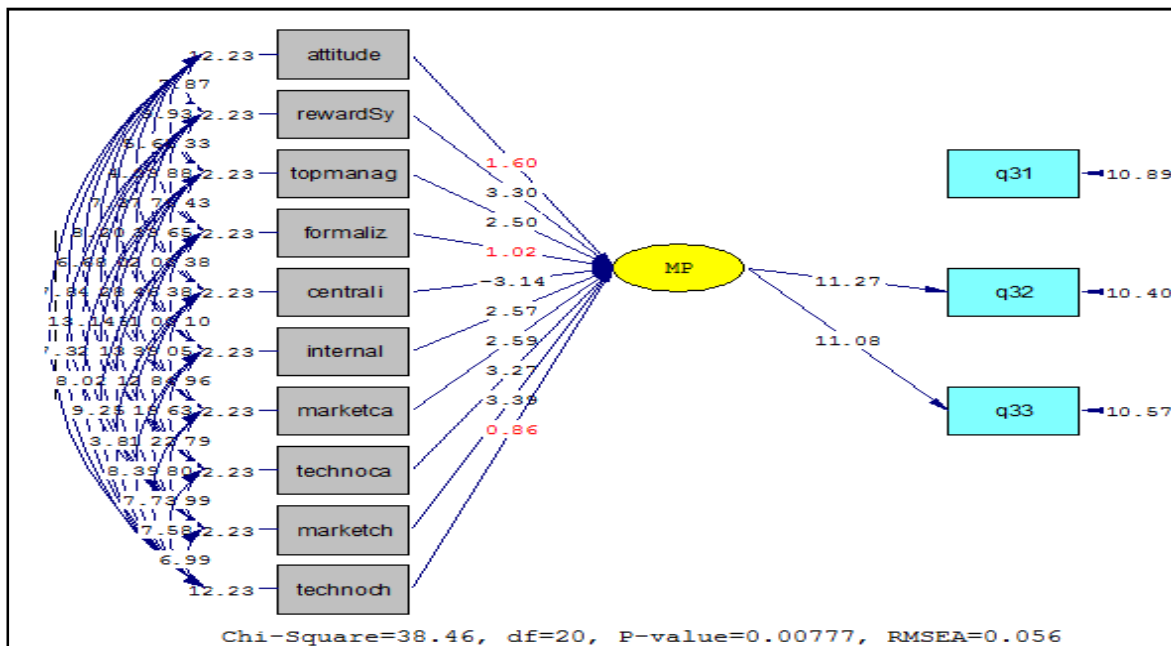


Figure 5: research structural model for research sub-hypotheses test a meaningful number

Hypothesis	sig	Beta	Encoded in the chart
Strategic culture Customer Relationship Management	11.91	0.98	ST- MP
Risk attitude towards customer relationship management	1.60	0.09	Attitude-MP
Customer relationship management remuneration system	2.30	0.21	rewardS-MP
Emphasis Senior Management - Customer Relationship Management	2.50	0.16	Topmanager-MP
Recognition - Customer Relationship Management	1.02	0.06	Formalization-MP
Focus-customer relation management	-3.14	-0.13	Centralization-MP
Teams within the enterprise - customer relationship management	2.57	0.15	Internalteam-MP
Functionality market-customer relationship management	2.59	0.16	MarketC-MP
Technological Functionality - Customer Relationship Management	3.27	0.19	TechnoC-MP
Market turmoil-customer relation management	3.39	0.21	MarketingChaos-MP
Technological turmoil - Customer Relationship Management	0.86	0.05	technoChaos-MP

Table 2: results of the hypothesis test

- Main hypothesis: strategic culture has a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: strategic culture has not a significant effect on customer of Tehran Tejarat Bank.
- Research hypothesis: strategic culture has a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the strategic culture and CRM is 0.98. It is meaningful in 11.91 that is higher than 1.96 and shows a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed.

7.3. Sub-hypotheses

- H1: Long-term attitudes and risk Tehran Tejarat Bank has a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Long-term attitudes and risk Tehran Tejarat Bank has not a significant effect on CRM of Tehran TejaratBank.
- Research hypothesis: Long-term attitudes and risk Tehran Tejarat Bank has a significant effect on CRM of Tehran TejaratBank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the Long-term attitudes and CRM is 0.09. It is meaningful in 1.60 that is lower than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is confirmed and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is rejected.

- H2: Reward systems have a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Reward systems have not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Reward systems have a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the Reward systems and CRM is 0.21. It is meaningful in 2.30 that is higher than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed.

- H3: Superior managers' recommendations have a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Superior managers' recommendations have not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Superior managers' recommendations have a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the superior managers' recommendations and CRM is 0.16. It is meaningful in 2.350 that is higher than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed.

- H4: Authority of the organizational structure has a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Authority of the organizational structure has not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Authority of the organizational structure has a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the authority of the organizational structure and CRM is 0.06. It is meaningful in 1.02 that is lower than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is confirmed and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is rejected.

- H5: Concentration of the organizational structure has a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Concentration of the organizational structure has not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Concentration of the organizational structure has a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the concentration of the organizational structure and CRM is -0.13. It is meaningful in 3.14 that is higher than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed. Minus sign shows the inverse relationship so that by increasing the concentration, CRM is decreased.

- H6: Intra-organizational teams have a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Intra-organizational teams have not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Intra-organizational teams have a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the Intra-organizational teams and CRM is 0.15. It is meaningful in 2.57 that is higher than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed.

- H7: Marketing potentials have a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Marketing potentials have not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Marketing potentials have a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the Marketing potentials and CRM is 0.16. It is meaningful in 2.59 that is higher than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed.

- H8: Technological potentials have a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Technological potentials have not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Technological potentials have a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the Technological potentials and CRM is 0.19. It is meaningful in 3.27 that is higher than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed.

- H9: Irregular market has a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Irregular market has not a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Irregular market has a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the Irregular market and CRM is 0.21. It is meaningful in 3.39 that is higher than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is rejected and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is confirmed.

- H10: Irregular technology has a significant effect on CRM of Tehran Tejarat Bank.
- Null hypothesis: Irregular technology has no a significant effect on CRM of Tehran Tejarat Bank.
- Research hypothesis: Irregular technology has a significant effect on CRM of Tehran Tejarat Bank.

Based on the results of structural equation modeling in table 2, factorial standard load of the relationship between the Irregular technology and CRM is 0.05. It is meaningful in 0.86 that is lower than 1.96 and does not show a meaningful correlation. Therefore, null hypothesis is confirmed and the research hypothesis that shows the significant effect of the CRM of Tehran Tejarat Bank is rejected.

7.4. Suggestions and Solutions

1. Based on the results of the first hypothesis, managers of Tehran Tejarat Bank should considerably deal with mental and motivational issues of their employees in their organizational procedures and seek for the solutions that improve the risks and functions.
2. Based on the results of the second hypothesis, managers should use the scientific and applied methods for changing the traditional organizational culture into the *entrepreneurship* culture and control their reward systems based on the status of the CRM of Tehran Tejarat Bank.
3. Based on the results of the third hypothesis, superior managers should trust in importance of the CRM in bank systems and believe that nowadays, marketing is a crucial part of the organizational activities.
4. Based on the results of the fourth hypothesis, managers of Tehran Tejarat Bank should avoid the direct control and strict emphasis on the entangling regulations. Superior managers of Tehran Tejarat Bank should support and retain the creative employees.
5. Based on the results of the fifth hypothesis, managers of Tehran Tejarat Bank should emphasize on the strategic culture in both individual and organizational levels for improving the organizational performance.
6. Based on the results of the sixth hypothesis, managers should unify the employees for resolving their problems, concentrate on the strategic culture using the different working teams that will be strategically important for the organization in the next 5-10 years based on the intra-organizational cooperation.
7. Based on the results of the seventh hypothesis, managers of the bank systems should emphasize on the strategic culture in both individual and organizational levels to help the superior managers use the possible strategies for improving the organizational strategic thinking.
8. Based on the results of the eighth hypothesis, technological strategy-based potentials of Tehran Tejarat Bank in bank system should be taken into considerations and the rate of the bank success in valuation of marketing areas should be emphasized.
9. Based on the results of the ninth and tenth hypothesis, managers of the bank systems should design an alarming system for providing the scenarios, quick response system for the management and marketing during the economic crisis or other turbulent conditions. Increasing turbulence has two consequences: a) banks may need the defense system; 2) banks may use the opportunities. Bank system should manage its skills and potentials for coping with the crises, sanctions, and regression.

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