



Improving organisational responsiveness through CRM – strategy, system effectiveness and staff empowerment perspectives

Luciano Batista¹, Matt Hinton², Sally Dibb², Maureen Meadows²

¹*University of East Anglia, Norwich Business School, UK*

²*The Open University, Faculty of Business and Law, UK*

Abstract

It has long been acknowledged that organisations adopt CRM initiatives on the basis of market response and other factors such as the development of specific organisational skills and capabilities. It is also recognised that effective CRM implementation requires coordination of customer-oriented strategies, customer channels, ICT (information and communication technologies) deployment, and employees.

While an extensive body of research has covered the strategic, operational and technological aspects of CRM, little attention has been given to the participation of employees in the implementation of effective CRM initiatives and, more specifically, to the dynamics linking strategy, information systems, and staff capability aspects. What are the dynamics linking strategy, technology and human (staff) elements in the process of effective CRM implementation? Do they jointly impact responsiveness capabilities of an organisation?

This research expands knowledge in the area by presenting a holistic perspective integrating aspects of customer-oriented strategies, system effectiveness, and staff empowerment initiatives, shedding light on the linkages between these fundamental elements of CRM implementation and the overall impact on organisational responsiveness.

In this paper, we report the initial findings of an empirical study of CRM implementation by financial institutions in Brazil. The initial phase of the research collected quantitative data which have been analysed using structural equation modelling (SEM).

The initial findings show that customer-oriented strategies influence the establishment of effective systems supporting CRM processes and staff empowerment capabilities. The SEM model highlights the sharing of CRM responsibility across different organisational functions, strong CRM champion at the top of the organisation, and the establishment of a strong mindset towards customer relationships as key strategies in the area. System effectiveness, by its turn, reinforces staff capabilities to develop effective relationships with customers. Important initiatives to improve the effectiveness of systems supporting CRM involve the integration of technology-based channels with traditional human-based channels, sharing of detailed customer data between relevant staff, and continuous improvement and updating of CRM systems.

Supported by established CRM strategies and equipped with effective systems, staff dealing with customer processes is empowered to conduct more proactive relationships with customers. The development of empowerment capabilities require full access to attitudinal behaviour data linked to customer life events, emphasis on using information for strategic rather than for transactional purposes, and coordination between back-office marketing specialists and front-line staff.

The overall outcome yielded by the initiatives above highlighted is an improved organisational responsiveness performance. This is evidenced by organisational capability to explore and anticipate customer needs, improved ability to assess key uncertainties in the external environment, and higher responsiveness to changes in the external environment.

An important finding is that the model points to a 'strategy → technology → staff empowerment' pathway to achieve effective CRM capability, rather than the usual 'strategy → technology' initiative adopted by many organisations.

We conclude the paper by discussing the managerial implications of the findings and pointing out limitations and relevant aspects that can be further explored in future research.