

2.3.4 CRM Key Success Factors and Performance

This section discusses previous studies of the relationship between some CRM success factors and business performance or CRM performance. These studies are limited in number but they provide valuable input into the understanding of CRM success, especially in relation to organisational performance.

In determining whether CRM process implementation is positively linked to performance, Reinartz, Krafft and Hoyer (2004) conceptualised and operationalised the CRM process implementation into three phases: relationship initiation, relationship maintenance and relationship termination. In their models, the association between CRM processes and business performance was moderated by organisational alignments and technologies. Questionnaires were distributed in 2001 in Austria, Germany and Switzerland and 211 usable responses were received. They found that CRM processes had a positive impact on business performance, especially on relationship initiation and maintenance phases. CRM-compatible organisational alignment has a small impact on performance during the relationship initiation phase, while CRM technology is not moderating the relationship between CRM processes and business performance at any stage of relationships.

Applying structural equation modelling, Roh, Ahn and Han (2005) tested the relationship between CRM initiatives (process fit, customer information quality, system supports), intrinsic success (efficiency, customer satisfaction) and extrinsic success (profitability). From 253 respondents of 14 organisations implementing CRM systems in Korea, they concluded that process fit, customer information quality and system supports affect profitability through internal efficiency. Internal efficiency is measured by the perceived improvement of the CRM system implementation, such as the perceived ease of using the CRM system, cost reduction, time saving and the reduction of CRM load.

Jayachandran, Sharma, Kaufman and Raman (2005) examined the relationship between relationship information processes and customer relationship performance, moderated by CRM technology use. In their models, customer relationship orientation and customer centric management systems were identified to be associated with relational information processes. They distributed questionnaires in the United States and 21

respondents were identified as useful for measurement analysis. The results of their study showed that customer relationship orientation and customer centric management systems have positive associations with relational information processes. Relational information processes contribute to customer relationship performance, and are positively moderated by the CRM technology use.

2.4 Organisational Culture

Researchers and anthropologists studying organisational culture do not share a common definition of organisational culture. Beyer, Hannah and Milton (2000) point out that, despite limited consensus on the definition, most of them agree that the culture is shared by members of an organisation.

Smircich (1983a) divided perspectives of organisational culture into two: culture as something that an organisation '*has*' versus culture as something that an organisation '*is*'. Culture as something that an organisation '*has*' is viewed as a variable. As an independent variable to the organisation, culture is built within and by members through membership. As an internal variable to the organisation, culture is a set of important values and beliefs shared among members. Alternatively, culture as something that an organisation '*is*' promotes a view of culture as a form of human expression. Organisational culture is a pattern of symbolic relationships and meanings, such as languages, symbols, myths, stories and rituals. These are not viewed as variables or cultural artefacts, but as processes of human interactions. This view is aligned with the method taken by anthropologists in studying organisational culture.

Consistent with these perspectives, researchers on organisational culture are classified into three groups. The first group focuses its definition of organisational culture as based on shared beliefs, values and assumptions, and gives less attention to the symbolic manifestation of organisational culture. The second group focuses its definition of organisational culture on symbolic manifestation. The third group gives equal significance to both ideas.

This study adopts the definition of organisational culture as based on shared beliefs, values and assumptions, and views culture as something that an organisation '*has*' and

as a variable. This perspective is consistent with the ontological and epistemological positions of this study, which will be discussed further in the next chapter.

In the words of Edgar H. Schein, in his seminal work '*Organisation Culture and Leadership*', the most commonly accepted definition of organisational culture is: "*a pattern of basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that have worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel in relationship to those problems*" (Schein, 1992, p. 9). This definition highlights the importance of organisational culture as a set of assumptions.

Sathe (1983) defined organisational culture as "*a set of important understandings, an implicit set of beliefs and values that are commonly shared by members of an organisation*" (p. 6). Shared beliefs allow members to have special knowledge in dealing with working situations, identifying important tasks and goals and then to respond and behave in a specific way (Baker, 1980; Sapienza, 1985). Wilkins (1983) notes that members take for granted how work is being completed and evaluated, and how to interact with other members in the organisation. From patterns of beliefs and expectations, members establish norms that influence their behaviour (Cooke & Rousseau, 1988; Schwartz & Davis, 1981). Barney (1986) argued that patterns of beliefs and values determine how the organisation conducts its business activities and its interactions with stakeholders of the organisation.

Researchers put forward symbols as expressions of organisational culture. Sackmann (1991) considered organisational culture as a "*system of shared symbols and meanings*". Morgan, Frost and Pondy (1983) noted that symbols are used as instruments to convey and maintain patterns of shared meanings. Symbols communicate the underlying characteristics, ideology, or value system of an organisation. Dandridge, Mitroff and Joyce (1980) identified stories and myths, ceremonies and ritualised events, logo, anecdotes and jokes as examples of symbolic forms of an organisation. Helms and Mills (2000) explained that symbols represent values, assumptions and behavioural norms. Symbols play a part in an organisation by generating emotional responses from members, allowing members to relate with other members from their responses and interpretations on organisational issues. Smircich (1983b) identified patterns of beliefs and language as other examples of symbolic form that create and sustain shared

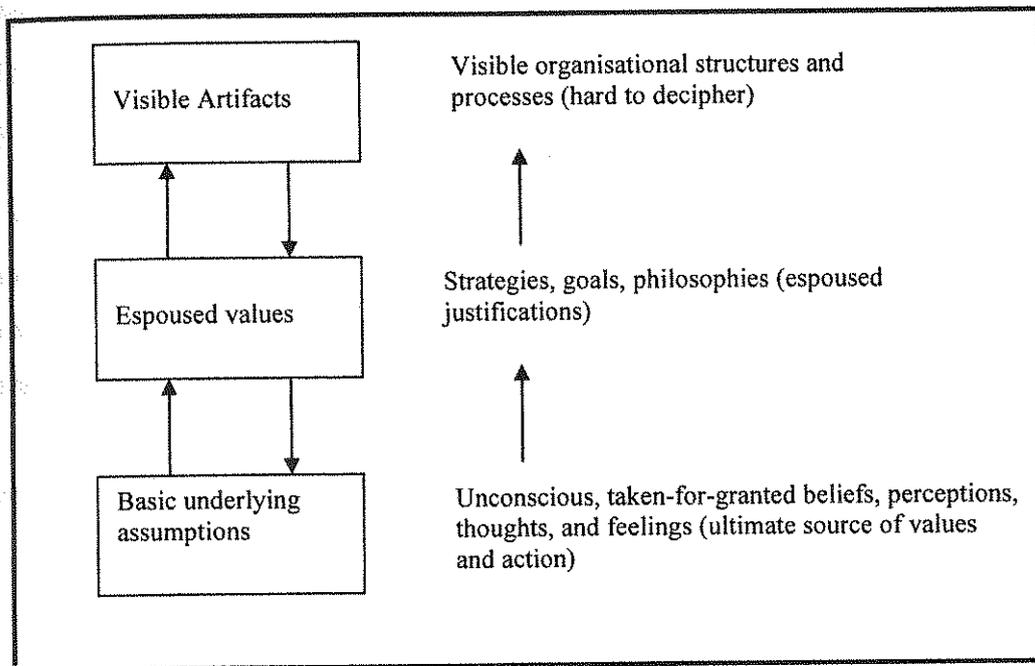
meanings. These shared meanings are taken for granted by members from their interactions with other members, to be able to interact without having to interpret repeatedly the meaning of their interactions.

Trice and Beyer (1983) provided a comprehensive definition of organisational culture by combining both ideas of organisational culture as shared beliefs and values, and as a symbolic manifestation. Ideologies and cultural forms are identified as two elements of organisational culture. The term '*ideologies*' is defined as "*shared, relatively coherently interrelated sets of emotionally charged beliefs, values and norms that bind some people together and help them to make sense of their worlds*" (Trice & Beyer, 1983, p. 33). They propose that cultural forms are concrete manifestations of cultural ideologies. Symbols, languages, narratives and practices are four major categories of cultural forms, with symbols as the most basic form of organisational culture and practices as the most complex cultural forms (Trice & Beyer, 1983).

2.4.1 Elements of Organisational Culture

Schein (1984) identified a three level model of organisational culture, that needs to be analysed to fully understand and manage organisational culture. The first level of organisational culture is the visible artefacts, the second level is the espoused values that control behaviour, and the deeper level is the basic underlying assumptions on how things are (see figure 2.5).

Figure 2.5 Schein's Three Level Model of organisational culture



Source: Schein (1999, p. 16)

Other researchers suggest that the Schein's Three Level Model above is not sufficient to explain what constitutes organisational culture. Martin and Siehl (1983) identified management practices, such as recruitment, training, appraisal and rewards as additional elements of organisational culture. Siehl and Martin (1988) argued that '*espoused values*' are different from '*values-in-use*' and suggest classifying '*values-in-use*' as management practices or cultural forms. Rousseau (1990) suggested adding another element of organisational culture, i.e. patterns of behaviour or behavioural norms, alongside the above mentioned three level model of organisational culture.

The next section discusses organisational culture typology from the four levels of organisational culture suggested by Ott (1989): artefacts, patterns of behaviour, beliefs and values and basic assumptions.

Organisational culture as artefact. Schein (1992) suggested observing organisational culture as an artefact. Culture as visible artefact is the environment of an organisation. Although Schein did not give significance to this idea, artefact is suggested as the layer of organisational culture which is first and visible but difficult to understand fully. Ott (1984) defined artefacts as "*the behavioural patterns and the visible, tangible, and/or*

audible results of behaviour" (p. 59), that include written and spoken language and jargon, office layouts and decoration, organisational structure, dress codes, technology and symbols, such as myth (Pettigrew, 1979), signs, metaphors (Martin & Siehl, 1983), slogans (G. Morgan, Frost, & Pondy, 1983), stories (Martin & Siehl, 1983), and logos (Cooke & Rousseau, 1988).

Ott (1989) argued that organisational culture as artefacts is easily identified by looking at the physical settings, historical documents and organisational charts, or by listening to languages, jargon, humour, metaphors, myths, stories and legends of an organisation. Schein (1992) concluded that although organisational culture is obvious at this level and the emotional impact can be felt immediately, it is difficult to fully understand what is going on or why the environment is designed as it is.

Organisational culture as patterns of behaviour. Ott (1989) explained that organisational culture as patterns of behaviour is the routine activities of members that lead to the effectiveness of an organisation. Patterns of behaviour cause members to do their activities, such as rites and rituals, repetitively. Familiar management practices, such as recruitment, training and promotion, and behavioural norms are examples of patterns of behaviour. Rousseau (1990) identified behavioural norms as shared beliefs about acceptable or non-acceptable behaviour. These norms are difficult to recognise except from the information given by members of an organisation. Schein (1992) concluded that at this level, it is still difficult to fully understand why members behave the way they do.

Organisational culture as beliefs and values. Schein (1992) viewed organisational culture as beliefs and values that control behaviour. Beliefs and values explain people's behaviour. Beliefs are different from values. Ott (1989) defines beliefs as "*what people believe to be true or not true*", while values are "*things that are important to people, including beliefs*" (p. 39). Schein (1992) explained that espoused values data can be obtained through interviewing important members of an organisation or reading an organisation's philosophy statement. The statement of values is not always consistent with behaviour of members and what people say does not always reflect the main reasons for their behaviour, because their answers may reflect ideal reasons for their behaviour rather than actual. Siehl and Martin (1988) concluded that what people say or

put as a statement are the espoused values and do not reflect the '*values-in-use*', values that influence people to behave the way they do.

Organisational culture as basic assumptions. Schein (1992) points out that organisational culture is the underlying assumption of how things are. Underlying assumptions are transformed from values unconsciously, because a belief or value repeatedly leads to a behaviour that contributes to the effectiveness of an organisation. Members of the organisation believe that this behaviour must be the correct way to do thing. Gradually, this assumption becomes deeply embedded, because it brings success to the organisation. Assumption shared, learned, taken for granted and of benefit to the organisation is the essence of organisational culture.

Schein (1999) added a more realistic view into the notion of organisational culture as basic assumptions and explains that organisational culture is not only about the deeper underlying assumptions of how the important members of an organisation view their relationships with the environment, that is, what is considered to be the right way to do things and to relate with each other, what reality and truth are and what being human means, but also includes issues on external survival and internal integration. This perspective adds a more realistic view into the element of organisational culture as a basic assumption. The external survival assumptions are the practicable assumptions on what and how to survive and grow. An organisation has a mission, strategy, goals, means to achieve its goal, and measures to evaluate and correct its strategy. The internal integration is focused on integrating human relationships in the organisation. Languages and ways of thinking, who is in and who is out, how relationship is defined, and how rewards and status are identified, are assumptions associated with internal integration issues of the organisation. Schein (1999) concluded that this deeper level of organisational culture is difficult to observe.

Wilkins (1983) explained why shared assumptions are difficult to reveal. Members of the organisation do not communicate their assumptions directly, because of difficulties in putting their assumptions into words. Members use symbolic aspects of their assumptions, such as stories, rituals or physical settings of the organisation, to explain the shared assumptions. Members are hesitant to reveal their assumptions that conflict with the should-be norms. Sub-cultures exist in an organisation and the shared assumptions of selected sub-cultures being observed do not represent the entire shared

assumptions. With these limitations, Wilkins (1983) recommended identifying organisational culture using two methods. First, organisational culture can be identified from the important shared assumptions for organisational effectiveness, such as how to do the work and how the management gives rewards to employees. Second, organisational culture is more obvious during employee role changes, during sub-cultures clashes, and from top management behaviour when important decisions are implemented.

2.4.2 The Dominant Culture and Sub-Culture

Sackman (1992) highlighted that in any organisation, different sub-cultures may co-exist with the dominant culture. Martin and Siehl (1983) defined dominant organisational culture as "*values that are shared by majority of members in an organisation*" (p. 53), while Maanen and Barley (1985) defined organisational sub-culture as "*a subset of an organisation's members who interact regularly with one another, identify themselves as a distinct group within the organisation, share a set of problems commonly defined to be the problem of all, and routinely take action on the basis of collective understandings unique to the group*" (p. 38).

Different sets of sub-cultures may exist in an organisation. Martin and Siehl (1983) identified three types of organisational sub-cultures: an enhancing sub-culture, an orthogonal sub-culture and a counter-cultural sub-culture. Each type of sub-culture has different effects to the dominant organisational culture and to members' behaviour. In the enhancing sub-culture group, its sub-culture values are compatible with dominant organisational culture values. This compatibility strengthens organisational culture. In the orthogonal sub-culture group, members accept dominant organisational culture values although their own sub-culture values are unique. In the counter-cultural group, its sub-culture values contradict dominant culture values and induce conflict among members of the organisation.

Jones (1983) identified other types of organisational sub-cultures, such as a Production culture, a Bureaucratic culture and a Professional culture. A Production culture emerges when the job is monotonous and standardised. A Bureaucratic culture emerges when there are many variations in the job creating difficulty in monitoring. A Professional culture emerges when the job is stimulating and demanding. Davis (1985) explained

that different levels of organisational culture exist, because management's culture may be different to subordinates' culture. Differences in interpretation of behaviour and social values between management and subordinates add to differences in organisational culture and may lead to conflict.

2.4.3 Key Features in Assessing Organisational Culture

Cooke and Rousseau (1988) identified direction and intensity as two main features in assessing organisational culture. Direction refers to dimensions of organisational culture, while intensity refers to the strength of organisational culture.

Dimensions of organisational culture. Dimensions of organisational culture were identified and grouped by performing content analysis on organisational culture literature. Reynolds (1986) identified 14 dimensions of organisational culture found in the literature (see table 2.6). A questionnaire was developed to capture these 14 dimensions of organisational culture, to study the relationships between organisational culture and perceived work context of the individual.

From analysis of the extant research literature, Detert, Schroeder and Mauriel (2000) also proposed eight dimensions of organisational culture (see table 2.7). These dimensions of organisational culture were used to study the relationship between organisational culture and improvement initiatives in organisations.

Both studies mentioned above share similarities in some dimensions of organisational culture, such as stability vs. innovation, external vs. internal, and individual vs. collective decision making.

Table 2.6 Dimensions of organisational culture (Reynolds)

Dimension of organisational culture	Definition
External vs. Internal Emphasis	An emphasis on task of satisfying customers vs. on internal organisational activities
Task vs. Social Focus	A focus on organisational 'work' vs. concern for the personal and social needs of the organisational members
Safety vs. Risk	Tendency to be cautious and conservative in adopting different programmes or procedures vs. to change products or procedures, particularly when confronted with new challenges and opportunities
Conformity vs. Individuality	Extent to which organisations tolerate or encourage employees to be distinctive in their work contributions and social life vs. encourage substantial uniformity in work habits and personal life.
Individual vs. Group Rewards	Whether organisations provide rewards to all members of a work unit vs. to individual contributions
Individual vs. Collective Decision Making	Extent to which individuals make the major decisions and proceed with implementation vs. make collective decisions represent the input of various individuals responsible for implementation
Centralised vs. Decentralised Decision Making	Key individuals have considerable impact on the programmes and actions of the organisation vs. individuals make decisions about their own situation
Adhockery vs. Planning	Tendency to anticipate and plan for change with ad hoc responses vs. plans to anticipate future scenarios
Stability vs. Innovation	Tendency to seek innovative ways of doing things vs. to search for distinctive goods, services, and procedures
Cooperation vs. Competition	Whether the individual members consider their work peers as competitors for rewards vs. as trusted colleagues assisting in the competition with outsiders
Simple vs. Complex organisation	Tendency of organisations to develop elaborate procedures and structures using simple vs. complex work contexts
Informal vs. Formalised procedures	Tendency to have an informal vs. formal mechanism for all procedures and decision making
High vs. Low Loyalty	Extent to which members place the organisational interests compared to their personal interests
Ignorance vs. Knowledge of Organisational expectations	Degree to which individuals members know what they are expected to do and how efforts will contribute to the accomplishment of organisational tasks

Source: adapted from Reynolds (1986)

Table 2.7 Dimensions of organisational culture found in the literature (Detert et al.)

Dimension of organisational culture	Definition
The basis of truth and rationality in the organisation (Hard data vs. Personal experience)	Extent to which organisations seek truth through systemic, scientific study using hard data or through personal experience and intuition
The nature of time and time horizon (Short term vs. Long term)	Extent to which organisations focus on the long term or the short term
Motivation (External vs. Internal)	Extent to which organisations deem that individuals are motivated by an internal desire to perform well or by external rewards and encouragement
Stability vs. Change / Innovation / Personal Growth	Extent to which organisations have a propensity to maintain a stable level of performance that is 'good enough' or a propensity to seek to always do better to innovation and change
Orientation to work, task, and co-workers (Process vs. Results)	Extent to which individuals in organisations focus on work as an end (results) or to which they focus on the process by which work is done as a means to achieve other ends
Isolation vs. Collaboration/ Co-operation	Extent to which organisations encourages collaboration among individuals and across tasks or encourage individual efforts over team-based efforts
Control, Coordination, and Responsibility (Concentrated vs. Autonomous decision making)	Extent to which organisations have decision making structures centred around a few vs. decision making structures centred around dissemination of decision making responsibilities throughout the organisations
Orientation and Focus (Internal vs. External)	Extent to which organisational improvements are driven by a focus on internal process improvements or by external stakeholders desires

Sources: adapted from Detert et al. (2000)

Strong vs. weak organisational culture. Arogyaswamy and Byles (1987) suggested that a strong culture is a good organisational culture and a weak culture is a bad organisational culture. Sathe (1983) argued that an organisation with a strong culture has widely accepted shared beliefs and values. Its members face less ambiguity on important shared beliefs and values for the organisation. Chatman and Cha (2003) noted

that an organisation with a strong culture is characterised by high consensus and intensity among its members on important values.

O'Reilly III (1989) highlighted the benefit of having a strong culture for the organisation. Every organisation has a strategy to compete with its competitors and a strong culture helps an organisation to execute its strategy effectively. An organisation with a strong culture creates more dedicated and committed employees, who help the organisation to achieve its objective. Deal and Kennedy (1982) argued that, in an organisation with a strong culture, members know how to behave and what is expected from them. On the contrary, in an organisation with a weak culture, members have difficulties in figuring out the expected behaviour. Working for an organisation that has a strong culture creates a good feeling for its members and leads to increased productivity.

A strong organisational culture concept is not exempt from limitations. Saffold III (1988) explained some weaknesses of a strong culture concept in its relationship to organisational performance. A strong culture concept puts its importance on dominant culture and ignores sub-cultures existing in an organisation. Culture dimensions form a strong culture but do not capture all aspects of organisational culture. Saffold III (1988) recommended improving the study on the relationship between a strong organisational culture and organisational performance using three methods. The first method is to identify measures of cultural strength. Organisational culture can be measured from its dispersion and potency. Cultural dispersion measures the penetration of culture across the social and individual dimensions of an organisation, while cultural potency measures cultural influence on behaviour. The second is to study processes that contribute to organisational outcome. Seven processes are suggested for further study: climate formation, behavioural control, strategy formulation, social efficiency, organisational learning, integration and differentiation, and leadership. The third is to give more attention to multiple interactions between organisational culture and performance. Organisational culture may influence processes. Likewise, processes may influence organisational culture. Multiple interactions between organisational culture and processes contribute to organisational performance.

2.4.4 The Management of Organisational Culture

Schwartz and Davis (1981) identified organisational culture, structure, systems and people as important elements in helping an organisation coordinate its resources to implement its strategy. Management needs to understand better organisational culture to be able to manage it. Meek (1988) suggested that Smircich's perspectives (1983a) on organisational culture influence views on managing organisational culture. Culture as something that an organisation '*is*' suggests that management cannot control culture. Organisational culture emerged from interactions of members of the organisation and therefore it cannot be created, discovered or eliminated by management. Culture as something an organisation '*has*' or as a variable suggests that, similar to other organisational variables, culture can be controlled by management. Martin (1985) labelled culture researchers who view organisational culture as something that cannot be managed as '*cultural purists*', while culture researchers who support the idea that organisational culture can be managed are '*cultural pragmatists*'. Alvesson (1990) added that culture researchers with academic backgrounds who make suggestions on how to manage culture are '*academic pragmatics*'.

Meyerson and Martin (1987) identified three paradigms in managing organisational culture, such as integration, differentiation and ambiguity. Each paradigm defines organisational culture differently and has different views on how to manage culture. The first paradigm, the integration paradigm, defines organisational culture as "*The social glue that holds members together in an organisation wide consensus*" (Siehl & Martin, 1990, p. 247). This paradigm emphasises integration and homogeneity, that dominant culture is shared by members of an organisation, and believes that the founder's beliefs and values determine the content of culture, because only founders or leaders can manage organisational culture. As a result, shared beliefs and values of members may be similar to the founder's and may reflect the personal preferences of the founder (Martin, 1985). Schein (1983) noted that a founder establishes values or assumptions in the organisation through artefacts and norms. Artefacts include the formal statement of organisation values, historical documents, organisational structure, office layouts, and stories and myths about important people. Norms are values or criteria used for coaching, giving rewards and status, measurement, control, setting systems and

procedures, recruitment and promotion. These artefacts and norms convey founder's messages to members of the organisation.

Siehl (1985) recommended managing organisational culture during a transition period. During this period, members of the organisation may feel that a change in organisational culture is necessary, because the founder may be unsuccessful in creating a culture that satisfies all members. The successor can manage organisational culture by replacing the shared beliefs, values and norms with a new culture agreed by members. If the founder is successful in creating an organisational culture desired by members, it is difficult for the successor to change this culture, because members stick to the success of this culture in the past to have assurance during the transition period.

In contrast to the first paradigm, the second paradigm, the differentiation paradigm, acknowledges differentiation and diversity, that sub-cultures are part of culture (Siehl & Martin, 1990). The founder has little influence on culture and as a result no dominant culture exists in the organisation. Each sub-culture group has to learn to cooperate and to solve ambiguity to achieve organisational consensus within the sub-culture. This paradigm is characterised by inconsistency from leaders between what is shared and what actually happens, and also characterised by a lack of consensus among members. Thus, leaders and members of the organisation play an important part in managing culture.

The third paradigm, the ambiguity paradigm, acknowledges a lack of clarity among each cultural manifestation (Siehl & Martin, 1990). While the previous two paradigms deny ambiguity, this paradigm treats ambiguity as the way things are and as part of organisational life. Members of each sub-culture group are different in their meanings, values and behavioural norms, because of the lack of knowledge and clarity on the manifestation of organisational culture. Difficulties in achieving consensus even within their own sub-cultures cause organisational culture to be impossible to manage.

2.4.5 Research Framework in Organisational Culture

In the next section, the debate between organisational culture researchers on which method is more appropriate in assessing or measuring organisational culture is

discussed. The discussion below is important for this study because it relates to the research methodology which will be used further in this study.

Qualitative vs. quantitative research method. Siehl and Martin (1988) point out that during the earlier studies of organisational culture, culture researchers believed that studying organisational culture required a qualitative research method, such as observation or interview, to assess the social interaction point of view of organisational culture. A qualitative research method is applied in organisational culture research, because culture is unconscious and unique to an organisation and as a result, a non-standardised measure is recommended to understand each culture better. Rousseau (1990) added that organisational culture is also a social phenomenon that cannot be studied properly using a quantitative research method.

Denison (1996) points out that since 1980, culture researchers have used a quantitative research method or a combination of qualitative and quantitative research methods to study organisational culture. Siehl and Martin (1988) argued that culture surveys and questionnaires are being used to identify dimensions of organisational culture. A quantitative research method is applied for measuring organisational culture to overcome the data limitation problem of a qualitative research method. Data limitation leads to the difficulty in making analytical comparisons among organisations. Culture is also a shared phenomenon and it is important to compare responses among members of the organisation. A qualitative research method cannot be used to generate organisational culture being studied (Denison, 1984), and it takes extra time and cost to conduct research using a qualitative method (Ott, 1989).

Organisational culture researchers who avoid using quantitative methods point out the disadvantages of using a questionnaire to measure culture. Ott (1989) highlights some limitations on measuring norms using surveys and questionnaires. Surveys only capture norms in the questionnaire. Even if surveys can capture the norms existing in an organisation, it cannot determine whether the norms in the survey are important to the organisation. It is not sufficient to use survey norms alone as a measurement of organisational culture. Schein (1992) added that surveys measure aspects of organisational climate rather than organisational culture. Organisational culture dimensions are too broad to be captured in the survey. Without interview data, questionnaire results are only artefacts and need to be analysed further to get the deeper

meaning of organisational culture. Questionnaire assumes that responses are accurate and respondents are aware of what is going on in the organisation.

Disagreeing with the idea that a quantitative research method cannot measure the deeper level of organisational culture, Deal and Kennedy (1982) argued that when a strong culture exists in an organisation, elements of organisational culture are unified and therefore the quantitative research method can be used as a potential measurement for organisational culture. In support, Cooke and Szumal (1993) clarified that organisational culture surveys generate data that can be easily understood and applied in identifying norms that affect behaviour. Norms represent fundamental aspects of organisational culture and are probably hidden aspects of culture. Even though by its definition, norms are treated as artefacts, norms are shared by members of an organisation and influence behavioural patterns and interpretations of members of an organisation. Climate surveys measure shared perceptions of organisational systems and structures, while culture surveys measure shared values and beliefs. The shared values and beliefs create systems and structures and create norms sustained by these systems and structures. Cooke and Szumal (1993) concluded that qualitative and quantitative methods are exposed to similar limitations, because of the theoretical background and the cultural bias of the researcher.

Jermier, Slocum Jr, Fry and Gaines (1991) recommended studying organisational culture using a combination of qualitative and quantitative research methods. A quantitative research method describes cultural forms, beliefs or perceptions, while a qualitative analysis clarifies the meaning of data obtained from a quantitative method. Accurate responses can also be obtained if the researcher has built trust among respondents. Thus, qualitative research methods before and after the distribution of survey and questionnaire are recommended.

Clinical research method. Schein (1993) argued that data obtained through clinical research and consulting work are claimed as legitimate for studying organisational culture. Clinical research is "*the observation, elicitation and reporting of data that are available when the researcher is actively engaged in helping the organisation*" (p. 703). In clinical research, the clinician helps the organisation by responding to management requests and needs to have better data access and better responses from respondents; while in a qualitative research method, the researcher requests and obtains data and

observes without intention to influence the situation. Respondents give more accurate responses, because they expect the clinician to give feedback to the organisation. However, if respondents sense that their answers will put them in difficulties, they refuse to answer the question or give superficial answers, a similar problem faced by a qualitative researcher.

2.4.6 Dimensions of Organisational Culture

Several instruments have been developed to assess organisational culture. Quantitative instruments widely used by other researchers to assess organisational culture, such as Organisational Culture Inventory, the Competing Values Model, Organisational Culture Profile and the Six Dimensional Model of Organisational Cultures will be discussed in the next section. Organisational Culture Inventory measures behavioural norms, while the Competing Values Model and the Organisational Culture Profile measure values that affect behaviour. The Six Dimensional Model of Organisational Cultures is included as an instrument that assesses culture from the perceived practice of members of an organisation.

Organisational Culture Inventory (OCI). Organisational Culture Inventory (OCI) was originally developed by Cooke and Laferty in 1983. OCI was used in later studies (Cooke & Rousseau, 1988; Cooke & Szumal, 1993) to confirm that organisational culture can be measured using a quantitative research method. Cooke and Rousseau (1988) analysed the OCI survey data for its reliability and validity. The results show that OCI is a valid instrument for measuring behavioural norms and expectations of members. The OCI survey instrument consists of 12 sets of the shared behavioural norms. These norms are associated with three types of organisational culture, such as Constructive norms, Passive-Defensive norms and Aggressive-Defensive norms. These norms are the expected behaviour and ways of thinking in an organisation. Constructive norms promote satisfaction behaviour and comprise achievement, self-actualising, humanistic-encouraging and affiliates cultures. Passive-Defensive norms promote people-security behaviour and comprise approval, conventional, dependent and avoidance cultures. Aggressive-Defensive norms promote task-security behaviour, and comprise oppositional, power, competitive and perfectionistic cultures. Table 2.8 defines each cultural style in OCI.

Table 2.8 OCI cultural styles

Constructive norms
An achievement culture: the organisation appreciates members who pursue a standard of excellence
A self-actualising culture: members are encouraged to think in unique and independent ways because the organisation appreciates creativity, quality, task accomplishment, and individual growth
A humanistic-encouraging culture: members are expected to help other members to grow and develop because the organisation appreciates participation
An affiliate culture: members are expected to deal with other members in a friendly way because the organisation appreciates interpersonal relationships
Passive-Defensive norms
An approval culture: members feel that they should go along with other members because the organisation avoids conflicts
A conventional culture: members are expected to follow policies and procedures because the organisation is bureaucratically controlled
A dependent culture: members are expected to please those in the higher positions because the organisation is hierarchically controlled
An avoidance culture: members are waiting for other members to act first because the organisation punishes mistakes and fails to give rewards for success
Aggressive-Defensive Norms
An oppositional culture: members point out other members mistakes because the organisation rewards confrontation
A power culture: members build up power base because the organisation rewards members for taking control their subordinates
A competitive culture: members turn the job into a contest because the organisation rewards members for outperforming one another.
A perfectionistic culture: members do things perfectly because the organisation values perfectionism and hard work

Source: adapted from Cooke and Rousseau (1988)

Xenikou and Furnham (1996) compared the OCI with other organisational culture assessment instruments, such as Culture Gap Survey (developed by Kilman and Saxton in 1983), Organisational Beliefs Questionnaire (developed by Sashkin in 1984) and Corporate Culture Survey (developed by Glaser in 1983). From correlations testing and factor analysis results, they recommend assessing organisational culture using OCI.

The OCI instrument has been used by other researchers to study the relationship between organisational culture and other variables, such as individual response (Rousseau, 1990); quality performance (Corbett & Rastrick, 2000; Klein, Masi, & Weidner, 1995); and role stressors impact on job tension in measuring outcomes among business executives (Pool, 2000).

The Competing Values Model. The Competing Values model was originally developed by Quinn and Rohrbaugh (1983) using 34 organisational effectiveness indicators, developed by Campbell, Bownas, Peterson and Dunnette (1974), to determine whether clusters can be identified. From the initial analysis, the Competing Values Model was suggested, which consists of four organisational performance criteria: Human Relations, Open Systems, Internal Process and Rational Goal. Three value dimensions are identified from this model. The first dimension is about organisational structure and emphasises structural Control versus Flexibility. Human Relations and Open System models emphasise Flexibility, while the Internal Process and Rational Goal models are focused on a Control orientation. The second dimension is about organisational focus and emphasises Internal versus External focus. Internal Process and Human Relations models are focused on Internal orientation, while the Open System and Rational Goal models are focused on External orientation. The third dimension is about organisational means and ends. The Human Relations model values cohesion, morale and human resource development; the Open System model values readiness, growth and resource acquisition; the Internal Process model values information management, stability and control; and the Rational Goal model values planning, goal setting and productivity.

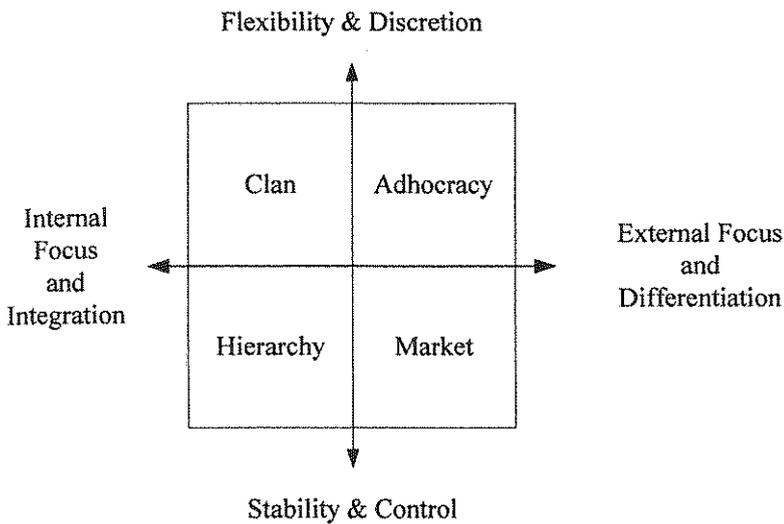
Quinn and McGrath (1985) then labelled the above four organisational performance criteria as four types of organisational culture: Consensual, Ideological, Hierarchical and Rational, and four types of organisational forms: Clan, Adhocracy, Hierarchy and Market. The Consensual (Clan) culture is characterised by: group maintenance as its organisational purpose; cohesion and morale as its criteria of performance; membership as authority; an informal base of power; participative decision making; concerned and supportive leadership style, process commitment; and members are evaluated from the quality of their relationships and are motivated by affiliation. The Ideological (Adhocracy) culture is characterised by: broad organisational purposes; external

support; growth; resource acquisition; charismatic leader; values as its base of power; intuitive and insightful decision making; commitment to values; and members are evaluated from their intensity of efforts and are motivated by growth. The Hierarchical (Hierarchy) culture is characterised by: execution of regulation as its organisational purpose; stability and control as its criteria of performance; rules as authority; technical knowledge as its base of power; factual and analytical decision making; conservative and cautious leadership style; surveillance and control compliance; and members are evaluated by formal criteria and are motivated by security. The Rational (Market) culture is characterised by: the pursuit of objectives as its organisational purpose; productivity and efficiency as its criteria of performance; competence as its base of power; domineering leader; decisive and pronouncement decision making; directive and goal oriented leadership style; comply with contractual agreement; and members are evaluated from their tangible outputs, and are motivated by achievement.

Quinn (1988) proposed a competing values instrument to diagnose organisational culture. This instrument measures the behavioural expectation of respondents for the configuration of a standardised organisational profile. The Clan culture is characterised by participation, commitment, openness and morale; the Adhocracy culture is characterised by innovation, external support, adaptation and growth; the Market culture is characterised by direction, productivity, goal clarity and accomplishment; and the Hierarchy culture is characterised by stability, documentation, control, and information management.

Cameron and Quinn (1999) then name this model as Organisational Culture Assessment Instrument or OCAI (see figure 2.6).

Figure 2.6 The Competing Values Model: The OCAI



Source: Cameron and Quinn (1999)

The Competing Values Model has been used for assessing organisational culture in the marketing context. The earliest study by Deshpandé and Webster Jr. (1989) describes how organisational culture can be applied to marketing. Subsequently, the Competing Values Model is used extensively to identify the relationship between organisational culture, market orientation, innovation and market performance (Deshpandé & Farley, 2004b; Deshpandé, Farley, & Webster Jr, 1993; Leisen, Lilly, & Winsor, 2002) and between organisational culture and market information processes (Moorman, 1995).

Many researchers were also using the Competing Values Model to study the relationship of organisational culture with: organisational commitment and performance (Rashid, Sambasivan, & Johari, 2003); leadership style and performance leadership (Ogbonna & Harris, 2000); organisational commitment (L. Y. Chen, 2004); innovation (Patterson et al., 2005; Zammuto, Gifford, & Goodman, 2000); manufacturing technology implementation (Stock & McDermott, 2000); human resource development needs (Brown & Dodd, 1998); commercial banking effectiveness (Paulin, Ferguson, & Payaud, 2000); and Total Quality Management or TQM practices (Prajogo & McDermott, 2005).

Organisational Culture Profile (OCP). The Organisational Culture Profile (OCP) developed by O'Reilly III, Chatman and Caldwell (1991) is an instrument for assessing person-organisation fit. OCP measures individual perception on organisational values

and is focused on important attitude and behaviour. Using the Q-sort technique, the OCP instrument has a set of fifty-four values that support eight dimensions of organisational culture. Their study shows that organisational culture can be characterised by: innovation to promote risk taking and experimentation; attention to detail that values accuracy; outcome/achievement/result orientation; aggressiveness that values competitiveness and opportunities; supportiveness to promote the sharing of information; emphasise on rewards that values high rewards for performance and growth; team orientation to promote collaboration; and decisiveness that values predictability and low conflict.

Using a similar instrument, Chatman and Jehn (1991) investigated dimensions of organisational culture in the service sector. Seven dimensions of organisational culture are identified: innovation; stability; an orientation towards people; an orientation towards outcome or results; an emphasis of being easy going; attention to detail; and a collaborative or team orientation. Six of these dimensions match O'Reilly et al.'s (1991) study results above. Explanations on dimensions of the OCP, which were adapted from O'Reilly et al.'s (1991) study, are presented in table 2.9.

The OCP instrument has been applied by researchers to study the relationship between organisational culture and other variables, such as organisational performance (S. K. J. Lee & Yu, 2004), employee retention (Sheridan, 1992), technology and growth (Chatman & Jehn, 1994), applicant personality and organisation attraction (Judge & Cable, 1997), person-culture fit and turnover (Vandenberghe, 1999); information technology implementation (Harper & Utley, 2001; Park, Ribiere, & Schulte Jr, 2004); leadership (Sarros, Gray, & Densten, 2002); and demography (Chatman & Spataro, 2005).

Table 2.9 The 10 dimensions of the OCP

Dimension	Description
Leadership	The role of leaders in directing an organisation, maintaining its culture and serving as a role model
Structure	The degree to which the organisational structure limits the actions of members, looking at the influence of policies and procedures on member behaviours and the concentration of power of the organisation
Innovation	The organisation's risk preference: the willingness of the organisation to take risks and the encouragement if shows for innovation and creativity
Job performance	The degree to which the organisation emphasises task performance – the extent of task orientation and whether performance is rewarded
Planning	The extent to which the organisation has clear goals, has plans to meet these goals, and strives to follow those plans
Communication	The free sharing information among all levels within the organisation where possible, the direction it takes and the importance of rumour in communication
Environment	The extent to which the organisation is responsive to the needs of its clients and the extent to which it is influenced by and influences the actions of other similar organisations
Humanistic workplace	The extent to which the organisation respects and cares for individuals; represents the people end of the task-versus-people dichotomy
Development of the individual	The extent to which the organisation expends sufficient effort in providing opportunities for members to develop their skills and rewards development with career advancement and challenging work
Socialisation on entry	The time new members take to settle in, the degree to which employees feel they understand the organisation, the extent of formalisation, and the effectiveness of the socialisation process

Source: Ashkanasy et al. (2000)

The Six-dimensional Model of Organisational Cultures. The Six-dimensional Model of Organisational Cultures is generated from Hofstede, Neuijen, Ohayv, Daval and Sanders's (1990) research project. This model is focused on six perceived practices: process oriented vs. results oriented, employee oriented vs. job oriented, parochial vs. professional, open systems vs. closed systems, loose vs. tight control and normative vs. pragmatic. These dimensions are mutually independent of each other.

Hofstede (1998a) explained that in a process-oriented culture, members avoid risk taking and perform the job only for what is needed, while in a result-oriented culture,

members seek a challenge. In an employee-oriented culture, members believe that the organisation is concerned for their well-being, while in a job oriented culture, the organisation is concerned only with achieving the work objective. In a parochial culture, members feel that the organisation hires them for their skills and their social backgrounds, while in a professional culture members feel that the organisation hires them only for their skills. In an open systems culture, the organisation and its members are friendly to newcomers or guests, while in a closed systems culture, members treat other members suspiciously, and as a result, not all members fit into the organisation. In a loose control culture, members work in a more relax environment than in a tight control culture. In a normative culture, members need to follow procedures, while in a pragmatic culture; members are concerned with their efforts and results in fulfilling customers' needs.

Applying this instrument in a large insurance organisation, Hofstede (1998b) identified three sub-cultures that may exist in this organisation: an administrative sub-culture, a customer interface sub-culture and a professional sub-culture. Each sub-culture has different characteristics or dimensions of organisational culture. The administrative sub-culture is characterised by process orientation, parochial and normative practices. Members of the customer interface sub-culture focus on getting results, work in a more relaxed environment or loose control, and are not strongly pragmatic. Members of the professional sub-culture focus on fulfilling customers' needs, and work in a tightly controlled and professional environment.

2.4.7 The Difference between Organisational Culture and Climate

Some researchers argued that many organisational culture studies are associated with organisational climate studies (Pettigrew, 1990; Reichers & Schneider, 1990). Denison (1996) compared the culture and climate literature to understand the differences and similarities between these two perspectives. According to Denison (1996, p. 264) culture refers to "*the deep structure of organisations which is rooted in the values, belief and assumptions held by organisational members*", while climate is often considered as "*relatively temporary, subject to direct control, and largely limited to those aspects of social environment that are consciously perceived by an organisation*".

Denison (1996) suggested that organisational culture and climate studies address a common phenomenon that is the creation and influence of social context in organisation. In the beginning, studying culture required a qualitative method while in contrast; studying climate required a quantitative method. Overtime, culture researchers applied quantitative approaches associated with climate research and climate researchers studied the evolution of social context that are similar to culture research. There are some dimensions of culture that are overlapping with climate dimensions, such as risk taking in OCP (O'Reilly III, Chatman, & Caldwell, 1991), peer relations (Schein, 1992), and humanistic culture in OCI (Cooke & Rousseau, 1988).

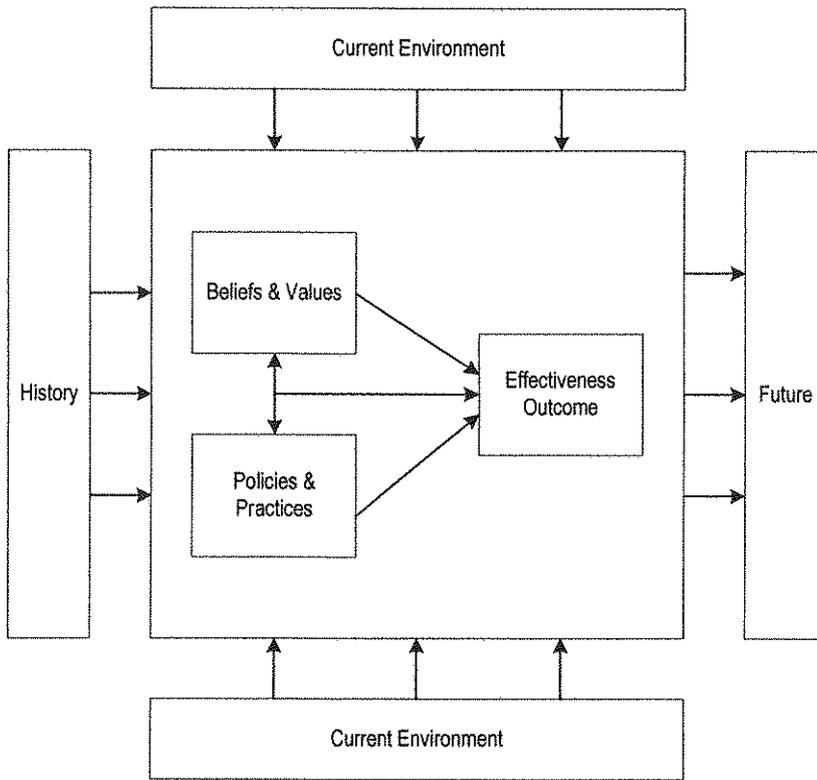
Denison (1996) concluded that organisational culture and climate studies should be viewed as having differences in interpretation because different researchers have different point of views on interpreting data about social context.

Cooke and Szumal (1993) clarified that climate surveys measure shared perceptions of organisational systems and structures, while culture surveys measure shared values and beliefs. The shared values and beliefs create systems and structures and create norms sustained by these systems and structures. This thesis focuses on culture rather than climate because it studies the values, beliefs and assumptions held by organisational members.

2.5 Organisational Culture and Effectiveness

This section discusses how organisational culture closely interacts with and influences organisational effectiveness, such as organisational performance, information technology implementation outcomes and marketing effectiveness. Figure 2.7 provides a framework for studying organisational culture and effectiveness as recommended by Denison (1997). The values and beliefs held by members of an organisation and the policies and practices used by an organisation influence organisational effectiveness. The core values and beliefs are translated into consistent policies and practices. The core values and beliefs, interrelated with organisational policies and practices and the business environment of the organisation, affect effectiveness outcome.

Figure 2.7 Organisational culture and effectiveness framework



Source: adapted from Denison (1997, p. 5)

The next section presents the relationship between organisational culture and organisational effectiveness variables, such as organisational or business performance, information technology implementation outcomes and marketing effectiveness.

2.5.1 Organisational Culture and Organisational Performance

Martin (1992) points out that researchers view the relationship between organisational culture and performance differently. Researchers from the integration paradigm argue that organisational culture characterised by consistency, consensus and clarity leads to a better organisational performance. Organisational culture with these characteristics generates loyalty, commitment and enthusiasm for members of the organisation. Members know what they are expected to do to contribute to the increased productivity and improved financial performance of the organisation. Arogyaswamy and Byles (1987) suggested that organisational culture contribution to performance is small, because financial performance is determined by many variables other than organisational culture.

Siehl and Martin (1990) argued that researchers who study the relationship between organisational culture and performance from the differentiation perspective argue that organisational culture characterised by inconsistency and a lack of consensus among members of the organisation may not lead to a better organisational performance. Researchers from the ambiguity perspective do not have a unified view on the relationship between organisational culture and performance. Ambiguity contributes to the positive or negative of performance. Ambiguity gives benefit to an organisation if managers can use the potential benefit of ambiguity. Some researchers even debate that no relationship exists between ambiguity and performance.

Previous empirical studies on the relationship between organisational culture and performance are consistent with the first paradigm of managing culture, the integration paradigm. The studies discussed below have attempted to identify culture dimensions which contribute to organisational performance using quantitative methods.

Denison (1984) evaluated 34 organisational culture survey results by testing their correlation with performance. The test results provide evidence that organisations characterised by participation culture and a well-organised working environment perform better in the short term and in the long term.

Calori and Sarnin (1991) studied the relationships between perceived values and management practices as elements of organisational culture and performance. The test results suggest that many dimensions of organisational culture are positively correlated with organisation growth performance. The intensity and homogeneity of organisational culture are positively associated with growth.

Gordon and DiTomaso (1992) investigated the relationships between organisational culture strength, cultural values, such as adaptability and stability measures, and organisational performance in 11 insurance organisations. The adaptability measure includes action orientation and innovation or risk taking. The stability measure includes integration or communication, the fairness of rewards, and development and promotion from within. The test results suggest that a strong organisational culture, characterised by the adaptability culture dimensions, is associated with a better short-term performance.

Marcoulides and Heck (1993) used Structural Equation Modelling (SEM) to test whether organisational culture contributes to performance. The analysis of structured interviews and questionnaires data from 26 organisations, which was developed by Cotlar in 1987, suggests that organisational culture values, such as risk taking, workplace safety, productivity and efficiency, rapid response to market opportunities and image building, and creating new outputs, and improving existing ones, predict performance.

Denison and Mishra (1995) developed a set of 18 questionnaire items focusing on four traits of organisational culture and effectiveness, such as involvement, consistency, adaptability and mission traits. Analysis of Variance (ANOVA) test results on the relationship between Chief Executive Officer (CEO) perceptions of organisational culture and effectiveness from a sample of 764 organisations show that the four traits are predictors of effectiveness. Involvement and adaptability traits are strong predictors of growth, while consistency and mission traits are better predictors of profitability.

Petty, Beadles, Lowery, Chapman and Connell (1995) tested the relationship between organisational culture and performance in 12 organisations and identified several dimensions of organisational culture associated with performance. Teamwork is the most significant predictor of organisational performance, while organisational functioning as another dimension of organisational culture is not significantly associated with performance.

Christensen and Gordon (1999) studied the relationship between organisational culture and revenue growth among 77 companies in six industries. Eight cultural practices are identified from the literature as dimensions of organisational culture: aggressiveness/action orientation, innovation, confrontation, planning orientation, results orientation, people orientation, team orientation and communications. From the Multiple Analysis of Variance (MANOVA) test, the test results give evidence that organisational culture is associated with revenue growth and the degree of association vary across industries.

Sorensen (2002) examined the impact of a strong organisational culture to the variability of performance by using a multiplicative heteroscedasticity test on Kotter and Heskett's (1992) organisational culture data in 18 industries. The test results show

that an organisation with a strong culture has a more reliable performance, but only in a stable environment.

Xenikou and Simosi (2006) examined the relationship between organisational culture orientations on business unit performance in a large financial organisation in Greece. A path analysis shows that the achievement and adaptive cultural orientations had a direct effect on performance.

From the above studies, some dimensions of organisational culture associated with better organisational performance are summarised in appendix 1.

2.5.2 Organisational Culture and Technology or System Implementation Outcomes

People are identified as an important element in implementing information systems (IS) and information technology (IT). An information system is “*a system which collects, records, stores, and rearranges the data on the operation of a business, and offer the results of this process to the suitable personnel...to facilitate an efficient management... while IT concerns the technological component of an IS...*” (Claver, Llopis, Gonzalez, & Gasco, 2001, p. 247). Claver et al. (2001) point out that organisational culture forms a foundation for the acquisition of IT, the development of IS and vice versa. Members of the organisation might share a view that IT and IS implementations provide competitive advantage to the organisation. They also consider that better organisational policy and practice, for example, rewards, is a way of acknowledging the correct usage of the IT and IS. This view can be embedded in the culture of an organisation as part of an organisation’s values.

In the next section, the importance of organisational culture in the implementation of system/technology implementation outcomes is discussed. Culture types in the Competing Values Model (Quinn & Rohrbaugh, 1983) are identified as being associated with better system implementation outcomes. Stock and McDermott (2000) examined how organisational culture is associated with Advanced Manufacturing Technology (AMT) implementation outcomes in 97 companies. The results suggest that External cultural orientation, that is a balanced culture comprising elements of

developmental culture and rational culture, is significantly associated with AMT implementation outcomes.

Ruppel and Harrington (2000) studied intranet implementation in the United States. Supporting Stock and McDermott's study, the results of their study also found that developmental culture is important to optimising intranet implementation. Hierarchical culture is also identified as an important organisational culture in intranet implementation.

Other studies used other methods to measure organisational culture. Using the Organisational Culture Profile (OCP) instrument (O'Reilly III, Chatman, & Caldwell, 1991), Harper and Utley (2001) studied three years data from 18 organisations and analysed whether the organisational culture and its balance of the concern of production issues vs. people issues played a part in technology implementation success. They suggest that correlations exist between organisational culture attributes and the successful implementation of an information technology system, in which people oriented aspects have the most influence. Park et al. (2004) also applies OCP to identifying the most critical organisational attributes that promote knowledge sharing and knowledge management (KM) technology implementation success. The results reveal several cultural attributes that are correlated with the success of KM technology implementation, such as sharing information freely, working closely with others, team oriented work, trust, fairness and enthusiasm.

Doherty and Doig (2003) explored the impact of data warehouse implementations to organisational cultures of eight UK-based organisations. From case studies analyses, the results show that changes to the flow and quality of the information during data warehouse implementations alter organisational culture through customer focus, flexibility, integration and empowerment.

From the above studies, some dimensions of organisational culture associated with better organisational performance are summarised in appendix 1.

2.5.3 Organisational Culture and Marketing Performance

In service firms, marketing culture refers to the unwritten policies and guidelines for behavioural norms in performing marketing activities, such as service quality,

interpersonal relationships, selling tasks, organisation, internal communications and innovativeness. These are identified as being significantly associated with marketing effectiveness and profitability (Webster, 1993, 1995). The results of a study in service organisations in Hong Kong (Sin & Tse, 2000) show that organisational culture is associated with strategic marketing effectiveness. The results suggest that organisational culture values, such as customer closeness, corporate values and market orientation, have an impact to performance directly or through marketing effectiveness.

Deshpandé and Webster Jr. (1989) pioneered the study of how the organisational culture concept established in organisational studies can be applied to marketing using the Competing Values Model. Subsequently, this Competing Values Model is used extensively to identify the relationship between organisational culture, market orientation and market performance (Deshpandé & Farley, 2004a; Deshpandé, Farley, & Webster Jr, 1993; Leisen, Lilly, & Winsor, 2002)

Culture types in the Competing Values Model (Quinn & Rohrbaugh, 1983) are identified as associated with better marketing performance. Moorman (1995) studied the impact of organisational culture in organisational market information processes, such as information acquisition, information transmission, conceptual information utilisation and instrumental information utilisation processes, using the Competing Values Model. The results show that Clan culture dominates other organisational culture types as a predictor of organisational market information processes, because information processes involve commitment and trust among organisational members.

Another study by Leisen, Lilly and Winsor (2002) explored the relationships between organisational culture, market orientation and the effectiveness of strategic marketing alliances. The results show that Clan culture, although dominating strategic marketing alliances, is not associated with marketing effectiveness. A balanced culture comprising elements of Hierarchy culture, Market culture and Adhocracy culture produces better marketing effectiveness.

From the above studies, some dimensions of organisational culture associated with better marketing performance are summarised in appendix 1.

2.6 CRM System Implementation — the Role of Organisational Culture

This section summarises previous studies on the importance of organisational culture in CRM implementation found in the literature. Organisational culture has been identified as an important factor for CRM success. Theoretical and previous empirical studies on the importance of organisational culture in CRM were discussed in section 2.2.

A number of surveys identify the importance of organisational culture in CRM implementation. Consultants Cap Gemini Ernst & Young (CGEY, 2002b) studied an international sample of life-science organisations that were implementing CRM systems. Their results revealed that organisational culture is one the reasons for poor CRM acceptance. Sales people resistant to making customer knowledge available to others had become part of the culture in some organisations. Another survey of 219 IT professionals by DMR Consulting in 2002 (as cited in Kale, 2004) revealed that customer-centric organisations met a higher percentage (71 percent) of their implementation goals than non customer-centric organisations (53 percent). The results from the McKinsey & Company's survey of 60 major insurance organisations in North America (as cited in Agarwal, Harding, & Schumacher, 2004) showed that 59 percent of those organisations who reported a successful CRM system implementation had addressed the cultural change needed by CRM and only 33 percent of those reporting a failure had addressed the cultural changes required.

Table 2.10 highlights some organisational culture dimensions identified as predictors of CRM performance in previous studies and suggests several organisational culture characteristics that may influence the success of CRM implementation. Organisational culture issues, such as cross-functional teams, empowerment, risk or innovation, job security, commitment, participation, teamwork, customer centric culture, rewards, adaptability and informational sharing, are essential for implementing CRM systems successfully.

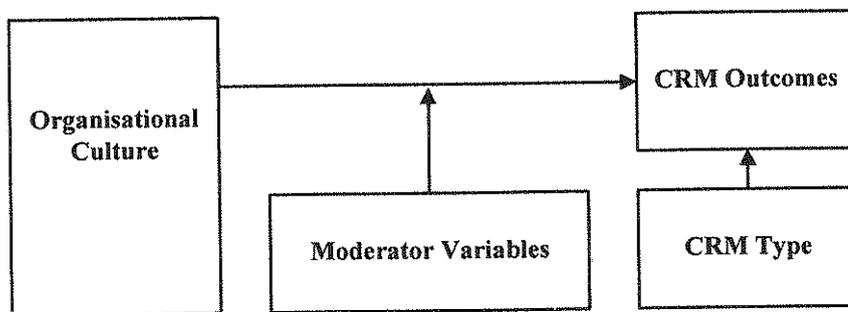
Table 2.10 Summary of organisational culture dimensions as predictors of CRM performance in the literature

Culture Dimensions	Sources	Method	Sample
Cross functional teams	Verhoef and Langerak (2002) Wilson et al. (2002) Starkey and Woodcock (2002) Campbell (2003)	Conceptual Case Studies Case Studies Case Studies	- US, 5 organisations <i>Not available</i> Canada, 5 financial services organisations
Empowerment/ risk/innovation	Galbreath and Rogers (1999) Reinartz and Chugh (2003)	Conceptual Interviews	- Worldwide, 15 organisations
Job security	Reinartz and Chugh (2003)	Interviews	Worldwide, 15 organisations
Commitment	Lindgreen (2004) Kristoffersen and Singh (2004)	Case Studies Case Studies	Scandinavia, 1 organisation Norway, 1 non profit organisation
Participation	Curry and Kkolou (2004)	Case Studies	UK, 3 organisations
Teamwork	Ryals and Knox (2001) Eichorn (2004) Curry and Kkolou (2004)	Conceptual Conceptual Case Studies	- - UK, 3 organisations
Customer centric culture	Ryals and Knox (2001) Rigby et al. (2002) Verhoef and Langerak (2002) Starkey and Woodcock (2002) Kale (2004) Curry and Kkolou (2004) Karakostas et al. (2005)	Conceptual Conceptual Conceptual Case Studies Conceptual Case Studies Survey	- - - <i>Not available</i> - UK, 3 organisations UK, 21 financial service organisations
Rewards for customer centric behaviour	Mack et al. (2005) Campbell (2003)	Conceptual Case Studies	- Canada, 5 financial services organisations
Adaptability	Ryals and Knox (2001)	Conceptual	-
Information sharing	O'Malley and Mitussis (2002) Chen and Popovich (2003)	Conceptual Conceptual	- -

Source: developed for this study

From the above literature review, it seems that an organisational culture that puts more importance on customer-focused behaviours, information sharing, cross-functional teams, performance-based rewards, supportive relationships, adaptive and responsive attitudes to change, and a higher degree of risk taking and innovation, is more likely to be associated with successful CRM system implementations. It is also important to note that more than half the studies included in Table 2.10 are not empirical. Although these authors have suggested possible organisational culture characteristics conducive to CRM system implementation, until now, there has been no report on any empirical study of the relationship between organisational culture and CRM system implementation outcomes. Thus, the purpose of this study is to test empirically the relationship between organisational culture and CRM system implementation outcomes, as presented in the following model (see figure 2.8).

Figure 2.8 Research model adopted in this study



The above framework helps to answer the following research issues:

1. To identify if organisational culture is significantly associated with CRM system implementation outcomes
2. To identify if there are other variables that may moderate the relationship between organisational culture and CRM system implementation outcomes
3. To explore the associations between organisational culture and different outcomes of CRM system implementation outcomes
4. To explore the associations between the type of CRM initiative being pursued and CRM system implementation outcomes

The next section discusses the detailed research framework and its proposed relationships.