



مجلة الغري للعلوم الاقتصادية
والادارية



مجلد (20) عدد (2) 2024

The Effect of Customer Relationship Management Capabilities
on Organizational Performance

تأثير مقدرات إدارة علاقات الزبون في الأداء التنظيمي

Dr. Yasir Adil Mahmood Alkhafagi

د. ياسر عادل محمود الخفاجي

Technical College of Management -
Baghdad/Middle Technical University
الكلية التقنية الادارية- بغداد/الجامعة التقنية الوسطى

Yasir.adil@mtu.edu.iq

Dr. Samaa Ali AlZubaidie

د. سماء علي الزبيدي

Administration and Economic
college/ Al-Mustansiriya university
كلية الادارة والاقتصاد/ الجامعة المستنصرية

Dr.samaaali@uomustansiriyah.edu.iq

Abstract

This study aims to know the nature of the relationship and the extent of the impact of customer relationship management capabilities through three dimensions: relationship orientation, configuration, and customer information - on organizational performance, the level of which was identified through three indicators: efficiency, growth, and profit. This relationship was tested in ten famous beauty centers in the city of Baghdad. A random sample of (187) individuals working in these centers was selected. A questionnaire was distributed with specific items for the individual to answer according to a five-point Likert scale. The statistical programs SPSS V.23 and AMOS V.23 were used to extract the results. After presenting and analyzing the results, the study concluded that there was a positive effect of customer relationship management capabilities on organizational performance, in addition, the greatest effect of customer relationship management capabilities was on profit, while the minimum effect was on efficiency.

Keywords: Customer relationship management capabilities, CRM, Organizational performance, Relationship orientation, Configuration, Customer information, Efficiency, Growth, Profit.



مجلة الغري للعلوم الاقتصادية والادارية



مجلد (20) عدد (2) 2024

المستخلص

يهدف البحث إلى معرفة طبيعة العلاقة ومدى تأثير مقدرات إدارة علاقات الزبون في الاداء التنظيمي، وقد تمت دراسة مقدرات ادارة علاقات الزبون من خلال ثلاثة أبعاد وهي: توجه العلاقة، التكوين، ومعلومات الزبون، أما الأداء التنظيمي فقد تمت دراسته من خلال ثلاثة مؤشرات وهي: الكفاءة، النمو، والربح. تم اختبار هذه العلاقة في (10) مراكز تجميل مشهورة في مدينة بغداد. وتم اختيار عينة عشوائية مكونة من (187) فرداً من العاملين في هذه المراكز. مقياس البحث هو استمارة الاستبانة التي تحتوي على فقرات محددة يجيب عنها الفرد وفق مقياس ليكرت الخماسي. تم استخدام البرامج الاحصائية SPSS V.23 و AMOS V.23 لاستخراج النتائج. بعد عرض وتحليل النتائج توصل البحث إلى وجود تأثير إيجابي لإدارة علاقات الزبون في الأداء التنظيمي، كما أن تأثير إدارة علاقات الزبون الاكبر كان في الربح، بينما التأثير الأدنى كان في الكفاءة.

الكلمات المفتاحية: مقدرات إدارة علاقات الزبون، الأداء التنظيمي، توجه العلاقة، التكوين، معلومات الزبون، الكفاءة، النمو، الربح.

1. Introduction

In today's markets, and with the intensification of competition, organizations seek to improve their performance by keeping pace with the renewed needs and desires of customers. Thus, organizations provide goods and services specified by the customer. The challenge facing organizations today is how to maintain existing customers, and prevent them from going to competitors, so marketing scientists prescribed a drug to maintain customers and continuous communication with them under the name of “customer relationship management” (Haghshenas & Mir Ahmadi, 2015). The effective application of “customer relationship management” resources gives the organization strategic and operational capabilities, which makes the organization enjoy better performance (Keramati et al., 2010). If the “customer relationship management capabilities” are improved, business performance will be increased



مجلة الغري للعلوم الاقتصادية
والادارية



مجلد (20) عدد (2) 2024

automatically, as these capabilities increase profits, raise the share price, and achieve customer satisfaction and loyalty (Shafique et al., 2015). Currently, business organizations should shift their strategic approach from focusing on the product to focusing on the customer, because establishing strong relationships with customers enables the organization to excel in its performance (Ali et al., 2013). Through “customer relationship management”, organizations respond to customer requirements, raise productivity, increase market share, and improve the quality of products and services. Therefore, “customer relationship management” pushes the organization towards improving “organizational performance” (Richards & Jones, 2008). As for “customer relationship management” practices, it seeks to achieve customer satisfaction and retain loyal customers, which increases the profitability of the organization, which leads to improving the effectiveness and efficiency of the organization, thus raising the level of “organizational performance” (Das & Hassan, 2022). (Al-Weshah et al., 2019) concluded that there is a positive impact of “customer relationship management” systems - customer information quality, system quality, system usage, and user satisfaction - on the performance of telecom companies. (Mohamad et al., 2014) considered that “customer relationship management” is a critical factor for improving “organizational performance”, as customer focus and relationship marketing are two important elements in increasing the performance of organizations. “Customer relationship management” reduces marketing costs, customer service delivery time, and customer loss rate. On the other hand, “customer relationship management” increases customer value, shareholder revenue, and accuracy of information about renewable customer needs (Shavazi and



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Moshabaki, 2013). On the contrary, some studies found that the costs of “customer relationship management” programs exceed their benefits. Therefore, about 70% of “customer relationship management” programs lead to either losses or no improvement in “organizational performance”. Consequently, the important question is “Is customer relationship management a good thing to do?” (Reinartz et al., 2004; Wang et al., 2010). This research was conducted in ten important beauty centers in Baghdad, and accordingly the problem of the study was summarized as follows: (1) the intensity of competition that forced beauty centers in Baghdad to maintain their customers and improve the quality of the services they provide, and (2) not knowing the nature of the relationship between “Customer relationship management” and “organizational performance” in beauty centers in Baghdad. From the above, the questions are as follows:

- What is the level of “customer relationship management” in the researched beauty centers?
- What is the level of “organizational performance” in the researched beauty centers?
- Is it possible to positively influence “organizational performance” through “customer relationship management”?
- How will “customer relationship management” affect each indicator of “organizational performance”?

Although most researchers pointed out the positive impact of “customer relationship management” on “organizational performance”, there were those who concluded that there was no effect. The authors diagnosed the knowledge gap in the absence of research dealing with these variables in the beauty centers sector on the one hand, and testing the relationship in the Iraqi environment on the other hand. Therefore, this paper provides an important answer to the questions of the owners of beauty centers in



Baghdad about the extent to which “customer relationship management” contributes to the level of “organizational performance”.

2. Literature review

2.1. Customer Relationship Management

Before the industrial revolution, marketers knew the requirements of their customers well, and even knew the names of customers sometimes, but after the industrial revolution, and the start of the stage of mass production, there became more like a wall between organizations and their customers, and therefore the presence of “customer relationship management” became necessary (Elfarmawi, 2019). “Customer relationship management” is related to marketing management as it contributes to the marketing of the organization's products and services on the one hand, on the other hand creating a positive impression among customers that the organization is close to them and cares about their opinions (Wang et al., 2010). “Customer relationship management” is a strategy consisting of three steps (Haghshenas & Mir Ahmadi, 2015): (1) a good understanding of the needs and desires of customers, (2) satisfying the needs and wants in a way that achieves customer satisfaction, and (3) retaining customers and making them permanent customers.

“Customer relationship management” has been defined as “a set of practices, strategies and techniques that organizations use to manage and analyze customer interactions and data throughout the customer life cycle” (Ekawati et al., 2023). In another definition, it is “establishing profitable relationships with customers and striving to maintain them by creating customer value.” Therefore, the strategic approach to “customer relationship management” focuses on creating interaction between the



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



organization and the customer and ensuring that organizational capabilities are directed to achieve customer loyalty (Yohans et al., 2023). It is also defined as the process of developing long-term relationships with customers by collecting information about them, managing them, and using them intelligently, supported by technical programs, if available (Ledro et al., 2022).

The collection of information from customers is done through various communication channels, including social media, the organization's website, direct contact with customers via phone or e-mail. Also, the employee who makes contact should be provided by the organization with detailed information about the customer in terms of personal data, products purchased, number of purchases, preferences and concerns (Ekawati et al., 2023). Data obtained from communication channels with customers can support organizations in the following (Kumar & Misra, 2021): (1) creating accurate marketing responses, (2) generating new ideas, (3) innovation in designing products and services. Of course, this is mutually beneficial for both parties, the organization and the customer. It is worth noting that social media provided great facilities for the work of “customer relationship management”, as these means facilitated communication, interaction and approaching customers (Foltean et al., 2019). From a marketing point of view, “customer relationship management” can contribute to influencing customer preferences, thus contributing to directing customer buying behavior, and this in turn is in the interest of marketing investment (Khan et al., 2022).

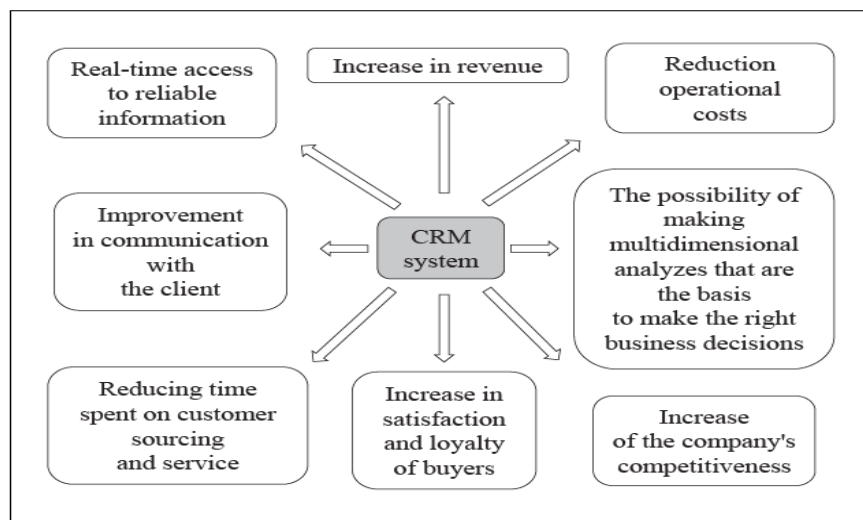
There are five “customer relationship management” processes which are as follows (Payne & Frow, 2006): (1) strategy development, (2) value



creation, (3) communication channels integration, (4) information management, and (5) performance evaluation. “Customer relationship management” is essential for an organization that wants to move into high personalization stage (Das & Hassan, 2022). Therefore, the work of “customer relationship management” should depend on accurate information (Nuseir & Refae, 2022).

According to (Gil-Gomez et al., 2020), “customer relationship management” brings the following benefits to the organization: (1) enhancing customer loyalty, (2) enhancing the effectiveness of the marketing strategy, (3) increasing organizational efficiency, (4) improving the level of services provided to customers, and (5) reducing costs. According to (Battor & Battor, 2010), the benefits of “customer relationship management capabilities” are as in Figure (1):

Figure (1) Benefits of Customer Relationship Management (CRM)



Resource: Czopek, M., and Kazusek, M. (2020), “Customer relationship management. Strategy and system perspectives”. *Informatyka Ekonomiczna*, Vol.3, No.57, P.45.



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



- **Relationship Orientation:** Relationship orientation is a philosophy of doing business successfully, defined as “an organization that works proactively to create and develop profitable business exchanges with specific customers on an ongoing basis” (Camarero, 2007). Relationship orientation is a distinct organizational culture that places the organization's relationship with its customers at the center of its strategic and operational thinking (Winklhofer et al., 2006). The success of the relationship orientation depends on marketers striving to build trust with customers and fulfilling their promises to them, provided that these efforts are coupled with achieving profits (Panayides, 2007). Consequently, the customer is more adaptable to the purchasing process, as the relationship orientation reduces the barriers between the two parties and makes the customer more impulsive and less cautious in the purchasing decision (Viio & Grönroos, 2016).
- **Configuration:** Configuration includes organizational structure, processes intended to customize product offerings, and incentives to enhance relationships (Battor & Battor, 2010). Configuration allows the organizational structure to be adapted to establish relationships. Product configuration processes also enable marketing intermediaries or customers themselves to design products or services and participate indirectly in pricing them. Incentives are also designed in a way that supports strengthening relationships with customers (Buttle & Maklan, 2019). Configuration is a complex process and must be carefully formulated. Incorrect configuration leads to “customer relationship management” failure, as industry reports have shown that configuration problems represent approximately 65 percent of “customer relationship



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



management” failures. The resistance of the user - the employee who implements the “customer relationship management” programs - is considered one of the main reasons for the failure of the configuration process. The positive user is also the best person to evaluate the correct configuration, as he practices “customer relationship management” on a daily basis (Gefen & Ridings, 2002).

- **Customer Information:** Customer information should be in-depth, relevant, and available throughout the organization (Battor & Battor, 2010). Modern technologies have enabled organizations to collect and store customer information, and then analyze it in ways that improve their ability to attract and retain customers (Butler, 2000). The quality of customer information has a major impact on the effectiveness of “customer relationship management”, as customer information must be correct, up-to-date, complete, and available at the right time (Chuang & Lin, 2013). One of the sources of customer information is customer complaints, observations, suggestions, opinions, and impressions, and this information contributes significantly to developing products and services and improving current operations (Park & Kim, 2003).

2.2. Organizational Performance

Performance, by its simplest definition, is “the final result of an activity” (Wheelen & Hunger, 2012), so “organizational performance” is “achieving organizational goals by using resources in an efficient and effectiveness manner” (Daft, 2015). According to (Yasser), “organizational performance” is the final dependent variable that researchers in the field of business administration care about. Outperforming competitors, growth, expansion, and success make organizations focus on performance as it is



مجلة الغري للعلوم الاقتصادية
والادارية



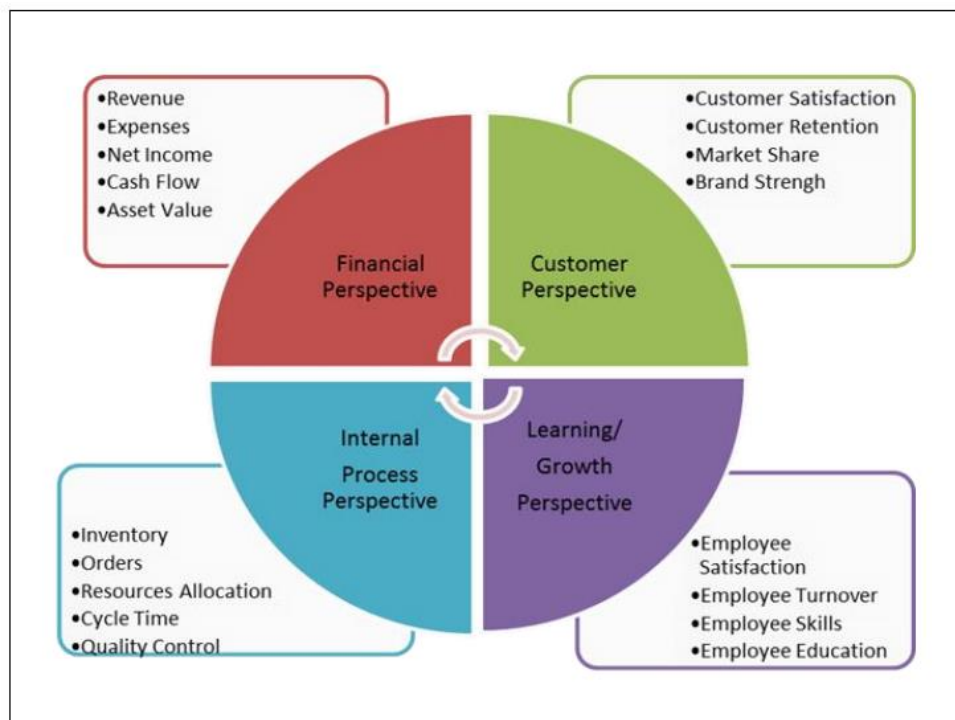
مجلد (20) عدد (2) 2024

the main factor behind every positive business result (Richard et al., 2009). “Organizational performance” is a multi-faceted concept, and is measured by many indicators, including operational indicators such as productivity, quality, efficiency and effectiveness, and financial indicators such as profits, return on investment and capital (Van De Voorde et al., 2012). Knowing the level of “organizational performance” helps managers move in the right direction and focus on what is most important before what is important. Evaluating “organizational performance” is an assessment of the quality of organizations' management and the value provided to customers and stakeholders (Moullin, 2007). Evaluating “organizational performance” helps organizations diagnose deficiencies in order to address them, which will reflect positively on the organization’s competitiveness, and may lead the organization to achieve a sustainable competitive advantage (Bartuševičienė & Šakalytė, 2013). There are a large number of models or methods for evaluating “organizational performance”, which has generated unnecessary pressure on management to choose the best model that should be compatible with the organization's philosophy and approach (Richard et al., 2009). Most previous studies agree on two issues: the first is that performance is a very broad concept, and the second is the multiplicity of viewpoints regarding the method of measuring it. There are those who go towards quantitative standards, and there are those who go towards combining quantitative and descriptive standards, as no one scale can cover all aspects of this concept (Abu-Jarad et al., 2010). As a result, the Balanced Scorecard was created, which was developed by Harvard Business School professors Robert Kaplan and David Norton and has been continually improved until today. When you search on Google for the



balanced scorecard through images, it will appear that there are approximately 100 balanced scorecards, and you can notice the difference in the formula used in these images, and this indicates the amount of developments and improvements that have been made to the balanced scorecard. However, the balanced scorecard includes four dimensions: (1) financial, (2) customers, (3) internal process, and (4) learning and growth (Fuertes et al., 2020). Figure (2) shows the balanced scorecard with its four dimensions and examples of indicators for each dimension.

Figure (2) Model of Balanced Scorecard



Resource: Yacob, S., Sucherly, D. S., & Mulyana, A. (2016), “Do Really Competitive Strategy and Strategic Alliances Effect nn Retail Business Performance”, *International Journal of Economics, Management and Commerce*, Vol.4, No.2, p.790.



مجلة الغري للعلوم الاقتصادية
والادارية



مجلد (20) عدد (2) 2024

The balanced scorecard is used to measure, manage and implement strategic objectives, so its view of performance is holistic. This paper studies organizational performance through the following indicators:

- **Efficiency:** The basis of efficiency is the process of comparing the inputs used in internal operations with the outputs in the form of products or services. Therefore, efficiency means success in producing the largest possible amount of outputs through the inputs (Sözbilir, 2018). Efficiency is an indicator of the extent to which resources are utilized to achieve the goal. Mathematically, it is the ratio of outputs to inputs. Therefore, increasing outputs while keeping inputs constant will increase efficiency, and reducing inputs while keeping outputs constant will also increase efficiency (Bartuševičienė & Šakalytė, 2013). In non-profit organizations, the efficiency of organizations is sometimes calculated through three indicators, which are as follows (Callen et al., 2003): (1) dividing administrative expenses by total expenses, (2) dividing fundraising expenses by total expenses, and (3) dividing program expenses by total expenses.
- **Growth:** Growth is not a random decision, but rather the result of logical justifications, and growth has several forms, including increasing production, stimulating demand, hiring new workers, increasing capital, increasing the number of branches of the organization, and others (Starbuck, 2013). Most organizations want growth as it is evidence of success and progress, and organizational growth is considered an indicator of the effectiveness of organizations. Signs of organizational growth are (Sophia & Owuor, 2014): (1) control becomes more difficult, (2) consensus about the organization's goals



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



becomes less, (3) organizational tasks become more complex, and (4) the organization's relationship with members and the environment changes more rapidly. According to (AGBA et al., 2010), organizational growth refers to positive change towards increasing amenities and luxury in the organization, as organizational growth witnesses an increase in both the organizational structure, profitability, wages, human resources, progress and development, and the ability to fulfill obligations.

- **Profit:** The profit index is the most common measure used to measure “organizational performance” in for-profit business organizations. Profit gives an image of the organization's ability to achieve goals (Abu-Jarad et al., 2010). Profit is the money remaining after total expenses are subtracted from total revenues, and profit is considered a reward to the organization as a result of the risks it bears in its business (Kerin & Hartley, 2017). Social responsibility imposes its vision on the organization’s profits, as organizations are looking to achieve profits in ways that are compatible with the service and interests of society (Kotler et al., 2018).

3. Methodology

3.1. Measures

A five-point “Likert” scale was chosen: “5=strongly agree, 4=agree, 3=neutral, 2=disagree, 1=strongly disagree.” The level of “Customer Relationship Management” was identified through a scale developed (Battor & Battor, 2010) that includes 14 statements. As for “Organizational



Performance”, its level was identified through a scale developed by (Li et al., 2009) that includes 9 statements.

3.2. Hypotheses research

Figure (3) displays the research model that explains the main hypothesis between “Customer Relationship Management” and “Organizational Performance”, in addition to the three sub-hypotheses between “Customer Relationship Management” and each dimension of “Organizational Performance,” which are efficiency, growth, and profit.

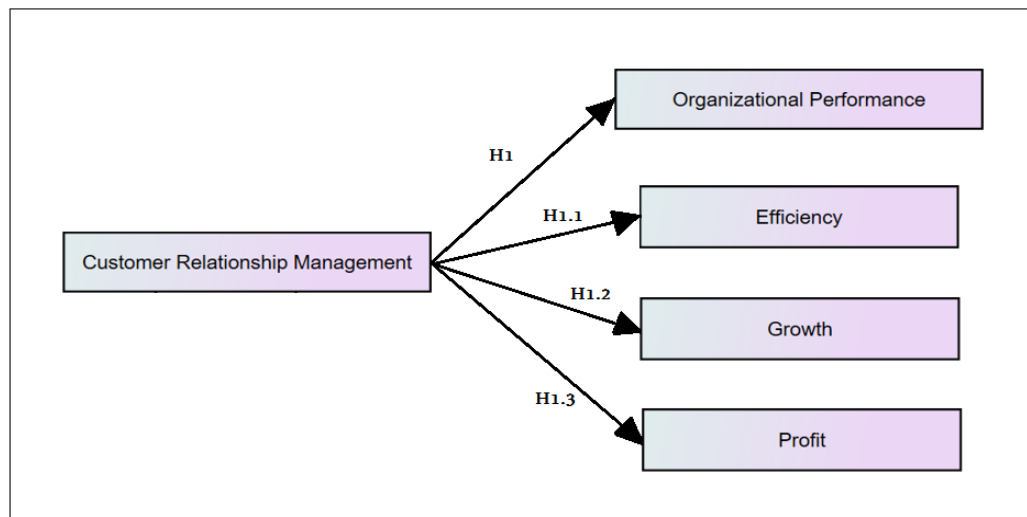


Figure (3) Research model

3.3. Sample

The questionnaire included (187) out of (211) individuals working in (10) beauty centers in the city of Baghdad, noting that these centers are famous and have a good reputation, and they were chosen according to the number of their followers on social media, as well as the amount of interaction between them and customers. Table (1) shows some of the personal data of the people included in this study.



Table (1) Data of the sample members

Basis of classification		Number of individuals	Percent
Gender	Male	12	6%
	Female	175	94%
Basis of classification		Number of individuals	Percent
Age	Less than "25"	43	23%
	From "25" to "40"	109	58%
	More than "40"	35	19%
Basis of classification		Number of individuals	Percent
Number of years of experience	Less than "3"	98	52%
	Over "3" to "7"	65	35%
	More than "7"	24	13%

3.4. The scale tests

3.4.1. Validity test:

First, the quality of measurement should be confirmed, and accordingly the Kaiser-Meyer-Olkin (KMO) and Bartlett's tests were performed.

SPSS V.23 extracted the required results in Table (2).

Table (2) KMO and Bartlett's tests

Variables	KMO test	Bartlett's test		
		Chi-Square	Df	Sig
Customer Relationship Management	0.963	3422.740	91	0.001
Organizational Performance	0.933	1938.402	36	0.001

It is clear from Table (2) that the value of (KMO) for the independent and dependent variable is higher than (0.05), in addition to Bartlett's test of significance with a value of (0.001), which is less than (0.05). Therefore, it can be said that the quality of the scale is achieved (Kaiser & Rice, 1974).

3.4.2. Reliability tests

According to (Butts & Michels, 2006), when the "Cronbach's alpha" coefficient is greater than 70%, the reliability of the scale is achieved in administrative research. Table (3) shows the results of this test.

Table (3) Test of reliability



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Variables	Statements questionnaire	Alpha-Cronbach
Relationship Orientation	(1-4)	0.954
Configuration	(5-8)	0.944
Customer Information	(9-14)	0.956
Customer Relationship Management	(1-14)	0.978
Efficiency	(15-17)	0.944
Growth	(18-20)	0.876
Profit	(21-23)	0.928
Organizational Performance	(15-23)	0.962
All questionnaire	(1-23)	0.985

According to the results of Table (3), it is clear that the reliability of the scale has been achieved, as all Cronbach's alpha values exceeded the minimum acceptable limit (0.70). In addition, most of the values are high values approaching (1.00), and this indicates that the amount of change in the answers of the sample members would be very small, if the researcher redistributed the questionnaire to them.

4. Results

4.1. Display and interpret results

Table (4) displays the sample members' answers to the questionnaire items. The mean of the individuals' answers was calculated in addition to the standard deviation, which shows the extent of dispersion in the answers of the sample members, as well as the coefficient of variation resulting from dividing the standard deviation by the mean.

Table (4) The answers

Variables	Statements	Mean	S. D	C.V (%)
Customer Relationship Management	(1-14)	3.821	0.984	25.7
Relationship Orientation	(1-4)	3.665	1.056	28.8
	1	3.716	1.077	28.9
	2	3.566	1.149	32.2
	3	3.689	1.092	29.6
	4	3.689	1.182	32.1
Configuration	(5-8)	3.816	1.055	27.6
	5	3.647	1.165	31.9



مجلة الغري للعلوم الاقتصادية
والادارية



مجلد (20) عدد (2) 2024

	6	3.775	1.156	30.6
	7	4.005	1.085	27.1
	8	3.839	1.157	30.1
Customer Information	(9-14)	3.927	0.987	25.1
	9	4.026	1.069	26.5
	10	3.914	1.084	27.6
	11	4.016	1.023	25.4
	12	3.898	1.070	27.4
	13	3.978	1.111	27.9
	14	3.732	1.179	31.5
Organizational Performance	(15-23)	3.877	0.985	25.4
Efficiency	(15-17)	3.846	1.063	27.6
	15	3.909	1.081	27.6
	16	3.754	1.165	31.1
	17	3.877	1.117	28.8
Growth	(18-20)	3.869	1.012	26.1
	18	3.759	1.117	29.7
	19	3.893	1.130	29.1
	20	3.957	1.144	28.9
Profit	(21-23)	3.916	1.047	26.7
	21	3.855	1.114	28.8
	22	3.834	1.140	29.7
	23	4.058	1.103	27.1

Regarding “customer relationship management”, it is clear from the results of Table (4) that all items received high scores in terms of average, and this indicates that the level of “customer relationship management” is a high level in the beauty centers in which the research was conducted. These centers focus on customer satisfaction and try to make him feel a happy and unique experience in order to achieve customer loyalty, because loyalty is the path that makes it easier for organizations to build strong relationships with customers. Beauty centers, through “customer relationship management,” constantly communicate with customers, whether by phone, SMS, or social media. Through communication, these centers ask their customers about their experience, the quality of the results, their observations, and their ideas. These centers also use communication to inform their customers of new offers and new technologies, in addition



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



to the keenness of these centers to employ individuals who are characterized by the following: (1) The ability to deal with various customers, (2) tact, (4) fun, (5) persuasion, and (6) beautiful appearance, as all of these qualities can be marketing tools that help in establishing strong relationships with the customer. These centers also have a database with the names of customers, their phone numbers, their ages, the number of visits, the reasons for the visits, and the money they paid to the center. This database facilitates the communication process as well as identifying high-value customers.

As for the dependent variable, which is “organizational performance,” it is also clear from the results of Table (4) that all items obtained high scores in terms of average, and this indicates the high level achieved by “organizational performance” in the beauty centers in which the research was conducted. The individuals participating in the research expressed their satisfaction with the efficiency of the beauty center through return on investment, return on equity, and return on assets. The individuals participating in the research also expressed their satisfaction with the growth occurring in the beauty center through sale growth, employee growth, and market share growth. Also, the individuals participating in the research expressed their satisfaction with the profit achieved in the beauty center through return on sales, net profit margin, and gross profit margin.

4.2. hypothesis tests

Figure (4) shows the value of the correlation between the independent variable “customer relationship management” with the dependent variable “organizational performance,” as well as the correlations between



“customer relationship management” and each dimension of “organizational performance”.

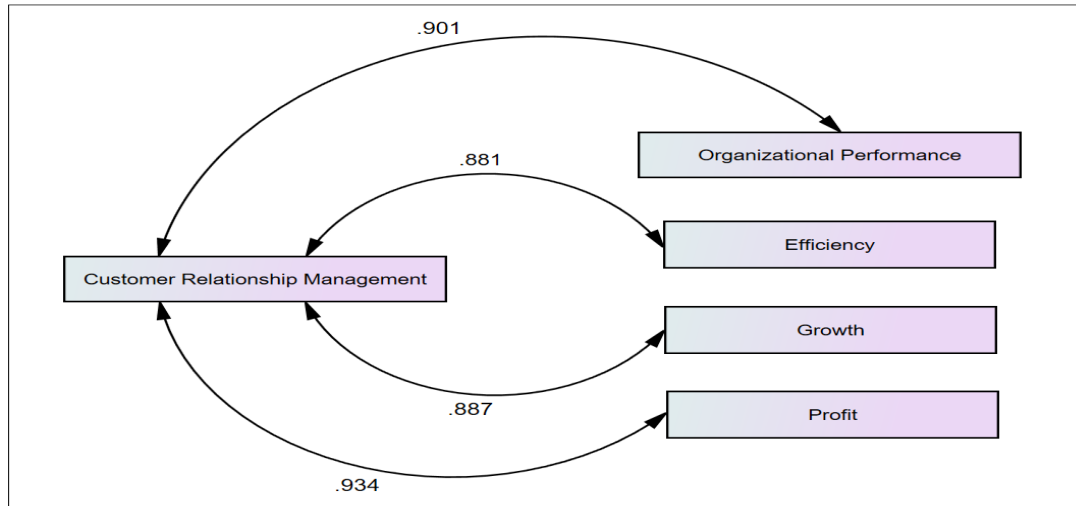


Figure (4) Correlation coefficients

According to Figure (4), all correlation coefficients show the existence of a positive correlation between “customer relationship management” and “organizational performance,” in addition to the existence of a positive correlation between “customer relationship management” and efficiency, growth, and profit. According to the numbers, the highest correlation value of (0.934) was between “customer relationship management” and profit. The lowest correlation value (0.881) was between “customer relationship management” and efficiency. While the correlation value between “customer relationship management” and growth was (0.887). Table (5) shows the equations of simple linear regression.

Table (5) Equations of simple linear regression

$Y = a + b(X)$					
Y	a	B	X	sig	R ²
Organizational Performance	0.305	0.935	Customer Relationship Management	0.001	0.87
Efficiency	0.352	0.914	Customer Relationship Management	0.001	0.71



مجلة الغري للعلوم الاقتصادية
والإدارية
مجلد (20) عدد (2) 2024



Growth	0.349	0.921	Customer Relationship Management	0.001	0.80
Profit	0.212	0.969	Customer Relationship Management	0.001	0.83

According to the results of Table (5), increasing one unit of “customer relationship management” leads to an increase in “organizational performance” by (0.935) at a coefficient of determination (R^2) of 87%. This means that “customer relationship management” explains about 87% of “Organizational performance”, while the remaining 13% is explained by factors outside the scope of the research. The efficiency also increases by (0.914) when the “customer relationship management” increases by one unit at a coefficient of determination (R^2) of 71%. Growth also increases by (0.921) when “Customer Relationship Management” increases by one unit at a coefficient of determination (R^2) of 80%. The profit increases by (0.969) when the “customer relationship management” increases by one unit at a coefficient of determination (R^2) of 83%.

5. Conclusions

The results that were presented and discussed in the previous part concluded that the beauty centers - in which the research was conducted - possess a high level of “customer relationship management”, as they continuously strive to establish strong and successful relationships with customers. The level of dimensions of “customer relationship management” from highest to lowest was as follows: relationship orientation, configuration, customer information, respectively. The level of “organizational performance” in the beauty centers - in which the research was conducted - is a high level, and the order of indicators measuring “organizational performance” from highest to lowest was as follows:



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



efficiency, profit, and growth, respectively. From the correlation coefficients between the variables, we conclude that there is a strong positive effect of “customer relationship management” on “organizational performance”, in addition to that the strength of the effect of “customer relationship management” from highest to lowest was on profit, growth, and efficiency, respectively. Therefore, it can be said that the beauty centers studied can raise the level of their organizational performance through a very important factor, which is “customer relationship management”.

References:

Abu-Jarad, I. Y., Yusof, N., & Nikbin, D. (2010). A review paper on organizational culture and organizational performance. *International Journal of Business and Social Science*, 1(3), 26–46.

AGBA, U. E. M., A. M. OGABOH, A., M. S., A., & E.G., B. (2010). Supplementary Livelihood Strategies among Workers in Nigeria: Implications for Organizational Growth and Effectiveness. *International Journal of Business and Management*, 5(3).

<https://doi.org/10.5539/ijbm.v5n3p146>

Ali, N., Habidin, N. F., Jamaludin, N. H., Khaidir, N. A., & Shazali, N. A. (2013). Customer Relationship Management and Organizational Performance in Malaysian Healthcare Industry. *International Journal of Advancements in Research & Technology*, 2(1).

Al-Weshah, G. A., Al-Manasrah, E., & Al-Qatawneh, M. (2019). Customer relationship management systems and organizational performance: Quantitative evidence from the Jordanian telecommunication industry.



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Journal of Marketing Communications, 25(8).

<https://doi.org/10.1080/13527266.2018.1449007>

Bartuševičienė, I., & Šakalytė, E. (2013). Organizational Assessment: Effectiveness Vs. Efficiency. Social Transformations in Contemporary Society, 2013(1).

Battor, M., & Battor, M. (2010). The impact of customer relationship management capability on innovation and performance advantages: Testing a mediated model. Journal of Marketing Management, 26(9–10).

<https://doi.org/10.1080/02672570903498843>

Butler, S. (2000). Changing the Game: CRM in the e-World. The Journal of Business Strategy, 21(2).

Buttle, F., & Maklan, S. (2019). Customer relationship management: Concepts and technologies: Fourth edition. In Customer Relationship Management: Concepts and Technologies: Fourth Edition.

<https://doi.org/10.4324/9781351016551>

Butts, M. M., & Michels, L. C. (2006). The sources of four commonly reported cutoff criteria: What did they really say? Organizational Research Methods, 9(2). <https://doi.org/10.1177/1094428105284919>

Callen, J. L., Klein, A., & Tinkelman, D. (2003). Board Composition, Committees, and Organizational Efficiency: The Case of Nonprofits. Nonprofit and Voluntary Sector Quarterly, 32(4).

<https://doi.org/10.1177/0899764003257462>

Camarero, C. (2007). Relationship orientation or service quality? International Journal of Bank Marketing, 25(6).

<https://doi.org/10.1108/02652320710820354>



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Chuang, S. H., & Lin, H. N. (2013). The roles of infrastructure capability and customer orientation in enhancing customer-information quality in CRM systems: Empirical evidence from Taiwan. *International Journal of Information Management*, 33(2).

<https://doi.org/10.1016/j.ijinfomgt.2012.12.003>

Czopek, M., & Kazusek, M. (2020). Customer relationship management. Strategy and system perspectives. *Informatyka Ekonomiczna*, 2020(3).

<https://doi.org/10.15611/ie.2020.3.03>

Daft, R. L. (2015). MANAGEMENT Eighth Edition. In Paper Knowledge . Toward a Media History of Documents (Vol. 3, Issue April).

Das, S., & Hassan, H. M. K. (2022). Impact of sustainable supply chain management and customer relationship management on organizational performance. *International Journal of Productivity and Performance Management*, 71(6). <https://doi.org/10.1108/IJPPM-08-2020-0441>

Ekawati, N. W., Wardana, I. M., Yasa, N. N. K., Kusumadewi, N. M. W., & Tirtayani, I. G. A. (2023). A strategy to improve green purchase behavior and customer relationship management during the covid-19 new normal conditions. *Uncertain Supply Chain Management*, 11(1).

<https://doi.org/10.5267/j.uscm.2022.9.014>

Elaheh Taghavi Shavazi, E. T. S. (2013). Customer Relationship Management and Organizational Performance: A Conceptual Framework Based on The Balanced Scorecard (Study of Iranian Banks). *IOSR Journal of Business and Management*, 10(6). <https://doi.org/10.9790/487x-1061826>

Elfarmawi, W. (2019). Correlation between Customer Relationship Management System Usage, Product Innovation, and Customer



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Satisfaction. Foundations of Management, 11(1).

<https://doi.org/10.2478/fman-2019-0002>

Foltean, F. S., Trif, S. M., & Tuleu, D. L. (2019). Customer relationship management capabilities and social media technology use: Consequences on firm performance. *Journal of Business Research*, 104.

<https://doi.org/10.1016/j.jbusres.2018.10.047>

Fuertes, G., Alfaro, M., Vargas, M., Gutierrez, S., Ternero, R., & Sabattin, J. (2020). Conceptual Framework for the Strategic Management: A Literature Review - Descriptive. In *Journal of Engineering (United Kingdom)* (Vol. 2020). <https://doi.org/10.1155/2020/6253013>

Gefen, D., & Ridings, C. M. (2002). Implementation team responsiveness and user evaluation of customer relationship management: A quasi-experimental design study of social exchange theory. *Journal of Management Information Systems*, 19(1).

<https://doi.org/10.1080/07421222.2002.11045717>

Gil-Gomez, H., Guerola-Navarro, V., Oltra-Badenes, R., & Lozano-Quilis, J. A. (2020). Customer relationship management: digital transformation and sustainable business model innovation. *Economic Research Ekonomska Istrazivanja*, 33(1).

<https://doi.org/10.1080/1331677X.2019.1676283>

Haghshenas, M., & Mir Ahmadi, S. M. R. (2015). The effects of customer relationship management dimensions on organizational performance (Case study: shipping organization of Iran). *WALIA Journal*, 31.

Kaiser, H. F., & Rice, J. (1974). Little Jiffy, Mark Iv. *Educational and Psychological Measurement*, 34(1).

<https://doi.org/10.1177/001316447403400115>



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Keramati, A., Mehrabi, H., & Mojir, N. (2010). A process-oriented perspective on customer relationship management and organizational performance: An empirical investigation. *Industrial Marketing Management*, 39(7). <https://doi.org/10.1016/j.indmarman.2010.02.001>

Kerin, R. A., & Hartley, S. W. (2017). *MARKETING*; Thirteenth Edition. In Pearson.

Khan, R. U., Salamzadeh, Y., Iqbal, Q., & Yang, S. (2022). The Impact of Customer Relationship Management and Company Reputation on Customer Loyalty: The Mediating Role of Customer Satisfaction. *Journal of Relationship Marketing*, 21(1).

<https://doi.org/10.1080/15332667.2020.1840904>

Kotler, P., Armstrong, G., & Opresnik, M. O. (2018). *Principles of Marketing*, Global seventeenth edition. In Pearson.

Kumar, M., & Misra, M. (2021). Evaluating the effects of CRM practices on organizational learning, its antecedents and level of customer satisfaction. *Journal of Business and Industrial Marketing*, 36(1).

<https://doi.org/10.1108/JBIM-11-2019-0502>

Ledro, C., Nosella, A., & Vinelli, A. (2022). Artificial intelligence in customer relationship management: literature review and future research directions. In *Journal of Business and Industrial Marketing* (Vol. 37, Issue 13). <https://doi.org/10.1108/JBIM-07-2021-0332>

Li, Y. H., Huang, J. W., & Tsai, M. T. (2009). Entrepreneurial orientation and firm performance: The role of knowledge creation process. *Industrial Marketing Management*, 38(4).

<https://doi.org/10.1016/j.indmarman.2008.02.004>



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Mohamad, S. H., Othman, N. A., Jabar, J., & Majid, I. A. (2014). Customer Relationship Management Practices: The Impact on Organizational Performance in SMEs of Food Manufacturing Industry. *European Journal of Business and ManagementOnline*), 6(13).

Moullin, M. (2007). Performance measurement definitions: Linking performance measurement and organisational excellence. *International Journal of Health Care Quality Assurance*, 20(3).

<https://doi.org/10.1108/09526860710743327>

Nuseir, M., & Refae, G. El. (2022). The effect of digital marketing capabilities on business performance enhancement: Mediating the role of customer relationship management (CRM). *International Journal of Data and Network Science*, 6(2). <https://doi.org/10.5267/j.ijdns.2022.1.008>

Panayides, P. M. (2007). The impact of organizational learning on relationship orientation, logistics service effectiveness and performance. *Industrial Marketing Management*, 36(1).

<https://doi.org/10.1016/j.indmarman.2005.07.001>

Park, C. H., & Kim, Y. G. (2003). A framework of dynamic CRM: Linking marketing with information strategy. *Business Process Management Journal*, 9(5). <https://doi.org/10.1108/14637150310496749>

Payne, A., & Frow, P. (2006). Customer Relationship Management: from Strategy to Implementation. *Journal of Marketing Management*, 22(1–2). <https://doi.org/10.1362/026725706776022272>

Reinartz, W., Krafft, M., & Hoyer, W. D. (2004). The CRM Process: Its Measurement and Impact on Performance by. *Journal of Marketing Research*, 1(January).



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. In *Journal of Management* (Vol. 35, Issue 3).

<https://doi.org/10.1177/0149206308330560>

Richards, K. A., & Jones, E. (2008). Customer relationship management: Finding value drivers. *Industrial Marketing Management*, 37(2).

<https://doi.org/10.1016/j.indmarman.2006.08.005>

Shafique, M. N., Ahmad, N., & Abbas, H. (2015). The Impact of Customer Relationship Management Capabilities on Organizational Performance: Moderating Role of Competition Intensity. *Nigerian Chapter of Arabian Journal of Business and Management Review*, 3(3).

<https://doi.org/10.12816/0014506>

Sophia, O. M., & Owuor, D. (2014). Effects of Strategic Planning on Organizational Growth. (A Case Study of Kenya Medical Research Institute, Kemri). *International Journal of Scientific and Research Publications*, 5(1).

Sözbilir, F. (2018). The interaction between social capital, creativity and efficiency in organizations. *Thinking Skills and Creativity*, 27.

<https://doi.org/10.1016/j.tsc.2017.12.006>

Starbuck, W. H. (2013). Organizational Growth and Development. In *Handbook of Organizations: Volume 20* (Vol. 20).

<https://doi.org/10.4324/9780203629130-18>

Van De Voorde, K., Paauwe, J., & Van Veldhoven, M. (2012). Employee Well-being and the HRM-Organizational Performance Relationship: A Review of Quantitative Studies. *International Journal of Management Reviews*, 14(4). <https://doi.org/10.1111/j.1468-2370.2011.00322.x>



مجلة الغري للعلوم الاقتصادية
والادارية
مجلد (20) عدد (2) 2024



Viio, P., & Grönroos, C. (2016). How buyer-seller relationship orientation affects adaptation of sales processes to the buying process. *Industrial Marketing Management*, 52.

<https://doi.org/10.1016/j.indmarman.2015.07.013>

Wang, I. C., Huang, C. Y., Chen, Y. C., & Lin, Y. R. (2010). The influence of customer relationship management process on management performance. *International Journal of Organization Innovation*, 2(3).

Wheelen, T. L., & Hunger, D. J. (2012). *Strategic Management and Business Policy Toward Global Sustainability Thirteenth Edition*. Strategic Management and Business Policy Toward Global Sustainability.

Winklhofer, H., Pressey, A., & Tzokas, N. (2006). A Cultural Perspective of Relationship Orientation: Using Organisational Culture to Support a Supply Relationship Orientation. *Journal of Marketing Management*, 22(1–2). <https://doi.org/10.1362/026725706776022236>

Yohans, J. A., Rahayu, A., & Dirgantari, P. D. (2023). Analysis of the Effect of Electronic Customer Relationship Management and Customer Engagement on Customer Loyalty on Gojek Online Transportation Services Users. *Dinasti International Journal of Digital Business Management*, 4(2).