A STUDY OF THE RELATIONSHIP BETWEEN ORGANIZATION'S STRUCTURAL DIMENSIONS AND CUSTOMER RELATION MANAGEMENT IN HORMOZGANMELLI BANK

DR. SANJAR SALAJEGHE*; DR. ROSTAM POUR RASHIDI**; MOHAMMAD ALI KHOSRAVANI***; MASOUD RAJABI****

*Associate Professor,
Department of Management,
Kerman Branch, Islamic Azad University,
Kerman. Iran.
**Associate Professor,
Department of Management,
Kerman Branch, Islamic Azad University,
Kerman. Iran.
***Student,
Kish Branch, Islamic Azad University,
Kish, Iran.
****Faculty,
University of Tehran,
Kish International Campus,
Iran.

ABSTRACT

Organizations have adequately recognized that customers are their most important assets and think of the relation with customers as beneficial and interactional exchanges as well as opportunities that need management. Success in any organization and building good relationship with customers involves a structure that replies the customers in proportion with the organization's activities. Organizational structure is a way or method by which the organization's activities are divided, organized and coordinated. The main purpose of this article is investigating the relation between organization's structural dimensions and customer relation management in HormozganMeli Bank. This research has been conducted by use of periodic studies and correlation method with a 380-people statistical sample among the customers of HormozganMeli Bank. Two researcher-made questionnaires have been used for collecting data. The results revealed that there is a reverse relation between structural dimensions and customer relation management. The research data analysis showed that the less formal, elaborated, and centralized the decision-making is, the more improvement will occur in Meli Bank customer relation management. In fact, the responses of Meli Bank customers in this research reveal that the customers do wish a low level of elaboration, formality and centralization in the organization.

KEYWORDS: Organization's Structural Dimensions, Formality, Elaboration, Centralization, Customer Relation Management.
1. INTRODUCTION

The expression "customer relation management" has recently drawn abundant attention in the fields of marketing and information technology. Individuals from academies, software sellers and business counselors have particularly been involved in this field and have developed the concept of CRM, referring to the organization's attempts to create and present higher value to customers. Organizations have adequately recognized that customers are their most important assets and think of the relation with customers as beneficial and interactional exchanges as well as opportunities that need management (Plakoyiannaki, 2005). Through providing information on the customers' background and profiles, these systems support an important domain of the company's primary activities, especially in marketing, sales and services to customers (Ling and Yen, 2001).

Applying CRM systems leads to redesigning the customer-related processes. CRM involves an organizational strategy at all levels of business. It includes all the functions of organizations (marketing, production, services to customers etc.), which involve direct or indirect contact with customers (Elahi and Heidari, 2008). Another important concept nowadays emphasized in organizations is organizational structure, which refers to a way or method by which the organization's activities are divided, organized and coordinated. Organizations bring about structures so as to coordinate the activities of the executive factors and control the members' actions. Organizational structure is a framework for job relations, systems and operational processes as well as individuals and groups who try to achieve their goals (Borney, 1992:315). Organizational structure refers to a set of ways that divide work in definite duties and create coordination among them (Mintzberg, 1979:2). Organizations have passed the stage of evolution in their lives and have been in the center of change in this process in organizational structure.

2. PROBLEM DECLARATION

Success in any organization depends on its proper allocation and application of instruments, equipment, money, raw materials and human resources in its plans, and this is possible when organizations can coordinate the resources in accordance with the organizational goals (SeyedJavadodin, 2005). Organizational structure is a way or method by which the organization's activities are divided, organized and coordinated. Organizations bring about structures so as to coordinate the activities of the executive factors and control the members' actions. Organizational structure is shown in organizational charts, which are visible indicators of the whole activities and processes in organizations (Aarabi, Seyed Mohammad, 2006). Organizational structure is not merely a coordination mechanism, but it influences all organizational processes. Organizational structure refers to the organization's internal relation patterns, freedom of action and communication, and elucidates reporting relations, formal communication canals, responsibility assignment and decision-making investiture (Hodge and Anthony, 1991).

Organizational structure should be able to accelerate and facilitate the decision-making process, have quick and appropriate reaction to the environment, solve the conflicts among the units, and most importantly, meet the customers' needs. The relationship among the main
components of the organization and creating coordination in the activities toward fulfillment of the customers' needs is an important task of organizational structure.

Organizational structure reflects systemic thought. An organization is composed of elements and the relations among the elements which constitute a unique set as a whole (Wang and Ahmed, 2006). Organizational structure is not made up of merely hard components such as individuals, groups, teams, offices, etc., but it also involves such factors as relations among organizational elements. According to Buange, organizational structure is an excellent combination of relations. It is these relations among the components that form the basis of the organization's activities (Buange, 1985).

The studies on organizational structure have focused on different dimensions to describe organizational structure. For instance, Robins (1987) introduced the organization's main structural dimensions as formality, centralization, investiture, supervision, segregation, levels of hierarchy and elaboration, and expressed that different structures result from different combinations of these three dimensions.

Shine (1998) described organizational structure as the basis of three dimensions, namely: hierarchy, duty and inclusion. He believes that the hierarchy dimension indicates relative levels which are somehow similar to organizational chart. The duty dimension indicates different types of actions that should be done in the organization. The inclusion dimension indicates the individuals' distance from the central core of the organization.

The combination of the above dimensions indicates the organization's formal structure reflected in organizational chart. This framework describes merely the organization's formal structure and ignores the delicate energy lying under the organizational chart. This hidden energy generally refers to the non-formal structure and relations and plays an important part in the new process-based organizations such as network organizations or knowledge-based organizations (Wang and Ahmed, 2003).

Among the different organizational dimensions, the three dimensions of centralization, formality and elaboration are emphasized by most organizational theorists (Fry and Slocum, 1984). Structural dimensions indicate the organization's internal characteristics and strengths or weaknesses of each of these three dimensions affect the general formation of organizational structure. It is noticeable that these factors are directly or indirectly hidden in these three dimensions.

The issue of structural dimensions and its relation with customer relation management has been investigated in this research. Customer relation management refers to all processes employed by organizations for identification, selection, motivation, development, maintenance and services to customers (Heidari and Ekhvan, 2009). Customer relation management is a strategy used to obtain more information about the customers' needs and behavior in order to communicate more easily with them. A good relation with customers is the key to success in organizational processes. A part of an organization's strategy for identifying customers is keeping them satisfied and turning them into permanent customers. CRM also aids organizations in order to maximize the customers' value. The primary task of CRM is facilitating the customer
relation with the organization without temporal, locative and nationality-related limitations, so that the customers feel that they have contact with the organization which appreciates them and fulfills their needs using the fastest and easiest communicative method (Heidari and Ekhvan, 2009).

Therefore, understanding the factors affecting customer relation management is considerably important, since the organization's structural dimensions includes all types of investment in relation with customers, which supports the organization's growth and development. Accordingly, fulfillment of the customers' needs will lead to the organization's long-term efficiency. The main question in this research is: "to what extent can the structural dimensions of an organization affect customer relation management in BandarabasMeli Bank branches".

The method used in this research concerning the theoretical and experimental background is as follows:

3. THE RESEARCH HYPOTHESES

With regard to the goals of this research, the hypotheses are defined in the following way:

1. There is a relation between formality and effectiveness of customer relation management.

2. There is a relation between centralization and effectiveness of customer relation management.

3. There is a relation between elaboration and effectiveness of customer relation management.

4. THE RESEARCH METHODOLOGY

This is an applied research in objective, and descriptive of correlation type on the basis of the data-collection procedure. The statistical population consists of all the customers of the different Meli Bank branches in Bandarabas, which is measured by Kokeran formula in the following way:

\[ n = \frac{nt^2pq}{nd^2 + t^2pq} \]

\[ n = \frac{40000 \times (1.96)^2 \times 0.5 \times 0.5}{40000 \times 0.05^2 + (1.96)^2 \times 0.5} = 380 \]
The sampling method used was based on class random, that is, at first, the whole branches of BandarabasMeli Bank were recognized, then they were classified on the basis of their degree and ranking that had been specified by the Bank management of Hormozgan province. The higher their degree, the more they will be sampled.

Having extracted the data through the questionnaire, we made use of SPSS software for data analysis. Inferential statistics was also used for accepting or rejecting the hypotheses. The research method used was correlation of regression type.

5. THE FINDINGS

Out of the 380 questionnaires returned, 305 questionnaires (80.8%) had been filled out by males and 75 questionnaires (19.2%) questionnaires had been completed by females. Analyzing the educational level of the researchers, we found that 10.4% of the respondents M.A degree or higher, 42.2% had B.A, 15.2% had associates degree, 28.7% had diploma, and 3.5% had below-diploma degrees. The respondents' age distribution showed that 7% of the respondents were 30 years of age and younger, 53% were between 31 and 40 years old, and 40% were 41 years and older.

TABLE1. AVERAGE AND STANDARD DEVIATION OF THE RESEARCH VARIABLES

<table>
<thead>
<tr>
<th>Variables</th>
<th>Average</th>
<th>Standard Deviation</th>
<th>Number of The Tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural dimensions</td>
<td>73.5</td>
<td>7.3</td>
<td>380</td>
</tr>
<tr>
<td>centralization</td>
<td>53.5</td>
<td>5.76</td>
<td>380</td>
</tr>
<tr>
<td>formality</td>
<td>42.26</td>
<td>5.68</td>
<td>380</td>
</tr>
<tr>
<td>elaboration</td>
<td>18.90</td>
<td>3.55</td>
<td>380</td>
</tr>
<tr>
<td>Customer Relation</td>
<td>42.5</td>
<td>9.8</td>
<td>380</td>
</tr>
</tbody>
</table>

As table 2 shows, the centralization variable has the highest average (53.5) and the elaboration variable has the lowest average (18.90). Having investigated the data obtained from the questionnaire, we used Spearman Correlation Test to each of the main and peripheral hypotheses, and we arrived at the following conclusions:

Main Hypothesis: There is a relation between the organization's structural dimensions and customer relation management in BabdarabasMeli Bank branches.

Considering Spearman Correlation Coefficient which has the significance 0.465, which is less than the level of significance 0.05, we can conclude that there is a significant statistical relation between the organization’s structural dimensions and effectiveness of customer relation management in BabdarabasMeli Bank branches.
TABLE2. SIGNIFICANT STATISTICAL RELATION BETWEEN THE ORGANIZATION’S STRUCTURAL DIMENSIONS AND EFFECTIVENESS OF CRM

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Customer Relation Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Dimensions</td>
<td>Intensity</td>
<td>0.469</td>
</tr>
<tr>
<td></td>
<td>Significance</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>380</td>
</tr>
</tbody>
</table>

H1: There is a relation between centralization and effectiveness of customer relation management.

Considering Spearman Correlation Coefficient which has the significance 0.435, which is less than the level of significance 0.05, we can conclude that there is a significant statistical relation of reverse type between centralization in organization and effectiveness of customer relation management in BabdarabasMeli Bank branches.

TABLE3. SIGNIFICANT STATISTICAL RELATION OF REVERSE TYPE BETWEEN CENTRALIZATION IN ORGANIZATION AND EFFECTIVENESS OF CRM

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Customer Relation Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralization</td>
<td>Intensity</td>
<td>0.435</td>
</tr>
<tr>
<td></td>
<td>Significance</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>380</td>
</tr>
</tbody>
</table>

H2. There is a relation between formality and effectiveness of customer relation management.

Considering Spearman Correlation Coefficient which has the significance 0.309, which is less than the level of significance 0.05, we can conclude that there is a significant statistical relation of reverse type between formality and effectiveness of customer relation management in BabdarabasMeli Bank branches.

H3. There is a relation between elaboration and effectiveness of customer relation management.

TABLE4. SIGNIFICANT STATISTICAL RELATION OF REVERSE TYPE BETWEEN FORMALITY AND EFFECTIVENESS OF CRM

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Customer Relation Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Formality</td>
<td>Intensity</td>
<td>0.309</td>
</tr>
<tr>
<td></td>
<td>Significance</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>380</td>
</tr>
</tbody>
</table>

Considering Spearman Correlation Coefficient which has the significance 0.416, which is less than the level of significance 0.05, we can conclude that there is a significant statistical relation
of reverse type between elaboration in organization and effectiveness of customer relation management in BabdarabasMeli Bank branches.

**TABLE5. SIGNIFICANT STATISTICAL RELATION OF REVERSE TYPE BETWEEN ELABORATION IN ORGANIZATION AND EFFECTIVENESS OF CRM**

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Customer Relation Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Elaboration</td>
<td>Intensity</td>
<td>0.416</td>
</tr>
<tr>
<td></td>
<td>Significance</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>380</td>
</tr>
</tbody>
</table>

To sum it up, the results of the research is shown in this way:

**TABLE6. THE RESULTS OF THE RESEARCH HYPOTHESES**

<table>
<thead>
<tr>
<th>No</th>
<th>Hypotheses</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Temporary Acception</td>
</tr>
<tr>
<td>Detailed Hypotheses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>There is a significant relation between centralization and effectiveness of customer relation management.</td>
<td>*</td>
</tr>
<tr>
<td>2</td>
<td>There is a significant relation between centralization and effectiveness of customer relation management.</td>
<td>*</td>
</tr>
<tr>
<td>3</td>
<td>There is a significant relation between elaboration and effectiveness of customer relation management.</td>
<td>*</td>
</tr>
</tbody>
</table>

The results of the research main hypothesis

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a significant relation between the organization's structural dimensions and customer relation management in BabdarabasMeli Bank branches.</td>
<td>*</td>
</tr>
</tbody>
</table>

**6. CONCLUDING REMARKS**

Organizations have developed the concept of CRM which refers to organizations' attempts to create and present higher value to customers. Organizations have adequately recognized that customers are their most important assets and think of the relation with customers as beneficial and interactional exchanges as well as opportunities that need management (Plakoyiannaki, 2005). Customer relation management is a strategy used to obtain more information about the customers' needs and behavior in order to communicate more easily with them. A good relation with customers is the key to success in organizational processes. A part of an organization's strategy for identifying customers is keeping them satisfied and turning them into permanent
customers. Organizations require an organized and systematic plan in order to create such a relation with customers. Organizational structure is a way or method by which the organization's activities are divided, organized and coordinated. Organizational structure should be able to accelerate and facilitate the decision-making process, have quick and appropriate reaction to the environment, solve the conflicts among the units, and most importantly, meet the customers' needs. The relationship among the main components of the organization and creating coordination in the activities toward fulfillment of the customers' needs is an important task of organizational structure.

The existence of a significant association between was also accepted in the research hypotheses, although no research was found in this field to be compared with the present research, but we suffice with the experts' statements and arguments in the field:

1. Statistical conclusions reveal that there is a negative significant relation between centralization in organizations and customer relation management in BandarabasMeli Bank branches. Based on the statistical results obtained from the data analysis, one can claim that there is a linear significant relation between these two variables, and with the negative coefficients measured, there is a reverse relation between centralization and customer relation management. Based on this relation, one can come to the conclusion that customer relation management will improve as organizations progress toward decentralization and the decisions are made in organizations.

2. The statistical measurements indicate that there is a significant negative relation between organizational formality and customer relation management in BandarabasMeli Bank branches. Based on the statistical results obtained from the data analysis, one can claim that there is a linear significant relation between these two variables, and with the negative coefficients measured, there is a reverse relation between organizational formality and customer relation management. This means that in customers' view, customer relation management will improve, relation with customers will increase and customers will be more satisfied with the organization as soon as the formal rigid rules and regulations in BandarabasMeli Bank disappear.

3. The statistical measurements indicate that there is a significant negative relation between organizational elaboration and customer relation management in BandarabasMeli Bank branches. Based on the statistical results obtained from the data analysis, one can claim that there is a linear significant relation between these two variables, and with the negative coefficients measured, there is a reverse relation between organizational elaboration and customer relation management. This means that in customers' view, customer relation management will improve in proportion with a decrease in the organization's elaboration level, hierarchy and the individuals' distance.

Based on the data analysis and correlation coefficients which indicate the existence of a connection between centralization and customer relation management, it is recommended that managers resort to task investiture at least in cases where the bank employees are potentially capable of making decisions, and then turn to decentralization in order to increase customer satisfaction, and make use of the benefits of customer relation management.
Based on the reverse and significant relation between organizational elaboration and customer relation management, it is recommended that organizations order and organize their affair in such a way that the customers will not be confused for service reception. In other words, customers should not do additional and hierarchical tasks in order to receive a service, so that customer satisfaction will be achieved.

REFERENCES


