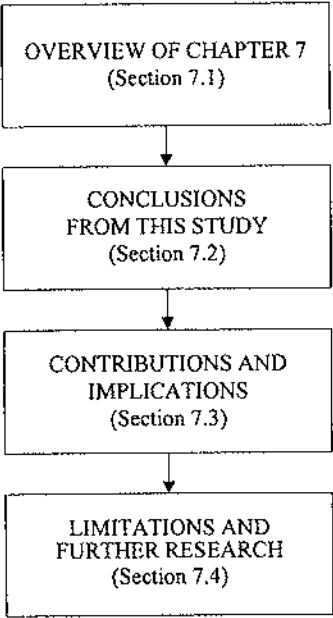# 7 CONCLUSIONS AND IMPLICATIONS

7.1 Overview of Chapter 7

This study builds on the proposition that organisational culture plays an important role in the achievement of good outcomes for CRM system implementations. The relationship between organisational culture and CRM system implementation outcomes is hypothesised to be moderated by the innovative characteristics of the CRM system and the environmental/market conditions in which organisations operate. Chapter six discusses empirical evidence for the above mentioned propositions. In this final chapter, conclusions are drawn from the research findings in chapter six and the focus is on the interpretation of these results and findings. These research findings are compared with the existing literature to highlight similarities and differences. This chapter also discusses where this research advances the existing literature and therefore makes contributions to the body of knowledge. This chapter then discusses the contributions and implications of the findings for theory and the managerial relevance of the findings, and future research directions. An outline of chapter seven is illustrated in figure 7.1.
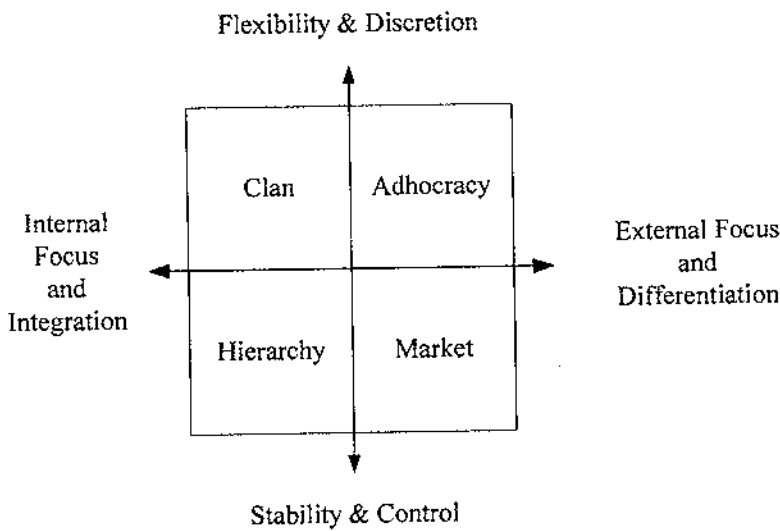
Figure 7.1 Outline of chapter 7

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│  OVERVIEW OF CHAPTER 7  │
│     (Section 7.1)       │
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│      CONCLUSIONS        │
│    FROM THIS STUDY      │
│     (Section 7.2)       │
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│   CONTRIBUTIONS AND     │
│     IMPLICATIONS        │
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│    LIMITATIONS AND      │
│   FURTHER RESEARCH      │
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7.2 Conclusions from This Study

7.2.1 Organisational Culture and CRM Outcomes Relationship

From the results in chapter six, it is concluded that organisational culture is an important factor to achieve good CRM system implementation outcomes, although the importance of organisational culture types and orientations varies with each type of CRM outcome. The CRM system implementation outcomes score tend to be higher when the organisation is dominated by Adhocracy culture and a balanced organisational culture comprising elements of Clan culture, Adhocracy culture and Market culture, and the lowest when dominated by Clan culture (see figure 7.2). The following section will discuss these conclusions in detail.

Figure 7.2 The Competing Values Model: The OCAI

Flexibility & Discretion

| | Clan | Adhocracy | |
| | Hierarchy | Market | |

Internal Focus and Integration

External Focus and Differentiation

Stability & Control

Source: Cameron and Quinn (1999)

Conclusion 1: Among four organisational culture types, Adhocracy culture has the highest degree of significant positive association with good CRM system implementation outcomes. In addition, Adhocracy culture has significant positive associations with good Financial and Customer-related outcomes of CRM system implementations.

The first conclusion relates to the relationships between organisational culture types and CRM system implementation outcomes. In the literature, an organisational culture that promotes innovation, risk taking and change is identified to be effective regardless of the size of the organisation, the industry in which it operates, or how long the organisation has been in business (Chatman & Cha, 2003). This may explain why organisations with Adhocracy culture have the strongest positive associations with TQM success (Dellana & Hauser, 1999); Business-to-Business relationships (Paulin, Ferguson, & Salazar, 1999); and with the organisation's capability to respond to new technology or technological opportunism (Srinivasan, Lilien, & Rangaswamy, 2002). In this study, as in the above literatures, among four organisational culture types, Adhocracy culture has the highest degree of significant positive association with good CRM system implementation outcomes. This finding confirms that an organisational environment that promotes an atmosphere of innovation or risk-taking can create confidence in which employees are able to act in the best interest of customers. This finding also confirms that top management's commitment to innovation encourages employees to accept and support CRM system implementation. Thus, these results extend prior research by suggesting that a dynamic and creative organisation, characterised by innovation, adaptability, external support and growth, may have good CRM system implementation outcomes.

From the exploratory analysis of the associations between Adhocracy culture and each type of CRM system implementation outcome, the results show that Adhocracy culture has positive associations with Financial and Customer-related outcomes, more so than with Process and People-related outcomes of CRM system implementations. As to why Adhocracy culture may significantly affect CRM Financial and Customer-related outcomes than Process and People-related outcomes, the answer may be found by returning to the characteristics of Adhocracy culture: innovation, external support, adaptation and growth. Derived from these characteristics, the first explanation is that,

although organisations with higher adaptability are more receptive to change, for example, to the use of new systems or technologies, the benefits of system usage such as process efficiency, increased productivity and more time available for sales activities may only be accomplished if front line people have successfully integrated the use of these systems and technologies to help their sales activities (Keillor, Pettijohn, & d'Amico, 2001). Second, organisations with higher adaptability require front line people to focus greater attention on satisfying the customer than fulfilling their individual needs and satisfaction (Keillor, Pettijohn, & d'Amico, 2001). Third, innovative behaviours such as creativity, generating new ideas, experimenting and risk taking, may not be rewarded as much as well-proven and fault-free work outcomes. These innovative behaviours may lead to mistakes. Organisations may treat mistakes either as failure or as a learning opportunity. Providing tolerance for mistakes by accepting mistakes as part of taking the initiative and treating it as a learning experience is an important activity in innovative organisations (Martins & Terblanche, 2003).

Conclusion 2: Market culture has no significant association with any outcomes of CRM system implementations.

The second conclusion relates to the relationship between organisational culture types and CRM system implementation outcomes. In the literature, Market culture is positively associated with customer philosophy, marketing information, strategic orientation (Leisen, Lilly, & Winsor, 2002) and TQM success (Dellana & Hauser, 1999). On the contrary, Market culture is also identified as a non-conducive organisational culture for Business-to-Business relationships (Paulin, Ferguson, & Salazar, 1999) and marketing information processes (Moorman, 1995). In this study, as in those studies, Market culture is not associated with any type of CRM system implementation outcomes.

This finding leads to the question as to why Market culture is not the most conducive type of organisational culture for CRM system implementation. The answer may be found by returning to the characteristics of Market culture. Market culture is characterised by direction, productivity, goal clarity and accomplishment. Derived from these characteristics, the first explanation as to why Market culture is not significantly associated with CRM system implementation outcomes is that Market culture emphasises competitive dominance rather than providing better customer value

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(Moorman, 1995; Paulin, Ferguson, & Salazar, 1999). Thus, Market culture may have stronger association with market profitability measures, such as market size and market share, more so than with customer profitability and process efficiency measures included in outcomes measures of CRM system implementation used in this study. Second, organisations with Market culture as their dominant culture emphasise productivity. In such an organisation, employees must work harder because low productivity could lead to downsizing. As a result, employees do not have extra time to generate new ideas and are not allowed to work on their favourite project (Martins & Terblanche, 2003) and this situation may lead to low job satisfaction levels.

In summary, the results of this study extend prior research by suggesting that a result-oriented organisation, characterised by direction, productivity, goal clarity and accomplishment, may not significantly lead to good CRM system implementation outcomes.

Conclusion 3: Clan culture has no significant positive association with good CRM system implementation outcomes. Moreover, Clan culture has a significant negative association with Customer-related outcomes of CRM system implementations.

The third conclusion relates to the relationships between organisational culture types and CRM system implementation outcomes. In the literature, Clan culture is not associated with market effectiveness (Leisen, Lilly, & Winsor, 2002), but is associated with Advanced Manufacturing Technology (AMT) implementation success (McDermott & Stock, 1999). Some Clan culture characteristics, such as trust and commitment, are positively related to market information transmission (Moorman, 1995). In this study, as in the first source cited above, Clan culture is not significantly associated with CRM system implementation outcomes. This research finding leads to the question as to why Clan culture is not the most conducive type of organisational culture for CRM system implementation. The answer may be found by returning to the characteristics of Clan culture. Clan culture is characterised by participation, commitment, openness and good morale. Although participation and commitment have been identified in previous studies as dimensions of organisational culture that are associated with good CRM performance, organisations with dominant Clan culture characteristics may not achieve good CRM outcomes because these consensual

characteristics of Clan culture may delay swift adaptation of the new technology (Srinivasan, Lilien, & Rangaswamy, 2002).

Moreover, from the exploratory analysis of the associations between Clan culture and each type of CRM system implementation outcome, Clan culture has a significant negative association with good Customer-related outcomes of CRM system implementations. One possible explanation is that Clan culture may not generate the risk taking and innovative behaviours and a strong sense of ownership (Kerr & Slocum Jr, 2005) that are required for customer-focus activities in CRM. Another possible explanation is that participation may increase the opportunity for people involved in the initiative to influence other people for their own benefits. People are more likely to engage in '*office politics*' and this kind of situation is not likely to produce good outcomes from the initiative (Collier, Fishwick, & Floyd, 2004).

In summary, these results extend prior research by suggesting that a very friendly organisation, characterised by participation, commitment, openness and good morale may not significantly lead to good CRM system implementation outcomes. Moreover, it could be a barrier to the achievement of positive Customer-related outcomes of CRM system implementations.

Conclusion 4: Hierarchy culture has a significant positive association with good Customer-related outcomes of CRM system implementations.

The fourth conclusion relates to the relationships between organisational culture types and CRM system implementation outcomes. In the literature, Hierarchy culture is not significantly associated with market information processes (Moorman, 1995), but is positively associated with operational efficiency, marketing information, strategic orientation (Leisen, Lilly, & Winsor, 2002) and intranet implementation (Ruppel & Harrington, 2000). Furthermore, Hierarchy culture is negatively associated with technological opportunism (Srinivasan, Lilien, & Rangaswamy, 2002). Agreeing with the first citation above, in this study, Hierarchy culture is not significantly associated with the overall CRM system implementation outcomes. One possible explanation as to why Hierarchy culture is not the most conducive type of organisational culture for achieving CRM system implementation outcomes is that, with an emphasis on control

and stability alone, Hierarchy culture is unable to gain competitive advantage (Petrock, 1996).

However, from exploratory analysis, Hierarchy culture is positively associated with Customer-related outcomes of CRM system implementations. This research finding raises the question as to why Hierarchy culture is positively associated with Customer-related outcomes of CRM system implementations. A possible explanation is that managing customer information to execute customer strategy is an important process in CRM system implementation. The information intelligence about customers helps the organisation to create propositions that deliver value to customers (Verhoef & Langerak, 2002) and may lead to positive Customer-related outcomes of CRM system implementations.

Conclusion 5: External culture orientation has a higher degree of significant positive association with good CRM system implementation outcomes than its opposite, Internal culture orientation. External culture orientation has significant positive associations with good Financial, Customer and Process-related outcomes of CRM system implementations. Internal culture orientation has no significant association with any outcomes of CRM system implementations.

The fifth conclusion relates to the relationships between organisational culture orientations and CRM system implementation outcomes. External culture orientation is a balanced organisational culture comprising elements of Adhocracy culture and Market culture, and characterised by innovation, external support, adaptability, growth, productivity, direction, goal clarity and accomplishment. In the literature, External culture orientation is positively associated with technology implementation outcomes in manufacturing companies (Stock & McDermott, 2000). This research finding agrees with the above literature that an externally-oriented organisation, in which people are taking risks and committed to innovation with an emphasis on achieving measurable goals, may contribute to the achievement of good CRM system implementation outcomes more than a formal but friendly organisation with internal focus.

Exploratory analysis shows that External culture orientation has better positive associations with Financial, Customer and Process-related outcomes, more so than with People-related outcomes of CRM system implementations. Derived from the

characteristics of External culture orientation, that is a balanced organisational culture comprising elements of Adhocracy culture and Market culture, both organisational cultures emphasise achieving better organisational performance, such as organisational growth and status as market, product or service leader. Thus, achieving excellent Financial and Customer-related outcomes of CRM system implementation is essential for externally-oriented organisations. Similarly, in externally-oriented organisations, people focus on getting the job done by being innovative and taking risks. Thus, having process efficiency and timeliness are part of organisations' CRM objectives in order to be at the leading edge and dominating the market.

In summary, these results extend prior research by suggesting that organisations with External culture orientation, that is a balanced organisational culture comprising elements of Adhocracy culture and Market culture, may lead to good CRM system implementation outcomes. A Market culture alone may not lead to good CRM system implementation outcomes, but having a balanced organisational culture comprising elements of Market culture and Adhocracy culture may help achieve good CRM system implementation outcomes.

Conclusion 6: Flexible culture orientation has a higher degree of significant association with good CRM system implementation outcomes than its opposite, Control culture orientation. Flexible culture orientation has a significant positive association with People-related outcomes of CRM system implementations. Control culture orientation has a significant positive association with Customer-related outcomes of CRM system implementations.

The sixth conclusion relates to the relationships between organisational culture orientations and CRM system implementation outcomes. In the literature, Flexible culture orientation has a better association with TQM success than its opposite, Control culture orientation (Dellana & Hauser, 1999). The research finding in this study agrees with the above literature, that a flexibility-oriented organisation, with commitment to innovation and willingness to take risk and an emphasis on rewards, teamwork, sharing information and decentralised decision making, has a significant positive association with CRM system implementation outcomes than its opposite, an organisational culture which is controlled and formal but competitive and result-oriented. One possible explanation as to why Flexible culture orientation is better associated with CRM system

implementation outcomes is that sales people need some flexibility to make their own decisions for their sales activities and some freedom to achieve their sales objectives (Quigley Jr. & Bingham Jr., 1999).

Exploratory analysis shows that Flexible culture orientation has a positive association only with People-related outcomes of CRM system implementations. Flexible culture orientation is a balanced organisational culture comprising elements of Adhocracy culture and Clan culture. This finding confirms the proposition advanced in this study that a flexibility-oriented organisation may have the best People-related outcomes of CRM system implementation, because it emphasises the long-term benefit of human resources development and concern for people and encourages individual initiative and freedom.

Exploratory analysis also shows that Control culture orientation has positive associations only with Customer-related outcomes of CRM system implementations. Control culture orientation is a balanced organisational culture comprising elements of Market culture and Hierarchy culture. This research finding agrees with the literature. In the literature, there is a positive relationship between behavioural-control and sales behaviour performance. In behavioural-control organisation, sales managers provide guidelines to sales people on how to achieve sales and organisations goals. There is also a positive influence of behaviour control on customer satisfaction (Baldauf, Cravens, & Piercy, 2005).

In summary, these results extend prior research by suggesting that organisations with Flexible culture orientation or the balanced organisational culture comprising elements of Adhocracy culture and Clan culture may lead to better CRM system implementation outcomes. A Clan culture alone may not contribute to the achievement of good CRM system implementation outcomes, but having a balanced organisational culture comprising elements of Clan culture and Adhocracy culture may help achieve good CRM system implementation outcomes.

7.2.2   The Strength of Organisational Culture and CRM Outcomes Relationship

In this section, it is concluded that the innovative characteristics of the CRM system do not moderate the strength of the relationship between organisational culture and CRM

system implementation outcomes. A moderator variable is another independent variable that affects the relationship between an independent and dependent variable (Hair Jr, Anderson, Tatham, & Black, 1998). The following section will discuss this conclusion in detail.

Conclusion 7: Perceived ease of use does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes.

The seventh conclusion relates to the perceived ease of using the CRM system as a possible moderator on the strength of the relationship between organisational culture and CRM system implementation outcomes. The research findings show that the perceived ease of using the CRM system does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes.

In the literature, if sales people perceive the CRM system to be easy to use and useful, they are more likely to adopt and use it in their daily activities (Avlonitis & Panagopoulos, 2005; Reinartz & Chugh, 2003) and this lead to good CRM system implementation outcomes (Roh, Ahn, & Han, 2005). From the research finding in this study, in addition to organisational culture, the perceived ease of using the CRM system is not a predictor of CRM system implementation outcomes. Thus, this study does not confirm the literature cited above.

From previous conclusions in this study, Adhocracy culture, External and Flexible culture orientations have significant positive associations with CRM system implementation outcomes. Both External and Flexible culture orientations have similar characteristics within the Adhocracy culture that emphasise being at the leading edge, whereby people in these organisations are creative, taking risks and committed to experiment and innovation. These research findings extend the literature by suggesting that, regardless of whether the CRM system is easy to use or not, having an organisational culture conducive to the implementation of CRM system is still an important factor for the achievement of good CRM outcomes.

Conclusion 8: Technical compatibility does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes.

The eighth conclusion relates to compatibility of the CRM system with existing systems as a possible moderator on the strength of the relationship between organisational culture and CRM system implementation outcomes. The moderator test results show that compatibility of the CRM system with existing systems does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes. The results also show that, in addition to organisational culture, technical compatibility is not associated with CRM system implementation outcomes. This finding agrees with the literature. In the literature, technical compatibility is not associated with ERP implementation success (Bradford & Florin, 2003). However, this research finding extends the literature by suggesting that, regardless of whether the CRM system is compatible or incompatible with existing systems, having an organisational culture conducive to the implementation of CRM system is still an important factor for the achievement of good CRM outcomes.

In the next section, it is concluded that for the environmental/market conditions in which organisations operate, only market turbulence moderates the strength of the relationship between organisational culture and CRM system implementation outcomes. The following section will discuss this conclusion in detail.

Conclusion 9: Competitive intensity does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes.

The ninth conclusion relates to competitive intensity as a possible moderator on the strength of the relationship between organisational culture and CRM system implementation outcomes. The moderator test results show that competitive intensity does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes. This research finding is consistent with Jaworski and Kohli's (1993) and Slater and Narver's (1994) findings that competitive intensity has little effect on the strength of the market orientation-performance relationship. This research finding suggests that, regardless of the level of

competitive intensity in the environment in which the organisation operates, having an organisational culture conducive to the implementation of CRM system is still an important factor for the achievement of good CRM outcomes. One possible explanation as to why competitive intensity does not moderate the strength of the relationship between organisational culture and CRM system implementation outcomes is that externally-oriented and flexibility-oriented organisations are prepared for achieving better performance in any competitive market situations (Slater & Narver, 1994). Thus, this finding extends the literature by determining that the role of organisational culture in CRM system implementation is as important in highly competitive environment as it is in environments with low levels of competition.

Conclusion 10: Market turbulence significantly moderates the strength of the relationship between organisational culture, in particular External culture orientation, and CRM system implementation outcomes.

The tenth conclusion relates to market turbulence as a possible moderator on the strength of the relationship between organisational culture and CRM system implementation outcomes. The moderator test results show that market turbulence significantly moderates the strength of the relationship between organisational culture and CRM system implementation outcomes, particularly in externally-oriented organisations. This research finding disagrees with Jaworski and Kohli's (1993) and Slater and Narver's (1994) findings that market turbulence has little effect on the strength of the market orientation-performance relationship.

This research finding shows that the interaction effects of increased market turbulence with External culture orientation contribute to poorer outcomes of CRM system implementations. This suggests that organisations operating in highly turbulent markets have a greater need to be more externally-oriented in order to achieve better CRM system implementation outcomes, compared to organisations operating in stable markets. External culture orientation is more important during high market turbulence to achieve good CRM system implementation outcomes because in a turbulent market, customers' needs and preferences are constantly changing. Organisations facing market turbulence are required to be more receptive to any change initiatives in order to meet customers' changing needs.

This finding extends the literature by suggesting that organisational culture is likely to be more strongly related to CRM system implementation outcomes in turbulent markets than in stable markets. Thus, the greater the extent of market turbulence, the stronger is the association between organisational culture, in particular External culture orientation, and CRM system implementation outcomes.

7.2.3 The Type of CRM Initiative being pursued and CRM Outcomes Relationship

Conclusion 11: The type of CRM initiative being pursued is not significantly associated with CRM system implementation outcomes.

The last conclusion relates to the role of the type of CRM initiative being pursued in CRM system implementation outcomes. This research findings suggest that the type of CRM initiative being pursued (Strategic, Operational or Analytical) is not significantly associated with CRM system implementation outcomes. Thus, the results suggest that the achievement of good CRM system implementation outcomes is not determined by the type of CRM initiative being pursued. Strategic objectives of implementing CRM may be as important as Operational and Analytical objectives of CRM implementation.

7.2.4 Summary of Conclusions

CRM system implementation may require three important factors: people, process and technology to be successful. Recently, interest has been growing in identifying and testing the relationship between CRM key success factors and CRM performance, in particular between CRM processes and CRM implementation outcomes. Until now, there has been no report on any empirical study of the relationship between organisational culture and CRM system implementation outcomes. Many authors have suggested possible organisational culture characteristics conducive to CRM system implementation, such as cross functional teams, empowerment, risk, innovation, job security, commitment, participation, teamwork, customer-centric culture, rewards for customer-centric behaviour, adaptability and information sharing. However, these previous reports provide little empirical evidence on the association between organisational culture and the success of CRM system implementation. Thus, the purpose of this study is to test empirically several hypotheses advanced in the literature

regarding organisational culture and CRM system implementation outcomes. In particular, this research provides the first investigation on the association between organisational culture in Australia, defined by the Organisational Culture Assessment Instrument (OCAI) and CRM system implementation success, measured by the CRM balanced scorecard. Structural Equation Modelling is used to analyse the reliability and validity of the data, and path analysis and multiple regressions are used to determine the relationships between variables.

Table 7.1 Summary of conclusions

No.	Conclusions
1	Among four organisational culture types, Adhocracy culture has the highest degree of significant positive association with good CRM system implementation outcomes. In addition, Adhocracy culture has significant positive associations with Financial and Customer-related outcomes of CRM system implementations
2	Market culture has no significant association with any outcomes of CRM system implementations
3	Clan culture has no significant positive association with good CRM system implementation outcomes. Moreover, Clan culture has a significant negative association with Customer-related outcomes of CRM system implementations
4	Hierarchy culture has a significant positive association with good Customer-related outcomes of CRM system implementations
5	External culture orientation has a higher degree of significant positive association with good CRM system implementation outcomes than its opposite, Internal culture orientation. External culture orientation has significant positive associations with good Financial, Customer and Process-related outcomes of CRM system implementations. Internal culture orientation has no significant association with any outcomes of CRM system implementations
6	Flexible culture orientation has a higher degree of significant positive association with good CRM system implementation outcomes than its opposite, Control culture orientation. Flexible culture orientation has a significant positive association with People-related outcomes of CRM system implementations. Control culture has a significant positive association with Customer-related outcomes of CRM system implementations
7	Perceived ease of use does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes
8	Technical compatibility does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes
9	Competitive intensity does not significantly moderate the strength of the relationship between organisational culture and CRM system implementation outcomes
10	Market turbulence significantly moderates the strength of the relationship between organisational culture, in particular, External culture orientation and CRM system implementation outcomes
11	The type of CRM initiative being pursued is not significantly associated with CRM system implementation outcomes

The results of this study suggest several culture characteristics that are significantly related to CRM system implementation outcomes. Among the four types of culture identified by the Competing Values Model, Adhocracy culture has the highest

association with good CRM system implementation outcomes. Characteristics of the Adhocracy culture are innovation, adaptability, external support, and growth. A balanced culture comprising elements of both Adhocracy culture and Clan culture (that is a flexible culture orientation) is more strongly associated with good CRM system implementation outcomes than its opposite, control culture orientation. Similarly, a balanced culture comprising elements of Adhocracy culture and Market culture (that is an external culture orientation) is more strongly associated with good CRM system implementation outcomes than the opposite, internal culture orientation. This study also discovers that only one of the assessed variables, market turbulence, moderates the relationship between organisational culture and CRM outcomes; while perceived ease of use, technical compatibility and competitive intensity do not moderate this relationship. Finally, this study also identifies that the type of CRM initiative being pursued is not associated with variance in CRM system implementation outcomes. This study concludes that organisational culture is an important factor to achieve good CRM system implementation outcomes, and that having an organisational culture conducive to the implementation of CRM system is more important for organisations that operate in highly turbulent markets than organisations that operate in low market turbulence.

Accordingly, from summary of conclusions in table 7.1, this study has several contributions to the knowledge and implications for practice and policies, which will be discussed in the next section.

7.3 Contributions and Implications

From the conclusions identified in this study, these research findings make an important contribution to the body of knowledge about CRM implementation, in particular the role of organisational culture in CRM system implementation. In addition to testing the theory, the research findings are useful for management practice and policies for undertaking change, which are directed at building an organisational culture conducive for the achievement of good CRM system implementation outcomes.

7.3.1 Contributions to Knowledge

Contribution 1: Organisational culture is associated with CRM system implementation outcomes. However, some organisational cultures are more important than other and contribute differently to the achievement of good CRM outcomes.

This research has several contributions to organisational culture and CRM theories. First, the research findings confirm that CRM system implementation may require externally-oriented culture characteristics to be successful. These are innovation, external support, adaptation and growth, which form Adhocracy culture, and direction, productivity, goal clarity and accomplishment, which form Market culture. The research findings also confirm that CRM system implementation may require Flexible culture orientation characteristics to be successful, such as those four organisational culture characteristics that form Adhocracy culture, and participation, commitment, openness and morale, which form Clan culture.

Second, the research findings provide evidence that in implementing CRM systems, some organisational cultures are more important than others. Adhocracy culture is more important than the other three organisational culture types. External culture orientation is more important than the opposite, Internal culture orientation, and Flexible culture orientation is more important than the opposite, Control culture orientation.

Contribution 2: Innovative characteristics of the CRM system do not moderate and the strength of the relationship between organisational culture and CRM system implementation outcomes.

As mentioned above, CRM system implementation may require three important factors: people, process and technology to be successful. CRM process has been identified as an important factor to achieve good CRM performance (Jayachandran, Sharma, Kaufman, & Raman, 2005; Reinartz, Krafft, & Hoyer, 2004). In Jayachandran et al.'s (2005) study, CRM technology use positively moderates the relationship between CRM processes and CRM performance, while in Reinartz et al.'s (2005) study the CRM technology does not moderate the relationships between CRM processes and business performance. The results do not support the hypothesised moderating effects for the

innovative characteristics of the CRM system on the relationship between organisational culture and CRM system implementation outcomes. This implies that regardless of whether the CRM system is easy to use or compatible with existing systems, the organisation still requires an organisational culture conducive to the implementation of CRM system to achieve good CRM outcomes.

Contribution 3: Market turbulence moderates the strength of the relationship between organisational culture, in particular External culture orientation, and CRM system implementation outcomes.

External environments in which organisations operate influence the strategy selections for them to survive. Hostile environments, such as those characteristics by high competition and market turbulence, may encourage organisations to achieve good CRM system implementation outcomes. In this study, competitive intensity does not moderate the strength of the relationship between organisational culture and CRM system implementation outcomes, while market turbulence moderates the strength of the relationship between organisational culture, in particular External culture orientation, and CRM system implementation outcomes. This research finding confirms that organisational culture conducive to the implementation of CRM system is as important in high competition as it is in low competition environments. However, this organisational culture is more important in turbulent markets than in stable markets.

7.3.2   Implications for Practice and Policy

Implication 1: Organisational culture is an important factor to achieve good CRM system implementation outcomes.

The first implication relates to several recommendations for managers in implementing CRM systems. Organisational culture is an important factor to achieve good CRM system implementation outcomes. Achieving the full potential from CRM system implementation lies in management's ability to manage the culture of organisation. First, managers need to assess the dominant culture in their organisations. Organisational culture assessment may be completed before implementing CRM system to evaluate the strengths and weaknesses of organisational culture. Second, as the importance of each type of organisational culture and culture orientation varies with

each type of CRM outcome, it is necessary that managers nurture organisational cultures that are more conducive to CRM system implementation. The evidence presented in this study suggests that the attributes reflected in the Adhocracy culture are generally a better condition for achieving good CRM system implementation outcomes. Organisational culture may need to be altered into a more dominant Adhocracy culture to achieve good CRM system implementation outcomes. However, managers are cautioned against attempting a drastic change toward an Adhocracy culture, because External and Flexible culture orientations may also work well for CRM.

In the CRM context, change management is comprised of two main activities: to improve business performance through changes in processes, system and structures, and to handle the people involved in the above-mentioned changes, in particular, helping them to deal with those changes (Kale, 2005). Mind-set training for every employee on a continuing basis may help an organisation to handle the human side of CRM implementation, in particular, to alter its organisational culture (Kale, 2005). The objective should be to shift people's mindset from the current organisational culture to a culture that is more conducive to CRM system implementation. The role of human resource is crucial to this training. In addition, organisations who have outsourced CRM implementation to CRM consultants would benefit if the CRM consultants have change management knowledge and implement it during CRM implementation (Pries & Stone, 2004).

Implication 2: Organisational culture is still an important factor to achieve good CRM system implementation outcomes, regardless of the perceived ease of using the CRM system and the compatibility of the CRM system with existing systems.

The second implication relates to recommendations for managers in implementing CRM systems. The perceived ease of using the CRM system and the compatibility of the CRM system with existing systems do not moderate the strength of the relationship between organisational culture and CRM system implementation outcomes. The results reinforce the importance of organisational culture in CRM system implementation. This finding is important for managers in an organisation implementing a CRM system that lacks an organisational culture conducive to the implementation of CRM system, as having a CRM system that is easy to use or compatible with existing systems does not

help that organisation to achieve good CRM outcomes. Thus, managers should strive to alter organisational culture in their efforts to attain better CRM outcomes.

Implication 3: Organisational culture is still an important factor to achieve good CRM system implementation outcomes, regardless of the competitive intensity of the environment in which the organisation operates.

The third implication relates to recommendations for managers in implementing CRM systems. The results of this study show that competitive intensity does not moderate the strength of the relationship between organisational culture and CRM system implementation outcomes. These results reinforce the importance of organisational culture in CRM system implementation. This finding could assist managers in organisations implementing a CRM system. If the organisation has the culture conducive to the implementation of CRM system, high level of competitive intensity in the environment in which the organisation operates may not affect the CRM implementation success. Similarly, if the organisation does not have the right culture for CRM system implementation, operating within low level of competitive intensity may not help that organisation to achieve good CRM system implementation outcomes. As such, managers should strive to alter organisational culture in their efforts to attain better CRM system implementation outcomes.

Implication 4: Organisational culture conducive to the implementation of CRM system is more important for an organisation operating in highly turbulent market as opposed to low market turbulence.

The fourth implication relates to recommendations for managers implementing CRM systems. The results of this study show that market turbulence moderates the strength of the relationship between organisational culture and CRM system implementation outcomes. This finding could assist managers in organisations implementing a CRM system that it is more important for organisations who operate in highly turbulent markets than in low turbulent markets to have an organisational culture conducive to the implementation of CRM system.

7.4   Limitations and Further Research

This research provides some new insights into the role of organisational culture on CRM system implementation outcomes. However, these findings should be viewed in light of some limitations. The limitations of scope of this research were justified in chapter three. Some limitations deserving further attention are discussed next.

7.4.1   Limitations of This Research

This section discusses limitations of this research. The first limitation is related to the research context. Organisational culture is a shared phenomenon and it is important to compare responses among members of the organisation. The organisation may have sub-cultures that are different from the dominant culture because the salesperson level or back-office staff may perceive organisational culture differently from people in customer-facing managerial positions. In this study organisational culture is viewed from the management's perspective and a single source is used for each organisation. The single source is more appropriate when organisations have a strong culture (Deal & Kennedy, 1982). These limitations are shared by previous studies on organisational culture in a marketing context, such as in White, Varadarajan and Dacin's study (2003), Homburg and Pflesser's study (2000), and Moorman's study (1995). Considering the difficulty in obtaining the culture data of organisations using multiple sources, a single source used in this study is an appropriate method to lessen this difficulty. In addition, the organisational culture scores and CRM outcomes scores reported here are based on self report data provided by customer-facing management in the sampled organisations. Self report data can cause bias in the research findings. Therefore, common method bias analysis is performed to test whether high correlations between organisational culture types as independent variables and CRM outcomes as the dependent variable are due to common method bias. The test results in appendix 13 suggest that the association between organisational culture and CRM outcomes have minimal method bias because the coefficient correlations between organisational culture types and CRM outcomes variables are still significant even after adjusting the common method bias.

The second limitation of this research relates to the sample. From a total of 134 responses received in this study, 75 percent or 101 organisations had implemented CRM system. This low response rate was anticipated because only organisations with a CRM

system in place could complete the survey. Previous studies on CRM outcomes published in leading marketing journals reported samples higher than 101, but they failed to specify the percentage of the sample that had actually implemented a CRM system or technology. Reinartz et al.'s (2004) study collected data from a sample of 211 organisations that had implemented CRM processes. Yim et al.'s (2004) study sampled 215 organisations that they assumed to have high degree of relationship orientation. In Jayachandran et al.'s study (2005), from a total of 172 responses, only 28 percent or 48 organisations had implemented CRM technology and only 21 of these responses were used in their measurement model. Thus, the sample size in this study is comparable to those published in leading journals such as Journal of Marketing and Journal of Marketing Research. However, this sample size limits the ability to use more sophisticated statistical analysis to provide additional support for the validity of the measures, for example, the use of Confirmatory Factor Analysis for all dimensions of organisational culture, CRM system implementation outcomes, and types of CRM initiatives, in a single structural model for each of these constructs. Similarly, the assessed variables in this study may act concurrently, but the sample size precludes an analysis of such joint moderating effects between the innovative characteristics of the CRM system and the environmental/market conditions in which organisations operate. The sample is also comprised of respondents from organisations operating within a variety of industries. Therefore, the research findings provide a broad perspective and may not accurately represent the characteristics of CRM system implementation of a particular industry.

The third limitation of this research relates to the measurement model evaluation results. Some of the one-factor congeneric models used in this study did not satisfy all criteria of good fit. The model was still accepted as adequate fit if it satisfied at least two criteria of good fit that includes GFI above 0.90, because GFI does not depend on sample size (Jöreskog, 1993). The factor loadings and construct reliability were considered in this study as additional measures for measurement model evaluation, to justify whether the construct is acceptable. In addition, item reliabilities for eight measurement variables had SMCs less than 0.30, which is equivalent to a standardised loading of less than 0.55, and construct reliability for one variable is below 0.60. These models were accepted for this study because they were carefully developed, but its applicability in later research is cautioned.

Despite the limitations raised, this research makes a valuable contribution to management theory and practice. Practitioners and researchers continually express their views that organisational culture matters in the CRM performance of organisations. The results of this study show that organisational culture is needed not only to differentiate one organisation from another. Rather, the empirical evidence suggests that having an organisational culture conducive to the implementation of CRM system is necessary for the achievement of good CRM outcomes.

7.4.2   Recommendations for Further Research

The first recommendation is related to the time and place in which this study was taken. All organisations participating in this study were Australian based. Different results may be found if this study is replicated in another country. Thus, in interpreting and generalising the results for this study's application in the culture change process in organisations during CRM system implementation, the bias of national culture needs to be taken into consideration. This is clearly a potential area for further research.

From a methodological point of view, data in this study were obtained from senior managers. Future study may also consider collecting organisational culture data from employees at different levels of organisations to obtain a broader sample and a better overview of the culture of the organisation. This would minimise any potential bias of having a single informant and also provide comparisons between employees' perceptions in all position levels.

CRM performance is, in fact, not unidimensional but rather a multidimensional construct and viewing CRM performance requires multiple performance dimensions. The significant relationships between CRM key success factors and CRM performance depends on the dependent variable used. If a different dependent variable is used, a predictor variable relationship with this dependent variable may not be as significant. Future study might explore measuring CRM performance in several ways, including Return on Investment from CRM, business performance, user satisfaction or other measures not included in the CRM balanced scorecard measures.

Finally, some dimensions that form organisational culture identified in this study as conducive to CRM system implementation need further investigation. An in-depth study

of a few organisations using observation or interview would be useful to identify the relationship between each dimension of organisational culture, for example, innovation and adaptability dimensions that form Adhocracy culture, and CRM performance. This qualitative study can be used to understand each organisational culture better and may provide more information to better understand the change efforts directed at altering organisational culture to be more conducive to the implementation of the CRM system.

7.4.3   Concluding Remarks

This study has suggested several organisational culture characteristics that are significantly related to good CRM system implementation outcomes. Among the four types of culture identified by the Competing Values Model, Adhocracy culture has the highest association with good CRM system implementation outcomes. Characteristics of the Adhocracy culture are innovation, adaptability, external support, and growth. A balanced culture comprising elements of both Adhocracy culture and Clan culture (that is a flexible culture orientation) is more strongly associated with good CRM system implementation outcomes than its opposite, control culture orientation. Similarly, a balanced culture comprising elements of Adhocracy culture and Market culture (that is an external culture orientation) is more strongly associated with good CRM system implementation outcomes than the opposite, internal culture orientation.

This study also has discovered that only one of the assessed variables, market turbulence, moderates the strength of the relationship between organisational culture and CRM outcomes. Perceived ease of use, technical compatibility and competitive intensity do not moderate this relationship. Finally, this study also has identified that the type of CRM initiative being pursued is not associated with variance in CRM system implementation outcomes.

In closing, this study concludes that organisational culture is an important factor for achieving good CRM system implementation outcomes, and that having an organisational culture conducive to the implementation of a CRM system is more important for organisations that operate in highly turbulent markets than organisations that operate in low market turbulence.