The relations of organization structure and customer relationship management in Ansar Bank of Urmia

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Abstract
This study attempts to examin the relationship between dimensions of organizational structure with customer relationship management in Ansar Bank of Urmia. Data was collected in 2012. A questionnaire as an instrument and Likert mode was used. Cronbach’s alpha was used to determine the reliability of questionnaire. The reliability of 0.887 was calculated. The Study sample includes all staff of Ansar Bank in Urmia that is 100 persons. After evaluation of validity and reliability of questions, distributed in all over the province and achieved data were purified, classified and analyzed by methods of parametric and Spearman correlation analysis. The results indicate that a positive relation exist between dimensions of organizational structure and customer relationship management.

Keywords: Organizational structure, customer relationship management, Ansar Bank, Urmia.

1 Introduction

In today's competitive market, Financial and service institutions have to collect customer behavior data and their reactions and behaviors to adopt different strategies. For example the changing of profit rate of banks by some financial and service institutions are some actions to attract the consumers. Consumers' behavior changes in these institutions due to the financial body of the activities are sensitive (Zineldin, 2005) [32].

According to the Ethics of Ansar Bank in line with economic and social justice agreements it is necessary to analyze the organizational structure relation with customer relationship management to understand the spirit of service providing and customer focusing in Urmia.

Jobs such as production, service providing and so on never become able to continue their way without customer satisfaction. It is important that customer’s demands and expectations are growing day to day. Thus, banks should follow the guidelines that are beyond the demands, and expectations of customers. So
according to this, loyalty and trust and mutually beneficial long-term relationship there should be alternative concept of keeping the customer satisfied.

2 Literature

Movement from traditional economic and also increment of competition caused the customers to stay in the middle of banks' main concentrations. In this regard, the aim of bank organizations is to have long-term relationships and interact with stakeholders, especially their customers to retain more customers and to lose fewer clients (Elahi & Heidari, 2008) [10].

In today’s hard competition, well organizing and communication with clients, would be the best way to increase sales and reducing the costs (Aghadavood & Radayee, 2006) [2]. Heydarzade (2002) in his research about the relation of managers and clients find that the emergence of private banks leads to develop stronger relationships with customers and this topic become more important.

Attention to customer and customer management is important in the success of CRM. The application of new technologies and the deployment are effective in CRM implementation and require changes in the organization's infrastructure (Abbasi & Turkmeni, 2010) [1].

Results of Golipoor (2001) research about acceptance of management-client relationship in Iranian organizations show that the most organizations in next years will increase their dependence and their organizations’ need to management – client relationship. Based on this study, more than 50% of Iranian organizations after using Customer Relationship Management were not able to use the advantages of the system such as increment of process efficiency, reducing costs, improving services and innovating products (Golipor, 2001).

Implementation of customer relationship management in many organizations leads to increase competitiveness, revenues and reduce operating costs. Effective management in client relationship leads more customer satisfaction and loyalty (Amiri, 2006) [4].

Based on previous researches by Tavakoli et al. (2006) [30], the main reason for organization’s fail is the lack of knowledge and less understanding of consumers and market. Their results showed that scientific activities and marketing prevent failure and increases the probability of success. The best strategy for banks is attention to customer (Tavakoli et al. 2006) [30]. Dastgerdi et al. (2008) [7] argued that different service providing of banks such as Electronic Banking, ATM systems, POSE of shops and etc is recognized as an influential motivational factor for customer satisfaction (Dastgerdi et al., 2008) [7].

Environmental changes will lead to general changes in the organization and their structures such as changing of ownership from government to private banks. So this change brings many changes with it, including changes in organizational structure. The findings show that along with this change the complexity of the structure and focus of increased privatization and recognition is reduced (Khodami & Azadeh, 2011) [17].

One of the most important factors to promote competitive banks is the establishment of appropriate to the objectives. Thus the researchers analyzed the relationship between the organizational structure with client relationship management in private banks and they found significant relations between variables (Azizi et al., 2008) [5].

The environment, the maintaining market and competition advantage needs further improvement in all dimensions of the organizational such as organizational structure (Kashani et al., 2010) [16]. Management can gain the goals of organizations by using structure management (Bahadori et al., 2009) [6].

CRM is a method that gathers the data related to the customers for determining their properties until use them in special activities. There are a few organizations that tried to use CRM. But in fact some of the
organizations get that reorganizing to CRM would help them. An organization should be adapted the CRM with key relationship processes (Swift, 2001) [29].

Real value of an organization depends to the created value of its customers and to the moved value from customers to organization. This value placed on customer knowledge and how that knowledge is used in an organization to manage customer relationships. Unfortunately, only a few organizations have transformed this information into the customer's knowledge. So they have lost the opportunity to provide value to customers (Newwell, 2000) [19]. Based on the researches, the value for the customers is made and costumers are found through this process (Peck et al., 1999) [21].

Organizations that can benefit from CRM to have effective manner will certainly be market leaders (Liz et al., 2003) [18]. Concentration on consumer leads to the demonstration of CRM (Alavi & Leidner, 2001) [3].

Roberts et al. (2005) [26], provided a process for successful implementation of CRM in every organization. They introduced client strategy as first step of mentioned process and a pre-required to determine the goals of each of the costumers' group (Roberts et al., 2005) [26]. Rigby et al. (2002) believed that a client relationship management system is successful when previously the organization had been used attractive traditional strategies to keep the costumer. But most of the organizations imagine the wrong marketing strategies to deal with costumers and or ask management of client relationship software systems to make strategies (Rigby et al., 2002) [25].

The relationship with clients is in a way that employees recognize client understanding and employees with higher motivation offer high quality services to customers (Doyle, 2002) [9].

One of the most difficult tasks is retaining customers in an organization (Foss, 2002) [11]. IT can simplify and upgrade the relationship with client. In fact organizations can be able to match by client relationship management systems by IT (Dewhurst et al., 1999) [8]. When organizations have got bigger data of consumers they would be able to do things easier by using data storage, searching and other information technologies (Yong, 2003) [31]. Greenberg (2003) [13], determined CRM as a philosophy and business strategy that it supported by a system and technology and it was designed to improve human relationship in business environments (Greenberg, 2003) [13].

CRM is not a software piece that was stolen by IT ecosystems, it is a reaction among infrastructures of IT that relates to an organization and makes development for business. The clients' expected to speak with a person immediately with full knowledge about it. CRM is a tool that enables the costumers to help themselves through websites in everywhere and every time. This ability helps the business to provide better services to clients by decreasing the costs and improvement of efficiency (Reynolds, 2002) [23]. 5% of increment of client keeping rate can increase the current clients' net value among vast field of businesses from 25% to 95% (Reinartz et al., 2004) [22]. Interest in management of client relationship started growing from 1990 (Ngai, 2005) [20]. In this path Stone and Foss (2001) [28], showed that the concept of "client relationship management" had been assigned lots of attentions in IT marketing field and it means organizational attempt to make higher values. They declared that 70% of client relationship management projects failed in implementation also they found 69.3% was unsuccessful in gaining all of their goals (Stone & Foss, 2001) [28].

Organizations mostly are confused in understanding the CRM. They imagine that only hardware implementation can lead to advantages of client relationship management but they just can use the advantages of client relationship management when they access the strategic implementation of client-oriented business which would increase culturing about client-orientation and then administrate a suitable unite technology with an information base (Reynolds, 2002) [23].
In Europe and in 2001, around 3% of organizations had finished the client-related management projects that 17% started them as unique and 30% of organizations developed client relationship management concepts. 45% had no action related to client relationship management (Hippner et al., 2001) [15]. Concentration on client is an important factor for small-medium size enterprises. It had been said that acquiring a new customer takes five times more than retaining an existing customer. Land Mark report contains the importance of client relationship management in following factors. Organizations have lost 50% of their customers in 5 years (Reinartz et al., 2004) [22].

- 50% decrement in client lose can increase profit to 25%.
- Attraction of one new client is six or seven times expensive than the organization keep their current clients.

A study about the reason why clients leave an especial business brand shows that more than 68% of losers determined Incuriosity of the organization as their reason to leave. Thus client keeping in small firms is important due to their limited sources. In addition dissatisfaction of client can damage the market because they hit the competition and they persuade others’ clients to avoid any trade with the organization (Richard, 2005) [24].

3 Material and methods

This study is done as a descriptive and practical research. Researchers attempt to use the questionnaire to collect and analyze the beliefs and understandings of Ansar Bank personnel in Urmia regarded to the organizational structure of the bank and client relationship management. The research population consisted of 100 employees of Ansar Bank in West Azarbaijan. The overall employees were selected as the sample. 100 written questionnaires distributed after obtaining the necessary permits and approval of the respected branches. Data analysis was done based on returned questionnaires. The questionnaire consisted of two questions groups that the first group has been determined in terms of management, customer relationship management, interactive marketing, understanding customer expectations, empowerment, and communication with the client and has been customize. Second group is set to measure the organizational structure of the bank. Likert scales are used in the questionnaire. The first part of a five-choice questions starts from "Absolutely agree" to "Absolutely disagree", second part of questionnaire was five multiple choice questions, starting from "very low" to "very high". Research model was shown in Figure 1.

![Figure 1: Model of Research (Dastgerdi, 2008 [7]; Robins, 2006 [27])](image)

A 51-item questionnaire was used to investigate the relationship between organizational aspects of customer relationship management in this research.
In this study Cronbach’s alpha is used to determine the reliability of the test in a pilot study on 40 cases of customers which is measured by SPSS software. Cronbach’s alpha for questioner was 0.8. According to the least 0.7 of Reliability coefficient, in this study it is clear that Cronbach alpha is higher. Descriptive and inferential statistical methods were used in order to analyze the data of questionnaires.

4 Results

4.1. Main hypotheses
- A significant relation exists between the dimensions of the organizational structure and customer relationship management (CRM).

4.2. Secondary hypotheses
- A significant relation exists between complexity and CRM.
- A significant relation exists between the recognition and CRM.
- A significant relation exists between concentration and CRM.

To analyze the data and to test the hypotheses regarding to normal data’s, Pearson's correlation coefficient or Spearman correlation is used.

4.3. Analyzing normality of data
The level of significance (sig) for all variables was smaller than the significance level of the study (0 = α). Thus, it would admitted data to be abnormal and used parametric methods and Spearman correlation coefficients to test the hypotheses. It had been used regression analysis to test the research hypotheses.

4.4. Testing of research hypotheses
General hypothesis: A significant relation exists between the dimensions of organizational structure and CRM.

H0: A significant relation doesn’t exist between the dimensions of organizational structure and CRM.
H1: A significant relation exists between the dimensions of organizational structure and CRM.

Result of the SPSS in Table 1 shows that two variable correlations are 0.093 which shows almost no correlation. However, since the significant level of correlation (0.2) is higher than the coefficient of error (0.05), so the H0 is not rejected and the hypotheses is rejected with a 5% of study error. As a result a significant relation doesn’t exist between dimensions of organizational structure and CRM.

Table 1: The correlation between the dimensions of organizational structure and CRM

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<thead>
<tr>
<th>Spearman’s rho dimensions of organizational structure</th>
<th>Correlation Coefficient</th>
<th>dimensions of CRM</th>
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<td>dimensions of organizational structure</td>
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<td>Sig. (2-tailed)</td>
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<td>CRM</td>
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First hypothesis: A significant relation exists between the complexity of organization and CRM.
H0: A significant relation doesn’t exist between the complexity of organization and CRM.
H1: A significant relation exists between the complexity of organization and CRM.
According to the results in Table 2, it is seen that the correlation between two variables is (0.151), which indicates a weak positive correlation. Since the significant correlation level is (0.03) less than the coefficient of error (0.05). So the research hypothesis is not rejected by 95% correlation Coefficient. Thus a significant relation exists between the complexity of organization and CRM.

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<th>Table 2: The correlation between complexity of organization and CRM</th>
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<td>Spearman’s rho</td>
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Second hypothesis: A significant relation exists between the organization recognition and CRM.
H0: A significant relation doesn’t exist between organization recognition and CRM.
H1: A significant relation exists between the organization recognition and CRM.
According to SPSS output that shown in Table3, correlation coefficient of two variables is 0.181 which is a weak correlation. On the other hand, the significant correlation (0.01) is less than the coefficient of error (0.05). Therefore, the null hypothesis with 95% confidence (assuming no relation) is rejected and it can be said that the relation between the organization recognition and CRM is significant.

<table>
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<th>Table 3: Correlation coefficient between organization recognition and CRM</th>
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<td>Spearman’s rho</td>
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Third hypothesis: Concentration and management of customer relationships has a significant relationship.
H0: A significant relation exists between the concentration and CRM.
H1: A significant relation exists between the concentration and customer relationship management.
The software SPSS output in Table 4 shows that the correlation between two variables is 0.209 that indicates relatively weak correlation. On the other hand the significant correlation (0.005) is less than the coefficient of error (0.05). Therefore, the null hypothesis with 95% confidence (assuming no relation) is not rejected. So relation between the concentration and CRM is significant.
Table 4: Correlation coefficient between two variables of concentration and CRM

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<th>concentration</th>
<th>CRM</th>
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<tr>
<td>Spearman's rho concentration</td>
<td>Correlation Coefficient</td>
<td>-0.209</td>
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<td>Sig. (2-tailed)</td>
<td>0.005</td>
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<td>Correlation Coefficient</td>
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5 Conclusion

The aim of this study was to analyze the relations of organizational structures and client relationship management in Ansar Banks of Urmia. Elements of organizational structure include three dimensions of complexity, recognition and concentration.

A significant correlation exists between the two variables of complexity and CRM so two variables' correlation was significant. This research finding is in consistent with Heidarzadeh's (2002) [14], refers to the development of customer relationships. Also the results of Aghadavood and Radayee (2006) [2], about the on time and organized relationship with customer to attract them and gain profit and with the results of Khodami and Azadeh (2011) [17], about the effects of environmental changes on organizational changes is consistent of this research.

A relation exists between formality and client relationship management. It can be said that the correlation of two variables were significant. The findings of this research are in relation with Doyle (2002) [9] about the Organizational rules and regulations in order to increase the motivation of employees to provide quality services.

A correlation exists between concentration and CRM. These results are in relation with Heidari and Elahi's (2008) [10], results about the omission of traditional economics and controlling of demand management by development of Loyal Customers. Results of Peck et al. (1999) [21] and Ngai (2005) [20], about the relation of actual value of the organizations in participating employees in decision making process and increment of the created value confirmed findings of this research. Results of Stone and Foss (2001) [28], that determined the control of the management on employees and their freedom as a method of organization to increase the value of the clients is in relation of this research too.

A correlation exists between the dimensions of organizational structure and CRM. So it does not reject the null hypotheses, thus a significant relation doesn’t exist between organizational structure and client relationship management. This research finding is in relation with Azizi's (2008) [5] results that considers appropriate structure of banks as a tool to enhance the competitiveness and found a relation between organizational structure and client relationship management. Also with Bahadori's (2009) [6] about the suitable structure of determining strategies and determined a logical relation between them. And also with Robert's research (2005) about the development of organizational structure for successful implementation of CRM, but not with Reinartz et al. (2004) [22], that determines client making organizational structure Justas a tool for business. So it can be said that aside from the main dimensions of organizational structure, other aspects exist that can affect customer relationship management.

The results of the study show that according to the especial relation of organizational structures and client relationship management it is necessary to pay attention to organizational dimensions such as complexity, recognition and concentration. It is suggested that the services transfer to the clients and more marketing
and advertisement do in this path. It is suggested to strength the relationships and satisfaction of customer by providing practical methods and techniques.

Also human resources of each organization is the most important source so it is suggested banking authorities to provide adequate resources and expertise, job security, creating areas of career advancement and personal ...

Due to the involvement of other aspects of organizational structure (other than complexity, formalization, and centralization) on its relation with CRM it is recommended in future research other aspects of the different approaches will be studied. Research should use different tools (such as interviews, observation and etc) to collect data on the dependent variables. Also it is recommended that a study be conducted from the customer's perspective.

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