



**BRUNEL UNIVERSITY, LONDON**

**The Effect of Organisational Culture and Leadership  
on CRM Implementation in Saudi Arabian organisations**

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## ABSTRACT

Past studies have talked about the impact of leadership or impact of culture on implementation of Customer Relationship Management (CRM) systems. Implementation of CRM is considered as a change process and most authors agree that leadership and culture play an important role in change projects. However, past research does not look at the combined impact of leadership and culture on implementation of CRM and also, how leadership and culture affect each other. Leaders are argued to be the architects as well as the products of organisational culture and hence understanding of their relationship is critical to develop leadership approaches for the implementation of CRM in different contexts.

This study aims to explore how CRM implementation is impacted by the organisational culture and leadership in Saudi Arabian organisations. Three companies, Company (A), Company (B) and Company (C) were used as case studies. Data was collected using semi structured interviews. This thesis finds that leadership plays a very critical role in implementation of CRM in Saudi Arabia especially because leadership has the capability to influence culture as well, especially in high power distance societies like Saudi Arabia. Findings from case study organisations indicate that leaders adopted transactional and autocratic leadership styles in implementation of CRM. These leadership styles have resulted in a number of problems in coordination, communication and implementation of CRM as well as low levels of interaction between top management and the employees working at the front end. This study finds that an autocratic leadership style negatively influences customers' experience in customer-oriented industries. Moreover, organisational culture plays an important role in implementation of CRM system. It shapes how employees interact with each other and how they interact with their superiors and subordinates and guides employees about what to do and what not to do, including practices, values, and assumptions about their work. This study also found that organisational culture plays an important role in planning implementation and effectiveness of CRM systems in organisations. If there is a mismatch between organisational culture and an information system, it can lead to a number of problems such as delays in offering services to customers.

## **Dedication**

This thesis is lovingly dedicated to my mother, whose reverence for education, for her endless love, continuous support and prayers.

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# **Chapter 1: Introduction**

## **1.1 Introduction**

Customer Relationship Management (CRM) has emerged as a key area of research in management studies as the new dynamics of the business world, dominated by customer power, take shape (Hysi, Axhami and Gura, 2015). Customers have gained more power owing to information technology which not only makes information easier and cheaper to access but also allows customers to express their views and share their experiences with others (Rabaa'i 2009). This means that firms' reputation built on customer feedback has become a key source of competitive advantage leading to changing management shift towards more customer focus. CRM helps firms in staying abreast of their target audiences' interests and concerns (Zaglago et al. 2013).

In the recent years, information systems (IS) such as CRM and Enterprise Resource Planning (ERP) have become commonly heard terms across several industries. Moreover, there has been increasing interest in CRM research and review to determine the application of the various CRM that exist on work culture (Ke and Wei, 2008). Furthermore, research has been targeting cross-cultural differences in the use of information and technology. Role of culture in Information Systems Management is the field that studies how the IS and technologies are designed, managed and applied in the cultural context (Al-Duwailah and Ali, 2013; Zaglago et al. 2013; Garrido-Moreno and Padilla-Melendez, 2011).

Mostly, they anticipate that cultural differences in application and management of CRM and technology have a negative affect (Ngwenyama and Nielsen, 2014; Davison and Martinsons, 2003). They claim that because of cultural differences, each aspect of the process in applying the CRM and technology methods is affected differently (Feng, 2006).

Currently, in the market, it has become important for companies to find and maintain their customers, as it is more expensive to gain new customers as opposed to maintaining the available clientele (Stein and Smith, 2009). And therefore, companies try to relate to their current clientele in any way they can to maintain their interests. Establishing relationships is a

well thought out and pre-planned socio-technical process during which they analyse their client's beliefs and values and aim to overcome any shortcoming they may have about the rest. This is especially relevant in the case of multinational companies who deal with clients from all over the world on a daily basis (Ali and Brooks, 2009). The central idea of most cultural research in CRM context is to understand the different values and beliefs of each of their target clients hold and how it makes them different. The values people share with other people of the same culture determine what kind of things they would prefer as a group (King and Burgess, 2008).

Culture in a specific country is anything but simple. There is more to it than what a person experiences as a newcomer into a new country. Initially people observe the food, music, clothing, and the architecture however, like onions' layers, culture has many underlying layers that are subtle and often require more experience or so to speak, peel a layer of the onion at a time to reach the core of the culture (Hofstede, 2015). Culture therefore goes beyond clothing, food and music, and once it is understood companies can come up with more effective plans to reach the target clientele (Taras et al., 2011). Now just culture in terms of society but also the culture within an organization can influence the execution of the plan.

### **1.1.1. Customer Relationship Management**

Building a customer following is a two-step process involving acquisition and retention (Wang and Head, 2006). Acquisition involves convincing a customer to choose firm's product/services over any other and retention involves building a long-term relationship by catering to their needs satisfactorily through your services or product (Kim and Kim, 2009). Lifting their Customers relationship management (CRM) strategy has become a critical part of the business process because of the increasing competition in this technological era. Gummesson (2002) states that, "CRM includes the values and strategies of relationship marketing, with particular emphasis on customer relationships, turned into practical application" (p.3). To execute this successfully, the customer is the centre of the process, and everything is designed according to the customers' needs and to make the customer satisfied

and their values are met. Especially now since the Internet gives a customer all kinds of access to different products therefore allowing them to switch over easily. CRM therefore becomes very important as the cost of the research outweighs the benefit of effective CRM (Kim and Kim, 2009). CRM is “a combination of marketing, sales and service activities of an organisation for the purpose of knowing its customers, understanding their needs, knowing the best product and service mix for them and providing services and values that will lead to profitability and will strengthen the relationship with the customers” (Ross, 2004, p. 16). For the purpose of his research the following definition of CRM will be adopted: CRM is a holistic approach of managing a two way relationships with the customers in which the company aims to satisfy the needs and expectations of its target customers.

Higher profits are seen in firms which tend to invest more time and resources to better their CRM strategy (Dovaliene and Virvilaite, 2008). If customers are happy with their products, they are not only likely to buy more; they also indulge in word-of-mouth marketing and therefore increasing sales (Han, 2010).

As mentioned before, retaining customers happens to be more cost effective than attracting new ones (Ross, 2004). Customer loyalty makes them less likely to be diverted by changing prices and therefore they don't have the pressure to keep up with the competing companies (Dovaliene and Virvilaite, 2008).

Even though there is ample evidence about the benefits of CRM, firms are not investing enough into this (King and Burgess, 2008) and leading customers to find cheaper and better brands (Wang et al., 2006). The reason for this is most of their efforts are focused on acquisition as opposed to retention of customers especially low-cost businesses like small online companies who because of their small budget tend to void CRM investment. Four major reasons for customers tend to switch product apart from the lack of service for the cost are (Robert-Phelps, 2001):

- Lack of contact between the consumer and seller.
- Poor individual attention.
- Poor quality of products.
- Poor quality of service, especially after-sales service.

Relationship marketing helps companies make products that are better quality and through them they generate customer loyalty, which leads to a long-term relationship (Rosemann et al., 2012). One efficient and cheap way to maintain this relationship is through IT, as it has become the means to establish and maintain all business lately (Rosemann et al., 2012). CRM collects customer data and according to their findings cater to their customer's expectations (Hughes, 2003). According to Dutot (2013), managing CRM through IT is a cheaper and efficient method, it can be used to:

- Gather and save information from customers.
- Coordinate with all departments and make sure CRM plans are passed along to marketing, sales, service and other divisions.
- Communicate to establish relationship with customers and marketing purposes.

Despite knowing the benefits of CRM and its implementation through IT, many companies fail to use this (King and Burgess, 2008). Executing CRM is a change process, and like any other change in the workplace, this cannot happen without considering the cultural aspects which need adequate managing in order to effectively implement the change (Alduwailah and Ali, 2013).

### **1.1.2 Organisational Culture and Leadership**

Western world scientists in the 1980s and 1990s became interested in the role of culture in organization life and that led to research in this field (Morgan, 1979). They accounted the superior performance in Japanese companies when compared to the American ones to the culture, which made the organizational culture in Japan more competitive therefore leading to better performance (Deal and Kennedy, 1982; Ouchi, 1981; Pascale, 1985).

Hofstede (2015) states that practices shared by members of an organization form the central essence of organizational culture. The different between national and organizational culture therefore is that while the former is more deeply rooted in values, the latter is more

superficial and therefore making it easier to observe and when possible, manipulate to a certain extent. Therefore it become more challenging when dealing with an international company, as there are more cultural hurdles that present themselves due to the differences in practices and systems (Ko, Kim and Kim, 2008). All these differences combined often impact the day-to-day operations in an organization. Cultural differences tend to influence how people accept, modify, interpret events, or even whether they ignore the rules and regulation that have been a part of the culture (de Hilal, 2006).

Hofstede et al. (2015) described organizational practice as six different dimensions, namely: “(1) process oriented versus results oriented; (2) employee oriented versus job oriented; (3) parochial versus professional; (4) open system versus closed system; (5) loose control versus tight control; and (6) normative versus pragmatic.”

Leadership and training toward this is the aspect of companies that they invest in the most, this is not unexpected given the key role leadership plays in the archetype workplace. Organizations often overlook the cultural aspect that lead to leadership establishment (Ke and Wei, 2008). For example, leaders may have to change their leadership style based on the behaviour of the employees in order to maximise the support for their vision and approach. People responsible to observe this are often preoccupied by their own cultural perceptions. However, were they could observe their own culture and understand how it impacts the formation of leader and other leadership aspects (O’Brien, 2002). This research therefore aim to analyse impact of organisational culture and leadership on application of CRM.

## **1.2 Research Problem**

It is fairly well known that cultural differences are among the most significant hurdles to change in the workplace (Wei et al., 2014). Currently, a group of researchers are studying how culture impacts change implementation in an organization (Ali, 2010; Orina, 2014). The culture in general is passed along socially and it sets standards in a workplace as to how one must behave or act (Yang, 2007; Budin et al., 2015). One can define organisational culture as the knowledge of what is and what is not acceptable behaviour, in addition to what values and practices to have (Hofstede, 2015). It has been stressed enough that IS adaptations are

greatly influenced by culture (Aier, 2012; Budin et al., 2015). However, the reason behind this relationship and what contributes to its existence is often overlooked, especially in developing countries like Saudi Arabia. In order to implement the required CRM changes, it is important to consider the various cultural beliefs by determining the links between culture and CRM in Saudi Arabia. To be able to implement CRM effectively it is important to know the details about how the various cultures, beliefs and values originated or emerged (Ali, 2010; Budin et al., 2015). Ali and Alshawi (2005) and Ali and Brooks (2008) came up with several dimensions that would aid in understanding the implementation of IS and the impact of culture on the same.

Furthermore, researchers have also found links between culture and leadership. They claim that the organization over time adapts the beliefs and values of their leader and over time all their practices, beliefs and behaviours align and then evolve into a leadership style (Ali and Brooks, 2008). From this unification of cultural and practice, the culture of the organization is born. Leaders, when they know what roles they play in this are able to maintain this culture therefore maintaining a balanced and conflict free work environment (Aier, 2012). Concisely put, leaders are both the fabricators and a product of the organizational culture process. Despite the obvious theoretical associated, there is very little real evidence that supports this.

This research aims to understand more deeply how leadership and the organizational culture can impact the application of CRM and in doing so it could provide evidence to support several researchers that identify the relationship between culture and CRM (For example, Zaglago et al. 2013; Stein and Smith, 2009; Ke and Wei, 2008). Using several dimensions that are designed specifically for this study, they will aim to shed light on the effect of organisational culture and leadership that impacts CRM across several companies in Saudi Arabia.

This research potentially confirms or dismisses several proposed theories by challenging their claims about CRM and therefore be able to form a new framework, with which companies can improve their process, this time around considering the cultural aspects to implement CRM. The research particularly stresses the contribution of national and organizational culture and leadership together in the effective application of the IS with regard to CRM especially. The study ultimately aims to come up with a practical solution to the hurdles

presented by each of these factors in order to make implementation of CRM easier and efficient while keeping in mind the cultural aspects.

### **1.3 Overview of Saudi Arabia**

The Kingdom of Saudi Arabia, commonly known as Saudi Arabia is a nation of approximately 25.7 million (The World Factbook, 2010). Saudi Arabia is especially known as the country with largest oil reserves and the world's largest oil exporter with over 90% of its export being oil, which contributes to over 70% of their total revenue. Geographically, it is the third largest Arab nation and the largest Middle Eastern country.

The population of Saudi Arabia consists 90% of Arabs and 10% of Afro-Asians with Islam being the religion practiced by majority of the country (De Bel-Air, 2014). Not unlike other Arab countries, the religious beliefs, civility, and values of the people are deeply rooted in their culture and makeup a significant contributing factor in its ways. Any visitors in the country, be it for travel or business are expected to comply to their social norms, for instance, a modest dress attire is expected from men and women all alike. This makes Saudi Arabia especially unique and therefore an interesting study in the context of CRM and organization culture.

### **1.4 Aim and objectives of the study**

This study aims to explore how CRM implementation is impacted by the organisational culture and leadership in Saudi Arabian organisations.

The main objectives of this research are as follows:

- To find how the CRM systems could be executed with regard to factors relevant to organizational culture and leadership in Saudi Arabian organisations.

- To establish proof of the relationship between organisational culture and leadership.
- To propose a strategic approach that will help the leaders in effectively implementing CRM in Saudi Arabian organisations.

### **1.5 Research Questions**

The research will also attempt to answer the following inquiries:

- What are the factors affecting the implementation of CRM systems?
- How do organisational culture and leadership factors affect the implementation of CRM in different service sectors in Saudi Arabia?
- How does the leadership and organisational culture influence each other?

### **1.6 Research Significance**

The author's finds that this is the first of its kind empirical study in Saudi Arabia and all gulf regions that connects the national and organizational culture to CRM system employment. It is also the first study to formulate a framework for CRM system application to be able to potentially overcome the shortcomings in the context of national culture.

This research will also identify how improper CRM systems employment can pose risk and additional costs to an organization. In the bigger sense, this study can help corporate departments that deal with CRM to learn more about national and organizational culture and use this knowledge to help them come up with a fresh approach for their CRM implementation plan. Furthermore, it can identify the advantages and disadvantages of the



various organizational cultural aspects and apply this to determining the success of the process also with regard to leadership.

For the people that actually deal with the implementation of CRM, this can be a good resource to identify the limitations of their approach and make the necessary changes with regard to the cultures differences they need to take into account. For example, turning an inward looking organisation into outward looking customer focused organisation will require a change in organisational culture which itself may be driven by leader's understanding of the organisational culture. Furthermore, it can help then strategize and come up with more effective means of reaching their customer base by addressing their shortcomings and maintaining their strengths.

From an academic and literary point of view, this can help students as well as researchers understand OC and leadership role better in the CRM system context. This also lays a good platform for them to conduct future research in the field by potentially addressing the limitations of this research they may feel the need to improve upon. These could be new subjects of more specific research and potentially good contributions to the academic fields of management, social sciences, as well as information technology.

## **1.7 Structure of the thesis**

The thesis is divided into six chapters.

Chapter 1: This chapter will introduce, provide suitable background for the subject and goals objective and research questions that it will attempt to answer.

Chapter 2: This chapter will present all the various literary studies pertaining to the research questions. Furthermore, it will discuss the various theories that form the framework for this research in the context of implementation of CRM. Apart from this, literature mentioned will

also focus on cultural theories, elements and dimensions and these will be discussed specifically in a national context. This section will also outline the existing organizational culture. Furthermore, present with definitions of the term CRM, what comprises the CRM, what shortcomings have been discovered in the implementation so far, to provide a better understanding of CRM and therefore allow for betterment of the implementation process by overcoming the issues. It will also shed light on the gaps in knowledge or the data presented. Essentially, this chapter, taking into account the national culture, organizational culture, and role of leadership, build a theoretical framework for how to effectively implement CRM keeping in mind the gaps in knowledge and current hurdles. Lastly, in this chapter, the research questions and the corresponding research will be highlighted in an attempt to draw association between the various aspects, theoretically.

Chapter 3: this chapter will go over the chosen methods of research along with an explanation for choosing them. Herein, they will use several previously conducted studies to come up with the best possible method to approach the goals of this study. And accordingly, an explanation based on the aim of the research question will be given for the same.

Chapter 4: This chapter will specifically deal with the Saudi Arabian culture and its impact on the organizational culture in the country.

Chapter 5: in this chapter, the empirical data that was found through the study conducted in the three management companies (A, B and C) in Saudi Arabia will be presented. Of these companies, A and B utilize CRM systems and are companies in the telecom and mobile phone business. This chapter will be divided by company, i.e. into three sections. Each section will explore CRM implementation, hurdles in CRM implementation, the respective leadership and its impact on CRM and finally the organizational culture with regard to each of these companies. Furthermore, they will also discuss any other aspects of CRM that would arise from interviews that they conduct as a part of their study.

Chapter 6: This chapter will conclude by presenting the important findings, analyse the limitations as well as discuss potential future studies that may be possible in this field.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents a review of existing literature on the subjects of culture and leadership in context of CRM implementation. It also touches upon the limited amount of research available on the subjects of the impact both leadership and culture on CRM implementation. This chapter also looks at the research on how culture and leadership influence each other. Based on the findings of this chapter interview questions were formed.

This chapter introduces the subject in three parts, the first focuses on culture in the context of both national culture and organizational culture; furthermore, they also talk about how culture is relevant in information system implementation. The second part deals with leadership, the various theories about the leadership approaches like the transformational, transactional as well as the Leader Member exchange theory. As highlighted in this chapter most of the current research in context of CRM focuses on either culture or leadership but not on the simultaneous impact of both. The purpose of this chapter is to identify common themes in literature which highlight the linkage that binds the triad of culture, leadership and CRM implementation together.

### **2.2 National and organisational cultures**

The culture is a “difficult-to-define construct” (Triandis et al., 1986) especially because in literature, people hardly concur on what the exact definition is. For the purposes of this thesis culture will be defined as “the collective programming of the mind that distinguishes the members of one category of people from those of another” (Hofstede, 2015). The meaning of ‘programming’ greatly depends on the youth and therefore changes with every generation (Sing, 2010). That being said, culture can alternatively be “those beliefs and values that are widely shared in a specific society at a particular point in time” (Ralston et al., 1993). When

attempting to define culture, words like proximity, history, religion and education comprise the defining factors (Chung et al. 2012). When speaking of national vs. organizational culture, national culture is what sets people of one nation apart from people of another nation, while organizational culture is limited to the differences between two organizations. It is nearly impossible to keep people, organizations etc. from being impacted by culture (Sing, 2010). According to Hamilton it is naïve for people to think they can create a workplace isolated from culture, or as he put it “culture free” workplace, this is because everything from our behaviour to attitude and how we work and what kind of organization we practice is greatly impacted by culture. Furthermore, with increasing international business, it has become especially relevant to factor in culture and there have been several instances of failure on overlooking culture in international business. Alternatively, there are also instances where including culture has led to failure (Schien, 2004, Pinho et al., 2014). In light of this, national and organizational both are central to this thesis.

National culture is explained by several different theories. This chapter will go over the many different theories that have been previously proposed in terms of national culture. Each theory has made its own unique contribution in understanding culture, its contributions, its loopholes, what has been understood and what remains to be explored in terms of the workplace (Pinho et al., 2014; Cartwright and Cooper, 1993). Geert Hofstede proposed a model for culture that is still recognized in academia as valid. He conducted a cultural value comparison study of over 50 different countries over 40 years ago. He did this using the company IBM (Hofstede, 2015). This study soon became the framework for many scientific studies aimed at studying work culture. All of these studies have found various relevant variables and many international companies have interpreted these findings and successfully incorporated them into their business design successfully.

Hofstede opened up door into a new area of cultural research in the workplace context and this led to development of many dimensions and future studies. Hofstede, through his research narrowed down cultural relationships between leaders and employees in an organization into four different dimensions. He stated that national culture was in these relationships based of the power distance (between superiors and subordinates), along with group interdependence vs. independence. He added that a more western influence on the workplace results in more individualism with lower separation of power while collectivist cultures like the Latin and Asian ones tend to have higher separation of power. However, it is

important to consider Smith and Bond's (1993) finding that Hofstede often overlooked "ecological fallacy" for instance, because Australians on average scored higher on the independence scale when compared to Indonesians, they are more individualistic and independent than Indonesians. However, these are the average scores, i.e. responses found through the questionnaire.

Schein (2004) used his own dimensions as a basis of criticising Hofstede's work. He claimed that certain values need no assumptions and are rather easy to study. Assumptions, according to him are invisible and are therefore hardly identified when compared to cultural artefacts, which are tangible in comparison.

There is a strong relationship that can be seen between the cultural values and behaviours of various social groups, and one must focus on the values to see this (Robbins, 2005). These values therefore form the norm, which people in a certain social group follow that govern their social interaction and how they communicate with one another (DeLong and Fahey 2000; Robbins, 2005; Cummings and Worley, 2014). In a firm however, these values have a rather different impact, they serve as a social control based on which people set expectations and base their perceptions on (Kumar, Anjum and Sinha, 2011).

This research can be particularly helpful in developing a suitable IT system by allowing us to understand organizational culture and why people do what they do, and how the social groups interact with one another in an organization (Leidner and Kayworth, 2006; Pinho et al., 2014). Generally, it is acknowledged that a framework of values helps us measure and understand culture to a great extent (Leung et al., 2002; Leung et al., 2005) despite the complexity of culture and the multiple levels and elements that make up the concept. For this reason it is essential to include this in any IS implementation framework including that of CRM. In order to do so it is essential to understand what culture means in terms of what it is comprised of and what are its attributes. This is discussed in the next section.

### **2.2.1 Cultural Levels and Elements**

Lately, researchers have begun merging the national culture and organizational culture studies into its very own field, which especially pertains to research in the IS/IT area. This is because there is a great deal of common ground among the two fields and share a great deal of the same values which distinguishes them from other fields (Leidner and Kayworth, 2006).

Culture in the information system studies has been studied at several different levels ranging from the macro, cross-culture level, at the level of groups, organizations, to individual level or the micro level (Myers and Tan, 2002; McCoy, 2003; Ali and Brooks, 2008, Cummins and Worley, 2014).

When looking at a society or a nation, culture is the things that are common among people of one country and uncommon between the people when compared to other countries (Hofstede, 2015). Organizational culture on the other hand comprises the values and practices shared by people working in the same organization (Stahl, 2003). Often, people in the same occupation/profession tend to share the same cultural values, for instance, in a political party or within a social class (Myers and Tan, 2002). Individually however, culture is highly variable and subjective as it depends on how much they observe and learn from other cultures (Kara Hanna et al., 2005).

Furthermore, the various levels of culture impacts individuals on various levels, which depend entirely on the type of behaviour in question. This depends on how strong the social component is and also moral values to an extent (Kara Hanna et al., 2005).

When speaking of organizational culture, we are not merely focused on the national culture and its impact on the employees but also how it impacts the leaders in particular. Organisational culture can therefore be thought of as influenced by national culture, organizational culture, group culture as well as other sub-cultures that may exist.

The several layers of culture that exist impact people different on different levels, this depends entirely on their own experience, interpretations of it. Every person has their own unique experience from culture, which depends on their own unique situation and values (Schien, 2004).

Cultural influence cannot be thought of on a hierarchical scale from the national (general) to a more individual (more specific) but rather as being laterally related (Kara Hanna et al., 2005). For example, in the case of international and multinational companies, groups consists of several cultures, professions, nations, religions and ethnicities, and often this requires the consideration of different types of organizational culture, national cultures and professional cultures.

How values are defined in the context of business and culture depend on the relationships that are a part of the two (Kara Hanna et al., 2005). This depends on different experiences such as education, upbringing, lifestyle and other significant experiences that contribute to formation of culture. As a certain value becomes significant to a new organization, over time it gets integrated into the organizations culture. And over time, as it settles in, it opens the potential space for a new value to be integrated into the culture.

An organization learns and adopts practices through the process called socialization, which essentially is creative ways for society to integrate ideas into actions. The relationships between the various organizational practices often present as a significant problem in businesses. This is especially because these practices significantly impact the values in an organization. According to Karanna et al (2005), when these values are only dictated by one level of culture, they have a lot of discontinuity especially with other levels of culture, for instance, organizational vs. national culture.

The next section discusses the integration of national culture in the formation of organizational culture. Especially in the case of organizations and businesses that work on a multinational level.

### **2.2.2. National Cultural Differences**

Culture is considered the common beliefs that develop into values. Value, as Hofstede (2015) describes it is choosing a particular way of doing something over another potential way. Alternatively, value can be described as “basically an enduring belief that a specific mode of

conduct or end-state of existence is socially and personally preferable to alternative modes of conduct or end-states of existence” (Krishnan, 2008).

Hofstede (2015) used different people having various characteristics and collected some data and information and drew comparisons among the cultures. The use of different types of samples in his work certainly contributed to improving his methodology and therefore giving a better measure of culture than before (Tara’s et al., 2011).

Studies have found that culture is formed through shared aspect of communities such as economics, business practices, and even history. For instance, the capitalist societies like the western markets of the US, Western Europe, have transformed to a more power distant and individualistic in their workplaces.

Depending of various conditions, what is prioritized in the business place varies greatly, for instance consider Scandinavian countries, where food supply is an issue and gender equality, harmony and corporation are significant. Competition in the world is influenced not only by globalization but studies show that natural conditions also play a significant role. Especially in politically volatile nations like Southern Europe, they tend more toward avoiding uncertainty, as this seems to increase tolerance for the uncertainty both economic and political (Tara’s et al, 2011).

In his book ‘The World is Flat’, Friedman talks about what comprises the idea of a flat world. By this he is referring to a flat world in terms of values and beliefs in the organization and how the beliefs are eroded little by little until they will be common among all. Tara et. al. (2011) have found that all organizations internationally seem to be merging their values into those of a western capitalist culture. During the recessions seen in the years 2006 and 2010, several pre-existing issues and gaps in cultures and beliefs came to light in terms of economics and politics. As emphasized over and over again national culture heavily impacts organizational culture (Hofstede, 1981; Tara’s et al., 2011).



### **2.3 Organisational Culture**

There is no single definition that has been agreed upon in the literature that discusses organizational culture, and therefore there are many different ways to define it. However, the one thing all literature seems to agree upon is that organizational culture does play a role in the practices and performance in an organization. One popular definition of OC defines it as “the reflection of beliefs and behavioural norms that are used by employees in an organisation to give meaning to the situations they encounter” (Robbins, 2005). Simply put, the OC is a reflection of the beliefs and values of a people that comprise an organization meaning, OC affects the way people perceive and practice in an organization. According to Peterson and Smith (2000), “organisational culture has become a way of talking about making sense” (p. 101). There are many potential interpretations one can have when attempting to make sense of a situation. In the case of an organization then what meaning a given situation takes depends of several factors such as the structure, how formal it is among superiors, colleagues, subordinates, and even upon the employee himself/herself (Peterson and Smith, 2000).

However, even though the meaning a particular situation gets stems from all of the sources we mentioned above, ultimately it is on an individual levels that it is made sense of. An individual’s cognitive structure determines what they perceive of the organization (Robbins, 2005), and what sense and meaning they take from the happenings in their surroundings. Interestingly, it is not actually the relationship between the OC and its implications that impacts an individual but actually how they themselves perceive this particular relationship. Fraser, Kick and Barber (2002), studied how the organizational culture affect job satisfaction in the USPS or the United States postal service. They discovered that there was a big difference in the OC and how the employees perceived it. Specifically, the treatment of women and minorities in the context of organizational culture played the most significant factor in colouring their perceptions toward the OC. How individuals in an organization perceive it through their own experiences ultimately impacts the OC development (Balogun and Johnson, 2004). Now, these perceptions that are shared among employees then evolve into a “shared conception of reality” (Robbins, 2005), and then translates into predictable social order and behaviours among them.

What makes these representations so alike is that often experiences are shared; they behave the same way, as well as do a good amount of their learning from others in their firm and their experiences. According to social cognitive theory, these are key to making sense of things. However, organizational cultures are not isolated, it is often influenced by social and national culture around it, especially in terms of sense-making. It is important to note that there are many external aspects of culture that impact office culture beyond the culture within the workplace (Nazarian et al., 2013).

There are a myriad of theories about the organizational culture and what it stems from. These theories also go over the different dimensions of organizational culture and how each of these influences the various practices and values. According to Schein (2004), today the organization culture is even more relevant than it previously ever was. Because of the nature of the market today with globalisation, mergers, acquisitions, alliances and the developments there is a newfound necessity for more efficiently coordinating processes in order to be more efficient, and produce good quality goods and services, while doing it in a timely manner. He further adds that the organizational culture also impacts the innovation, strategizing of products and even IT to an extent. Furthermore, with the new business culture involving a lot of cross-cultural partnerships, the integration of culture has become a significant aspect of business (Schein, 2004).

Since in today's world, often the intellectual property is of more value when compared to materials, culture and integration has become a significant part, even beyond just incorporating internal and external changes. To develop more valuable intellectual assets in a company, the culture of the company must support sharing of ideas while encouraging learning at an organizational level to promote creation, application and exchange of ideas (Mason et al., 2012).

All organizations consist an existing environment, one that is highly complex and rather diverse. Figure 2.1 summarizes all the external factors that influence the organization according to Select Knowledge Limited (2001).

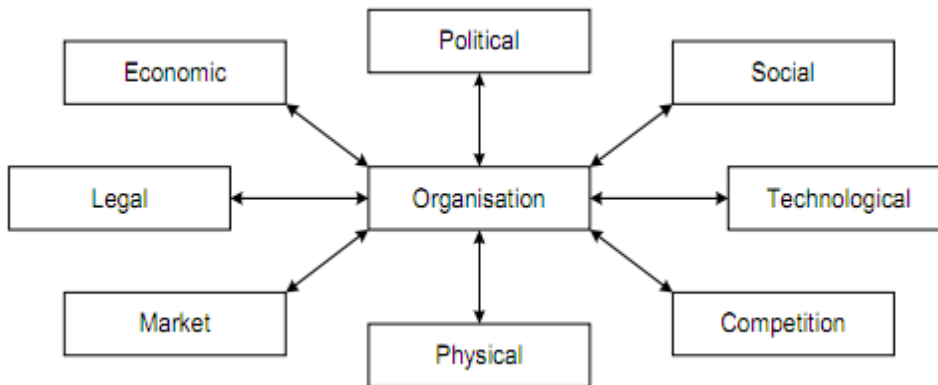


Figure 2-1: External influences on an organisation. Source: Select Knowledge Limited (2001)

The figure (2.1) represents association between the environment and culture in the organization. According to this, external environment impacts the organizational culture just as the organizational culture impacts the external environment as well.

Furthermore, organizational culture is associated with organizational practices for instances, it is through culture that the performance of a company is influenced as well as self-managing teams can be sustained (Robbins, 2005). For an organization to keep up its products, processes as well as technology, they need to understand the culture as well and management strategies and therefore improve their standing and performance.

According to Jones et al. (2006), organisational culture serves as a resource or a rather a context in which the members to create, acquire, share, and manage their ideas. Therefore the OC has a significant impact on a company's performance as many leaders acknowledge that corporation, sharing of ideas and helping one another are an important aspects of this performance. Yet, many studies that have tried to understand why certain knowledge initiatives fail often overlook organizational culture as a factor altogether, even though it appears to be a significant one (Gold et al., 2001; Yang, 2007). While exchanging knowledge in the workplace there are some key factors to consider, these are: "trust, common cultures, vocabularies, frames of reference, meeting times and venues, broad ideas of productive work, status and rewards that do not go to knowledge owners, absorptive capacity in recipients, the belief that knowledge is not the privilege of particular groups, and tolerance for mistakes" (Schien, 2004). It is therefore important for companies to encourage sharing of knowledge by promoting activities that will be conducive to this.

According to the assumptions of Davenport and Prusak (1998), several cultures often prevent the sharing of knowledge and therefore this causes many ideas from being ignored, or heard and therefore lost. It is in the organizational culture, as well as their policies, and practices that the attitude and willingness of the members of an organization stems that either encourages or prevent them to share their ideas and thoughts (Shin, 2004; Denison et al., 2014). Therefore leading to the conclusion that organizational culture can strongly influence the CRM and how effective or beneficial it will be to an organization i.e. depends on how they perceive their organization they may be more open or more resistant to CRM implementation.

#### **2.4 Organisational Culture - Three Potential Approaches**

In the following section three approaches to defining organizational culture are discussed. Each of the discussed method uses their own method of measuring and analysing the culture and come up with potential improvements that can be made to organizational culture.

Each of these approached were chosen for a different reason that makes them stand out from one another and any other theories out there. One is focused on theory (The Competing Values Frame-work), the second one is more practical and considers factors such as limited resources (The Three Levels of Culture Model), and the third and the last one is empirical (The Four Conditions of Culture). Another thing that sets these three methods apart is that they are integrated in an organization. In that, one of the methods uses the employee feedback and opinions, while the other looks at the organization as one entity.

### 2.4.1. The Competing Values Framework

Cameron and Quinn (2011) came up with the competitive values framework. This has many applications with respect to establishing good leadership to create a more effective organization and also create values. It essentially aids leaders to figure out how they want to effectively communicate their expectations and implement certain practices and how they want to lead and in doing so, influences their value creation process. This process has been practiced for over 25 years now, and many companies swear by it as their go-to device when it comes to new ideas or establishing a new system.

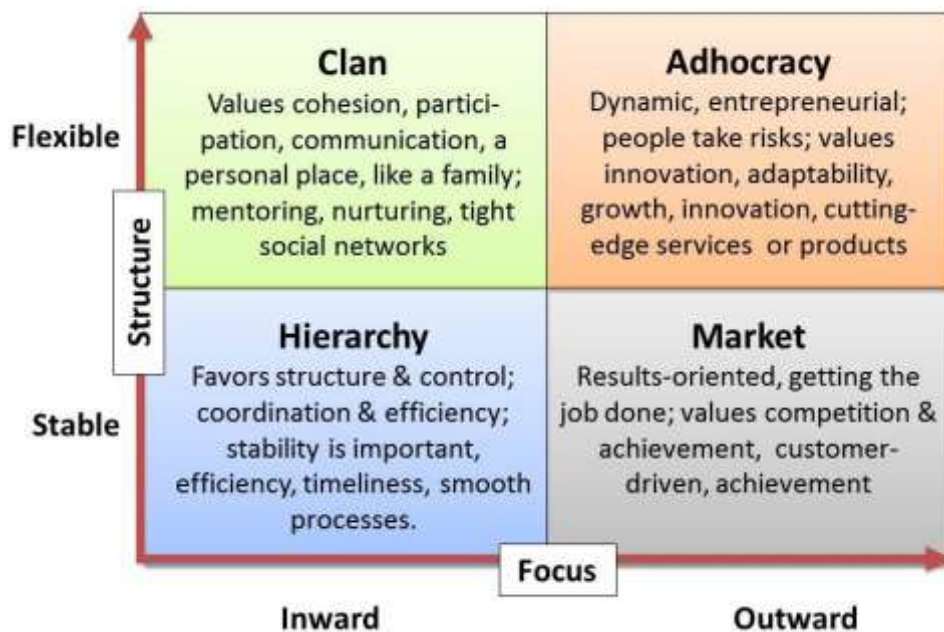


Figure 2-2: Competing Values Framework. Source: Cameron and Quinn (2011)

The Competing Values Framework shown in the figure 2.2 above can help us determine which of the four cultural categories a company falls into: the hierarchy culture; the market culture, the clan culture; or the adhocracy culture. Then, once that is established, they study it in depth to determine the changes to be made for a more efficient a promising outcome in the future.

*The Hierarchy Culture:* this is often the more formal culture, often in structured organisations that prioritize smooth running, stability, predictability and efficiency (Cameron, 2003). The environment in these types of firms is usually unchanged, with all the roles of each person formally define within their boundaries and therefore very formal rules are followed in this type of structure which leads to a balance in products as services rendered. There is a distinct role for decision-making, standard rules and procedures within the hierarchy and how well this is maintained determines the success of this system (Cameron and Quinn, 2006).

*The Market Culture:* in this type of culture is more externally focused i.e. toward the suppliers, customers, contractor, unions and regulators (Cameron and Quinn, 2006). Therefore this type of culture is impacted mostly by money exchange and other external economic processed unlike the hierarchical one where everything is controlled by internal rules and regulations for practices. This kind of organizations goal is profitability, the results, and strength in market niches and therefore customer base security is of prime focus. In short, market oriented culture focuses on results and victory (Cameron and Quinn, 2006).

*The Clan Culture:* This type of culture is very family-based. For instance they pride on sharing values, goals, inclusion, individuality as well as a sense of loyalty (Cameron and Quinn, 2006). So much so that they are more extended family than businesses. They have no set rules and regulations at all; they are more focused on employee development, teamwork, involvement and corporation among employees (Cameron and Quinn, 2006).

*The Adhocracy Culture:* The word comes from ‘Ad hoc’, which suggests something as being temporary, specialised and dynamic. They follow the mentality of ‘tents rather than palaces’ so that when circumstances change and he need arises, they can change effortlessly (Cameron and Quinn, 2006). Their goal is toward flexibility, creativity and mostly adaptability and this often leads to an uncertain, ambiguous workplace. The adhocracy culture often encourages individuality, risk-taking and planning for the future scenario (Cameron and Quinn, 2006).

### **2.4.2. The Three Levels of Culture Model**

Edgar H. Schein's model for culture looks at it as three levels ranging from the visible, the implied or the invisible. The first level deals with the visible elements like myths, symbols, stories and rites while the second deals with the adopted values such as strategies, goals or philosophies that are shared among the people in the company and finally, the third level deals with the implied or the invisible factors that are often overlooked such as beliefs, perceptions, thoughts and feelings (Schein, 2010). The third level mostly deals with basic aspects of human nature, how they interact and what they believe and these are the things that employees often overlook or don't consider.

#### *Level One: Artefacts*

These are visual, rather easy clues about the workplace culture. These can include anything from architecture, decorations, design of the workplace, doors, attire of the employees, and the general pace of the workplace among other things (Schein, 2010).

#### *Level Two: Espoused Values*

How a company functions is shaped greatly by the values it entails, values, which are often learned along the way. For instance, an organization may advertise itself as one that relies on teamwork, while in reality, most employees are hardly a part of the decision making process (Schein, 2010).

#### *Level Three: Shared Tacit Assumptions*

Tacit or unspoken assumptions are often influenced by the values and beliefs of the leaders in an organization that are prominent and play a significant role in its success. For instance, a founder that comes up with a product that meets all the demands and provides all the expected services to the customers, he may be the kind of leader who prefers a very organized, disciplined workplace (Schein, 2010). This kind of organization will as a result attract people who are disciplined, like more order in their workplace function believing that the success of an organization depends greatly on following hierarchy and discipline.

### 2.4.3. The Four Conditions of Culture: Control, Demand, Effort, Reward

According to Dr. Martin Shain, there are four situations that have a direct impact on stress and satisfaction level of employees. Specifically these situations are low control situations over which you have no control, low regard situation where the work isn't receiving appropriate feedback, then the high effort or spending too much energy and finally the high demand or too much work and not enough time. These situations together impact performance of the employees and furthermore the work culture (Shain, 2001). For eg. Employees in a low control and low reward circumstances lead to low satisfaction employees, while employees are more stressed in low reward and high effort situations as explained diagrammatically in the Table (2.1) below.

The Four Conditions Affecting Culture	Employee Outcome
Low Control: having too little influence over the way you do your daily work	Low satisfaction
Low Reward: not receiving adequate recognition or feedback on performance	
High Effort: having to expend too much mental energy over too long a period	High Stress
High Demand: having too much to do in too little time over too long a period	

Table 2-1: The Four Conditions affecting Culture:

Eventually these high effort/low regard and high demand/low control scenarios start to create a negative perception in employees mind toward their employers to the point where they



think they do not respect them for their work anymore. Then perception of mistrust among the employees can affect the workplace culture negatively and also be harmful to the physical and mental health of the employees. Unfairness is a strong transition factor that causes the build-up of stress and eventually affects the health of people (Jones, 2006)

When work is designed without regard for basic human need that leads to organizational stress (Denisona et al., 2014). Stressors can be to mental health as hazardous work conditions can be to physical health, extremely harmful. These can manifest in the form of injury, diseases, cardiovascular problems or even psychological ones such as anxiety, depression or even anger. Furthermore, employees may also resort to substance dependence or abuse (Denisona et al., 2014).

Especially in high demand/low control situations, stress can over time indirectly impact the health of employees, especially by creating situations with lack of sleep, substance abuse, anxiety and depression. At some point work is no longer satisfying and only stress remains (Denisona et al., 2014).

This research will use the Competing Values Framework, which has been helpful time and again in assessing and dissecting culture of organizations though its ability to identify the many dynamics that controlled and prevailed in the organizations. Furthermore, it helped create an awareness of cultural traits. However, the main reason for choosing this method was the fact that it drew links between leadership and organisational culture. The three levels of culture model is not related to leadership and is hence not suitable for this research. The four conditions of culture model is linked with employee outcomes only as it talks about stress and satisfaction level of employees. Merely reducing stress and satisfaction level of employees is not enough to implement CRM effectively. The Competing Values Framework is the most suitable one for this research because it talks about impact of culture and leadership in organisational outcomes.

## 2.5 Leadership

### 2.5.1. Leadership Definitions

Depending on the context leadership has been defined in many ways. Some notable definitions are as follows:

Researcher	Definitions
Nelson (2000)	Leadership is “the process of guiding and directing the behaviour of people in the work environment” (p. 384).
Haslam (2001)	Leadership is not about individuals (leaders or followers), but about the relationship between them. Thus leadership goes beyond having social power to fulfil the social group’s collective vision.
Zaccaro et al (2004)	Leadership involves defining as well as providing a means for the subordinated to follow the leaders vision
Yukl (2011)	Leadership is the influence “exerted by one person over other people to structure the activities and relationships in a group or organisation” (p. 3)
Coleman (2005)	Leadership is “a two-way process dependent on followers as well as leaders working in a particular context” (p. 9)
Spillane (2006)	Leadership includes the “activities tied to the core work of the organisation that are designed by organisational members to influence the motivation, knowledge or practices of other organisational members” (p. 11)

Table 2-2: Leadership Definitions

For the purposes of this thesis, a comprehensive definition leadership is as Gronn (2003) defines it:

*“a status ascribed to one individual, an aggregate of separate individuals, sets of small numbers of individuals acting in concert or larger plural-member organisational units. The individuals or multiperson units to whom influence is attributed include, potentially, all organisation members, not just managerial role incumbents. Managers may be leaders but not necessarily by virtue of being managers, for management denotes an authority, rather than an influence, relationship. ... Finally, the duration of the attributed influence may be short or long term”.* (pp. 428–429)

We use Gronn’s definition in this study as it comprises all essence of leadership and is and holds true to all types of organizations.

In time, there are two types of relationships that form between leaders and their subordinates: in-group and out-group relationships – the in-group leaders being the ones the leaders trust the most. They “tend to land desirable assignments, enjoy considerable autonomy, participate in decision making, and receive the lion’s share of resource” (Sweeney and McFarlin, 2002, p. 183). Additionally, there are three dimensions of leader-follower relationship: organizational justice (Scandura, 1999), trust (Dirks, 2000), and finally ethics (Bass and Steidlmeier, 1999). Through all these dimensions, leaders influence the perception of their subordinates.

Looking back, there hasn’t been a shortage of literature about practice and theory of leadership. Safferstone (2005) stated, “The need for leaders and leadership is a perennial subject that traces its beginnings to the Old Testament, ancient China, and 16th-century Italy” (p. 959). There have been several authors that have attempted to defined leadership, and the need for leadership and at the same time discussed the need for appropriate leadership and how to develop strategies to establish that (Avolio et al, 2003; Yukl, 2011).

Leadership has been described in several ways, however, Northouse (2007) proposed many factors that are important to leadership: (a) Leadership is a process, (b) it involves influence, (c) it occurs within a group context, and (d) it involves goal attainment. By combining his various definitions, Northouse (2007) defines it as: “a process whereby an individual influences a group of individuals to achieve a common goal” (p. 3). Bennis and Nanus (1985) postulated that all leaders tend to have some things in common: they are establishing a guiding vision, have passion, and act with integrity.

Given its importance, it is not surprising that a lot of time and resources get invested in leadership and development of leadership in organizations (Paradise, 2007), it also happens to be the most popular area of Human Resource Development and HRD research and practice. Research done on political leaders leads to the conclusion that there are several common characteristics they share that makes them who they are and how sensitive they are to agree or disagree with their political opponents.

Chemers (2000) considered all the significant recognized theories including the “great man” theories, trait theories, behavioural theories, participative leadership theories, situational and contingency theories, and transactional/transformational theories. In addition to these, Northouse (2007) also included theories like the path-goal theory, team leadership, and psychodynamic leadership theories. Finally, Sudbrack and Trombley (2007) used the example of a popular television show to talk about the same theories in a newer and more creative approach.

In the following section, many theories that have been the pillars of leadership development will be discussed. Specifically, theories such as leader-member exchange (LMX) theory, situational leadership, transformational leadership, servant leadership, authentic leadership, and complexity theory will be discussed. In choosing these theories, the author aims to convey what theory their own opinion about which of the many theories are relevant in defining leadership as well as set a great platform for the future.

By observing leaders and their followers, the LMX theory or vertical dyad linkage (VDL) theory was developed. According to Graen and Uhl-Bien (1995), LMX theory focuses on relationship rather than the leader or the follower. According to this theory, leaders develop

the in and out groups separately, through reports (Dansereau, Graen, and Haga, 1975). Furthermore, whether a direct report becomes a part of the in-group or the out-group depending on their rapport with the leader and to what extent they are compatible (Northouse, 2007).

Graen and Uhl-Bien (1995) further posited that LMX has been increasingly popular over the years. Literature states LMX began from observing leader and followers and their relationship to determine the organizational outcome that results from it (Graen and Uhl-Bien, 1995), and often link this to HRD and LMX (Lunenburg, 2010), as well as integrating LMX with a group engagement model (Sparrowe, Soetjpto, and Kraimer, 2006), an examination of the multidimensionality of supervisor and subordinate perceptions of LMX (Greguras and Ford, 2006), and perceived LMX differentiation on employee reactions (Hooper and Martin, 2008).

Hersey and Blanchard (1969), developed the idea of Situational leadership component of contingency theory of leadership (Fiedler, 1967). This was based on Reddin's (1967) 3-D management style theory. They concluded that there is not one single best way to influence people and that depending of the situation a different approach in leadership may be called for. The added that, leadership involved both, leading as well as supporting, and often this depended on the motivation level of the subordinates. Northouse (2007) claims however, that research is yet in its theory stages in this area and needs further development.

According to Hersey and Blanchard (as cited in Northouse, 2007) 400 out of 600 fortune 500 companies used this approach. In addition to the extensive marketing they have done for this approach through HRDs the basis of its appeal lies in the fact that they offer various two day participant and trainer workshops. Furthermore, the universal applicability and easy to understand content of this approach makes it particularly attractive across variety of industries.

Transformational leadership is another contemporary theory (Bass and Avolio, 1994; Burns, 1978). According to this theory there is three behaviors that speak leadership: transformational leadership, transactional leadership, and *laissez-faire* leadership. Transactional leadership is the most often observed type of behavior, and this involves exchange of favors between leaders and their subordinated. If the performance is satisfactory, they are rewarded and if not, punished.

### 2.5.2 Transactional leadership

According to Bass (1985) a transactional leader functions within the system as it is. His job is to communicate the expectation and upon completion of a task to the expectation reward the employees. Burns (1978) however, thinks that a transactional leader deals with the subordinates “for the purpose of exchanging things that each other value” (p. 19). Essentially, transactional leadership involves an exchange. Since both the leader and the follower seem to agree upon fulfilling each others’ interests, the outcome is contingent upon each of the party involved (Barker, 1994). The transactional leader therefore strives to understand what motivated his/her follower and what their needs are, and accordingly fulfil these expectations in order to be able to ask for something in return to reach their goals.

Risk taking is not a part of this type of leadership. Transactional leadership tends to therefore work best in a more predictable workplace. This type of leadership is more interested in the outcome and not the process and the leader is therefore willing to motivate the employee in any way necessary to reach their intended goal. In such a system, there is little to no attention paid to development of the employees. Pastor and Mayo (2006) declare that the two main aspects of the transactional relationship are Contingent reward and Management by exception.

*Contingent reward:* this is the aspect that deals with clarification and establishment of goals and expectation in terms of behaviours and accomplishments and set rewards for each level of accomplishment. In this form of relationship, the leaders believe their job is to exchange the tasks assigned to their subordinates for appropriate rewards toward their accomplishments.

*Management by exception:* this is the aspect that deals with corrective transactions i.e. the leaders monitor the progress of the employees and correct them if and when necessary. There are several approaches that are taken here, some more passive, where the mistakes are corrected as they happen, while others more proactive and deal with prevention.

### **2.5.3 Transformational leadership**

Bush and Glover (2003) speak of transformational relationship as “a particular type of influence process based on increasing the commitment of followers to organisational goals.” (p. 15) Leaders of this type tend to discuss their goals with their employees in order to share them and synchronize their efforts to work toward them therefore empowering and motivating them. According to, Yukl (2011) this is two-way relationship wherein both parties get involved to raise each other’s morals and motivation. Essentially, this relationship is based on merged interests and thinking, which allows them to work together toward their common goal. The leaders have to convince their followers “to work for transcendental goals instead of immediate self-interest, for achievement and self-actualisation rather than safety and security” (Murray and Feitler, 1989, p. 3), and to create “within followers a capacity to develop higher levels of commitment to organisational goals” (Leithwood and Jantzi, 2000).

So, how do these transformational leaders accomplish this? – They do this by elevating and broadening their own goals to motivate their subordinates and they do this in many different ways: “by raising awareness of the value of the outcome, motivating individuals to transcend their self-interests and altering or expanding followers’ needs” (Hater and Bass, 1988). Followers need to be able to relate to their leaders goals and only then can they make a useful contribution in the relationship that goes beyond their own interests (Barnett, 2003). Barnett, 2003) suggested that “transformational leaders promote restructuring and innovation, focus on building vision, encourage collaborative participation and raise the role of followers to that of leader” (p. 4). Transformational leaders motivate their followers because they “alter and adjust the environmental constraints to facilitate followers’ achievement of goals” (Kirby, King and Paradise, 1992, p. 303). The success of this type of relationship therefore lies in the leaders ability to get his followers to jump the bandwagon, quickly and completely (Wei et al., 2014).

According to Yuki (2011) using motivation tools that appeal to the internal, more personal side of the followers can be especially helpful. However, the leader needs a very strong goal and needs to demonstrate his dedication and persistence to avoid losing the followers interest

and trust in the goal and avoid conflict of roles. However successful it may be in theory, the execution of this type of leadership is especially difficult and tricky because of the risk and instability aspect of it (Bedeian and Hunt, 2006). This promotes a more intrinsic motivation and requires leaders to set goals and visions that they need to convince their followers of and then motivate the followers to work towards the accomplishment of those goals (Yukl, 2011).

Aside for the motivation factor, the followers' participation is another key aspect of this relationship. Jones and Rudd (2008) explained that transformational leaders not only motivated but also guided their followers through the process of change by empowering them. Also, it is well known that a person is more likely to accept a decision if they were a part of the decision making process themselves and felt that they had some influence over it. Furthermore, this would also make them more motivated to work toward it. Therefore transformational leaders often encourage, if not mandate follower participation in the process.

Some other researchers looked into the cognitive aspect of this leadership and how that helps make it successful (e.g. Pastor and Mayo, 2006; Judge and Bono, 2001). According to them, charisma is a key factor. According to some studies, transformational leaders share certain traits that set them apart from other types of leaders, for instance, they tend to simulate their followers intellect to make them more comfortable and humanise themselves to facilitate the process. In essence, they identify what internally motivated people, and appeal to that aspect to further their vision. They also share personality traits such as vision, charisma, sensitivity to individuals' needs and feelings, and ability to inspire followers some of the much-needed aspects for this type of leadership to work (e.g., Judge and Bono, 2001; Pastor and Mayo, 2006).

Since charismatic leaders are often more appealing and successfully convincing to their followers, charisma is a significant factor in the success of this type of leadership. Charisma is essentially the "followers' intense emotional feelings about the leader, unquestioning acceptance of leaders' beliefs, and an emotional attachment to the mission" (Pastor and Mayo, 2006, p. 5). Their followers often respond with feeling of "devotion, affection, admiration, and extraordinary esteem for their leaders" (p. 5). Their ethics and their authenticity of character is what distinguishes the transformational leaders from the others (Bass and Steidlmeier, 1999). Ethics of a leader is based on the moral character, the ethical legitimacy of their values in their vision and the morality of their social choices and actions.



Additionally, Howell and Avolio (1992) found that the following traits were common among charismatic leaders; they were brave, just and had a great deal of integrity.

Impression management is a commonly used tool by transformational leader in order to develop a charismatic and inspiring image in the minds of their followers (Bass and Steidlmeier, 1999). However, in doing this they are taking up a huge risk, as their credibility can come into question (Podsakoff, Niehoff, Moorman, and Fetter, 1990). Especially since trust is an important aspect of transformational leadership and without trust, they will not be able to share in their vision (Bass, 1985). In addition, Podsakoff, Mackenzie, and Bommer (1996) found that in transformations leadership trust often transferred to faith among the followers toward their leader. Transformational leadership is able to magnify the commitment and motivation of the followers through the leaders demonstrating their own willingness to and motivation in a self-sacrificing manner. Therefore, trust and power are important to this relationship formation as trust forms the basis of communication, action, relationship and agreement, all key aspects of transformational leadership, while power combined with trust strengthens the foundation.

*Criticism of transformational leadership:* too much focus has been given to the universality of the transformational leadership, and more research needs to shift focus on studying its limitations and the specific variables that make it effective (Gebert, 2004; Yukl, 2011). Literature, has often promoted this type of leadership as a sort of one size fits all kind of leadership. My argument is that since organizational practices differ on so many levels such as national culture, organizational culture, group, region, technology etc, it only seems rather unlikely that one type of leadership would work in all contexts.

Studies often tend to ignore the context of the workplace and therefore fail to see that the type of leadership that is needed depends of the context (Podsakoff, MacKenzie, and Bommer, 1996). Fiedler (1967) aptly explained that how a leader performs depends as much on his own qualities as the variables in the organization therefore making it impossible to have one leadership apply to all situations across all workplaces. Therefore, context must not be overlooked when studying leadership style.

According to Yukl (2011), transformational style of leadership has received a preferential treatment in literature, perhaps because of the democratic nature of the relationship it establishes. Not to mention, there are hardly any studies discussing the failures of this type of relationship. Stevens, D'Intino and Victor (1995) think this type of leadership is biased toward the top management at the employees expense in its goal to increase task performance. Also, if people with conflicting visions were to lead the employees this would lead to a lot of confusion among the followers (Yukl, 2011). By participating more, the followers cannot be expected to develop abilities and as a whole, transformational leadership theory "should not be heralded as a revolutionary approach that makes all the earlier theories obsolete" (Yukl, 2011, p. 47). This means that while transformational leadership may be applicable and useful in most context, as any authors argue, but it is not suitable in all cases. This indicates that leaders need to understand the context of their organisation and workforce including their culture in order to be able to determine the best strategy to lead them.

#### **2.5.4. Impact on followers' perception**

Good leadership and its contribution in creating a good learning environment has been the subject of interest for many researchers. Furthermore, in trying to study the various impacts of leadership, they found that leaders are an important intermediary between their clientele and their employees (Silins and Murray-Harvey, 1995).

Douglas McGregor (1960) through his theory X and theory Y explains the negative and positive attitudes of management. The negative attitude stems from a belief that workers are often lazy, not motivated and tend toward resisting authority and this comprises the theory X. This type of management resorts to control, coercion, threats and punishment as consequently we see low productivity, antagonism, unionism and subtle sabotage. Theory Y, however, talks of the belief that employees are motivated, active and interested, ambitious, prefer to lead welcome change and therefore, the managements adapt open communications, self-

managing teams and peer controlled pay systems and the results are high productivity, bonhomie and care for the organisation.

Traditional leadership was rather structured in that, when a task was performed correctly, and to the expectations, subordinates were rewarded. Furthermore, experience was of greater value than education and was given precedence. “Homosocial Reproduction” was evident, wherein leaders hire people who are more like themselves (Ragins and Sundstrom, 1989).

Innovation and imagination was clearly lacking as a result. Alternatively, the echelon type of leadership was more elitist in comparison. The higher ups made decisions based on their own experiences and beliefs and values (Hambrick and Mason, 1984). This involved their cognitive base, inadequate values, limited field of vision, selective perception, interpretation, managerial perception, and strategic choice (Hambrick, 2007). As a result, the employees were narrow minded and unable to cope with any challenges that resulted from the external factors.

In a situation where the people fail to meet the requirements, it calls for a new leader who wants to empower the followers to work together (Gabrielsson, Huse and Minichilli, 2007). Eventually, this kind of leadership became highly dependent on the leader to determine their success was therefore called the servant leadership (Greenleaf, 2003). The idea was for the ‘servant leader’ to encourage and motivate the employees rather than control them (Yuki, 2011). They believed in their leader with a positive attitude and therefore this led to a positive and productive organization (Northouse, 2007). Such an organization develops when the leaders humanise themselves, show empathy and understanding and in doing so create a harmony and a sense of community in their followers (Spears, 2004).

It is a widely accepted fact among researchers that it takes good leadership to create successful organizations. (e.g. Barnette, 2003; Sergiovanni, 2000; Snowden and Gorton, 2002). However, leadership doesn’t have the same role in every business. According to Hughes (2003), in order for an organization to see significant success, the values of their

leaders, employees and clients must all be in sync. This allows the leader to create effective common goals with his subordinates, who are more likely to agree with him. What makes the leaders different is the means by which they accomplish this, empowerment being one of the popular means of accomplishing this. They do this by appealing to their extrinsic and intrinsic interests and encourage them to work toward a common established goal, this is especially important in the modern scenario as employees that are trusted work better than those that are monitored and feel no sense of trust (Leithwood and Jantzi, 2000).

Gabrielsson et al (2007) argued that the quality of services rendered is what influences the employee morale and customer satisfaction. There is also a lot of research that supports the idea that leadership is responsible for the performance.

*Leadership and follower's trust:* trust is the ability of a person to depend or expect that what an individual says or promises will be done and that they can depend on it (Rotter, 1980). Hosmer (1995) however thought the expectation from another person is justified simply by ethics, especially on the part of the promise making party, as an economic exchange.

Mayer, Davis, and Schoorman (2007) trust comprises the trustee's perception, benevolence, and integrity, and the trusting persons ability to trust. Trustworthiness consists of five factors, which impact perceptions – integrity, sharing powers, expressing concern and effective communication. Additionally there are other factors, such as ethics and integrity, which have significant impact in building trust between leaders and followers, which is an important part in an organization.

*Leadership and followers' job satisfaction:* transformational leadership tends to have several positive effects on the organization – employees tend to be more satisfied, and their goals and means are well established (Judge and Piccolo, 2004). Kark, Shamir and Chen (2003) found a strong relationship between being empowered and satisfaction. Furthermore, team members

are more satisfied with their jobs when compared to those in traditional roles. Job satisfaction has intrinsic and extrinsic component to it, challenge, achievement, and using ones abilities are intrinsic factors, and determine job experience, while supervision, company rules and regulation, and practices comprise the extrinsic factors and often shape workers perception of their work environment (Judge and Piccolo, 2004).

The discussion indicates that it is quite essential for a leader to build trust among the employees in order to be able to manage their collective efforts towards the collective goals. It is essential that while the organisation goals are kept at precedence the leader is able to convince the followers that their interests will also be taken care of by the organisation's management. In this respect the leader has to remain aware of both intrinsic and extrinsic factors driving employee satisfaction and motivation.

## **2.6 Organisational Culture and Leadership**

According to literature, culture and leadership in the organization directly impact the performance in a company. For instance, the associated between leadership methods and performance has been subject of several research studies (Howell and Avolio, 1993). Furthermore, other factors such as culture and performance are also considered in research (Mohelska and Sokolova, 2015; Budin et al., 2015; Deal and Kennedy, 1982; Ouchi, 1981). Words like 'creating' and 'maintaining' are often used to describe the leaders role in an organization (Siehl, 1985).Furthermore, leaders must understand and consider cultural differences as their job description (Hennessey, 1998).

Even though it has been established that culture and leadership are associated, not much attention has been paid to actually dissecting what links them and how this can affect the performance of an organization. Considering the fact that the association is so often mentioned in theory, it comes as a surprise that there is hardly any literature actually exploring this association of culture and leadership (Schein, 1992).

The essence of leadership is to convince and lead everyone to work toward a goal, the goal being success of the organization. Leadership is therefore an important factor in conflict resolution when it comes in the way of success (Ho et al., 2015). A leader must be able to want to make the workers volunteer and cooperate with others (Han, 2010). Furthermore, a leader and have a positive influence on the organization and therefore determines the success. Furthermore, the type of leadership can impact the effectiveness of the organization (Yukl, 2011).

The effect of OC goes beyond commitment, loyalty, job motivation and job performance of members but it can impact the organisational effectiveness, and even the leadership (Lim, 2009; Mohelska and Sokolova, 2015). To new employees the OC is the way of doing things around an organization, the means to solve a problem or how to communicate, what kind of dress code to follow, etc. Many aspects of this, for instance how accepting of this culture the employees are greatly affects the organizational performance (Schein, 1992). Essentially, culture is formed through interactions between the leader with his subordinates and colleagues among themselves that shaped the lay of the land in an organization.

When studying leadership development, culture is often the overlooked factor Schein (2004). The main reason being the managers' preoccupation of their own culture making them blind to the one existing around them, however this can be overcome in many ways that allow a person to understand the impacts that their culture might have on their work. An organization's culture is its own unique set of values, beliefs, processes, stories, and history, among other things (Reinecke and Bernstein, 2013). These are often derived from the qualities of business drivers such as their speed, quality, innovation, etc. which affect the policy and processes of an organization to shape it and form its culture (Bal and Quinn, 2001).

As we established many times before, while they claim there is a relationship between leadership and culture, not much tangible evidence is available to work with on the subject (Bass and Avolio, 1993). One notable example is the claim that Hennessey made that it was

the leadership that led to the recent reforms in the United States government. Furthermore, they argue that ‘the most effective leaders foster, support, and sustain organisational cultures that facilitate the type of management reform envisioned by “reinventing government” and the attendant increases in effectiveness and efficiency’ (Ogbonna and Harris, 2000).

To understand exactly what role culture plays in leadership, it is important to explore what part it plays in organizational theory. According to Smircich (1983) there are two ways to look at culture in an organization context: culture as a variable or culture as something malleable or that can be manipulate wherein the extent of the change depends on the leader and his ability. The transformational leadership theory supporters are promoters of this approach to culture (Nicholls, 1988; Quick, 1992; Simms, 1997). Contrarily, some think of culture as the heart of the organization, which molds leaders along with how they think, feel and operate (Bass and Avolio, 1993; Schein, 1992).

Many researchers including Schein (1992), Budin et al (2015) and Mohelska and Sokolova (2015) claim that OC and leadership are greatly influenced by one another. Schein (1992), taking into account the life cycle of an organization, studied this relationship in an attempt to demonstrate it. In shaping the values and beliefs of a company, the leader in actually shaping the culture of said company, over time, as the organization goes through changes and progresses, along the way the leader is shaped by his experience of the organizations evolving culture too (Bass, 2000; Mohelska and Sokolova, 2015).

The leader not only creates organizational culture, but is also shaped by it. In all, most researchers concur that culture and leadership are associated as explained by Bass and Avolio (1993) and is like Schein (1992) said, the leader shapes the culture of the organization and in turn also accepts the change that the organization causes in him.



Figure 2-3: The links between leadership style, organisational culture and organisational performance, (source: Ogbonna and Harris, 2000).

The above figure (2.3) represents how the external environment impacts leadership style, organisational culture and the performance. It demonstrates that organizations are not isolated but in fact under the constant influence of various external factors, which moulds them, this includes leadership practices. However, the sequential flow, as represented in this model is debateable, take for instance, according to this image, the leadership influences OC which in turn impacts the performance. However, argument can be made that organisational culture and performance dictate what type of leadership is needed and accordingly shape that outcome rather than the other way around. Also, this is not unidirectional as represented, but as the external forces are capable of influencing an organization, the organization also tends to influence these factors. For instance, if an organization is manufacturing a product using a more sustainable method, this could lead to an industry wide adaptation of the method and policy change. Therefore, leadership style, organizational culture, performance, as well as the external environment are interconnected and work in unison to shape one another in many ways. The following section will discuss some of the currently practices leadership styles across organizations.



## 2.7 Customer Relationship Management (CRM)

CRM is an area of business that is concerned with customer satisfactions, retention and loyalty by providing services that are designed to meet their expectations (Greenberg, 2002). To be customer based, they need to humanize the IT aspect of the process when making the changes. In the following section, they discuss CRM and its issues.

The purpose of CRM is to develop and maintain long-term customer relations. (Kristoffersenet al., 2004). Reviewing literature, we can classify CRM's purpose is to strategize, and create value all the while keeping the process central to be able to achieve better outcomes (Lambert, 2004; Boulding et al., 2005; Payne and Frow, 2005 ;Bohling et al., 2006). According to Zablah et al. (2004), CRM is key to meeting the organizational goals through its philosophy and strategies. According to Smith (2001), CRM is "a business strategy combined with technology to manage the complete life cycle" and "data-driven marketing." In order for it to be effective, CRM being customer centered must apply itself during the life cycle of the customer.

Operational CRM involves front office processes such as call centers, while analytical CRM takes this a step further and deals with customer behaviors, statistics, and finally with the help of these collaborative CRM deals with customer integration through a combination of means such as online stores and call centers.

CRM collaborates, people, technology, management, processes to better understand the customers (Ho et al., 2015). CRM system is made up of all these three aspects as they individually contribute in their own way to make up the CRM system (Chen and Popovich, 2003; Ho et al., 2015). Next, we will discuss each of these in aspects in more detail.

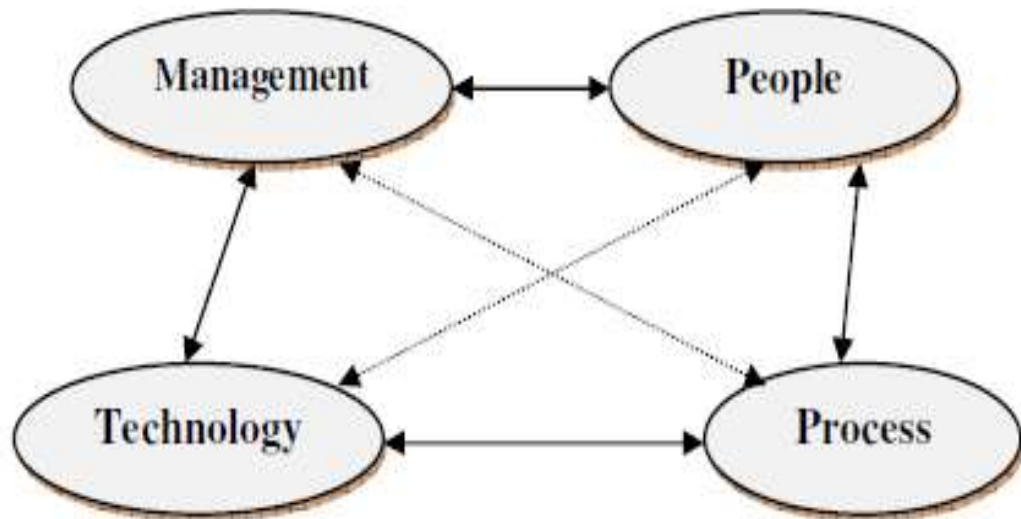


Figure 2-4: Components of CRM (Chen and Popovich, 2003)

- Technology factor

The function of the technology is to be able to establish collaboration between sales, marketing and other front-office functions with other customer ‘touch points’(Fickel, 1999). These touch points can be anything from the Internet, e-mail, sales, direct mail, telemarketing operations, call centers, advertising, fax, pagers, stores, and kiosks each of which are controlled by different systems (Eckerson and Watson, 2000).

Because of their potential in effective data collection and processes on customer patterns, their behaviors, come up with predictive models, and accordingly use the information to develop the necessary services that will cater to the needs of the customers, CRM utilized the complete benefit of IT (Yadav and Singh, 2014). Therefore, as the need for new and improved strategy for improving productivity and efficacy in sales, marketing and customer support increases, businesses push for better CRM technology (Greenberg, 2004).

- Business Process

CRM needs to be customer centered, as it is business model that deals with customer satisfaction and service industry wide. Additionally, it needs to be constantly evolving and

improving on itself based on customer expectations and feedback. Since it is customer centered, they need to develop their product to meet the needs of the customers to their satisfaction (Chen and Popovich, 2003). To optimize this process, they need to evaluate customer relationships based on their values and benefit to the company and accordingly tend to the customers based on their value to the company (Renner, 2000). To make more effective changes, firstly they need to analyze processes and how they are working and according change the things that are not working as well to reach the pre-established goals (Goldenberg, 2002).

- People

While technology and processes are critical to the CRM and its effectiveness, customer relations mainly depends on the employees individually and therefore they need to understand the role CRM plays and the consequent changes (Chen and Popovich, 2003). To be able to rework a customer based business, it is requires to rework the culture among all employees, which means that some people may chose to quit their jobs while others will be let go in order to implement the changes.

When CRM is implemented to its full potential, this changes some important job descriptions (Al-Mashari and Zairi, 2000). The role of the management is to educate and train employee's company-wide as a sign of their commitment and in doing so they are able to update their employees as well as keep them motivated and prevent resistance. Furthermore, they need to make changes and establish changes to the compensations and reward systems to encourage a more customer centered organization (Chen and Popovich, 2003).

- Management

The commitment of management is very important to the process as it enables them to ensure that the product development and services rendered are at par with that promised. Management must set the goals and vision and accordingly guide the employees to develop

appropriate strategies and the necessary leadership (Chen and Popovich, 2003). According to many studies, management plays an important role in ensuring that there is a balance in the focus given to technology, people and processes, as it is important to maintain a balanced focus to effectively implement CRM.

### **2.7.1. CRM and Organisational Culture**

As established, organizational culture impact the effectiveness of the business or in other words, the performance, the IT implementation and successful marketing. The following figure demonstrates how OC can be studied in relation to the success of a business (Denison, 1997, p. 5). In this image, the effectiveness is demonstrated as being associated with the beliefs and values of the people who work in an organization and how these impact the policies and practices of the workplace since these values that people uphold are directly reflecting of the culture and policies of the organization and therefore the effectiveness of the organization.

Off late, Customer Service Management (CRM) has become recognized for its important contribution to an organization. According to a survey conducted by Bain and Company globally, CRM happens to be one of the top 10 management tools used by management (Rigby and Bilodeau, 2005).

CRM is defined as “the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer-related data and enabled by information technology” (Buttle, 2004).

CRM can therefore is considered the application of information technology to customer related functions of an organization, for instance, marketing, selling, and customer service. Therefore before being able to implement CRM, a company needs to develop appropriate IT

needs – hardware and software. These comprise the CRM system implementation. However, there seems to be a high rate of failure associated with these implementations. A survey conducted by ATandT found that only 29% of the participants claimed they were satisfied with the CRM implementations (AT and T, 2003).

Yet another survey that was conducted by IBM Business Consulting Services found that only about 15% of the companies believe they were able to effectively implement CRM while a mere 20-30% feel like they are partially succeeding through CRM (IBM, 2004). It is believed that, if implemented effectively, the CRM performance can help the employees and management both identify the barriers in the culture. Failure in CRM is most often the result of resistance on the behalf of employees to adjust to the new CRM procedures (Crosby, 2002; Kavanagh, 2003).

The effect of culture is quiet commonly talked about in Management Information Systems (MIS) literature studies. A developer's culture and beliefs are often reflected in the MIS as they build these to be used in their society and organization system laws and information technology infrastructure. It is therefore believed that culture plays a role in all IT related projects. In their research, Zhang et al. (2012) also found that the national culture not only forms OC but also determines the adoption of mobile commerce. Since most of the MIS were developed in Europe, they reflect the Anglo-European culture and favour their business practices and values, which happen to be western (Soh et al., 2000). Yet, even in their native countries, people find that it fails. One such example is FoxMeyer and Mobile Europe; both companies tried to implement MIS and eventually dismissed it as being a failure (Davenport, 1998a). Culture affects more than just the IS process stages; according to Reinecke and Bernstein (2013), it influences everything including design. They demonstrate how the design and performance of IS depends on the culture of the user. Therefore it becomes imperative to understand the users process and use it to develop their systems (Lindgaard et al., 2006). This means that considering culture can be the difference between the failures of effectiveness of CRM.

As mentioned earlier, by Zhang et al. (2012) as well as Reinecke and Bernstein (2013), we know that OC puts emphasis on the customers, information sharing, cross-functional teams, performance-based rewards, supportive relationships, adaptive and responsiveness to new changes. Furthermore, risk taking is often associated with CRM implementation. However, it is important to note that literature studying culture and MIS is only focused on US and Europe and hardly ever applies to developing nations such as Saudi Arabia and given that every country and its national culture vary greatly, it seems imperative to understand their cultures with regard to CRM. Furthermore, it will be particularly interesting to see how developing nations are implementing and accepting CRM based on their cultural differences.

To effectively implement CRM systems, researchers have found that employee attitude and behaviour seems to be the biggest hurdle in the way and therefore needs to change (Mack, Mayo and Khare, 2005; O'Malley and Mitussis, 2002; Rigby, Reichheld and Scheffer, 2002; Wilson, Daniel, and McDonald, 2002). Mac et al. (2005) talk about how these changes can be accomplished through a reward system, which will be able to convey the importance of customer friendly behaviors and make them more willing to build stronger customer relations. In his study of five financial service firms across Canada, Campbell (2003) found that a reward system is the key to make employees more customer focused and willing to learn more about them. To enable more customer friendly behaviors, companies may need to establish a reward system based on performance, for instance point-of-contact resolutions to the customer's problems.

### **2.7.2. CRM Implementation and factors affecting CRM**

The main goal of the CRM is to form and maintain a loyal and profitable customer base for the organizations. Either way, retention of clients is beneficial to the company and the clients. This is because, not only the company but also the clients benefit long term from this, as they are catering to the customers' needs directly (Kevork and Vrechopoulos, 2008).

Given a choice, customers are often more likely to remain loyal to a company that provides better product for a higher value than one that is merely lesser in cost. A buyer sees this as a give and take relationship and to keep customers interested they need to take more than they give, i.e. they are more likely to stick around if they get quality, satisfaction and other benefits for the price that they are spending on the product. In that case if companies strive to meet the customers' needs to keep them satisfied, the customers are evidently benefiting from this arrangement and therefore are more likely to maintain their relationship with the company long-term (Swift, 2001).

Data shows that buyers are not likely to change suppliers for the products and services they need especially if they have invested a lot of time and money in developing the relationship between them. Furthermore, switching over costs a lot of money and time not to mention the psychological implications of this. Maintain a relationship with one company "liberates" some time, in a way, and allows people to focus on other priorities and therefore many customers often seek this balance and simplify the process to improve their lives. (Richards and Jones, 2008).

Since studying why CRM fails happens to be such a challenge, many researchers are especially motivated to make their contributions to this aspect of business literature (Wisktron, 2004; Rigby et al., 2002). There are many factors that contribute to the failure of CRM, and while some of these are beyond our control, others can easily be addressed (Payne, 2004). Essentially, it is the complex nature of CRM implementation in association with organizational issues (Goodhue et al., 2002).

Several CRM failure studies have found several potential reasons for why CRM fails, and therefore revealing some important problem areas that prevent its effective implementation.

Nguyen et al, (2007), identify factors like lack of support from management in addition to the inability to align the CRM process with the current vision of the organization. Even Chalmeta (2006) supports some of these reasons for failure while giving his own reason for CRM

failure including the fact that people think of CRM solely as technology, there isn't enough support from management, customer-focus culture is lacking, people are not ready for the changes and they are poorly managed, the data is also poor and lastly they are lacking in involving their users vision and strategy for the CRM implementation. Therefore the most important point he makes is that, despite management support, a lack of vision can cause failure of CRM. Furthermore, CRM cannot be thought of as an IT tool that works by itself to solve problems, but rather as philosophy to be understood and adopted by management and conveyed to their organization as a whole.

Kale (2004) provides further evidence to support some of the previously listed factors and why they fail. His reasons are as follows: 1) looking at CRM as technology; 2) Not customer-focused enough; 3) no value for customer life cycle; 4) lack of management support; 5) not anticipating the importance of changing management; 6) not re-designing business processes; and finally 7) underestimating difficulties related to data collection and application. Most of the other studies however, have a more general focus for the causes of CRM failure for instance, Forsyth (2001) conducted a study of 700 companies and reached the conclusion that CRM failure resulted from: organisational change (29%), company policies/inertia (22%), little understanding of CRM (20%), and poor CRM skills (6%). Rigby (2002), stated the failure to create proper implementation strategy was the main reason CRM implantation fails.

Looking at all the existing literature on OC and leadership and how it impacts the implementation of CRM, there are some very important gaps, which this thesis aims to fill. Firstly, the fact that there is a lack of research on OC and leadership to begin with especially pertaining to the development and implementation of CRM in developing nations like Saudi Arabia. Secondly, despite the many studies that speak about CRM implementation, they often overlook the association of CRM with other important factors such as leadership styles, organizational culture and staff behavior. Additionally, there are no studies that provide empirical evidence even conducted, especially in the Arab nations and the CRM implementation or any other variables. It has been stressed constantly that to effectively implement CRM, it is important to have the ideal environment to smooth the implementation process while keeping in mind the various internal and external variables at play that affect



the CRM implementation for example, the OC, management commitment and national culture boundaries.

## **2.8 Context of the Study**

Saudi Arabia is a member of the GCC or the Gulf Co-operation Council (Khan, 2009) and most of the members of this Council seem to share similar culture to some degree (Bin Obaid, 2003; Mellahi, 2007). As they happen to share so much in their culture, it is possible to refer to the national culture of the GCC nations as one.

Saudi Arabia is located in Southwest Asia. It is considered the birthplace and home of Islam. Even today, because of the Mecca and Medina shrines, it remains one of the most religiously influential nations. Saudi Arabia comprises almost four fifths of the Arabian Peninsula with is 2.2 million square kilometre size. The red sea and the Arabian Gulf respectively make the west and the eastern borders of the country while Jordan, Iraq, and Kuwait are the neighbouring countries in the north and Yemen in the south. Saudi Arabia is divided into several regions, Riyadh, the capital being the central region, while the oil industry is based in the east.

Saudi Arabia happens to have the world's largest oil reserve (petroleum and products), most of which is located in the North Eastern parts of the country. Approximately 18% of the world's oil reserves are owned by Saudi Arabia (OPEC, 2012). Fossil fuel is the main source of income for the nation and this is especially fruitful due to the every rising demand for fossil fuel worldwide.

Saudi Arabia is a monarchy and has been ruled by the royals since its establishment on the 23<sup>rd</sup> of September 1932 by King Abdul-Aziz Al-Saud. By law, his sons and grandsons are

responsible to lead the country and the country follows the Shari principles that are based on the Quran, the holy book of Islam and is therefore considered the constitution of the country (US Department of State, 2012). While officially they follow the Hanballi School of law, judges are allowed to rule based on any of the Sunni scripts.

Asaad (2002) talks about the debate over implementing western management theories to workplaces in Saudi Arabia and explains that those who are oppose to the idea justify that they are based on the protestant value of individualism, profits and capitalism and have no regard for society and other individuals. They think that developing countries like the Arab nations are more fatalistic, collectivist and more family centred as opposed to self-serving (Mendonca and Kanungo, 1996). On the other hand, the supporters claim that ‘the Islamic administrative orientation is similar in some respect to the western management orientations’ (Asaad, 2002). For instance the role of an administrator or a leader is explained in the Quran and Sunnah as the motivator, trainer, supporter and recruiter.

Since religion is a crucial aspect of Saudi Culture, religion based models are obviously of more value and given precedence over others. However, people who believe in this still find that people personal influence, customs and traditions still seep into the management of the country economically been though this must be based on the Sharia’s and Islamic principles. (Mellahi, 2007). Given the collectivist nature of these cultures, they are more likely to follow leaders based on hierarchy over the their merit, or the foreseeable consequences to make the decision (Mendonca and Kanungo, 1996). Therefore, this calls for an objective approach on the part of the policymakers as opposed to the subjective one. Being the dominant religion in the Arab countries, Islam also plays a role in setting the beliefs and behaviours of the people in those countries. However, several people argue that Arabs are not influenced by Islam in business, but it is the basis on which they evaluate their decisions and rebuild their beliefs. (Hill et al., 1998). According to Ahmed (1992), Islam is not secularised or post modernised in any way yet. Apart from critiquing their belief in god and prophet Mohammad, Hill and associated do not provide much on other ideas and therefore Islam cant be considered changing or unchanging. Regardless, it is an important influencer in the Saudi Arabian culture and must be recognized as such.

According to Hill and associates's (1998) portrayal of the Arab culture, they seem to be fatalists and there is also the gender separation in workplaces. Furthermore, he describes the business structure as a complex one with a lot of contradictions. Even Ali agrees with the claims made by Hill about the business culture in Saudi Arabia. He stated that apart from Islam there are four other factors that are impact business in Saudi Arabia: 'the tribal and family tradition of obligations, the continuation of bureaucratic influence that was inherited from the colonial Ottoman Empire. Correspondingly, an increased contact with the West, especially after the Kingdom's accession to World Trade Organisation, led to pragmatic management' (Ali, 1990; Assad, 2002).

The middle is described as having a polychromic time-orientation meaning time is loose with no ends in these nations therefore making them more focused as past-present as opposed to future. Punctuality is not expected and is often lacking and therefore there are no strict deadlines or schedules that people follow and last minute changes and delays are hardly surprising. Their focus remains on the relationships. Furthermore, since they are a hierarchal society, promotions at work are based on seniority and not qualification as their way of respecting the elders. They prefer an environment of corporation to conflict or competition (Kaufman-Scarborough, 2003).

Deresky (2006) summarises the cultural values and their impact on managerial behaviour as discussed by Harris and Moran (1991) about the workplace attitudes and behaviours in Saudi Arabia as listed in research studies as understanding these factors is important to CRM implementation. Hofstede (1995) studied Human resource management and managerial practices with regard to Saudi Arabia. He described the Saudi managerial practices as having high power distance, high uncertainty avoidance, and collectivistic.

It is important to note that these studies are based in the 80s and 90s and before the Saudi Arabian Government joined the World Trade Organisation (WTO) when things began to change significantly leading to the movement of private sector toward market-orientation

with a synergistic management perspective (Mellahi, 2007). It is important to acknowledge that the culture in Saudi Arabia has gone through some significant changes since then.

## **2.9 Conceptual framework**

The framework is based on the current literature review and research problems of the thesis. If literature is an indication, the previously conducted research over the effect of Culture on IS application were based on Hofstede's dimensions on the application of IS and overlooked culture and leadership as effecting factors (e.g., Zhang et al., 2012; Reinecke and Bernstein, 2013).

### **2.9.1. Defining the Variables**

The research project is based on the theoretical framework provided (Sekaran, 2000). The role of the framework is to clarify the research problem and how it is being investigated, while not failing to address the relationship between all the factors that cause the research problem. For this study, the theoretical framework is based on OC, leadership and IS and each of these variables are discussed in more detail below.

### **2.9.2. Organisational Culture**

Quinn and Rohrbaugh (1983) analysed 39 indicators of organizational effectiveness and came up with the Competing Values Framework (CVF). It was however, first created by Campbell et al (1974). Later, Cameron and Quinn (1999) reworked the CVF and developed the OCAI or the Organisational Culture Assessment Instrument.

*Flexibility and Discretion*

	The Clan Culture	The Advocacy Culture
	<i>Orientation:</i> COLLABORATIVE	<i>Orientation:</i> CREATIVE
	<i>Leader Type:</i> Facilitator Mentor Team Builder	<i>Leader type:</i> Innovator Entrepreneur Visionary
	<i>Value</i>	<i>Value</i>
	<i>Drivers:</i> Commitment Communication Development	<i>Drivers:</i> Innovative outputs Transformation Agility
	<i>Theory of Effectiveness:</i> Human development And participation produce effectiveness.	<i>Theory of Effectiveness:</i> Innovativeness, vision and new resources produce Effectiveness.
	The Hierarchy Culture	The Market Culture
	<i>Orientation:</i> CONTROLLING	<i>Orientation:</i> COMPETING
	<i>Leader type:</i> Coordinator Monitor Organizer	<i>Leader Type:</i> Hard Driver Competitor Producer
	<i>Value</i>	<i>Value</i>
	<i>Drivers:</i> Efficiency Timeliness Consistency and uniformity	<i>Drivers:</i> Market share Goal achievement Profitability
	<i>Theory of Effectiveness:</i> Control and	<i>Theory of Effectiveness:</i> Aggressively

efficiency with capable processes	competing and customer focus
produce	produce
Effectiveness	
s.	Effectiveness.

*Stability and Control*

Figure 2-5: The Competing Values of Leadership, Effectiveness and Organisational Theory (Cameron and Quinn, 2006)

There are four characteristics associated with each CVF cell. ‘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.

According to the CVF there are four types of cultures an organization can fall into. In the *clan culture*, represented in the upper left quadrant of the CVF, the workplace is a friendly environment where people share their lives. This type of workplace is often considered family wherein, colleagues as friends and managers as mentors, advisors and sometimes parent-like. This can be described using words like loyalty, tradition, and collaboration wherein people are committed to the company and their colleagues and their focus is long-term benefits and development. A high moral standard is maintained and success means everyone is happy and satisfied.

The upper right quadrant represents the *adhocracy culture*, a workplace based on creativity, and is entrepreneurial and dynamic in nature. Risk taking is common here and leaders are

often visionary, innovative, and risk-oriented. Their commitment to experimentation and innovations and their will to be the leading edge of knowledge and products keeps the organizations moving and united. It is important for the employees to welcome and accept change and constantly work towards growth and development to produce new and unique products/services.

The lower right quadrant represents a *market culture*, which is a result-oriented workplace. Leaders here are aggressive and hard-driving directors and competitive. The common goal of everybody in the organization is to win and long-term, their goal is competition and achieving goals. Success is measured based on the market position of the company in the market, comparison with the competition, share prices and other such measures.

The *hierarchy culture* is represented in the lower left quadrant and this kind of workplace is formal and structured. The organization is based on the processes and procedures of the organization. The role of the managers and leaders is to efficiently run the organization and be organized. Long term, the organization aims to attain stability, predictability and efficiency.

These quadrants indicate that every workplace has specific characteristics, norms, practices and ways of working which can be categorised as the organisational culture. This highlights that organisational culture has a significant impact on the work practices and it is thereby expected to affect how organisational culture affects implementation of new systems like CRM/.

### **2.9.3 Leadership Variable**

Leadership is one of the main factors to running a great organization and therefore development of leadership is allotted significant amount of resources of the budget of the organization.

There have been many theories that attempted to explain the role of leadership as it pertains to organizations. This study will shed light on these theories, specifically the LMX theory, situational leadership, transformational leadership, servant leadership, authentic leadership, and complexity theory.

Leadership development is often not studied in relationship to OC. This is because managers tend to be so involved in their own cultures they seem to be ignorant of the ones around them. They must therefore attempt to understand other cultures and apply this to their leadership strategy to see what they should improve and what should remain the same (Cameron and Quinn, 2006).

This research attempts to find the answers to the following questions:

1. How does personal and national culture impact leadership style?
2. How does the international performance of an organization depend on the leadership style?
3. How do the leadership and OC affect IS and CRM implementation?

Traditionally, leadership and management took a one-track attitude, which believe the goal was to control and guide a group of uneducated people. However, research shows that the more effective leadership strategy is encouragement and practice.

#### **2.9.4 Implementation of CRM**

Businesses lately are relying increasingly on information systems to cope with the changing market contexts in which they are trying to survive. Furthermore, they also rely on IS to make the appropriate changes and restructuring to their organization. Obtaining the most recent and accurate information about everything is key to surviving the market nowadays. The human factor is not enough anymore, people are incapable to keep up with the pace of business as



efficiently anymore and therefore they need to develop corporation networks, customise products and services in bulk, and need automated control of business processes to manufacture end-to-end (Zhang et al., 2012; Reinecke and Bernstein, 2013).

Therefore it comes as no surprise that IS demands are every growing and this rapid pace and demand allows for some changes that were not deemed feasible previously. Some of these processes include basic computing technology via communication technology and a broad spectrum of data and process management technology to complete frameworks for enterprise information systems and e-business systems. Furthermore, to make sure implantation of the IS is effective, it is imperative to consider the OC and leadership among other factors. This is going to comprise the main research problem.

### **2.9.5. The relationship of the variables**

The following table summarises the main themes on which the framework above was designed (Figure 2.6).

Themes	References
Three Levels of Culture Model	Schien, 2010.
Competing Values Framework	Cameron and Quinn, 2006.
Effect of national culture and organisational culture	Hofstede, 1984; Dorfman and Howell, 1988; Myers and Tan, 2002; McCoy, 2003; Nazarian et al., 2013; Denison et al., 2014.

Culture impact on IS has been studied on many levels including the macro level – national, cross-cultural, organisational, group or sub-culture, professional, special interest, social class, etc. and individual - micro level or subjective culture.	Triandis, 1972; Ali and Alshawi, 2004, Ali and Brooks, 2008, Cummins and Worley, 2014; Pinho et al., 2015.
The Four Conditions affecting Culture	Shain, 2001.
Leadership	Zhang et al., 2012; Reinecke and Bernstein, 2013; Yukl, 2011; de Vries, 2003; London, 2002; Safferstone, 2005; Coleman and Earley, 2005; Spillane, 2006.
Leadership style	Reinecke and Bernstein, 2013; Jones and Rudd, 2008; Bush and Glover 2003; Pastor and Mayo, 2006; Bono and Judge, 2003; Gabriellsson et al, 2007.
Organisational Culture and Leadership	Budin et al, 2015; Mohelska and Sokolova, 2015; Deal and Kennedy, 1982; Denison, 1990; Ouchi, 1981; Pascale and Athos, 1981; Peters and Waterman, 1982.
CRM implementation	Zhang et al., 2012; Reinecke and Bernstein, 2013; Davison and Martinsons, 2003; Feng, 2006.

Table 2-3: Key themes from the literature

This research aims to come up with a sequential framework for effectively applying CRM practices while tackling all the factors that affect it in order. By determining the OC and leadership relationship, we can come up with the variables that affect CRM implementation and according base our framework. The framework below is structures based on the associations between the variables in question.

The main focus of the framework is organisational culture, leadership, and CRM implementation and the interplay between OC and leadership that affects the CRM implementation in turn.

With reference to various literatures, the following framework was prepared:

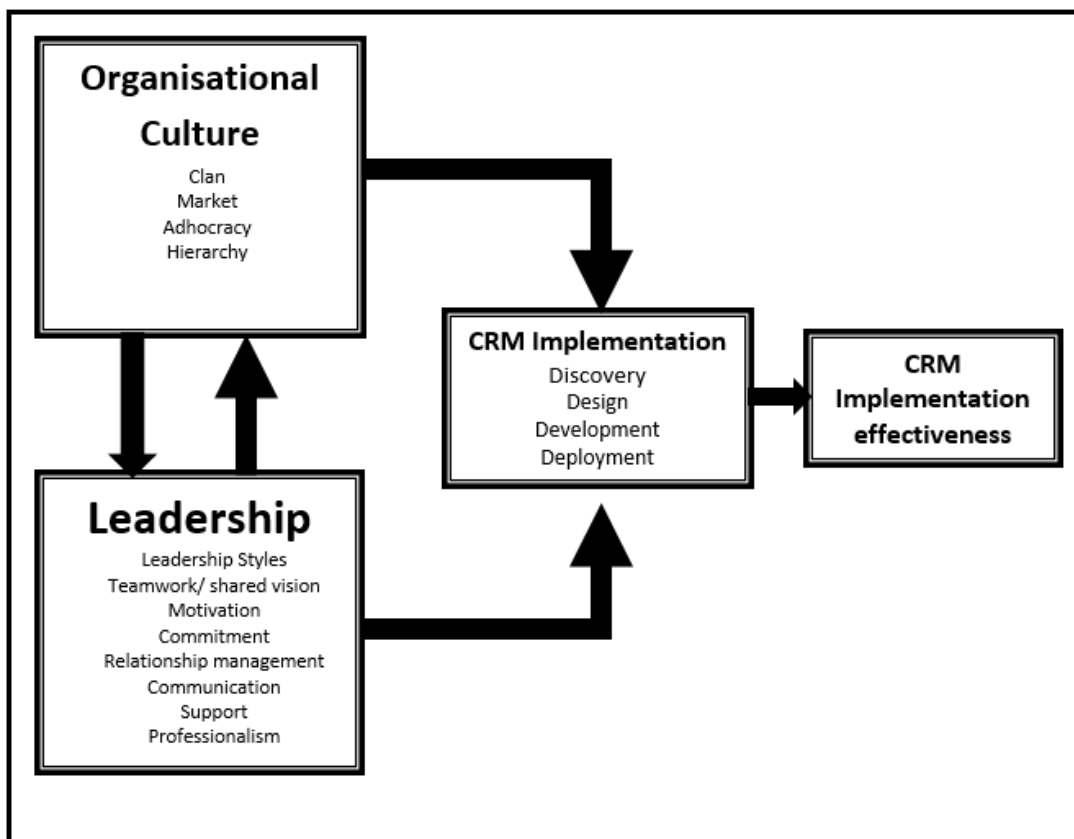


Figure 2-6: Conceptual framework

According to this framework leadership and culture influence each other and this interplay impacts the CRM implementation, either directly or indirectly. The arrows represent the actual direction of impact/influence between factors as represented in figure 2.6.

Listed below are the elements of variables based on which this research is designed:

- *Clan culture*: a corporative and collaborative culture whose leaders serve to motivate and encourage through their supportive roles.
- *Adhocracy culture*: this is based on creativity and is very dynamic in nature. The leaders in this organization complement its characteristics with their vision, innovation and risk-taking attitude.
- *Market culture*: This is a hard-driven organization where leaders are strictly concerned with result and numbers.
- *Hierarchy culture*: this is the formal and structured workplace wherein leaders are greatly focused on procedures and rules and age is given precedence over qualification.

For the Leadership variable, the research focus is as follows:

- Leadership Styles: what type of leadership style does the management employ?
- Motivation: Does the manager or leader encourage the employees to use IS?
- Support: is there adequate moral and formal support to aid employees using the IS?
- Commitment (from the senior management): is the management committed to dealing with the IS and CRM issues that may present?
- Teamwork/shared vision: whether the management encourages and creates an environment conducive to collaboration among employees.

- Relationship management: how much effort does the management put into its relationship with their subordinates/employees?
- Communication: what is the nature of communication between the top managers and frontline employees, i.e. direct, formal and regular or absent?
- Professionalism: do the management employees meet the expected professional standards?

The abovementioned variables are discussed in the research and these are the same ones that are gaps in the research. How effective the IS implementation is can be linked to how committed the management are to the as well as some of the other variables. The study focuses on these variables as they contribute to the formation of the organizational culture and leadership.

To realise the plan for implanting the IS adequately, it is important to the management work to link both the variables together. Management needs to practice leadership that will enable the application and encourage learning about the new IS. As stresses over and over again in this literature review, the culture of the people using the IS impacts its implementation. And since the national culture happens to be the key to the effectiveness of IS, this study will focus on the OC and leadership aspects.

National cultures stem from hundreds of years of history and other factors such as the ecology that influences the physical environment, the economy, and development and technology. According to Hofstede, these norms consequently result in the organizational culture that we observe, and are also seen reflected in the education system, families and even politics (Hofstede, 1980).

These cultural differences on an individual or even a national level can be important determinants of IT and IS management (Davison and Martinsons, 2003). Meaning, national culture will directly impact the implementation of IS, at every stage or development, establishment as well as usage depending on the culture of the person using it (Feng, 2006).

In terms of effectiveness of CRM, the focus is on achieving the benefits of CRM. Benefits of CRM include improved reputation, better competitiveness and financial performance. Effectiveness of CRM is determined on the basis of the extent to which the companies implementing CRM can generate these benefits from implementing CRM (Amoako et al. 2012). For this CRM needs to be treated more than a system; it needs to be treated as a philosophy aimed at improving the competitiveness of the organisation through improvement in customer focused culture (Amoako et al. 2012).

## **2.10 Conclusion**

The purpose of this chapter was to review all the literature over the research problem by highlighting all the theories of CRM and working to create a framework for implementing CRM effectively. This chapter discusses the current literature on impact of national culture and organisational culture on CRM implementation. This chapter also discussed the attributes of different types of leadership and also the impact of leadership on implementation of CRM. According to the literature leaders can influence the organisational culture and in this manner it affects implementation of CRM also. Literature also indicates that leadership is also somewhat influenced by culture because leaders sometimes adjust their leadership style based on organisational culture.

## **Chapter 3: Research Methodology**

### **3.1 Introduction**

This chapter outlines the methodology used for collecting and analysing data in order to achieve the aim and objectives of this research. Kothari (2008) define research as “a scientific and systematic search for pertinent information on a specific topic...it is an art of scientific investigation” (p. 3). Systematic approach towards resolving an issue is the key aspect of any research as it allows the researcher to identify specific tools and methods that will help him/her reach the desired outcomes of research (Saunders et al. 2015; McBurney and White, 2009). Bryman and Bell (2008) stated that a logical approach needs that the researchers are aware of the final objective and select data/tools which are appropriate to achieve the final objective.

This chapter begins with understanding the purpose of the research. This is followed by a discussion of the research philosophy. This research is based on interpretivist philosophy. This is followed by a discussion of the research methodology and why qualitative research methodology was considered most suitable for this research. This is followed by explanation of why interviews were selected for collection of data for this research, how the interview process was conducted and what is the validity and reliability of the interview data. The sampling strategy adopted to recruit respondents for this research is discussed followed finally by the discussion on the ethical issues related to this research.

### **3.2 Research Purpose**

The first and foremost for writing research methodology is to understand the purpose of research. Purpose of the research would determine which tools will be most suitable for the achieving the purpose of research. Based on its purpose any research can be categorised as exploratory, descriptive or explanatory (Rubin and Babbie, 2010). This is an exploratory

research which explored the combined impact of culture and leadership on CRM implementation in Saudi Arabian organisation. In past several researchers have looked at either the role of culture or the role of leadership in CRM implementation but none of the past researches have looked the combined impact of these two on CRM implementation. This research goes a step further than past researches and look at the combined impact of leadership and culture on CRM implementation in Saudi Arabian organisations. Since this topic is relatively less explored it is essential to explore this further.

This research requires exploration of this issue because the issue is relatively less known meaning it is difficult to formulate the problem. Exploratory studies are useful in learning more about a phenomenon which has not been explored sufficiently in past (Richey and Klein, 2007). The impact of culture and leadership together has not been discussed in past researches. Researcher believes that leadership is contextual to culture of the organisation and hence the two affect the implementation of CRM as a pair rather than separately. It is for this reason that researcher has decided to look at the combined impact of the two in context of CRM.

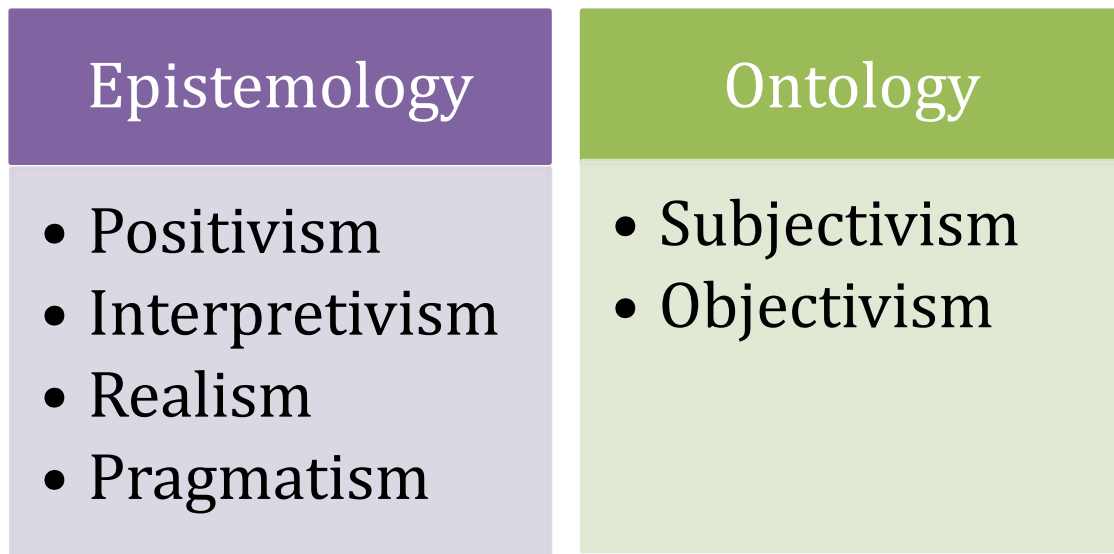
This research is exploratory because it aims to explore how CRM is being implemented in the Middle Eastern organisations and which cultural and leadership factors would affect this implementation. The broader view of the research aims to look at the implementation of IS, with CRM being used as a case to study. It aims to explore the impact of the organisational culture and leadership approaches on the effectiveness of CRM implementation and to propose the strategy for effectively implementing CRM so as to minimise the gap between planned and actual implemented strategy.

Exploratory research generally makes use of qualitative data collection tools like focus groups and interviews which provide in depth insight into the issue. In this research also interviews were used for data collection purposes and qualitative data analysis techniques were used.



### 3.3 Research Philosophy

Research philosophy is the first and foremost aspect to be considered in research design because it guides the selection of tools and methods. Research philosophy itself comprises of two pillars as shown in the figure below:



**Figure: Different pillars of research philosophy. Source: Creswell (2009)**

Epistemology refers to the world view that the researcher has about the research problem. In other words, this refers to researcher's assumption about the existence of a solution to the problem i.e. whether a solution exists or not (Saunders et al. 2015). If a solution exists then the researcher can employ scientific methods to identify the solution and if not then the best approach will be to try and understand the problem better and identify all possible solutions. Positivists believe in a definitive worldview in which a real and verifiable solution exists and therefore they support the scientific approach to problem solving. Interpretivists, on the other hand, believe in construction of views and believe in non existence of one solution. They thus recommend using social science methods to identify all possible solutions (Creswell, 2009). Pragmatists believe that every problem consists of several sub problems, some of which can

be answered definitively and some which cannot be answered definitively. They recommend that researchers should remain open to finding both definitive and non definitive solutions and recommend an approach which includes both interpretivism and positivism. They suggest that researchers should not tie themselves down to a particular paradigm (Creswell, 2009).

This research is based on the interpretivist philosophy. Interpretivism is based on the social constructivist perspective which states that “all perceptions of reality are socially constructed and the social realities in turn are a function of shared meaning that are produced, sustained and reproduced through social interaction...social constructivists believe that knowledge and meaning are acts of interpretation, and objective knowledge that is independent of human perception is not possible” (Ramanathan, 2009, p. 42). While it is assumed that leadership and culture affect implementation of CRM but there is no definitive method of identifying this impact i.e. it is not possible to quantify the impact of culture and leadership especially because these factors have both direct and indirect impact on implementation of CRM; for example, leadership can generate support for CRM implementation, provide legitimacy to change agents etc. It is not possible to quantify these impacts and hence it is not possible to find definitively the extent of impact of these factors on implementation of CRM. The best that the researcher can attempt to do is to identify different ways in which leadership and culture affect implementation of CRM. Thus, since there is no definitive answer to the research question and hence interpretivist epistemology is considered ideal for this research.

Next aspect of research philosophy is ontology which refers to how the truth can be discovered. In line with interpretivist philosophy this research adopts subjectivist ontology and methodology. Subjectivist ontology will help in identifying different ways in which leadership and culture affect implementation of CRM in Saudi Arabian organisations. As mentioned before, there is no one particular manner in which CRM implementation is affected by culture and leadership and hence we need to look for all possible ways, even those hitherto unknown, to see how leadership and culture might affect implementation of CRM in context of Saudi Arabian organisations.

### 3.4 Research Approach

Any research can utilise either inductive or deductive research approach or a combination of the two. The key differences between inductive and deductive approach are mentioned in the table below:

Deductive approach	Inductive approach
<ul style="list-style-type: none"> <li>• Mainly used in scientific studies.</li> <li>• Tests existing theory/ model/ framework.</li> <li>• Mainly tests causal relationships;</li> <li>• Validity of data is critical.</li> <li>• Researcher is neutral to the process of collection and analysis of the data</li> <li>• Data collection and analysis is done in structured manner</li> <li>• Researcher remains independent of the research.</li> <li>• Findings can be generalised across the population.</li> </ul>	<ul style="list-style-type: none"> <li>• Aimed at developing a new theory/ model/ framework.</li> <li>• Suitable for social science research looking at human perception and behaviour.</li> <li>• Research process if flexible.</li> <li>• Researcher is an active participant of the research process</li> <li>• Quality of findings somewhat depend on the knowledge and skills of the researcher.</li> <li>• Research context is critical as findings are applied in context and are not generalised.</li> <li>•</li> </ul>

**Table: Deductive V/s Inductive Research Approach. Source: Saunders et al. (2015)**

Inductive approach is primarily used in social sciences where researchers are aiming to make sense of the behaviours and perceptions of human beings. This is used when there is no existing theory or model to guide the researcher and where researcher is forced to take an open approach to develop understanding of the topic rather than identifying solutions (Yin, 2009). In such researches researchers can use case study approach in order to contextualise their findings (Collis and Hussey, 2009).

Deductive approach, on the contrary, is useful in testing an already known hypothesis in a new context. This is useful in well researched topic where an existing model/ framework exists for use in the current research (Saunders *et al.* 2015).

The combination of the two is ideally suited to the research topic, while the subject of CRM and its relation to organisational culture has been widely studied, there is little research into the impact of organisational culture and leadership style on implementation and effectiveness of CRM practices. This research relies significantly on existing theories in culture, leadership and change management but this research is not a mere testing of applicability of these theories as proposed under deduction. This research involves combining the different aspects of existing theories and using the synthesised model to see the impact of organisational culture and leadership style on implementation and effectiveness of CRM practices. Hence, this research is mostly inductive with some elements of deduction.

### **3.5 Research strategy**

Research methodology is the strategy adopted for collection and analysis of data in order to answer the research questions (Dainty, 2008). Research methodology is driven by the research philosophy; quantitative approach is most commonly used for positivist philosophy while qualitative strategy is considered suitable for interpretivist philosophy. Since this research adopts interpretivist philosophy qualitative research strategy was considered suitable for this research (Fellows and Liu, 2008; Fraenkel and Wallen 2006).

Qualitative research is most commonly used in IS related research and is most suited to the latter (Harrigan *et al.*, 2008). The depth and flexibility provided by qualitative research blends

well with the requirements of IS research which is inherently complex (Jain et al., 2010). Analyses of behaviour in qualitative studies involve discussions of how people experience and feel events in their lives (Beins, 2004), and can be a good mean of generating hypotheses and theories of what happens in organisational settings (Spector, 2005). Thus, qualitative research was considered most suitable for this research.

Qualitative research is quite useful in this research because of the following reasons:

- The impact of culture and leadership on CRM implementation is most likely implicit and not explicit. Since this impact is not explicit it is not possible to directly measure it. Since there is no possibility of directly measuring this relationship the best the researcher can achieve is look at this relationship from several different perspectives. Qualitative research allows consideration of wider range of perspectives and is thus considered suitable for this research.
- Some of the aspects of the relationship between culture and leadership and CRM implementation may have been yet undiscovered. Qualitative research strategy allows discovery of hitherto unknown aspects of the issue while quantitative research merely validates our existing knowledge. Since this research requires exploration of both known and unknown impacts of culture and leadership in CRM implementation in context of Saudi Arabia, qualitative research strategy is most suitable for this research.

Researcher is an important contributor in qualitative research since the researcher need to interpret the views expressed by the respondents and link it with the research objectives (Creswell, 2009). For this reason it is essential that the researcher builds his/her knowledge prior to data collection. In this research, researcher focused on conducting an extensive literature review and had a preliminary discussion with some industry experts from Saudi Arabia. These discussions were largely informal and researcher merely used the information shred during these discussions to build her knowledge. This was then used for interpretation of data. However, researcher attempted to keep her personal opinions aside and looked at the opinions of the respondents purely in context of what was being said. Researcher asked respondents to give examples to further clarify their responses and used these examples to

better interpret the responses. In addition, researcher also cross verified the information presented with other respondents in order to increase the validity of the responses.

### **3.6 Data collection method: Interviews**

#### **3.6.1 Usefulness of interviews**

Interviews can be described as a direct conversation between two individuals whereby one person is the information seeker (i.e. the interviewer) and the other person is the information provider (i.e. the interviewee) (Hagan, 2000). Generally the interviews are very directed and with a purpose but there are cases in which the interviewer may approach the interview completely openly. It depends on the scope of the issue in the perspective of the interviewer (Silverman, 2010).

Interviews are quite commonly used qualitative data collection method. Interviews were considered useful in this research because interviews allow the researcher the flexibility to explore even the subjects which are relatively unknown; so during the interviews the researcher builds his/her knowledge and become more informed as the interviews proceed (Seidman 2006). This is very useful in researches like this one because the researcher do not need to know all the aspects of his/her topic. As mentioned before the lack of research on the combined impact of culture and leadership on CRM implementation

While interviews are useful for flexibility, interviewer need to be aware of setting limits because interviews can very easily drift in a completely unrelated direction and may end up as a casual talk rather than an informative discussion (Seidman 2006). This can be achieved by the researcher by setting protocol for his interviews and also informing the interviewee about the objectives and scope of the research. When the interviews drift in direction away from the research topic researcher can use the interview protocol to bring it back on track. Also researcher can use probing to extract as much information as possible from the respondents. It was particularly useful in this research because respondents themselves were not sure of what information was relevant for the research due to topic being slightly

ambiguous. It was thus essential for the researcher to engage in a two way conversation information the respondents at the same time as seeking information from them.

There were some issues with interviews as well. Firstly, obtaining the permission for the interviews was extremely difficult and time consuming process. Researcher collected data from three Saudi Arabian organisations. One of the organisations permitted for data collection within a week but the remaining two organisations took over four months to give permission for data collection. Researcher had two face to face meetings with the senior HR managers in these organisations to explain the purpose of the research as well as to update them on the kind of questions that will be asked and what kind of information will be collected. Saunders et al. (2015) states that obtaining permission for qualitative data collection is one of most difficult aspects of qualitative data collection because it involves lack of anonymity and inconvenience to the participants.

There is also a possibility of misinterpreting the views expressed by the respondents. Marvasti (2012) states that this bias can originate from the interaction between the interviewer and the respondent or due to the wording, order or format of the questions. These issues were minimised by taking accurate notes and by recording the interviews when permitted. Researcher took utmost care to transcribe the interviews verbatim. In order to ensure that the residents provided unbiased and complete responses, researcher followed the following recommendations of Marvasti et al. (2012) and King and Horrocks (2010):

- Respondents were given written assurance that their identities will not be revealed to anyone. Respondents were given proxy references (for example R11) to hide their true identities. In addition none of the information that could be used to identify the respondents was recorded.
- The respondents are not presented with anything that may cause embarrassment or make them self-conscious. Avoiding asking or stating what may incriminate participants.
- Respondents were given the choice not to answer any question they did not wish to answer. Respondents could also withdraw their participation at any stage without any obligations or repercussion.

### **3.6.2 Conducting interviews**

There are primarily six stages of interviews: forming questions, identifying respondents, collecting data are the three stages which relate to data collection. The remaining three stages are data analysis stages: preparing, analysing and interpreting data (Seidman, 2015). These six stages for this research are discussed below:

3.6.2.1 Forming question: The first and foremost aspect of any interview is forming the right questions. The questions need to be clear and to make sure that it is understood in the same manner by all the respondents. Researcher can choose to provide detailed questions explain the kind of information that he/she is seeking. There are several different constructs in this research. Researcher prepared one question for each of the constructs. Researcher however, chose to ask the questions only when sufficient data was collected for the previous construct. In addition to the primary questions some additional questions were asked when researcher believed that some more information is required for clarification purposes.

3.6.2.2 Identifying respondents: Preparing the right question was followed by consideration of identifying the right respondents. CRM is not related to any specific division and hence it was essential to collect responses from diverse respondents from different business divisions. Thus researcher decided to collect information from people in different divisions. Secondly, CRM is specific to organisations because of the uniqueness of their business strategy. In order to ensure that the researcher understood the context on which the respondents were providing their responses, data was collected from three organisations only. Researcher had strong connections within these three organisations allowing her to obtain permission for collecting data from these organisations. All three organisations selected are large scale organisations and based in Saudi Arabia. Finally, the overall CRM strategy at the implementation level is known only to middle and senior level managers and hence only middle and senior level managers were included as respondents in this research.

All of the target respondents were asked whether they will be willing to participate in “a one hour interview.” Researcher understood that the circumstances of individuals could change and that many of the respondents who initially agreed to participate in the interviews may later on refuse due to change in their personal circumstances. Hence all the individuals who



expressed consent to participate in the interview were finally contacted just before the beginning of the interview stage to find out how many were still interested in participating in the interviews. 47 individuals expressed consent to participate in the interviews. However, when contacted to arrange interviews only 36 agreed to participate. Researcher then asked which day, date, time and location will be most convenient for them. Once all the participants updated the researcher about what is most convenient for them researcher planned the interviews so as to minimise the inconvenience to the interviewees.

Once the researcher planned the interviews respondents were contacted updating them on when and where the interview has been arranged. Respondents were asked to confirm their participation in the interview session. Respondents had the option of pulling out whenever they wanted but were requested to let the researcher know if they decide to withdraw their participation. Participants were also sent a detailed information sheet along with some sample questions to inform them of what to expect. This was to minimise the thinking time during actual interviews.

Since all of the respondents were bilingual in Arabic and English, participants were given the freedom to speak in the either of these languages.

### **3.6.3 Data Collection**

Researcher followed Seidman's (2015) recommendations on how to conduct interviews. Researcher began with introducing himself followed by a brief and complete overview of the objectives of the study and purpose of the interview. Researcher also explained the respondents about how the data will be recorded and how the recordings will be used and stored. In total two audio recording devices were placed at two different locations within the room to make sure that all of the conversation is captured. Each and every respondent was identified using a unique ID. For example, respondent R12 referred to participant number 3 from organisation number 1.

### **3.6.4 Data analysis**

In total 1576 minutes of audio recording was obtained which equated to an average of 44 minutes per interview. This was transcribed, compiled and merged together. The merged data was then arranged under the key themes. The data was then analysed qualitatively. Researcher interpreted the meanings by arranging the data in contrasting viewpoints that they presented.

Interviews data was compared with the findings of the literature review to evaluate whether the findings of this research supported or contrasted the findings of the literature review.

Data were analysed using open, axial and selective coding. In open coding, main themes and sub-themes were extracted from the data. In axial coding, themes and sub-themes were linked together. In the selective coding, theories were developed and refined. All the recorded data was first transcribed before using coding. This research adopted Nvivo version 9 for qualitative content analysis.

### **3.6.5 Hardware and software Employed**

Researcher used two audio devices for recording in this research. First and foremost was a Panasonic audio voice recorder with a capacity to record 25 hours of audio and a battery life of 10 hours. This was bought brand new which meant there was no existing data on the device. Researcher tested the device in 3 different sessions of 5 minute each to make sure that the device worked adequately. Second device was an iPhone 6S which has a voice recording feature. This device was also tested prior to be used in the interviews to ensure adequate functionality.

After the completion of the interviews, researcher used Dragon Speech recognition software for transcribing the audio files. This software allows conversion of audio to text. The transcripts were also manually reviewed three times to alter any mistakes as the software does not give a perfect transcription.

### **3.6.6 Limitations of Interviews**

There are some limitations of interviews which were evident in this research as well. Firstly, it is essential that the respondent and interviewer were personally comfortable with each other. Researcher therefore began each interview with a 5 minutes interaction where the interviewer and respondents introduced themselves and asked questions about each other's background and interests. Researcher began the interviews only after he was assured that the interviewee was comfortable.

Some interviewees were more expressive and expressed higher "expert power" due to their personality, talking style, knowledge, education or some other factor (Seidman, 2015). Researcher evaluated the willingness of individuals to speak. In cases when interviewees were forthcoming with useful information researcher decided to take a back seat and let the interviewees provide the information. For interviewees who did not seemed to share a lot of information researcher tried to motivate them by providing possible scenarios. Researcher tried to raise contradictory arguments to motivate interviewees who may have had alternate views but may not have spoken.

Researcher also monitored the conversation to make sure that it remains focused on the topic under consideration. Whenever the discussion drifted away from the topic, researcher brought it back to the research topic by asking relevant questions. Researcher ticked the topic as they were covered in the interview to make sure that all of the themes have been covered by the end of the interview.

### **3.6.7 Other Considerations**

Additionally many other aspects were considered in this research as mentioned below:

- **Data Quality:** In interviews one of the biggest concerns is the quality of data. Researcher ensured that each respondent provided sufficient information about each and every question. Researcher also assured every respondent that the researcher do not intend to collect or use any incriminating information and that they will remain completely anonymous. In addition, researcher tried to transcribe as much information as possible including the expressions of the individuals (Corbin and Strauss, 2008).
- **Reliability and Validity:** Reliability and validity of data is a key consideration in any research. In order to achieve methodological coherence researcher ensured that all the respondents had a good overview of the discussion and had ample time to prepare their responses by providing them with the sample questions at least a week in advance. Adequate explanation of key terms used in the discussion was provided and all respondents were asked if they had any questions before the beginning of the interview. Multiple interviews were conducted and the discussions were conducted independent of each interview. While excerpts are taken for the purpose of the analysis but whole of the interviews were transcribed.
- **Ethical Issues:** This research involves collecting information from human participants and hence ethical issues are to be considered. This involves aspects such as disclosing complete and true information about the research and data collection process to the participants (Barbour, 2007). In addition researcher also informed the participants of their rights of voluntary participation and freedom to withdraw (Flick, 2007). Researcher obtained informed consent form the respondents before conducting the interviews. Researcher also confirmed that the participants had no objection to the interviews being audio recorded and informed them of the placement of two audio devices.

### **3.7 Conclusion**

The key question determining the research methodology is the research philosophy which is basically the world view of the researcher. Past researches do not provide sufficient insight into the combined impact of culture and leadership on CRM implementation. In fact the impact of culture and leadership is not explicit and hence not practically measurable. Hence this research adopts an interpretivist epistemology and subjectivist ontology. Data for this research is collected using semi structured interviews with senior managers who have been involved in CRM implementation. This chapter provided details of the interview process as well as the sampling strategy adopted.

## Chapter 4: Empirical Results

### 4.1 Introduction

This chapter will present empirical results of the interview data conducted in the three case companies. Two of these companies, Company A and Company B, provide mobile and internet services in Saudi Arabia, while the third company is an international airline, Company C. The chapter is divided into five main themes, including effect of organisational culture on CRM, influence of national culture on CMR, impact of leadership on CRM and CRM implementation and benefits of CRM.

The table below provide profiles of the respondents:

Company A	Company B	Company C
R11: Total 29 years experience. 7 years at Company A. Accounts department	R21: Total 23 years experience. 18 years at Company B. Business development	R31: Total 5 years experience. 5 years at Company C. Marketing manager
R12: Total 32 years experience. 6 years at Company A. IT division	R22: Total 17 years experience. 17 years at Company B. Sales management	R32: Total 14 years experience. 7 years at Company C. Marketing Manager
R13: Total 21 years experience. 11 years at Company A. Operations department	R23: Total 21 years experience. 9 years at Company B. Business development	R33: Total 23 years experience. 16 years at Company C. Operations director
R14: Total 30 years experience. 7 years at Company A. Finance department	R24: Total 16 years experience. 16 years at Company B. Marketing manager	R34: Total 7 years experience. 7 years at Company C. Business development

R15: Total 17 years experience. 4 years at Company A. Operations Manager	R25: Total 18 years experience. 6 years at Company B. Marketing manager	R35: Total 27 years experience. 11 years at Company C. HR manager
R16: Total 23 years experience. 5 years at Company A. Operations Management	R26: Total 21 years experience. 9 years at Company B. Business development	R36: Total 30 years experience. 18 years at Company C. Finance director
R17: Total 9 years experience. 8 years at Company A. IT manager	R27: Total 16 years experience. 13 years at Company B. IT manager	R37: Total 9 years experience. 9 years at Company C. IT manager
R18: Total 13 years experience. 2 years at Company A. Finance manager.	R28: Total 6 years experience. 6 years at Company B. HR manager	R38: Total 26 years experience. 17 years at Company C. IT director
R19: Total 9 years experience. 9 years at Company A. IT manager	R29: Total 31 years experience. 19 years at Company B. Operations director	R39: Total 13 years experience. 13 years at Company C. IT services manager
R110: Total 16 years experience. 3 years at Company A. IT manager.	R210: Total 7 years experience. 3 years at Company B. Business development manager	R310: Total 11 years experience. 11 years at Company C. Marketing manager
R111: Total 27 years experience. 12 years at Company A. Finance manager.	R211: Total 11 years experience. 9 years at Company B. Network manager	R311: Total 7 years experience. 7 years at Company C. Public relations manager
R112: Total 21 years experience. 5 years at Company A. HR manager.		
R113: Total 16 years experience. 4 years at Company		

B. Business development manager		
R114: Total 23 years experience. 8 years at Company B. HR manager		

Data was analysed using open, axial and selective coding (Turner, 1981). In open coding, main themes and sub-themes were extracted from the data. In axial coding, themes and sub-themes were linked together. In the selective coding, theories were developed and refined. All the recorded data was first transcribed before using coding.

Analysis of the qualitative data is presented below:

#### 4.2 Effect of organisational culture on CRM

The organisational culture has a profound impact on the way the case companies perform. Organisational culture is a product of management policies, top leadership attitude, industry impacts, impacts of national culture and employee-related factors (Iriana et al. 2013; Chung et al. 2012; Ko et al. 2008).

The first key aspect that emerged from the data was **workforce diversity**. Saudi workforce is extremely diverse. There is a large proportion of foreign workers in almost all private organisations with foreigners occupying majority of positions at all levels within these organisations. The expatriates belonging to different countries bring many benefits due to diversity of workforce. They have diverse backgrounds and diverse experience that brings creativity and innovation in the organisation. However, the diversity is also a source of conflict in some cases. For example, M1 from Company (A) said:

*“I agree with you that we have politics in the organisation based on nationalities. Some nationalities dislike others. In those cases they are reluctant to cooperate with others which*



*is not helpful for us as an organisation. It cannot be removed completely, but we try to tell our workforce that our relationship here is purely professional.”*

Although there are some cases of conflicts as well, as the organisational culture is maturing, the conflict is decreasing.

The second theme that emerged regarding organisational culture was **conflict among employees**. Since Saudi Arabian organisations are made of very diverse workforces, due to high proportion of expat workers, cultural clashes are quite common. The majority of the respondents from Company (A) told that the start of the organisation was not very smooth. People from different countries made a very diverse work force that negatively affected organisational working at the start. Diversity could be a source of competitive advantage; however, it can also affect working of the organisation:

*“Initially they were less willing to accept each other. Apart from rivalry among departments, there was rivalry among individual employees as well. People from the same country were close to each other and then they had negative perception about other countries because of their cultural upbringing. Initially we faced some problems where people did not like others very much” (M3, Company A)*

As the organisation was new and most of the hiring took place at the time of establishment of the company, employees did not get sufficient time to communicate each other and to remove misunderstandings. However the conflicts which were present at the start of the company started settling down with the passage of time.

Some respondents told that the organisation still faces conflict among different departments as some departments have competing goals.

*“I will say there are conflicts. The reason is that we have a very diverse workforce. It includes both expatriates and locals...also, if there is some delay from IT department in serving one department which makes them angry. But that is part of the system” (M2, Company A).*

However, the conflicts reduced when the organisation matured. People had more time to work with each other and they started understanding other’s point of view. The company still

experiences some conflicts, yet the intensity of the conflict is milder as the organisational culture matures.

*“The company culture is growing mature. There is more harmony and team work now. So the initial phase of conflicts is over now” (GM1, Company A).*

As employees developed harmonious relationships with each other, the negative impact of conflicts reduced. Difference of opinion and small conflicts are helpful for Company (A) and have positive impacts on the organisational working.

*“Conflicts are part of the organisation. We still have some conflicts and difference of opinion in various matters; however, it is not having any negative influence now. Rather sometimes conflicts are good for us. It makes other departments work faster. If all employees agreed on one solution, there would be no innovation. The important thing is that conflicts should not be very high; otherwise they have negative impact on our working” (M5, Company A)*

The process of CRM implementation was not without conflicts in Company (B) as well. There were conflicts among employees, among departments and sometimes with consultants. Reasons for conflicts included competing goals among departments and miscommunication. Departments tried to shift responsibility on others when they did not meet the expected results.

*“Yes, there were a number of issues among departments. The conflicts were due to different reasons. Sometime, one department wanted to shift responsibility on others, sometimes, they had conflicting interests and sometimes one department was simply not very interested in CRM. So there were a range of issues causing conflicts” (M2, Company B)*

Business departments had conflicts with IT departments on certain occasion when there was a delay in fixing a problem or when the department did not get required equipment in time.

*“Actually, sometimes IT people were not very responsive. We had different equipment requirements and we repeatedly told them, but they did not pay attention very keenly. So sometimes their responses were delayed and very late. Sometimes emails were not responded to in time.”*

Similar issues have been witnessed in Company (C), which, being a large organisation, has a number of departments and divisions. Levels of cooperation and conflicts among employees also form an important part of the organisational culture. If the conflict level is very high and departments have communication gaps, then it negatively affects the implementation of a CRM system. Different respondents reported that generally employees are helpful and cooperative with others; however, there are a number of sources of conflicts, including diversity of work force, conflicts among departments and organisational politics.

*“I would say it is mixed culture. Employees support each other but at the same time there is some politics as well. Employees have likes and dislikes for other departments and nationalities. Sometimes there are issues about Arabs and non-Arab employees. There are some conflicts as well”* (M5, Company C)

Diversity in the workforce gives birth to some conflicts; however, most respondents agreed that employees generally are supportive to each other. The conflicts, however, are more visible between different departments. Inter-departmental conflicts reduce an organisation’s capability to implement an integrated system for all the departments.

Reducing the conflicts is only possible enhancing **Coordination and Collaboration**. According to the respondents coordination and support are both formal and informal. There are formal channels to help employees who are facing problems in any CRM function. Formal problems are routed to the IT department that deals them in order of preferences. However, there is informal support from top management and co-workers. The informal support generates a culture of coordination and support. If employees have any problem, they are able to get support from their colleagues without using formal channels. This saves their time and avoids unnecessary bureaucratisation.

*“The organisational culture is positive in my view. Yes, I agree with you, there are some problems as well among employees because the organisation is very diverse and people from different nationalities are working together. Some of them do not like others very much. But still they have good working relationships with each other”* (M6, Company A)

Business departments also have better understanding of the limitations of the IT department and they do not put too much pressure on them. The company's culture is more supportive now.

*"I think that Company (A) has this characteristic and the employees cooperate very well. People here feel that they are committed towards the company and this thing has helped a lot"* (GM1, Company A)

Different departments of Company (B) worked together in a coordinated and collaborated manner to implement this system too. A coordinated approach was necessary as the system was not restricted to one department. Different departments were involved and the objective of the CRM system was to develop an integrated system.

*"All departments, including IT and business support, were involved and they were working together on this system. Although sometimes departments have some rifts and conflicts as well, but the only way to resolve these issues is with mutual cooperation and coordination"* (M2, Company A)

Some respondents believed that there were issues with coordination. Company (B) also faced lack of coordination that had negative impacts on CRM implementation.

*"Yes, there are issues of coordination. Different departments are involved in the system so obviously there are some conflicts and issues of coordination. Different departments have different levels of interest in the system and they have different priorities. Sometimes there are problems due to the coordination"* (GM3, Company B)

On the other hand, some coordination issues existed in Company (C), for example with consultants. One respondent indicated poor communication as a potential problem for the effective system implementation.

*"There is communication, but this is only in the time of the decision-making. As I have told you, we have a problem in this area"* (M6, Company C)

However, some other respondents showed satisfaction with the level of coordination. M3 from Company (C) stated that the IT department had been in communication with them and they consulted them for all their requirements.

*“No, they did not consult us about this issue. They consulted us about other things. For example, they consulted us about the program related to the mobile and they asked us about what we wanted. This must happen because this department must not go and bring us something. As a manger in the Mobile, I have the final approval in the end”.*

One of the problems that most organisations face is coordination between different levels of management. This can be improved through increased **employee participation** in decision making. Allowing employees to participate in decision making increases their stake in the effective implementation of the decisions.

Decision making generally is concentrated at the top in Saudi organisations. Most organisations do not offer opportunities for employees at the bottom of the hierarchy to participate in the decision-making process. The culture promotes centralisation of power that offers low opportunities for employee engagement and participation in the decision-making process. However, mobile phone industry is relatively different from other sectors of the economy. The industry is characterised by highly educated employees who have greater ability to handle delegated tasks.

*“Mostly people working in this company are well educated and they are able to make decisions on their own. They are involved in many technical or customer services jobs, so their feedback is very important. So unlike, the traditional organisations, the organisational culture in our company is much more flexible and participative” (M6, Company A)*

Employees are encouraged to offer suggestions and give their feedback to improve the system. So the style of management is more participative and encourages participation instead of imposing decisions from the top.

*“We also receive the suggestions of the people who use it and this is one of the most important things. As a link between Sales and IT, we must take the input from the front lines that use the program in order to know their needs and suggestions to improve the CRM system” (GM2, Company A)*

Meanwhile, in Company (B), there was mixed opinion on employees’ participation in the system. Respondents did not have consensus that there was high employee participation. Rather, most employees believed that participation was low.

*“As far as your question whether employees were motivated or not is concerned, I would say some people were very motivated and they actively participated in different phases of the project while others had less interest” (M6, Company B)*

However, the culture of Company (C) resembles “hierarchy culture” which is based on formalisation and focussed more on rules and regulations to enhance organisational efficiency. The organisation seems on clear lines of decision-making authority, standardised rules and procedures. Moreover, control and accountability mechanisms are valued as the keys to success. This has hindered creation of a culture that enhances sharing of ideas and knowledge that can help the company to proactively solve the problems and a culture in which employees freely communicate with one another. This also can be linked to the lack of motivation amongst employees to accept the new system. In fact, employees in Company (C) resisted change. The statement of GM3 suggests the same:

*“We have faced this to some extent, but they are forced to use the system because any paperwork is not accepted now whether internal or external relations..... they are forced to work on it and this takes time, but it has not stopped”.*

GM1 Company (C) told that:

*“This is a large organisation, hierarchy and chain of command is very clear. Employees generally interact with the immediate bosses.”*

This influence of the parent company is only witnessed in Company (A). The company culture is also influenced by the values and policies of the parent company. Company (A) being the subsidiary of a larger company receives its influence from the head office. The influence came in a number of ways. At the start of the company, basic procedures and customer service manuals were given by the head office. These manuals were customised to fit the requirements of the Saudi market, yet their impact is reflected in the values, manuals and practices of Company (A).

*“Yes, I think head office had a great influence on all our working. Company values, practices and processes were influenced by the head office. The reason is that some of the top managers came from the head office to launch the company. They brought their practices with them. A customer care culture from the head office is an example” (M3, Company A).*

The decision to implement CRM at the time of the establishment of the company was also pushed by the head office. Head office wanted Company (A) to cultivate a culture where customers' experience is very pleasant and the company is following the latest trends in customer services. Thus they advised Company A to implement CRM at the start of the company.

*“The head office also wanted us to implement for the same reason because they were aware of the fact that we needed a very good customer relationship management system. If we do not have a proper system in place, then it is difficult to maintain all the records of customers, and then how can we meet their requirements” (GM2, Company A).*

One of the key aspects of any culture is **communication**. Culture determines different aspects of communication within the organisations; for example, whether it will be formal or informal, direct or indirect, two way or one way etc. Communication was vital in the whole process of CRM implementation. The communication included that seen within the department, inter departments and with the consultants. A number of different mediums of communication were used in the process. Besides formal communication, informal communication was also vital. As M7 from Company (A) mentioned:

*“The communication took place in a verity of ways. It is just like other office communication where a number of ways are used to communicate. The important decisions and important matters are documented and some written communication is used. Similarly, when we have to convey the system requirements or a formal analysis is presented, it is presented in a written format.”*

There is informal communication in Company (A) as well. M4 from Company (A) said:

*“But communication is sometimes also informal. A number of meetings were also conducted to exchange ideas and discuss various possibilities. Some meetings were long and involved people from different departments while others were shorter and more informal.”*

Business departments used to send their requirements to IT and consultants and IT department responded back to them on a constant basis. It was constant two-way communication, unlike an office order from a senior authority

Similarly, Company (B) also understands the importance of communication. M2, Company (B) said:

*“The process of communication and coordination is continuous. It is not like giving business requirements once only and they will make software according to your requirements. It requires repeated contacts and meetings.”*

Apart from inter-department communication, an important part of the project communication was communication with the consultants. Consultants have a key role as far as communication is concerned. They were proactive in contacting people as they had to initiate a number of matters.

*“The consultants constantly interacted and coordinated with different committees during this phase. Besides that, there was coordination and review committees interacted with all departments so that there is smooth implantation all over the company”* (GM1, Company B).

Although the process of communication was constant in Company (C) as well, some respondents raised concerns about effectiveness of communication. They believed that the communication process could have been more effective. The effectiveness of communication does not necessary equate to frequency of communication

*“I personally think it could have been more effective and useful. Although there were several meetings, still participation was limited to selected people only. There should have been broadbased participation in this whole process”* (M6, Company C)

There were several conflicts as well in all the three companies that can be attributed to the communication gap between different parties.

The **effect of national culture** on organisational culture is also evident in all the three companies. Language is one aspect of national culture that is affecting the culture of these companies.

The organisations have to serve the Saudi consumer market; although a large number of employees are expatriates, they must adapt themselves to a certain extent to adjust with Saudi culture. The official language of Saudi Arabia is Arabic, which is used in all verbal and written communication with customers and within the organisation. So all the interfaces for



agents, dealers and customers were designed in Arabic. Lack of knowledge of Arabic language by consultants caused many problems in communication in Company A.

*“Their style of working did not match with ours. One of the major problems was the language and communication barriers. As they were European consultants, they had low understand of our style of working and thus sometimes the employees at the company did not feel very comfortable with them. Besides this, we also had some technical problems because of the consultants” (M5, Company A).*

Saudi culture is more towards collectivism and this is also affecting these case companies. Cooperation and coordination is given great importance. People tend to work together on different tasks. Company (A) also has a similar cultural environment. Although there is a large expatriate workforce, the top management is Saudi Arabian. Furthermore, most of the employees working under them came from collectivist countries like India, Pakistan, Bangladesh, etc. As GM3 from Company (A) stated:

*“The way top management deals with lower cadre employees shapes the culture. Top management is normally Saudi origin people. So, people working under them have to adjust their working according to the instructions and working style of their bosses.”*

Employees prefer to work in groups. Team working and coordination is largely valued. Working together is a value which is very strong in Saudi culture. It also has some religious influence. People perform their daily rituals and weekly rituals together in a mosque, developing a sense of collectivism, and therefore they tend to work together. GM2 from Company (B) suggested that:

*“Employees tend to work together and they prefer to have collective goals. Collective working not only comes from their cultural upbringing but it also has a religious dimension. In our religion, collectivism is very important in some respects. For example, praying together is much preferred in the religion than praying alone.”*

Saudi culture gives a lot of value to hospitality. If somebody visits another person's office, they are offered tea or coffee. The warmth and hospitality in the culture is also reflected in customers' service.

*“I do not think that technology is directly influenced by the culture. But as far as the design of the system, its usage, and its implementation are concerned, there are some effects from broader culture. In Saudi Arabia, people are very hospitable; hospitality is part of the culture. In a way, customers are our guests so we have to convey an impression to them that they are very special” (M3, Company B).*

This culture has contributed to inefficient implementation of CRM in Company (C). The essence of CRM does not exist in the company. According to M2 from Company (C):

*“There is very little customer relationship management, but what is happening in the online services is that the customer accesses the Company (C) page to make the booking and buy the ticket, and then he travels. This is all that happens. We don't record any information about the customer except if he is one of our frequent flyer club members. If he is one of our frequent flyer club members, this is according to the tier or the level which he belongs to. We have three levels in our frequent flyer club Program.”*

However, the management understands the issues and inefficiencies in the existing CRM in these companies. The management understands that many additions are required in the system; these will be incorporated stage by stage. Moreover, management also intends to change the culture. According to M5 in Company (C),

*“We really want to shape a culture in which employees are always looking ahead of their traditional roles. They are not dependent on the instructions of the management. Rather, they are pro-active in dealing with customer. We intend to develop a culture in which management listens to the employees and value their opinions. But this will take time.”*

The results suggest that the national culture of the country has contributed to inefficiencies in CRM implementation and use.

One of the key aspects of national culture is risk averseness of employees. As per Hofstede (2015) one of the key dimensions of national culture is uncertainty avoidance which refers to the extent to which employees are willing to take risk. This is critical in cases of CRM because customer relationship requires people to be **innovative**. At the same time implementation of CRM involves organisational change and individuals who are innovative and risk loving are more adapt at changing as compared to people with high uncertainty avoidance characteristics. Employees are expected to perform their routine jobs and they are

not encouraged to engage in creative and innovative behaviour. Thus most employees are reluctant to take any risk and they only stick with their routine jobs. All the three companies said that they believe in innovation; however, they are facing some issues. For example, GM2 from Company (C) said:

*“If you want to make employees more innovative, the company has to give them more participation in the whole process of decision making. Employees’ involvement is relatively low. The organisation has to give more authority to end users and non-managerial employees if it wants more innovation in the organisation.”*

M2 from Company (A) brought to the fore different issues as follows:

*“I think our organisation is not very enthusiastic about innovation. Innovation is not an important area for us. We have a routine business and our market is pretty much the same. So we are not actively engaged in innovation of product and services.”*

M3 from Company (C) believed that it is the culture of the organisation that is impeding innovation.

*“There is no proactive contact between the Company (C) and the customers except in rare cases. This system is not the CRM system, so there is a big difference between what you are looking for and what exists here in Saudi Arabia.”*

Employees do not focus on customer satisfaction. They are not trained and motivated for customer satisfaction. Management is more concerned about enhancing efficiency by forcing the employees to do certain things instead of creating a culture that instils professionalism and motivation in them to enhance customer experiences with Company (C).

#### **4.3 Leadership and CRM**

The next aspect that was discussed under this thesis was how leadership affects implementation of CRM. The role of leadership has been found to be important in the

adoption of CRM. Results relevant to different constructs of leadership will be presented in this section.

One of the most commonly cited factors in both change management models and IS implementation models is **leadership commitment**. Commitment of leadership is instrumental in different aspects of the case study organisations. Commitment of top management indicates the priority and seriousness of the task. Employees develop interest if they believe that the leadership is committed in a project. Employees at Company (A) believed that commitment of leadership can enhance effectiveness and efficiency of a system

*“The projects which are more important for our company, the top management pays more attention. I would say the role of leadership in Saudi Arabia is especially very important. People are sometimes very dependent on their leadership and thus they expect extra support from them”* (M4, Company A).

However, despite realisation that leadership commitment is instrumental, most employees believed that top management did not take enough interest in implementation of the project. Although the leadership provided guidelines and took major decisions regarding implementation of the system, they did not take part in, nor show commitment to, the actual implementation phase.

*“No I do not think so. They were not actively involved in the system. They provided support and ensured that all the equipment was available, but they were not directly monitoring the performance. I think management commitment was lacking to some extent”* (M5, Company A).

Lack of commitment caused certain problems, including communication problems and conflicts among departments and with consultants in Company (A). Because some employees did not give due attention to the implementation process as the lack of involvement of leadership conveyed to them a signal that this task could be taken less seriously. Leadership commitment could have increased the level of employees' and consultants' commitment as well.

Most of the respondents from Company (B) also agree that commitment from leadership was lacking. The top management did not involve any key stage of project implementation. Although all the important decisions were approved from the top, their involvement was very low.

*“There was no direct involvement of the top management. None of the directors was directly involved or directly reviewing different stages of CRM. Although director used to get briefings through meetings, however, their participation was not very high in the system”* (GM3, Company B).

M3 from Company (B) stated that:

*“I would not say that they were not interested in implementation at all but these sorts of projects require high level of commitment for the top. It sends a positive signal to everybody that this job is very important.”*

Similar issues were found in Company (C) as well.

*“I think this is not a high priority issue for the top management. So there is very little interest of the top management. The management need to understand that this is not just a software, this is a companywide system. It needs ownership of the top management. If they do not own the system then problems are unavoidable”* (M2, Company C).

Lack of interest and involvement from the top management resulted in a number of problems and conflicts between different departments and with the consultants. Conflict resolution requires a senior and authoritative position to be involved in the process to send a strong message to all stake holders that this is an important business for the organisation.

In addition to top leadership commitment **leadership style** also affects implementation of CRM as per the respondents. Leadership style affects implementation because it directly affects the culture within the organisations as well autonomy with which people can act. CRM requires collaboration and participation at all levels especially that of front lie employees. Transformational leadership is often attributes to greater autonomy for employees while transactional leadership leads to structuredness and centralisation of decision making.

Leadership at Company (A) includes both top leadership at head office in UAE and top leadership in Saudi Arabia. However, leadership at head office rarely interferes in operations of the Saudi subsidiary. Company (A) experiences an autocratic leadership style in which authority rests at the top. However it is not intensely autocratic. In certain cases, employees' participation and feedback are welcomed by the top management. In particular, the middle order management is very participative in all operational and decision making processes.

*“Leadership in general is autocratic in Saudi Arabia, so it does have an impact in our organisation. Generally organisations have very centralised systems. However let me tell you something about the mobile phone industry. So unlike, the traditional organisations, the organisational culture in our company is much more flexible and participative”* (M3, Company A).

Compared with manufacturing companies, the management style is less autocratic and more participative. Most manufacturing companies hire less qualified labour that are used in labour intensive jobs. However, the mobile phone industry recruits well-qualified technical staff who are able to handle uncertainties better than ill-qualified people.

*“I am not suggesting that it is not autocratic at all. In some issues, management is very authoritative, but I am saying that compared with manufacturing companies, it is much more flexible. One of the reasons for that is most people are well qualified and they are capable of giving good suggestions to the organisation. So relatively it is a less rigid organisation”* (M2, Company A)

The style of leadership tends towards the autocratic side in Company (B). Employees feel that important decisions are made at the top without their participation in the decision-making process. Although some functions are decentralised and delegated to the lower level, there is relatively high centralisation in the organisation.

*“I think it is more towards the autocratic side because important instructions come from the top management. Although we do get a chance to participate in different meetings, however all main decisions from the top and employees are expected to follow their decisions”* (GM2, Company B)

At Company (C), the leadership style seems to be autocratic. There is very little interaction and consultation by the top leadership with middle managers or entry level managers. Most

of the decisions are made at the top of the organisation without engaging employees. All respondents agreed that top management makes all the decisions without employee participation in the process.

*“Top management makes decisions about the major issues. They do not get involved in day to day matters. Decisions are implemented through general managers and middle level management. They do interact with us. The job of top management is to plan and ensure its implementation”* (M5, Company C).

GM2 from Company (C) suggested:

*“That is right. All important decisions are taken at the top and then once decisions are finalized, they are conveyed to the lower management and front-users.”*

One of the GMs of Company (C) stated that even GMs are not given much participation in the decision-making process. Most of the decisions are made by the top management only without any consultation of middle management. Decisions for implementation are conveyed to the middle management.

*“Top management makes decision on its own. All the strategic powers rest with the top management. They do not invite lower cadre employees for discussion. Even the middle management has very little say in important matters. Mostly decisions are made by VPs , AVPs and other top management people.”*

Because of the centralisation of decision making at the top, some valuable feedback from the users and middle managers who are directly dealing with the processes could not be incorporated at the time of decision making. However autocratic decision making is part of the national culture in Saudi Arabia. There is higher level of power concentration at the top and decisions are dictated for implementation to the lower management.

In terms of leadership style what matters is the **support from leadership** that employees get in order to implement CRM. Leadership’s commitment and support provides legitimacy but what is to see whether leadership is actively engaged in implementation of CRM or not.

Although leadership was not greatly involved in operational matters in Company (A) and the implementation process, employees generally believe that leadership is supportive and

helpful. Leadership provided a range of support by facilitating the CRM process and making all resources available to the implementation team.

*“They have been supportive. Although, they did not take much part in the actual implementation, yet they have been supportive. All the resources required to us were provided in time so that we could perform our jobs effectively”* (M2, Company A).

Employees at Company (B) generally felt that the leadership support was not sufficient and their support would have made things smoother and more efficient. Departments were working on their own and nobody from the top management was overseeing the project that created problems related with coordination and cooperation. M2 from Company (B) suggested that:

*“This is because we have a huge system which is affected by several sectors. There was no enforcement from the top management for all the stakeholders so that they can cooperate and interact sufficiently in the project. This means that each department has its daily activities and they are busy with them.”*

Similar issues of lack of management support particularly emerging from the lack of hierarchical culture of Company (C) were also witnessed.

Leaders also helped in teambuilding and facilitating relationships. Thus, how management handles **communication and relationship management** becomes critical for CRM implementation especially because CRM implementation requires collaboration and coordination across both horizontal and vertical levels.

The inefficiencies in the CRM implementation can be attributed to the lack of communication amongst different departments. Various departments are not integrated to the level that is required to satisfy customers. A few of these deficiencies have been highlighted by GM1 of Company (A) as follows:

*“We have four departments: the consumer, the package, the data index and the quality. These four departments solve most of the complaints. The reason for not doing this is that communication among departments is poor from the beginning”.*

Relationships amongst people and the departments in Company (C) is weak.



*“We didn’t know the relationship between us and the Finance Department and there was no feedback or mutual benefits among these departments. Every department is considered an independent one and they don’t work as a complementary department for the other departments”* (M3, Company C).

Thus, leadership seems to be unable to focus on communication amongst departments and employees. This has also contributed to the lack of development of strong relationships amongst departments in all the three companies.

Leadership leads to embracing of values such as **teamwork and motivation, and professionalism**. These values trickle down from top to bottom and this is the manner in which leadership affects the culture of the organisation.

There are different teams in the departments of all the three case companies. However, these teams mainly exist to solve the technical issues of CRM instead of focusing on frequent sessions of information and knowledge sharing or developing strong professional ties amongst the employees as well as between employees and management. There are teams in every department and these teams solve the issues relevant to CRM and help the people who face problems in using CRM. M1 from Company (A) mentioned:

*“These teams have been formed purely for addressing technical matters. This is the main agenda and purpose behind these teams.”*

In Company (A), meetings are held to solve the technical issues and train the staff on technical matters as well.

*“The team members meet together and everybody is there and they give their opinions. Someone will have a task to handle this based on the final agreement of the whole team and we move forward. This is the process. We do joint discussion and make final agreement on the actions and someone signs to handle this. Of course, they get informed about the issues and this is not limited”* (M4, Company A).

The end users are not part of these teams and their opinions are not valued much. These teams are formed on the basis of technical expertise of the employees and there are considered champions. The users were not involved even in the implementation of CRM. GM4 from Company (A) said:

*“Frankly, end users did not have any say in the entire process. They are not interested much in it. They are not motivated enough.”*

These kind of issues were also evident in Company (B) and have contributed to the lack of motivation amongst employees and they lack professionalism. M3 from Company (B) suggested that:

*“When people are asked to apply something in this way, they will not accept the change except that there is a convincing thing in this change and it follows a specific methodology and sticks to it. Man, by nature, does not like change either because of laziness or fear of this new thing. This is my point of view.”*

M3 from Company (C) also suggested that a lack of end users’ involvement in the teams which implement or update the system has contributed to lack of motivation and professionalism required in this era of severe competition. A respondent from Company (C) said:

*“I play different roles. I mean, for example, I talk about the IT Support. They had to participate in the creation of this system, but they were not involved. I speak on behalf of them and play their role. Their opinion was not taken into consideration. They are technically trade but this is not enough.”*

Thus, leadership need to focus on building teams, developing strong communication systems and strengthening the relationship in order to maximise the benefits of CRM. Leadership also lacks focus on instilling professionalism and motivation amongst employees. Leadership is rather focussed on increasing the efficiency of the organisation by emphasising the outcome and achievement of the goals without much focus on motivating employees and creating a culture that facilitates frequent knowledge sharing and communication amongst employees.

The reason why leadership is so critical for implementation of CRM is that CRM implementation requires change management. This means implementation fo CRM will require **change management** skills in the top leadership.

The leadership style has been reflected in the way CRM was implemented. Leadership decided on and implemented CRM. Employees were not involved, they were not

appropriately trained and motivated and they were forced to use the system. For example, GM3 from Company (A) highlighted the situation as:

*“Employees were given two instructions, the first one is to study the CRM, and see what is this CRM and so we start to learn about the CRM and to look for the other alliance and how can we contribute to the industry. Secondly, we were asked to use it. Actually in the past the end-user did not play any role, but now they have the full authority and can give their own opinions.”*

People have not been convinced of what the benefits of using CRM are and what is the importance of customers for the organisation.

Many of them do not understand CRM and its benefits in Company (B) as well.

*“No one knows the business process well. Most of the people here in our department are dealing with specific systems, agreements and claims and know nothing about overall CRM.....we prepared them by some courses, but the training in general was not efficient. I attended it one time and found most of the trainees are not understanding what was said by the trainer and they are entertaining with WhatsApp...”* (M3, Company B).

That was reflected through the performance of many people who are never willing to change. M4 from Company (B) said:

*“It takes time to convert from Legacy System to the new one. Some people are old and they do not have the potential or the energy to cope with these developments...Yes, there are employees in these departments and the average of their ages is high, and therefore change is difficult for them and they do not accept the new system. There are also some people who feel that they would be useless in the department if the system was implemented.”*

In Company (C), the case is no different. Senior management forced the change instead of understanding the entire context and overcoming the barriers that could impede the change management brought through CRM.

*“Yes, there is. Frankly, I do not know, but we have a department called Change Management and they are from Business themselves. They pushed people to change, but they did not have the effectiveness in the CRM project”* (M5, Company C).

The senior management such as GMs VP and then CCO or EVP (Executive Vice President) made the decisions and imposed their decisions on the lower levels of the organisation. They told them that they did not need this system. They told them that there is a new system and they have to use it. This leadership style and culture resulted in ineffective implementation of CRM.

#### **4.4 CRM Implementation**

Most implementation projects begin with **planning** which often occurs at the top levels. CRM often involves resolving some issue or getting the business ready in anticipation of future challenges. CRM was implemented in Company (A) in 2004. The implementation planning started when company started its operation in Saudi Arabia. Unlike the other two companies included in this study, the company was new to the Saudi market. It was not operating before and it started its operation from scratch. That influenced the planning of the CRM system and its implementation. The companies which were already operating in the market before had to undertake a large amount of change management exercise, as the whole data has to be migrated from the old system to the new system. However, this company developed a CRM system before starting its operations in the market. As M1 from Company (A) stated:

*“CRM project started from the very start. At very start we had some temporary procedures and temporary arrangements for small matters; however, we decided to implement CRM from the very start. So we did not have to go through issues related with the migration of the data and customers record.”*

The company was a subsidiary of a larger group that has a CRM system working in other subsidiaries. Multinational organisations have a large degree of influence on policies of their subsidiaries. The initial phase of a subsidiary is especially influenced by the parent companies. The parent company of Company (A) wanted to benefit from their earlier experience of managing customer relationships, so they decided to implement CRM in the Saudi set-up as well.

*“Our parent company has wide experience of working with modern technologies including CRM system in different markets. As I told you before, that trend is changing, and our company head office noted the trend. They decided to implement the system in the Saudi subsidiary as well” (GM3, Company A).*

Although the policy directions were given by the parent company, tactical decisions were taken by Company (A) itself. The company did not borrow a fully developed system from their parent company, rather it was only guidelines about the system. The companies who do not have any prior experience in such systems take a long time to make decisions about switching to the new system. The planning phase of such companies is more unpredictable and complex. As discussed in the analysis of company (A) and company (B) that decision to use this system was taken after substantial research. However, in this case, the company had a clear idea that they were going to use this system. Their experience in other countries had a positive influence on the planning phase of CRM in Company (A).

The system was implemented all at once. Once the system was complete, it was used for all the customers instead of offering one segment of the market. As the company was taking a start from scratch, it was planned to implement for the whole of the market. There were many complexities involved in implementing for a smaller segment. It could result in conflict between different systems running at the same time for different market segments. However, great care was taken in the initial phase to avoid any big failure in implementation. Thus, two parallel systems were developed. The parallel systems were to ensure that the second system works in case of any failure of the first system. Thus the design of the system was modular, in which mutually linked yet independent modules were developed to minimise risks. M6 from Company (A) said:

*“When the new system is brought in, we always move in parallel to have our own emergency plan so that if there is a problem, we immediately roll back or get out of the system to another system without affecting us. We worked on two CRM systems because the period was 6 months from the day when we got the license until the day of the launch. In this period, it is impossible to implement the CRM that has everything.”*

Company (B) realised that the mobile phone market was rapidly changing, not just in terms of the customer requirements but also in terms of the technologies being used to manage changing demands of mobile phone markets. To respond the changing nature of the market,

Company (B) decided to switch to a more sophisticated and advanced customer relationship management system. The company was already using a system which was becoming outdated. The planning process started in 2002 and the main purpose was to explore a system that could deliver better customer experience:

*“We realized that market was changing and the new technologies were coming in the market so it was important to keep pace with the market. So we started looking around for more information. We established a special team and assigned them the responsibility of scanning the market. What are the trends? What are companies doing? What is the future of these technology based systems?”* (M6, Company B).

There was some pressure from competitors on Company (B). Competitors were switching to the new technologies that put Company (B) under pressure to keep pace with them.

*“Most of the mobile phone customers are young people or people in their middle age. These consumers are fully aware of the latest market trends and their expectations are very high. If you do not provide them good services, they will be unsatisfied”* (GM2, Company B).

Apart from the changing nature of the market, database technology and IT technologies in general were changing. In the first decade of the 21st century, there were drastic changes in databases, internet and computer hardware technologies. The old systems were designed keeping in view the low computing power of computer systems and they had limited functionality. However advances, in technology made it possible to use more sophisticated programmes:

*“We also realized that the databases technology was also changing and now better database applications were available in the market. So we realized that we need an update in the services”* (M3, Company B).

There were multiple objectives for implementation of a CRM system. Apart from better customer service and providing better customer experience, there were some internal objectives as well. An important objective was to reduce the cost of the operation.

*“In fact, there is an objective behind the whole CRM. It is definitely for reducing the cost to a lower cost with the future platform faster to deploy changes for Business”* (M1, Company B).

Another objective was to bring efficiency in the system. The old system was slow and inefficient. Data was un-integrated and there were duplications in the system. In order to avoid these inefficiencies, the company decided to implement a new more efficient system:

*“New CRM is much more integrated. One of the objective of the system was is make process more efficient. You know, if we continue to use old process that means more labour involved because many elements of the old system were not atomized. So it was necessary to reconsider the process as well” (GM3, Company B).*

Initially, CRM in Company (C) was implemented in 2010. The implementation was completed in phases. However, data from the old to new system was transferred in one step. According to GM4 of Company (C):

*“The implementation was in phases. In other words, the applications such as the SAP and the other systems were set at one time. The legacy system related to the booking was also changed completely. This means that there was migration overnight to the new system, but the implementation was in phases starting with the introductory phase” (M3, Company C).*

The implementation of CRM in the company passed through seven different but related phases. These phases included initial preparation, blueprint, realisation, final preparation, going live and support.

One of the main preparation steps before going live was to the provision of training to the employees, the end users. M4 from Company (C) said:

*“Before starting the implementation of the system, we trained the staff in the management through IT, where they experienced the system; each employee received a handbook on how to use the system. We became sure that the employees were qualified. We did not “go live” without the preparation of an according to plan.”*

Planning is a long process and there are several issues that companies face during planning for CRM implementation. These **planning issues** need to be identified, evaluated and addressed so as to prepare a robust plan for implementation of CRM.

Although the head office extended its support to Company (A) in the initial phase to set up procedures and facilitate design of the system, the system needed substantial analysis in a

new market. The Saudi market had different products and thus different processes were adopted that required different solutions. Therefore, despite guidelines received from the head office, the planning phase was very challenging. As M2 from Company (A) commented:

*“In a way, we had past experience of running a mobile phone company but you know it was a totally new company in Saudi Arabia with a totally independent set-up. So, although some people in the top leadership came from the head office and head office was closely monitoring the initial phase of the company, but still it was setting up a totally new company in a new country.”*

A detailed exercise was conducted to analyse business requirements that involved different departments. At the same time, guidelines given by the head office were also utilised which served as a source document for Company (A).

*“They provided us all the processes they have been using in other places. So the processes we developed here in this company are blend of the head office guidelines and our own requirements”* (GM4, Company A).

The planning phase was not totally smooth; there were some problems and conflicts as well that continued throughout the implementation. However, generally, the planning phase was quick and efficient and it took a much shorter time compared with the other two organisations. The probable reason could be support from the head office and parent company’s prior experience in CRM.

The major issue at the start of the project in Company (B) was a large degree of uncertainty. The management did not have any prior experience of this system and they were apprehensive about the potential risks of the new system. Potential failure could have cost the company millions of dollars. So there was a degree of uncertainty and reluctance toward the system.

*“The start was very difficult. Things were uncertain. We were not sure of the exact consequences of CRM implementation. But we decided to go ahead with the system and started gathering information about the system, its implementation, vendors, benefits, problems and costs related with the system”* (M3, Company B)



The progress in the planning phase was extremely slow. The company created a team whose task was to undertake preliminary research about implementation and its consequences. However, it took almost four years from decision to undertake this project to award of contract to a vendor.

*“The need for the replacement of the system was realized many years back. In 2006 , working on new system CRM started” (M1, Company B).*

Slow progress could be attributed to different organisational and market factors. There was not enough information available in the Saudi market at that time as it was the early stages of a CRM system in Saudi Arabia and only a very few companies were using that system.

Different respondents from Company (C) reported a number of inaccuracies and problems in the planning phase. The planning exercise missed many important linked processes. In other words, planning only incorporated one part of the process and ignored the other one.

*“We suppose that we have a complaint to be sent to Jeddah Station. Those who made the plan didn’t pay attention to how to make this relationship” (M4, Company C).*

One of the important factors lacking during the planning stage was that organisations did not pay much attention to work out more efficient processes before implementing the new system. They used the old processes. The purpose of implementation of a new system was to improve process flow and remove unnecessary processes or link the related processes for efficiency.

*“They had the old program and they thought that they could use the old processes to design a new system without additional details” (M3, Company C).*

Respondents from Company (C) complained that the planning and implementation phase had very low employee participation and employees were not asked for their feedback.

*“I think that if they had the study with the concerned persons, they would reach something better than this and people would accept it in a better way” (M6, Company C).*

CRM adopted by organisations depends on their business strategy, organisation context (culture etc.) as well as business environment. Overall speaking, CRM is unique to the organisation and hence firms may need to **customise** the CRM system as per their needs.

The major challenge to the company was to customise the system according to their unique requirements. The company used guidelines from the head office; however, it fully realised that the success of the system depended on accurate analysis of business requirements.

*“The first step was the evaluation of the system and whether it can serve our purpose or not. But even before that, we evaluated our requirements. Requirements mean we needed to know what sort of services we need to offer to the customers. What would be the flow of activities?”*  
(M3, Company A).

The software and the hardware used by the company were available to the whole market. The most important part in the implementation process was not choosing the appropriate software but rather analysing the business requirements correctly and then customising the systems according to the business and market requirements. The company implemented Siebel, that is a product of the Oracle database system. However, the system only provides broad options and the companies have to customise the requirements according to their own need. M2 from Company (A) also shared the view that the major challenge was the customisation of the system:

*“Siebel is a complete system and you have to customise the system according to your requirements. That is what we did. Although we had Siebel available, we had to tell this programme what we want from this programme. We developed all our procedures and programmed them using Siebel.”*

Customisation was based on a number of factors. Apart from analysis of the business requirements, consultants’ input, head office guidelines, and user feedback helped in customising the system. The system was not customised at once; a number of amendments were made after its first version was released to the users. Users’ feedback helped in identifying the problems in the system and as a result the system was upgraded by fixing those problems. Users’ participation and feedback and suggestions helped in shaping the system:

*“All of this arises from the daily experience, the suggestions and the communication between you and the people who work on it daily” (M6, Company A).*

The first step in implementation of CRM in Company (B) was business analysis. For customising the Oracle based CRM system, the most important thing was correct analysis of the business.

*“The first thing is to know more about the business. CRM cannot be implemented without knowing how are we going to use it or what benefits it would bring for our business or our customers. The whole purpose is to improve the business capability to serve customers. So the first step is analysing business carefully” (M3, Company B).*

Business analysis was performed after detailed discussions of consultants, IT department and relevant business departments. The process was not straightforward. Business departments analysed their requirements first by themselves, then those requirements were discussed with IT and consultants. GM1 from Company (B) said:

*“We worked out our requirements and tried to include everything that we could possibly require. The process was carefully analysed. Once we finalised the requirements, we gave them to IT. Then, they kept contacting us back and forth, because there were a number of things that needed clarification. The process of communication and coordination is continuous.”*

However, despite repeated contacts and meetings to analyse business requirements, there have been a number of deficiencies in the process. The reason why business analysis was difficult was switching to the new system. Employees have been using the previous system for a long time. Most of them were analysing their requirements according to the previous system. The purpose of the new system was to remove some of the steps which could be removed by the introduction of new more sophisticated software. Consultants and IT department worked with business departments to finalise the requirements. At the same time, IT was not an expert in business areas, so misunderstood requirements on different occasions. So there was constant communication to improve analysis of business requirements.

Most of the respondents from Company (C) expressed dissatisfaction with the level of customisation and effectiveness of its implementation. They complained about the level of integration of the system and believed that the system is implemented in a very poor manner so it is not operating on its full potential. M4 from Company (C) stated:

*“No, we do not have the CRM that you know. We do not have something like this. It is supposed to be something that is comprehensive by linking all the departments and providing them with the feedback. We do not have a system like this.”*

Another respondent complained that the company is only using very few features of the system. The way this system was implemented, it does not use full potential of the system.

*“There are endless needs and they increase every day, but now the important thing is the use of Customer Relation Management as SAP. We use 10% of the functionality provided by the CRM system.....our ultimate goal is to reach to the customer profile, satisfy them and to have market segmentation through the CRM” (M6, Company C).*

CRM is not only about using it internally. Firms can generate benefits from CRM only if they look to integrate it across their value chain because value can be delivered not only through the organisation itself but through a coordinated approach across the whole value chain. Thus, firms looking to implement CRM need to integrate CRM systems for internal users as well as their network partners.

An important objective in implementation of CRM was the integration of all the modules and data that are accessed by different users. A mobile phone company has different operations compared with the companies operating in other sectors of the economy. Company (A) has a network of franchisees, branches and agents. These agents serve as company representatives for customers. They are not only engaged in sales and distribution of the company's products, they also perform many functions related to the customers' services. These network partners can only perform their functions effectively when they have access to the services required by the users. This includes accessing their billing and package details and ability to amend these details. One of the important parts of CRM implementation was incorporating all network partners in the system and providing them with appropriate skills to deal with customers. GM3 from Company (A) said:

*“We have a large network of agents and distributors. Our distribution network partners also need to access some particulars of customers’ profile. We also have customer services centres all around the country. If customers have any problem they go either to an authorised agent or a customer service centre, so people working at the customer service centre need to access customer records.”*

The system was not only designed for external users, but also for different departments of the company itself. By integrating all the records and data for all departments and external users, the company avoids duplication and inefficiency. The records maintained are accessible to all the relevant users of the system. M2 from Company (A) stated:

*“CRM has an integrated system that means all the data is saved in a central or linked database which can be used by different users. That means the same data can be used by one or two or even 10 departments. You do not need to enter data again and again. The data is retrieved from the same source. In our company, we have to access different aspects of the data for different users.”*

The system has the ability to apply restrictions in terms of access of the data. Distribution agents and network partners are given limited access to the data in order to ensure privacy and protection of customer data. At the same time, if network partners are not given sufficient access to the information, it can influence the quality of service for the customers. So the company thoroughly analysed customers’ requirements before designing this system for external partners. Customers’ requirements, front-user requirements and customers’ confidentiality are balanced while designing the system.

*“The system can be customised for different people and restrictions can be applied. For example, if the company wants agents to access only billing details or package details, then the system would only allow agents to access the permitted data. They cannot access all the data” (M3, Company A).*

Meanwhile Company (B) was earlier using another system called Legacy. One of the critical tasks in CRM implementation processes was smooth migration from the old system to the new system. The company did not, however, transfer all its data and all products from the old system to the new system.

*“When the company decided to switch from the old system legacy to the new CRM system, they decided to do it in different phases. As you know, we have different businesses. The decision was made to start implementing it from mobile customers” (M5, Company B).*

Other businesses of the company were not included in the first phase of transfer. Company (B) is a large company who has multiple products; they decided to experiment the system on mobile phone users only in the first phase of project implementation. The purpose was to avoid risk and complexity involved in implementing it to all products.

*“As I told you before that this was implemented for certain type of business, that is mobile phone business. It was for all the GSM customers who moved together to the new system. We could have implemented it with a few customers but that was not really a very feasible option” (M3, Company B).*

The old system legacy is still being used for other business units e.g. Broadband Business. CRM will be implemented in these departments at a later stage. M1 from Company (B) suggested:

*“Legacy system is still being used in other departments and it would be phased out gradually. It was difficult to implement the system in one go in the whole organisation. Thus we decided to do it in different parts.”*

Migration from the old system to the new system not only had technical aspects, but there were emotional aspects involved as well. Employees were anxious and they were not very confident about the new system. They had worked for years on the previous system and change to the new CRM based system was challenging for them.

*“There was some anxiety among employees about the new system, some employees were somewhat apprehensive about the new technology because they were used to work on the old system. So training was conducted for employees to make them familiar with the new system. Legacy was given up and the new system is in place now.” (GM3, Company B)*

System implementation is quite slow at Company (B). The slow progress could be attributed to the large size of the organisation. The implementation process took more than three years, and yet it was only implemented for one business i.e. mobile phones GSM business. Other business units are still using legacy, which indicates that implementation speed is very low.

An important objective of CRM implementation in Company (C) was integration of different databases and different departments. CRM also helps in integration of network partners, including ticketing agents and foreign offices. Integration saves cost for the company and make the system more efficient. However, most respondents were unsatisfied with the level of integration.

*“The process of customer service and its relation with the customers is scattered and not concentrated in one place. It is not represented in an integrated system like the CRM. From my point of view, I tell you that the Company (C) has no CRM implementation.”* (M3, Company C)

The company, however, plan to implement this system in all departments and network partners step by step. As one of the respondents stated:

*“Till now, no. But in light of the plan being implemented, there will be additions in the system and it will be integrated stage by stage.”*

The company is a large organisation that has a number of partners or other divisions which operate as a separate entity. Although finance and human resource departments are already integrated with the CRM system, some other departments or subsidiaries are not integrated in the current system. However the organisation plans to implement CRM throughout these network partners. As soon as these departments have the same level of automation, they will be integrated with the system.

*“There is an upcoming project through which the integration can be done because there are points of integration between each company and another, for example, the Ground Services and the Company (C). The Company (C) makes complaints which can be sent to the GS (Ground Services). The GS provides services for the Company (C) such as Air CAP and Check-in. All of these services are provided by GS for Company (C). The services were free of charge. Now, there is payment for the services.”* (GM4, Company C).

As the preceding quote shows, Ground Service is a different division of the company which is not having the same system as reservations and customer service. However, the effectiveness of CRM cannot be fully achieved without integrating all these systems.

Once the system integration has been achieved the focus should shift towards **launching and dynamism issues in the System.**

Different respondents from Company (A) reported that neither implementation nor operationalisation of the system was problem free. The company faced a number of conflicts and problems at the early stage of its launch. Many processes were less understood at the design stage which caused malfunctioning of the system on its operationalisation. Shortage of time for the planning was also considered to be an important factor that generated different problems at a later stage.

*“When Company (A) Company got the licence, we waited 6 or 7 months to test the system. There was not enough planning or design, but it was a start. Then we started to develop and modify the system. We also made a plan and implementation for the system by the same team of employees because SBM, which was the vendor, left us and we continued the development until we reached the present phase” (M3, Company A).*

Like other organisations, the start was problematic. Users were not fully trained and the new system posed challenge to them. There was a feeling among some of them that their feedback is not incorporated sufficiently. As M3 from Company (A) commented:

*“No. Implementation was not smooth. There were number of problems. There was tension between departments and there were some conflicts between consultants and our front users. Users were not happy with process analysis. They thought that consultants have not paid much attention to that and did not incorporate their feedback properly.”*

Although some of the organisation went through a very detailed exercise of planning and implementation, some problems did not appear until the system was finally tested or launched. There have been a number of meetings between consultants, IT department and front users; however, some of the problems remained unanticipated:

*“Some of those problems surfaced when the users started using the system. And then they realised that changes were needed. That is why the starting period was very problematic, we faced a number of problems at the start. However, now it is going very smoothly” (GM3, Company A).*



However, despite having some deficiencies in planning and problems at the early stage of operationalisation, most respondents were satisfied with the current state of the system. They believed that once those problems surfaced and feedback was conveyed to IT department, those problems were fixed.

*“I would say that start was not very smooth. But with time, we reported problems to our IT team and asked them to fix the problems. Our IT team worked on them and they were fixed later on. That made our system better day by day” (M1, Company A).*

The system, however, has a self-correction mechanism. The system has dynamic properties which were missing to some extent in Company (B). The IT department works closely with other departments to gather user feedback and customers’ feedback. The requirements of the system keep changing. The company keeps launching new products and new services that require different formats of interface and data. Each time some new product is launched or a change to an existing product is made, the system is modified according to the new requirements.

*“It is a flexible system and keeps changing. The CRM system has flexibility to incorporate new changes in the market. We keep changing our products; we have some new promotion, new packages, and new formats for some services. These additions require changes to the system, so we have to update our system according to the changing requirements. So I would say it is never the final version. It keeps changing” (M3, Company A).*

In Company (B), the final step before operationalisation of the system was to check test the system. System testing is a standard practice in implementation of such systems. Although all parts of the system were tested individually, the final testing was to check the whole system together.

*“We tested the system internally. Before launching CRM we did extensive testing of the system. All parts of the system were tested. Test reports were generated. Random customer profiles were retrieved. Once we were satisfied that it was ready to launch, then we switched to CRM” (M2, Company B).*

Testing revealed a number of problems in the system. Consultants, business departments and IT department worked together to resolve these problems before operationalisation.

*“Yes there are many discrepancies found at the time of testing and we fixed them all before operationalising our system” (M3, Company B).*

Attempts were made to remove all potential problems during the testing phase; however, a number of problems surfaced only when the system became fully operational. Although some problems are unavoidable after operationalisation, if there are many problems, that indicates that implementation processes, including design, customisation and testing, have not been given sufficient attention, therefore these problems could not be picked at an early stage. Company (B) faced a number of problems after operationalisation. One of the reasons was low participation of business departments. All these processes were developed by the IT department and business departments were not sufficiently trained to handle them:

*“After the system went live, we started pushing things to Business. You need to own the issues. Otherwise, you know that it will never be resolved, when you reach a planning mode. Everybody will push the other side. So, Business will say that this is purely the IT issues, go and fix your problems” (GM2, Company B).*

Business departments played a leading role in fixing those problems because many of those problems were due to wrong assessment of business processes. Once the flow of activities and processes was clearer to the business departments, they started fixing problems.

*“So we pushed Business to lead and honestly the business was led and they took over the issues. Most of the issues were resolved within tremendous time. We spent three months doing a lot of fixes without being resolved. Then, the Business lead within one month and tremendous enhancement happened on the performance and fulfilment” (GM2, Company B)*

End users and network partners also faced a lot of problems and they did not welcome the new system as it was difficult for them to operate. Partly it was due to system problems and partly because of lack of training.

*“They faced a lot of problems. That impacts even the customer reputation and market because you know that the end user is not happy about the system that he is dealing with. Some of them, stopped planning the new system and demanded to roll back into the old system. Another thing is that people sometimes make excuses that the system is slow” (M3, Company B).*

It also affected customer services. If the end-users had any problem and they could not immediately find a solution, they would tell the customer to come back after some time; that made a bad impression about the company.

*“They say to customers, our system is not available. Please call back again or give us one hour because the system is down, etc. So as for all of these issues, we are not blaming the end user honestly, but we are saying that we would have dealt with it better than what we did”* (GM3, Company A).

Most respondents at Company (C) reported that the start was very problematic and it exposed a number of weaknesses in planning, implementation and training which ultimately had a negative influence on customers after its operationalisation.

One respondent hinted at some dynamism in the system; however, the pace of changes done later on in the organisation are slow. In order to keep pace with the changing requirements of the market, the company has to make changes in the system.

*“You know the requirements keep evolving. We tried to include everything that could be required from the system but we missed certain elements. We tried to fix some problems at later stages”* (M3, Company C).

Employees were provided with training in all departments before operationalising the system. Trainings took place at different phases of the system implementation. Employees had mixed responses about effectiveness of training. Although most participants agreed that training was very important and a wide range of training was required, there was difference of opinion on sufficiency and effectiveness of training.

*“There was enough training. It was about fifty sessions. All of them were distributed among the fifty sessions. Remember that it has been twice when they did the testing. Then they did it again when they went production and they were live”* (GM4, Company A).

However, many employees were dissatisfied with the quality of training. They believed lack of training and absence of appropriate need assessment for training caused a number of

problems at later stages when the system became operational. Training was not tailored to its implementation needs.

*“This may be a part of the problem that there was not enough training, but I have told you that there was a time gap between training and implementation” (M3, Company C).*

Besides having concerns about the sufficiency of training and training need assessment, some employees believed that delivery of training was also not suitable. The training was general and it did not attract the interest of employees.

*“Training remained an issue for this system, although we designed a quite extensive training programme for all related employees so that they are well prepared before using this system. However, it seemed that training was insufficient. There could be a number of reasons for insufficient training. However, some employees did not pay required attention so they had low learning from training programmes” (GM3, Company A).*

One of the respondents acknowledged that training was there; however, there were new problems which were not predicted at the time of training.

*“Training was there but sometimes there are new problems that need support from the experts” (GM2, Company A).*

Generally, employees showed some degree of dissatisfaction about the training. There could be different reasons. Some departments like IT received greater training while other departments received less training than they required.

#### **4.5 Benefits of CRM**

Most front end users and managers agreed that CRM brought multiple benefits to the company. Despite the concerns raised by some of the respondents about flaws in its

implementation, respondents generally agreed that CRM has delivered benefits to the organisations. Smooth running of the operations was not possible without an effective and integrated CRM system. The increasing number of customers necessitated the company to have an efficient and integrated system that could handle customers' needs. GM1 from Company (A) said:

*“We have massive numbers of customers and numbers of mobile phone customers are increasing every day. It is one of the fastest growing industries in the world and every day we have more customers. So for such a massive number of customers we need to maintain very advanced and sophisticated systems that can handle the needs of so many customers.”*

Another benefit cited by respondents for CRM system is efficiency. CRM makes customer services very efficient. It helps them manage a complete profile of every customer along with complete details of bills, packages, and services. The system substantially reduced the workload of call centre representatives because customers can manage their account by themselves through this system. Time required for customer service is substantially reduced because of the system.

*“Yes, definitely, it has made things much smoother and more efficient. CRM was designed to offer quick and efficient services to our customers”* (GM3, Company A).

So employees who viewed the system as problematic at the start of implementation and operationalisation also believe that the system has delivered benefits and efficacy and it is in a much better state now than before.

Another widely cited benefit by respondents is the ability of the system to integrate different departments and network partners. The system has ability to integrate different data and all the front users access the same integrated database, which results in efficiency and cost

savings. Furthermore, network partners were given access to enable them perform the customer services function. M2 from Company A said:

*“All our network members, franchisees, branches, and different department they are linked with each other. If we update information about a customer on one point, all the databases are updated and every user will get updated information about the customer. It has multiple benefits, rather I would say it is indispensable these days.”*

CRM is different from conventional systems because it can be operated by customers as well. They do not have to go to any customer service centre nor do they have to call to the call centres, rather they can obtain and activate different services by themselves.

*“The system is intelligent and it can accommodate customers’ requests and activate the desired service without any human intervention. Customers send text messages, those text messages are entered as a command for the programme, the system can recognise those codes and it can activate or deactivate services. Similarly, customers can check their up-to-date balance, update data usage, over-due bills, billing history, and so many things” (M1, Company A).*

Most respondents at Company (B), however, were not fully satisfied with implementation of the CRM system. They believed that the processes of implementation could have been improved. Some respondents were cautious while telling the benefits of the system. M4 from Company (B) said:

*“Well I think there are some benefits of this system over the previous one. Although I am not sure whether this system is perfect or not, but I think it is better and it brought efficiency in the process to some extent.”*

M1 from Company (B) said:

*“I do not think it meets all business requirements to 100% but there was substantial success in implementing most of the changes that we wanted.”*

However, some other respondents were more open to recognising that the system brought a lot of benefits for the organisation. They believed that problems in implementation are normal and the real utility of a system should be judged once it becomes fully operational.

*“Despite all the problems, I will rate it as a success story. No project is problem free. Every project has problems as each project has to deal with a number of uncertain factors. But this project brought efficiency, better customer service and better performance for the company”* (GM2, Company B).

Among the most important benefits explained by respondents were efficiency, customer experience and cost savings. The CRM system made processes more efficient for both employees and customers. The efficiency was mainly due to atomisation of processes.

*“When a customer wants some service, he sends an SMS with the required code, the service automatically activates. So it makes processes faster, efficient and more reliable. There is less chance of human error. We have reduced our expenditure by making it automated”* (M3, Company B).

As far as Company (C) is concerned, despite concerns of employees that the system had problems and it was not operating at its full potential, most respondents agreed that CRM brought a number of benefits to the organisation. CRM has offered a variety of different advantages to Company (C); a few of these will be presented in this section. The management suggests that the company has gained a huge boost in its performance as far as dealing with

the customers is concerned. The company is able to get feedback from the customers and enhance customers' travelling experience. Through a dashboard, employees are able to know the opinions and experience of customers about a particular flight, including negative and positives aspects experienced by the customers during the flight. This helps the company to take measures to solve the issues facing the customers before and during the flight as well as improve services.

*“Dashboard gives employees access to the information from customers, their opinions and impressions about a given flight, including the shortcomings and the positive aspects experienced during the flight, and their feedback, once inserted into the system, appears on the screen before us, while in the past we used to wait for an e-mail about the quality of the flight” (M3, Company C).*

CRM has integrated different operations and departments that deal with customers and this has improved customer experience. For instance, if an employee makes a claim for compensation, the system sends an approval request to the concerned manager automatically. The approval and rejection of this request is also done through this automated system. This was not the case in the old system in the airline. M4 explained it as:

*“The employee got a form and went to the manager to sign it. Then he returned to the customer and sent him to the relevant department. If he was related to an external station, he called them and sent this document that was signed by the management in order to give him this amount of money and this took a long time.”*

Different departments such as reservation or ticketing, sales offices and the airports are integrated through SAP CRM. These departments are automated. That is, a customer can get the reservation and reach the plane without dealing with any paperwork or human being.

Now, there is a new department in the Customer Relation called Customer Index. This department takes data from each system in Company (C). Company (C) has a number of systems. All the systems are separate from each other such as booking system, income system and a customer reward system. This department collects all the information in one place or database which is SAP BI (Business Intelligence).



*“When all the data and information are collected from all these systems, there is a clear picture from the BI because they provide reports for the decision-makers to help them make the best decision” (M5 Company C).*

CRM has made it possible for the company to solve any issues facing customers whether it is about the ticketing, travel times. There is a special team which particularly deals with any problems encountered by the customers. For instance, M5 from Company (C) stated:

*“There is a team which deals with complaints from the client. Wherever these clients are, in Yemen or Paris, so our colleague in the station inserts the data in the CRM and later on these complaints are screened by our colleagues here and they start dealing with it and resolve it in a very short time. And also they reach the client very quickly.”*

Similarly, there is a help desk which also focuses on solving such problems. For example, in the IT Department, there is the help desk. When a problem occurs in any system from the automated systems, they communicate with the help desk or send them an email. Help desk then examine the problem and solve the problem. If it is about the issuing of a ticket, help desk creates a ticket. The concerned department is informed about the solution of the problem. Then the ticket is updated and it is directed automatically to the person who reports the problem.

#### **4.6 Summary of the Chapter**

The chapter discussed empirical findings taken from interviews conducted in three companies: Company (A), Company (C), and Company (B). Some of the problems faced by all three companies were similar; however, some other problems were unique to a company. In general, respondents in all three companies felt there that should have been greater commitment by the top management. Similarly all three companies agreed that CRM, despite all its weaknesses and shortcomings, has delivered a number of benefits to the respective company. This chapter analysed three companies on an individual basis. The next chapter will combine the findings from these three companies and will compare results with each other.

The key findings can be summarised in the following table.

Company A	Company B	Company C
Lack of coordination and collaboration	Lack of coordination and collaboration	Lack of coordination and collaboration
Lack of employee participation	Lack of employee participation	Lack of employee participation
Conflicts due to workforce diversity and inter-departmental issues	Conflicts due to workforce diversity and inter-departmental issues	Conflicts due to workforce diversity and inter-departmental issues
Lack of communication	Lack of communication	Lack of communication
Negative effect of national culture	Negative effect of national culture	Negative effect of national culture
Influence of parent company	N/A	N/A
Lack of leadership commitment	Lack of leadership commitment	Lack of leadership commitment
Participative leadership style	Autocratic leadership style	Autocratic leadership style
Lack of support from leadership	Lack of support from leadership	Lack of support from leadership
Lack of communication and relationship management	Lack of communication and relationship management	Lack of communication and relationship management
Lack of teamwork and motivation, and professionalism	Lack of teamwork and motivation, and professionalism	Lack of teamwork and motivation, and professionalism
Ineffective change management	Ineffective change management	Ineffective change management
Issues in the Planning Phase	Issues in the Planning Phase	Issues in the Planning Phase
Problems at Launching and	Problems at Launching and	Problems at Launching and Dynamism in

Dynamism in the System	Dynamism in the System	the System
Benefits in terms of Efficiency, cost reduction, reduction of employee workload, Integration	Benefits in terms of Efficiency, cost reduction, reduction of employee workload, Integration	Benefits in terms of Efficiency, cost reduction, reduction of employee workload, Integration

*Table 4-1: Key findings*

Based on the discussion the following themes emerged from the data:

Main theme	Sub-themes
Organisational culture	Conflicts among employees
	Coordination and collaboration
	Employee participation
	Communication
	National culture
Leadership and CRM	Leadership commitment
	Leadership style
	Support from leadership
	Communication and relationship management

	Teamwork and motivation, and professionalism
	Leadership and change management
CRM implementation	Planning of CRM
	Issues in the planning phase
	<i>Customisation of the system</i>
	<i>Integration of system for internal users and network partners</i>

*Table 4-1: Main themes from data*

## **Chapter 5: Findings from Cross-Case Studies Discussion**

### **5.1 Introduction**

Chapter 4 presented empirical results from the three cases. The empirical findings from the three cases included Company (A), Company (B) and Company (C). This chapter is a continuation discussion from the discussion in which findings from all three cases are combined, compared and analysed together. Integrating findings from these three cases is important to undertake cross-case analysis as it enhances the applicability of the findings to similar settings. The cross-cases analysis will provide a pattern of practices prevalent in the Saudi organisation that are implementing CRM systems and other technology-based systems. Such cross-case analysis is recommended by Herriott and Firestone (1983) and Miles and Huberman (1994). Herriott and Firestone (1983) noted that multisite case studies strengthen the findings and they carry greater ability to generalise while preserving in-depth description. Further, multisite qualitative studies address the same research question in a number of settings, using similar data collection and analysis procedures in each setting. Despite enhancing the generalisability, the cross-site comparison does not compromise within-site understanding. Similarly, Glaser and Strauss (1967) argued that cross-case analysis is essential to deepen and expand understanding and explanation. It enables researchers to identify whether a particular problem or a practice is unique to only one organisation or shared by the other organisations as well who are going through similar situation. As this research aims to explore issues related to CRM implementation in Saudi Arabia, the cross-analysis will be help in identifying issues related to CRM across different companies and different sectors. As per recommendations of Herriott and Firestone (1983), the same research questions in three different settings using similar data collection and analysis procedures were used which meets the prerequisite for comparison of cases and integration of the findings.

The chapter highlights findings on the key themes discussed in previous chapters. The key themes discussed in the framework chapter included leadership, organisational culture, national culture, and CRM implementation. Some of the dimensions of each theme are discussed in the literature and framework chapter. However, during interviews, some new

dimensions also emerged. This is one of the characteristics of inductive qualitative studies, that is, they are not restricted to the predefined dimensions; rather, some new dimensions and related themes also emerge. Zhang and Wildemuth (2009) noted that in a qualitative inquiry, new themes would emerge from the texts through inductive content analysis. Thus this chapter will not only discuss predefined dimensions, but also incorporate emerging themes from three case studies. Thus the chapter contributes by analysing themes and dimensions already outlined in previous chapters and emerging dimensions which add to the novelty of the findings. Besides discussing and integrating findings from three different case studies, the findings are then compared to the existing literature to determine the extent to which these findings either confirm or contradict existing literature. Comparison with the existing literature is a widely accepted practice recommended in a number of research texts and adopted by a number of research articles (Saunders, Lewis and Thornhill, 2009; Bryman and Bell, 2003). Therefore this chapter will not only focus on cross-case comparison but also comparison with the existing literature. As a large majority of the literature on CRM implementation is coming from Western countries, the comparison with the literature will help in identifying to what extent the Saudi Arabian context is different from the Western context.

## **5.2 Comparison between the Three Cases**

The following sections compare three cases not only terms of whether or not a particular practice exists in the case but also the strength of a particular practice in an organisation. For example, innovation is generally not highly valued in all three organisations; however, Company (A) generally has more acceptance compared with rest of the two cases. The comparison is based on the themes discussed in the empirical finding chapters and some emerging themes.

### **5.3 Leadership**

The role of leadership in organisational change, particularly implementing a technology system, is very central. During implementation of a CRM project, the organisation undertakes a major change process that influences all departments of the company. As different departments are involved in this change process, effective management of the change process requires the attention and commitment of the top leadership. This study, however, shows that the style of leadership in all three companies resembles “transactional”. Even when the organisation was going through a major transformational process whereby the whole marketing and customer services were being transferred to a new system, the role of the top leadership was not in line with the transformational leadership. Rather, their focus was on the business events and transactions. This is in line with Hater et al (1985) and Khodakarami and Chan (2014) who state that the transactional leader operates within existing cultures or systems. The leadership is less interested in winning the long-term commitment of employees. This is keeping with the broader national culture that emphasises stability and resists change (Al-Somali et al., 2009). Thus the top leadership does not try to win their commitment through communication, negotiation and facilitation. Rather, the relationship is transactional and employees are expected to produce output in return for their salaries. In essence, this study found that Saudi leaders pay more attention to exchange of transactions. Therefore transactional leadership is observed in Saudi organisations. However,, this research finds that CRM implementation is a collaborative effort and require participation of employees at all levels especially the front line employees who are responsible to provide customer relationship. This means that the front line employees must be given some degree of autonomy and stake in the process and hence transformational leadership may be more useful as compared to transaction leadership in implementation of CRM

#### **5.3.1. Autocratic Leadership**

Another dimension to look at in the leadership style is the degree to which powers are concentrated at the top and to what extent decisions are made by the leadership without any consultative and participative process. There is a social distance between superiors and

subordinates. This orientation could be attributed to the religious beliefs in the society. Arab traditions recognise status and hierarchy (Bjerke and Al-Meer, 1993). Furthermore, Saudi Arabia is a Kingdom where most of the powers are concentrated in the royal family. The appointees of the king carry enormous social and political power. There is strict hierarchy in the families as well. Both religion and societal structure reinforce the rules, authority, and hierarchy. Thus, it is concluded that Saudi Arabian organisations have an autocratic style of leadership.

Religion and tribal relations reinforce the rules, authority, and hierarchy which in turn reinforce the values of submission, obedience, dependency, and respect in families. The same family and social practices are very much found in the organisations as well. Employees submit to their bosses and obey their instructions with very little deviation. A leader that cannot assert his authority is considered to be a weak leader (Ali and Al-Shakis, 1985). Thus leaders tend to be more autocratic and have very little consultation with the subordinate employees while making decisions and creating organisational goals. All three cases in the current study recognise that the leadership style is not only autocratic but also it is less participatory for employees. Even middle managers are not part of the decision making and they are given orders to get decisions implemented. Another reason for autocratic style of leadership is the large size of the organisations. All three cases studied in this research are very large organisations where procedures are highly bureaucratic and centralised. Most decisions have to go through a proper channel of hierarchy to get approval. Therefore, this study found that Saudi Arabian organisations have autocratic style of leadership.

While autocratic leadership may be somewhat in line with Saudi culture of high power distance but this is not in line with the organisational culture. Literature indicates that organisational culture is the aspect of culture that can be influenced by leadership and hence it can be inferred that adequate leadership style will help managers to alter the organisational culture and help it align with that the needs of the organisation.



### **5.3.2. Leadership Style and Influence on CRM Implementation**

In all three cases, the leadership style was inclined towards autocracy. Company (B) and Company (A) are mobile phone and telecom services operators. The mobile and telecom industry is changing an unprecedented rate. New smart phones are capable of offering a number of services that were not possible without access to internet on mobile phone (Lee and Park, 2013). Thus both Company (B) and Company (A) have to compete for new mobile phone services. Although the number of mobile phone companies operating in Saudi Arabia is limited to three only, still the competition is on the rise. Highly autocratic leadership slows down the innovation process. Furthermore, as decisions are made at the top, the feedback from the system users is not incorporated in strategic decision-making. Company (A) has relatively less autocratic leadership.

Company (A) is a UAE based company that has its operations in Saudi Arabia as well. The company seems to experience less impact of Saudi culture compared with Company (B) and Company (C). This is potentially due to more exposure in different markets and better realisation that a highly autocratic style is not suitable for an industry that is constantly changing and that requires a swift and immediate response to the market changes. Company (C), on the other hand, experiences a highly autocratic style of leadership. As evidenced by the responses of the respondents, the decision-making is concentrated at the top, and orders from top to bottom leave room for a number of problems due to lack of feedback. If we look at the process of CRM implementation, it seems fastest at Company (A) that has a relatively less autocratic culture. On the other hand, both Company (B) and Company (C) reported a number of problems in implementation which are partly attributed to the leadership style and leadership commitment, among other factors. This is in line with the existing literature. Abdul-Gader (1997) studied information system strategies in multinational companies in the Arab Gulf region and found that information systems strategies are highly influenced by leadership style. Leadership styles that are not culturally suitable generate a number of problems in coordination, communication and implementation of the project. The current study examines the fact that, due to the low level of interaction between top management and the employees working at the front end, the opportunities for improving the system are undermined as suggestions of front-end employees are not incorporated in the decision-making process to an appropriate level. Thus low level of communication, lack of interaction and imposing decisions from the top negatively affects the CRM implementation process.

This study thus shows that autocratic leadership does not sufficiently incorporate feedback from the front-end users and thus it is less effective in addressing the CRM implementation problems.

Incorporating suggestions from front-end users and those in direct connection with the customers will improve customer service and system implementation. However, the autocratic leadership style has very little room for participation of front-end users in the decision-making process. This could lead to some degree of resistance if the system is too much in conflict with what the front line employees are used to. Thus, an appropriate implementation model should be adopted so as to minimise the conflicts and achieve the goals of implementing CRM system. Overall speaking firms should look at an optimum pace of implementation where optimum pace can be determined based on how much conflict and resistance it can lead to.

Secondly, the organisations that have high level of customer interaction require more delegation of powers and more participatory decision-making for addressing the customers problems appropriately. Both airline and mobile phones industries are highly consumer oriented industries compared with those manufacturing units who deal with industrial customers. All three organisations included in this study have millions of customers that contact their respective organisations very frequently. If the system is highly autocratic and decision-making is very slow, requiring frequent approvals from the top management, it impairs the quality and speed of customer services. Delays in services lead to customer dissatisfaction. Ahearne, Mathieu and Rapp (2005) noted that leadership behaviour relating to empowerment of the employees influences the quality of customer service. If employees are not empowered by the leadership and powers are concentrated at the top, it may negatively influence customer services. Peccei and Rosenthal (2001) noted that customer oriented behaviour is linked with empowerment of employees and delegation of powers.

Although the issue of financial approvals is mentioned by only Company (C), respondents from all three organisations expressed some degree of dissatisfaction with the process of incorporating suggestions and feedback of front-end users in the decision-making process.

As all three organisations are operating in customer-oriented industries where they have to interact heavily with the customers, the style of leadership influences the ability of front end-employees to influence customers' experience.

Thus, it is concluded that autocratic leadership style negatively influences customers' experience in customer-oriented industries. This study thus suggests that if companies need to take advantage of the CRM, they should focus on reducing or removing hierarchies and developing a leadership style that encourages participation of different stakeholders, decentralisation and more cooperation amongst departments and employees. This would result in avoiding delays in decision making and enhancing customer experience.

One of the mistakes that many organisations make is that they consider CRM as a system. CRM is more than just a system' it a philosophy which CRM implementation requires a change in the culture of the organisations

### **5.3.3 Leadership Commitment**

This study shows that leadership commitment is very important for effective implementation of CRM. One of the reasons for the importance of leadership commitment is that it enhances better coordination and cooperation among different departments. CRM implementation or any technology-based change management project could be very problematic. A number of conflicts arise due to lack of coordination between departments. Particularly when departments have competing goals, there are issues of coordination. In such situations, there is unnecessary tension between different departments. However, if the top leadership is involved in the process of implementation or it is closely following the developments of project, they can interfere in a timely manner and rectify the problems.

Chen (2001) noted that the organisations are not positioned for integration of different departments. Each department has its own objectives and staff work toward their own sets of objectives. Similarly, performance measurement and rewards are functional and not global.

Each department has different criteria to measure its success. Information is spread out on many fragmented systems and there are few people who have an enterprise-wide view of the organisation. Departmental heads only know about their own departments and have very little knowledge about other departments, thus they have limited potential to view the process in a holistic way. Top management must provide leadership for all these changes as they know the whole process and can take care of the overall system objectives instead of departmental objectives.

Leadership commitment and involvement are not only necessary for better coordination between different departments but also required for beneficial relationships with vendors and suppliers. The consultants who helped implementation of CRM system also make an assessment regarding commitment of the top management in a particular project. If the top management is highly committed, the level of commitment of vendors also increases. However, low commitment on part of the management allows vendors to take this system less seriously. The type of pressure that leadership can exert on consultants is missing if they have low involvement in the process.

Wang et al. (2005) examined the role of charismatic leadership in implementing information system projects and suggested that the leadership style and commitment have significant influence on cohesiveness of the groups working on the project. Leadership involvement provides better coordination among individuals and departments working on the project. Although the study discussed the role of consultants in implementing an information system, the relationship between leadership commitment and the consultant's role was not studied. In another study, Chen (2001) noted that top management commitment is much more than a CEO giving blessings to an information system. The commitment must not be limited to conception of the project but should continue through its completion. Top leadership is generally involved in conception and initial approval of the projects; however, they do not have a continuous involvement in the process. Lack of commitment during all stages of the project implementation results in poor implementation. Many employees in all three organisations believed that leadership commitment is lacking and the leadership is not paying due attention to this project. Leadership assigned the projects to the middle managers and

expected them to carry out all the planning work and implementation. The middle management was expected to provide leadership to the project. However, the role of the top leadership could not be effectively substituted by middle managers. Lok and Crawford (2004) noted that leadership style and commitment have impact on commitment and job satisfaction of the employees that results in the effective implementation of a project. This study thus shows that leadership commitment increases commitment of subordinate employees. Moreover, leadership commitment increases commitment of external stakeholders, including consultants, towards implementation of the system.

As discussed in the preceding paragraphs, Saudi organisations have an observed autocratic leadership style. In the autocratic leadership style, the power concentration is at the top and lower cadre employees are expected to follow instructions of the top management without any involvement in the decision-making process. The communication is one way from top to bottom. As front line employees are not empowered, they lack initiative and heavily depend on the orders given by the top managers. As employees have low level of participation in planning and decision-making processes, they assess the importance of an activity by the level of commitment of the top leadership, although most orders flow from the top but the level of involvement of the top leadership sends a strong signal to the employees about the priority and importance of the task. In a democratic leadership environment, employees' participation is encouraged and decisions are made through consultative processes (Ardichvili, Cardozo and Gasparishvili, 1998). Employees develop higher levels of interest and higher commitment (Woods, 2005). As the consultative process allows employees to incorporate their suggestions and feedback to the decision making process, they are likely to take greater ownership of the process. As a result, their likely participation tends to increase. In that case, the top management does not have to keep a constant eye on employees. In other words, if the top management exhibits relatively lower levels of commitment, employees are still likely to stay committed to the objectives as they themselves had participated in the process to set those objectives. However, in the autocratic environment, employees have little participation in the decision-making. The mechanism for implementation of decisions is not by winning commitment or ownership from the employees; rather, the implementation is ensured through pushing instructions to the bottom of the hierarchy. Employees stick with the instructions instead of taking their initiative. They need constant involvement and monitoring

by the top management. Employees do not take all the instructions of leadership with equal importance; rather, the importance of the issues is gauged by employees by the level of commitment of the top management. Thus in an autocratic environment, top management involvement and commitment is more instrumental in order to win commitment of people to the project. In all three organisations, employees expressed their views that top management should have greater commitment in the process because it would make employees more committed to the process.

This study shows that leadership commitment and leadership style do not match. Following Chen and Popovich (2003a), this study suggests that that leadership commitment and leadership style should match and that leadership commitment and involvement are more important in an autocratic leadership environment.

#### **5.3.4. Leadership Support**

A closely related theme with leadership commitment is support from the leadership. Although support from the leadership signifies its commitment, it is important to discuss what constitutes support for respondents of the study. There were mixed responses on provision of support from the top leadership. Some of the employees reported that they got support from the top management. If top management were supportive, the support was mainly limited to provision of physical resources and equipment. In fact, when management did provide support, employees were not satisfied with the level of support that top leadership was offering. The support was limited to making plans, approving finances, and making resources available. However, employees believed that effective implementation of a CRM system requires support beyond the provision of finances and equipment. Effective implementation requires constant support and involvement of top leadership. However, in all three companies, the belief was that the level of support was not sufficient. There is a need for greater communication, involvement and support in all phases of the project planning and implementation. One of the reasons that top management had its support limited to provision of resources is that leadership does not fully realise the potential and scope of the CRM.

Respondents in all three organisations agreed that CRM should not be considered as a software. It is a company-wide system that requires involvement and support and different levels of management and at different stages of the project implementation. This is in line with a number of studies related to implementation of information systems that suggest that management often regard IS systems as a computer software instead of treating it as a companywide system. Zhang et al (2005) noted that the scope of information systems is enterprise-wide as it integrates information and information-based processes within and across all functional areas in an organisation, thus it is imperative to get support from all functional segments of the organisation. As discussed in the previous sections, that lack of commitment and support from the top leadership may cause problems in coordination between different departments. A CRM system involves different departments who may have competing goals. Thus leadership support that goes beyond provision of resources is instrumental in having an effective and integrated system. Chen (2001) argued that leadership support is more than just a CEO giving his blessing to an information system. True support and commitment must not be limited to the conception of the project but should continue throughout its completion. It should include support on technical, human, behavioural and physical aspects. In addition to that, providing necessary funding in a timely manner is also important. Top management should continue to identify team members who are capable and efficient to build a team that can provide support to all the departments. It also involves restructuring some of the jobs, restructuring departments that suits the IS system. The leadership should pay keen attention to the issues related to compensation of employees and fair reward. There should be constant communication and leadership should motivate its team during all stages of the project (Mishra and Akman, 2010; Ke and Wei, 2008; Chen, 2001).

In contrast to the literature (Mishra and Akman, 2010; Ke and Wei, 2008), this study shows that leadership support is very limited and it is mainly involved in making policies. Leadership does not provide required resources, support and commitment for the effective implementation of the CRM system. Lack of recognition from the top management that CRM is a companywide system reduces its effectiveness. Thus, this study suggests that leadership support for CRM system should go beyond the normal support provided for a software system in an IT department to be commensurate with the scope of the system and at every

stage of CRM implementation increases in order to enhance the effectiveness of CRM implementation.

#### **5.4 Organisational Culture and CRM**

Organisational culture plays an important role in the implementation of the CRM system. It shapes how employees interact with each other and how they interact with their superiors and subordinates. Organisational culture also guides employees about what to do and what not to do, including practices, values, and assumptions about their work. The effect of organisational culture has been discussed in a number of information system studies that documents the impact of organisational culture. The level of conflict, level of cooperation, and coordination between individuals and departments are largely influenced by the overall organisational culture. This section thus discusses various aspects of organisational cultures, including effect of overall culture, conflicts between employees, coordination and collaboration, employee participation, diversity of work force and its impacts on CRM implementation and influence of parent company on organisational culture.

##### **5.4.1. Influence of National Culture on Organisational Culture**

Influence of national culture on the organisational culture is well-documented in the literature. Smith, Dugan and Trompenaars (1996) studied 43 countries and studied the effect of national culture on organisational working, loyalty and involvement and commitment of employees towards the organisations. They concluded that the national culture substantially influenced the working of the organisation. Hofstede (2001) studied cultural dimensions in different countries and concluded that power distance, individualism, long-term orientation, muscularity and risk-taking behaviour existing in the broader culture is translated into the organisational culture. This study shows that national culture, directly or indirectly, impacts on organisational culture and its working. Moreover, leadership style, communication, interaction between employees and other areas of organisational working are influenced by national culture. Saudi culture is considered to be very different from most of the Western



cultures as the impact of religion and tribal systems is very strong. The country is considered a collectivist culture where people try to avoid uncertainty. All three companies not only recognised the influence of national culture on the organisation, but also linked many other aspects to the national culture.

Thus national culture directly affects organisational culture and indirectly affects planning implementation and improvements of CRM and other IT systems. For example, the communication between leadership and front-end users of the CRM system is shaped by both organisational and national culture where employees' participation is quite low. This leads to the conclusion that Saudi culture influences organisational culture and implementation of CRM in Saudi organisations.

#### **5.4.2 Influence of the Parent Company**

Influence of the head office or the parent company is well documented in the literature. Although there is no consensus in the literature as to whether subsidiaries mainly adopt head office practices or adapt to local culture, most authors suggest that there is some degree of head-office influence on subsidiaries' culture. Varying degrees of influence depend on a number of factors, including the sector of economy, strength of head office culture, origin of the company and influence of the local market and regulatory bodies (Chung, Gibbons and Schoch, 2000; O'Donnell, 2000; Yuen and Kee, 1993).

Out of the three companies in this study, only Company (A) is a subsidiary of a foreign company. The other two companies are Saudi-origin companies. Company (A) has its head office in UAE. So the observations in this section are only based on empirical results of one company i.e. Company (A). Despite the fact that discussion about the parent company does not apply to the other two companies, it is important to analyse the influence of the parent company to evaluate the impact of head office policies in the Saudi context. Some of the respondents at Company (A) particularly talked about the impact of parent company policies, thus it is worthwhile having a look at the influence of the head office.

As discussed in the last chapter, more than one respondent at Company (A) recognised that the head office has substantial influence on all its working. Company practices and processes were influenced by the head office. Some of the top management officials came from the head office and thus they brought some values and practices with them. Head office wanted to utilise their previous experience in mobile phone operations and CRM implementation to avoid problems that a typical new company faces. As compared with the other two companies – Company (B) and Company (C) – Company (A) started implementing CRM from the very start of the company. The other companies realised that their previous software was not capable of handling new customer requirements, so they learned with time that their previous software was not good enough. However Company (A), on the other hand, received guidelines from head office to implement it from the start, so they did not have to go through the experimentation process to learn the effectiveness of CRM.

The influence of the parent company was not limited to CRM only; rather, the parent company influenced policies, procedures and the overall organisational culture as well. The parent company of Company (A) belongs to UAE which is an Arabic speaking country in the Gulf. So there are many cultural similarities between UAE and Saudi Arabia. However, despite national cultural similarities, the company has its unique culture that has developed from the combined learning in different countries. The company places a great stress on customer services and it wants to ingrain customer services in all its policies. The company enjoyed relatively greater flexibility and participation (as discussed in the relevant sections). One of the reasons for greater flexibility and employee participation is the influence of the head office policies that are not influenced by Saudi culture. This is in line with the literature that suggests that head office transfers its combined learning to its subsidiaries. Although the knowledge transfer to subsidiaries vary depending on different factors and transfer mechanism, yet multinational organisations try to transfer their key learning to their subsidiaries (Lucas, 2006; Björkman, Barner-Rasmussen and Li, 2004; Yuen and Kee, 1993). In the current study, although Company (A) made a number of adjustments to adapt to the Saudi context and incorporate requirements of the Saudi market, the influence of the parent company is visible in its policies and employees working to a moderate level. Thus, this study shows that the parent company policies influence organisational culture of the subsidiary and implementation of CRM. Although there is no consensus in the literature

whether subsidiaries substantially adopt head office practices or adapt to local culture, most authors suggest that there is some degree of head-office influence on subsidiaries' culture (Chung et al., 2000; O'Donnell, 2000; Yuen and Kee, 1993). In line with these studies, the practices and processes as well as CRM of Company (A) were influenced by the head office.

#### **5.4.3. Influence of Industry Practices Organisational Culture**

Organisations operating in certain industries receive varying degree of influence from the industry conventions, industry practices, regulatory bodies, customers' expectations and level of competition. These factors influence organisational culture as well. For example, the companies operating in highly competitive markets are under strong pressure to improve their customer service, bring in innovative products and make their organisational structure capable of responding quickly to changes in the market and customer preferences. Employees are empowered to react quickly to highly demanding customers (Simons, 1995). On the other hand, for the companies operating in less dynamic industries where customer demands are not changing rapidly, there is less market pressure on them. In addition to the market pressure, there are a number of other factors, including government laws applicable to a particular industry, the role of regulatory bodies, industry conventions relating to the customer services, and competitive pressures from rival companies. All three case study companies showed that some aspects of the industry conventions, regulations or situation do cast an impact on company culture. The pressure from the industry and changing trends in the industry were the main motivation for upgrading to a new CRM system and revisiting processes to make them more efficient to match industry standards.

Company (C) is not operating in a very rapidly changing and dynamic industry compared with mobile phone companies. The respondents from Company (C) told that that the company does not undertake new innovation projects very frequently; rather, the decisions to change technologies and procedures in the company are influenced by the industry. As the whole industry is moving to new sophisticated systems, it puts pressure on Company (C) to make its systems comparable to those of the competitors. While respondents at Company (C)

admitted that the company is not very keen on innovation and changing systems, the industry pressure pushed the company towards a major change project in the organisation.

Similarly, two other companies, Company (B) and Company (A), also stated that the prevailing practices and norms in the industry did have an impact on the organisational culture and implementation of CRM. A respondent in Company (B) mentioned that the decision to implement the CRM system was made after conducting a survey that suggested that their competitor firms are rapidly moving to a new system. The changing trend in the industry convinced leadership to bring substantial changes in the way they operate their business.

Company (B) and Company (C) mentioned the impact of industry and competitive pressures that push organisations to undertake a technology-based change project; however, at Company (A), there is a broader impact of industry on the organisational culture. The data point out the broader impact of the industry norms and practices on organisational systems and culture. Company (A) is a mobile phone company that is highly service oriented and most people working there are highly skilled and well educated. Although some respondents mentioned that the company decision-making was centralised, the above statements indicate that the organisation has a culture that enjoys relatively more empowerment culture than companies in the other sector of the economy. Saudi Arabia is considered to be a highly power distant country, where power is concentrated at the top (Bhuiyan, 1998; Ali, 1993). However, industries related to information technology could potentially be somewhat different. The mobile phone industry is highly customer oriented where technology-literate users have high expectations from the organisations. Competitive pressures, customers' expectations, and industry norms compel companies to deviate from the widely prevailing national culture. Unlike manufacturing companies, a large proportion of employees in mobile phone companies are well qualified and more equipped to deal with uncertain tasks. Furthermore, the nature of the industry is such that it has a very large number of highly demanding customers that expect a prompt service and better customer experience. Such customer experience is only possible if the employees are given some degree of autonomy and empowerment. The response quoted above indicates that respondents believe that the

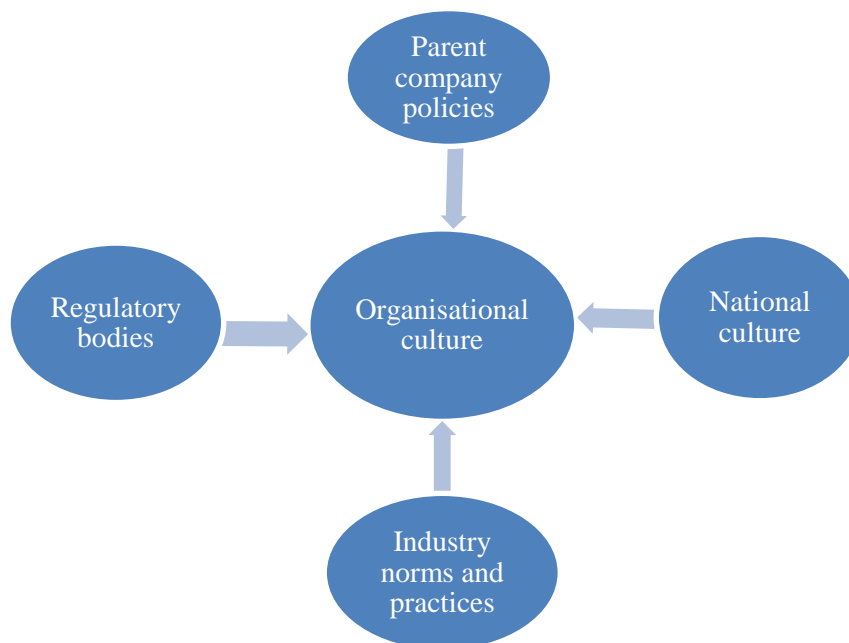
mobile phone industry has a relatively lesser degree of power concentration and thus enjoys a somewhat different organisational culture. In essence, this study shows that industry trends, competitive pressures and industry norms influence organisational culture.

Another important factor relating to the impact of industry that was mentioned by a respondent from Company (C) is the influence of regulatory bodies and industry standards. Although this factor has not been raised by any of the mobile companies, it is worth mentioning as it describes how industry standards and regulatory bodies push organisations to adopt some practices that are in line with the industry standards. These industry standards and regulatory bodies make industry norms and conventions that influence organisational culture.

This theme (influence of regulatory bodies) has not been raised by any respondent in Company (B) or Company (A). Company (C) is operating in an airline industry that faces high level regulations by the General Authority of Civil Aviation in Saudi Arabia and International Civil Aviation Organisation (ICAO). Furthermore, as the airline industry operating international flights has its customers coming from various countries, so the safety of the customers is highly important as citizens of different countries are on board and the airline has its operations in different parts of the world. Thus a number of international monitoring and regulatory bodies are involved in international air traffic. Besides ICAO another important international body is International Air Transport Association (IATA). IATA supports airlines activities. All these regulatory bodies have made policies and procedures for its member airlines to follow. Some of these guidelines are mandatory and the regulatory bodies insist airlines follow those guidelines. These rules, regulations, guidelines and procedures influence the airline's internal working, customers' service standards e.g. response time to the customer in case of luggage lost, safety standards, etc. Thus influence of regulatory bodies shapes organisational working and in turn influences organisational culture. The influence of regulatory institutions has been documented in the literature. Herbert and Seal (2012) studied management accounting firms and evaluated the influence of industry and statutory regulatory bodies and concluded that the regulatory bodies shape procedures within the organisation and shape organisational working. Hutter (2011) also studied the impact of regulatory governance and argued that regulators oversee the operations of the

company and thus the company has to comply with their requirements. The compliance influences the organisational working and culture of the organisation.

In essence, this study shows that industrial and statutory regulatory bodies influence organisational working and organisational culture. This is keeping with Elbertsen and Van Reekum (2008), who studied the impact of different factors that influence organisational environment and managerial decision-making. They concluded that competitive and industry pressures have the greatest influence that leads to a major change in technology systems in the organisation. This finding is also in line with Neirotti and Raguseo (2012), who studied small and medium enterprises to analyse the impact of industry environment of capabilities on performance. Supramaniam and Kuppusamy (2010) studied industry pressures that leads to implementation of ERP. They argued that growing demand for ERP applications among business firms has several reasons, including competitive pressures to become a low cost producer, to increase the revenue growth, and the ability to compete globally.



*Figure 5-1: Factors influencing organisational culture. Source: self*

The above figure (5.1) suggests that organisations operating in certain industries receive varying degree of influence from the industry conventions, industry practices, regulatory bodies, customers expectations and level of competition. These factors influence organisational culture as well. For the companies operating in less dynamic industries where customer demands are not changing rapidly, there is less market pressure on them. In addition to the market pressure, there are a number of other factors, including government laws applicable to a particular industry, the role of regulatory bodies, industry conventions relating to the customer services, and competitive pressures from rival companies. Company (C) is not operating in a very rapidly changing and dynamic industry compared with mobile phone companies. As the whole industry is moving to new sophisticated systems, it puts pressure on Company (C) to make its systems comparable to those of the competitors. While respondents at Company (C) admitted that the company is not very keen on innovation and changing systems, the industry pressure pushed the company towards a major change project in the organisation. Moreover, the prevailing practices and norms in the industry did have an impact on the organisational culture and implementation of CRM. In essence, there is a broader impact of the industry norms and practices on organisational systems and culture. This study thus shows that industry trends, competitive pressures and industry norms influence organisational culture. Another important factor relating to the impact of industry that was mentioned by a respondent from Company (C) is the influence of regulatory bodies and industry standards. Although this factor has not been raised by any of the mobile companies, it is worth mentioning as it describes how industry standards and regulatory bodies push organisations to adopt some practices that are in line with the industry standards. These industry standards and regulatory bodies make industry norms and conventions that influence organisational culture. The compliance influences organisational working and the culture of the organisation. This study shows that industrial and statutory regulatory bodies influence organisational working and organisational culture.

## **5.5 Organisational Culture – The Competing Value Framework**

The competing value framework has been discussed in the literature review and framework chapter. This section will look at the responses from the three companies and will relate it to

the four compartments of the competing value framework. The four types of culture outlined in the competing value framework are the Clan Culture, the Advocacy Culture, the Hierarchy Culture and Market Culture. Responses from all three companies are analysed and compared here to evaluate what sort of culture exists in the Saudi organisations and how it effects implementation of a CRM system.

The analysis of the responses reveals that the all three organisations are inclined towards control and stability rather than flexibility and discretion. Management style is not favourable to promote innovation or employees' participation. Although Company (A) respondents recognised that they enjoy relatively more flexibility and innovation compared with the other sectors of the economy in Saudi Arabia, the level of flexibility and innovation is not substantial. Directions are given from the top and the employees have to follow the instructions. The middle management ensures that all the instructions are complied with. The mode of implementation is compliance with the directions from the top management. As a number of quotes in the last chapter indicate, all the important decisions are made at the top of the organisation. There is less flexibility and room for creativity. Feedback from the bottom line is not given much importance in the decision making . Although responses from Company (A) showed that there is a greater degree of flexibility compared with the other sectors of Saudi economy, considering the overall culture and characteristics of the organisation, it cannot be classified as Advocacy or Clan culture.

Saudi Arabia is a tribal society where loyalty to your tribe and clan is considered very important. Thus one may argue that impact of clan culture would trickle down to the organisational level as well. However, the description of the clan culture given by Cameron and Quinn (2011) is that the organisations with clan culture are family type organisations that emphasise shared values and goals, cohesion, inclusion, individuality and a sense of engagement. They sometimes seem more like extended families than economic entities. Rather than relying on rules and procedures, clan-type firms focus on teamwork, employee involvement programmes and corporate commitment to employees.



However, when we analyse Company (C), Company (B) and Company (A), none of these organisations show family-like characteristics. Although there is a high level of cooperation and support within the department reported by some respondents, the coordination and close interaction with the leadership and other departments are missing. Employees do help each other, such as those who are sitting next to them, but the organisation as a whole does not exhibit cohesiveness and team building. One of the important characteristics of clan culture is that commitment and communication are the main value drivers. However, in all three organisations, problems in communication with consultants, leadership and between different departments have been reported (More discussion on communication is documented in the following sections.) Personal development is not a major concerns in these organisations. Thus they are not close to the clan culture.

Market culture, on the other hand, has greater influence from the market forces. Market culture organisations tend to be oriented toward the external environment and are focused on transactions with external constituencies such as suppliers, customers, contractors, licensees, unions and regulators (Cameron and Quinn, 2006). Unlike a hierarchy, where internal control is maintained by rules, specialised jobs, and centralised decisions, the market culture operates primarily through economic market mechanisms, such as monetary exchange. Profitability, bottom-line results, strength in market niches, stretch targets, and secure customer bases are primary objectives of the organisation. Market-oriented cultures are results-oriented and emphasise winning (Cameron and Quinn, 2006).

Some of the respondents in Company (A) and Company (C) mentioned that market pressure and market trend forced them to bring changes to their customer management system and as a result they decided to initiate a CRM system in their organisations. Although these statements recognise the influence of the market forces, the organisations in this study predominantly differ from the description of market culture. All three organisations studied in this research have centralised decision making and decision implementation is through channels of hierarchy. Thus it can not be categorised as market culture despite the fact that the organisations react to market changes. Similarly, the advocacy culture is far from the culture

existing in the organisations in questions. None of the organisation is actively involved in transformation, innovation and entrepreneurial activities.

The closest description of the organisational cultures that matches the Saudi organisations studied in the current research is hierarchy culture. A hierarchy culture is often found in formal, structured organisations that emphasise smooth running, stability, predictability and efficiency. These organisations rely on formal rules and policies. Because the environment is relatively stable, tasks and functions are usually integrated and coordinated and uniformity in products and services is maintained. Hierarchical organisations tend to rely on clear lines of decision-making authority, standardised rules and procedures. Control and accountability mechanisms are valued as the keys to success (Cameron and Quinn, 2011).

The employees believe that the national culture of power distance and power centralisation at the top of political, tribal and family hierarchy also influences organisational culture. As the environment in which the organisations are operating values authority and people at the bottom of social hierarchy are obligated to respect the superiors, thus this culture invariably affects the organisations. It is consistent with the literature that suggests that organisations in Saudi Arabia observe high power distance and the organisations are hierarchical. Bjerke and Al-Meer (1993) studied power distance and uncertainty avoidance in Saudi Arabia and noted that Saudi Arabia has high power distance and high uncertainty avoidance. They further noted that the combination of power distance and uncertainty avoidance in Saudi Arabia has a bearing on the structure of organisations that is suitable for the country. Al-Gahtani, Hubona and Wang (2007) compared Saudi culture with Western cultures and noted that in the cultures characterised by a high power distance dimension, individuals are more inclined to show deference to authority and conform to the expectations of others in important or superior roles.

Although the responses indicate that dominant culture in Saudi organisations is hierarchy culture, one of the respondents also raised questions about the suitability of the strict hierarchy culture for customer oriented dynamic organisations such as mobile phone companies. Hierarchy culture reinforces stability and control while the mobile phone sector

that is a rapidly changing sector may require some degree of autonomy and flexibility. Employees at the front end need autonomy and flexibility to deal efficiently with the customers. This autonomy is necessary to ensure that customers get a timely response. Without autonomy and flexibility, the feedback and response to the customers are delayed, which causes dissatisfaction among customers. Two of the three organisations studied in this research are from the mobile phone industry, that is a highly dynamic industry in terms of customers' expectations. The airline industry is relatively stable compared with the mobile phone industry. This study thus finds that due to influence of the national culture, the dominant organisational culture in Saudi Arabia is hierarchy culture. Moreover, strictly hierarchy culture does not provide sufficient flexibility and dynamism for efficient operations when customer requirements and expectations are rapidly changing.

## **5.6 Organisational culture on Employees Behaviour/ Attitude and Working**

Organisational culture is instrumental in planning implementation, and effectiveness of CRM systems in an organisation. The organisational culture affects individual and collective behaviour of employees in the organisation and thus it has its impacts on all endeavours undertaken by the organisation. If there is a mismatch between organisational culture and an information system, then it leads to a number of problems (Romm, Pliskin, Weber and Lee, 1991). Martinsons and Chong (1999) noted that even an excellent technology can be sabotaged if it is perceived to interfere with the established social network. The previous sections discussed influence of the industry practices, national culture and leadership style on organisational culture. It is argued that the organisations in question predominantly exhibit a hierarchy culture. This section will discuss in further detail about the organisational culture. The organisational culture encompasses how employees interact with each other, the level of cooperation and coordination, level and sources of conflicts, and diversity of employees. The discussion not only focuses on presence or absence of a particular aspect i.e. diversity of employees, but also looks into the potential influence of such aspects of organisational working on the implementation of the CRM system.

### **5.6.1. Cooperation and Coordination between individuals and departments**

The discussion in this section focuses on two different aspects: 1. Cooperation and support to other people within the same department; 2. Support and coordination between departments. The reason for looking at two aspects of the cooperation is that responses of the respondents indicate that they regard personal level cooperation and department level cooperation as two different things.

Company (A) and Company (C) respondents have expressed similar points. Although Company (B) did not have an expressed statement, they recognised the fact that there are instances of cooperation and there are other instances of independence. Company (A) and Company (C) both recognised the fact that the employees are generally very helpful to each other. They have personal relationships with each other and not helping a colleague with whom they also have a degree of friendship will negatively affect their relationships. Thus they are prepared to extend their support to other colleagues even if they have a very busy schedule. The cooperation goes beyond day to day normal work support. Employees sometimes are ready to go the extra mile to help their colleagues. Employees prefer to work in teams and groups rather than having an individualistic way of working. Collective or departmental goals are given priority. However, the level of cooperation with other departments is not the same. The active support or cooperation is only limited to people working in the same department or in-group. Such collectivistic orientation within the departments comes not only from Saudi collective culture but also from the religious norms and practices.

This collective behaviour, however is missing at the organisational level. When departments are dealing with each other, they fiercely compete for resources. Especially at the time of implementation of the CRM system when there is pressure from the top management to complete the given task within a given time, departments try to put their responsibility on others. In particular, different departments were unhappy with the level of support that the IT department was extending to them.

One of the differences between within department and inter-department cooperation is due to the informal nature of relationships among employees. Employees in Saudi Arabia mix personal life and work lives. The nature of communication between them is informal. They have lunch together and gossip about different things. It is more than a good working relationship, it is like friendship. This informal communication keeps them in good relationships. However, when a department communicates with another, formal modes of communication are involved and the warmth that is present within the department is missing in inter-departmental relationships.

Apparently, it seems paradoxical that the organisations in Saudi Arabia have higher levels of coordination and cohesiveness within the departments; however, they do not enjoy similar cooperation between departments. The phenomenon is described by Greif (1994) in a study where he reflected cultural beliefs in collectivist and individualist societies. Greif (1994, p.913) noted that “In collectivist societies the social structure is segregated in the sense that each individual socially and economically interacts mainly with members of a specific religious, ethnic, or familial group in which contract enforcement is achieved through "informal" economic and social institutions, and members of collectivist societies feel involved in the lives of other members of their group. At the same time, non-cooperation characterizes the relations between members of different groups”. The results of the current study are in line with the observations of Greif as the organisations in question showed greater interaction and cooperation within the same group (department in this case) and non-cooperation exists with other groups (departments). This suggests that employees extend high level of support and cooperation with the department they belong to. Also, support from colleagues positively influences implementation of CRM. Moreover, employees have low degrees of cooperation between different departments in Saudi Arabia.

### **5.6.2. Level of cooperation between Departments and CRM Implementation**

As the previous section indicates, despite high level of cooperation and support among employees within the same department, there was insufficient cooperation between different departments. Where high levels of cooperation within the departments were ascribed to the culture impacts, the lack of cooperation and coordination between different departments was ascribed to lack of communication, rivalry among departments and low involvement from the top management.

All three companies gave reasons for lack of coordination. The lack of coordination leads to different problems in planning and implementation of CRM systems. The statement from the Company (C) respondent describes the situation very well and points out that low level of coordination results from lack of top management involvement in the process and it negatively affects CRM implementation.

### **5.6.3. Employee Participation and CRM**

Another aspect that is influenced by the organisational cultures is the extent to which employees participate in the decision making process. Employees' participation is considered to be a symbol of employees' commitment and involvement. However, employee participation is not always welcomed in the organisation. Different organisations operating in different cultures have different appreciation for employee participation. Organisational culture influences employee participation in a variety of ways. Who makes decisions? Is feedback invited from the lower cadre of employees? Is there a formal mechanism for employees to participate in decisions about the system planning and implementation? What is the attitude of top leadership about employees' participation in the decision-making process? How much does national culture encourage people to participate in the decision-making?

Analysis of the three companies reveals that the level of employees' participation is not similar in all three organisations. While Company (C) seem to have low employee participation, the level of employees' participation at Company (A) and Company (B) was relatively better. Although there are cultural influences on Company (A) as well that lead to low participation, yet the foreign origin of Company (A) has some impact that differentiates it from the two Saudi-origin organisations. The country of origin effect is well documented in the literature and the findings of this study confirms that country of origin and policies of foreign-based headquarter do have some impact on the organisational working. Country of origin of a company not only affects its culture but also influences implementation of an information system project. The misfit between country of origin culture may lead to different problems in the implementation of the IS system while a good fit enhances effectiveness of the system (Wang, Klein and Jiang, 2006; Ngo, Turban, Lau and Lui, 1998).

Moderate level of participation in Company (A) and Company (B) is due to the impact of the mobile sector which requires greater flexibility to serve customers. Due to highly demanding customers of the mobile phone industry and rapidly changing technologies, the feedback from the front users of the system is highly important. Without their feedback, instant adjustments to the system are not possible and that would result in dissatisfaction of customers. Employees' participation in Company (A) and Company (B) is in contrast with the widespread organisational culture and the national culture in Saudi Arabia, where employees' participation is generally very low as the decision-making is centred at the top. Company (C), however, observed low participation of employees in decision-making and system implementation.

However, some respondents from Company (A) and Company (B) did not agree with the notion that employees' participation was high in those organisations. This study shows that there is insufficient participation.

This low participation indicated by some employees is in line with the hierarchy culture that most organisations observe in Saudi Arabia. As discussed in the preceding sections, all three organisations are inclined towards hierarchy culture and the power is centralised at the top of the organisation. Top leadership makes most of the decisions without sufficient consultation with the lower and middle management. National culture, management style and hierarchy culture are all in line with the low participation. One of the reasons for a different point of views on employee participation was that participation was limited to a few people only. During implementation of the system, committees were formed where each department was given representation. As the committee had representation from all departments, some people feel that the organisation provides opportunities for participation. However, others believed that the participation has to be organisation-wide. If selected employees are given participation, then it may generate only limited benefit. In order to experience benefits of participation, employees all over the organisations should be encouraged to participate in the system implementation and improvement process. It can be concluded that Company (A) and Company (B) do provide some moderate level of employee participation; however, the participation is not organisation-wide. Greater employees' participation in system implementation and improvement would help in better planning, more effective implementation and quick resolution of the system issues. In essence, this study shows that employees' participation is relatively higher in the mobile phone industry due to highly demanding customers. Additionally, low employees' participation leads to less effective implementation of CRM.

## **5.7 CRM Implementation – Effectiveness and Issues**

The previous section discussed leadership and organisational culture's impact on employees' behaviour in the organisation, with particular focus on quality of communication and cooperation between employees, coordination between departments and employees' participation in CRM process. Organisational culture, leadership and employees' work attitude have direct and indirect bearing on CRM implementation. In this section, the issues related to CRM implementation are discussed. Four specific areas: planning, implementation, training and system dynamism are discussed. Each section discusses issues encountered in



the related implementation phase, effectiveness of implantation and the factors responsible for effective or ineffective functioning of the system, including leadership and organisational culture issues. Although leadership and organisational culture have been discussed in previous sections, the focus of discussion in previous sections was broad, looking into the overall impact on quality of employee engagement and employees' ownership of the system. This section will mainly focus on the issues in pre-implementation, implementation and post implementation phases and then will ascertain if there are any leadership or organisational culture-related factors that are particularly important with regard to the issue in question.

### **5.7.1. CRM Planning**

The planning of the system sets the whole foundation for its later implementation and outcomes generated from the system. The analysis of the planning phase shows that all three companies were influenced by the market, changing market trends and changing customers' expectations. Although Company (A) was pushed by its parent company to start CRM from the start of operations, the other two companies realised that their existing systems were unable to cater to the demands of the changing market and thus they needed to switch to a better system. There was market pressure as well, as respondents from all three companies indicated that their respective companies were carefully scanning the market and they realised that the companies are inclined towards more integrated solutions. None of the respondents in any of the companies suggested that their company was inclined to find and implement new solutions and thus they decided to go for a technologically superior system. Rather, in all three cases, the need to implement CRM, to some degree, was triggered from the realisation that the market is changing and the company needs to keep pace with the changing markets.

However, the case of Company (A) was somewhat different as the company was part of a multinational group whose other subsidiaries were already using CRM systems. However, one of the Company (A) respondents also recognised that they considered market trends

while making a decision about the system. To some extent, the decision to switch to a more sophisticated system is not an internal initiative but rather an external pressure.

Some of the previous studies also suggested that when the market environment is changing, it puts pressure on the companies to bring new information systems into their organisation that could better suit their changing requirements (Cheng-guo and Wei, 2011). However, the problem with a reactive instead of proactive approach is that if a company reacts slowly and other companies implement such technology systems substantially earlier, it would negatively affect the company which is not implementing. On the other hand, timely decisions and implementation prepare a company for the challenges of the market. Based on the discussion, it can be concluded that delayed implementation of CRM system may negatively affect the companies and their customer experience. Additionally, changing market forces largely influence the implementation of a CRM system in the organisation.

Another aspect of the planning process is the issues in planning. The planning phase was the most turbulent and uncertain phase of the whole project for all three companies and thus there were many issues negatively affected CRM implementation at later stages.

One of the major problems associated with the project planning was reassessing the system requirements. Company (B) and Company (C) were working on different software systems which were not well integrated. They needed a system that could integrate all the relevant data and departments involved in customer service either on the front end or at the back end. One of the major problems encountered was that departments were unable to anticipate how an integrated system would look, and thus some of the processes designed at the time of planning were based on the previous process flow instead of “integrated process” being targeted through CRM.

Both Company (B) and Company (C) responses indicate that they faced problems in correctly anticipating the new processes and many of the processes were embedded in the old procedures. The old procedures were based on an unintegrated system which was not suitable and efficient for an integrated system. The reasons for having problems in correct evaluation of the new processes can be attributed to two main factors. One, the role of consultants was not good enough. The consultants should have guided people about the conception and purpose of the new system which could only bring true benefits if it was fully integrated. Some of the respondents expressed their dissatisfaction over the role of consultants in different phases. The other important issue was related to the organisational culture where employees generally had limited participation. So the meetings conducted for planning were not as fruitful as they could be with greater participation of employees

Lack of planning resulted in a number of problems at the later stage. As some of the procedures were duplicated, some procedures were not well connected and some others were inappropriately planned. Better participation, more attention at the planning phase and better coordination between departments could have prevented some of the problems not anticipated at the planning stage. However, Company (A) had fewer problems in the planning stage as the head office provided guidelines for planning and developing integrated processes. Based on this discussion, it can be concluded that if the planning phase does not get sufficient attention, it leads to a number of problems and costly mistakes at the later stage. In essence, this study shows that lack of planning negatively affects customisation and implementation of a CRM system.

### **5.7.2 CRM Implementation**

The implementation phase was the time when the system was developed, employees were trained about the new system and consultants constantly reviewed and discussed emerging systems with different departments. This section will look into four specific areas. 1. Role of

consultants 2. Conflicts between departments 3. Employees' training 4. Integration of the system.

The consultant's role was important in implementation of CRM. All three companies hired consultants who guided them for implementation of the system. Consultants were not only responsible for providing guidance during the planning and implementation stage, but they were also responsible for providing training to the employees. In addition, they had to customise the system in consultation with the relevant departments, in particular IT departments.

Interestingly, all three companies reported problems about the consultants. One of the common complaints was that the consultants did not pay attention to the requirements given by individual departments. The consultants mainly interacted with the IT department and designed systems more from the technical aspects instead of business aspects. Low commitment of the top leadership also contributed towards low communication between consultants and business departments. One of the main points was that all three companies had hired foreign consultants as there is an acute shortage of CRM consultants in Saudi Arabia and other Arabic speaking countries. As the consultants were from different European countries, there were some language and communication gaps as well that contributed toward lower effectiveness of the consultancy process. Thus, it is concluded that problems with consultants lead to less effective implementation of a CRM system. Moreover, lack of cultural knowledge of the client tends to reduce the effectiveness of consultants' services.

### **5.7.3 Coordination with IT departments**

Conflicts between different departments creates problems in system implementations. The business departments complained about IT departments for not cooperating or instantly

responding to their concerns. IT departments were in the leading role that coordinated matters between business departments and consultants.

Although there were some complaints about IT, some other respondents felt that IT did a good job and they facilitated them in exploring their departments' business requirement for the new system. However, different respondents were of the view that the job of the IT department needs to be improved. If IT does not coordinate well, it leads to delays in purchasing of equipment, delays in system design and ineffectiveness in system implementation.

This is in line with the discussion in the organisational culture and coordination sections of this chapter that suggest that collectivist cultures often have harmony within the group (department) and conflicts with other departments. (Greif, 1994). In order to have these differences resolved, the involvement and commitment of top management is extremely important. Their commitment can resolve many issues related to coordination, as top management would look at the company interest instead of departmental interests. Better coordination between business departments and IT would lead to fewer problems in implementation of CRM systems. This study shows that conflict between IT departments and business departments reduces the effectiveness of CRM implementation.

#### **5.7.4 Training and CRM Implementation**

While training is crucial for implementation of any new information system, the problems in designing, content and delivery of the training may cost the company huge sums of money. Training was conducted by consultants in all three organisations and each organisation has different issues related to the training methods and material. The empirical findings from all three companies indicate problems in training need assessment, customisation of training and training contents, although respondents from all three companies recognised that the

company arranged training and there were a number of sessions arranged. Employees believed that in quantitative terms, training sessions were sufficient.

However, problems about quality of the training were reported from respondents in all three companies. The companies paid a lot of attention to ensure that relevant training was arranged for the employees; however, little attention was paid to ensure quality of delivery, proper customisation of the material and delivery of the content. Three representative quotes are given from the three companies that indicate that all three companies faced some similar problems related with the training.

In Company (C), Company (B) and Company (A), all three companies faced problems in training needs assessment. The consultants were responsible for assessment, design and delivery of the training. Very little effort was paid and little consultation was done to assess needs of each department. Most of the training sessions were general without specific reference to the problems and issues related to a particular department. As a result of poor training needs assessment, training sessions delivered insufficient knowledge despite conducting extensive sessions. The number of training sessions has a bearing on both company cost as well as employees' interest. Higher numbers of sessions contribute substantially towards to the cost of implementation of the project both in terms of direct cost and indirect cost, due to employees' time. On the other hand, if employees do not take interest in the training as they feel that training is not very relevant to their work, then more training sessions will lead to greater levels of boredom. This is in line with Othman and Teh(2003) and Noe (1986) . Othman and Teh (2003) compared US and Malaysian organisations and the number of hours dedicated to the training of employees. Malaysian organisations, despite spending substantially more time on training of employees compared with their American counterparts, had a number of problems in terms of training effectiveness and benefits derived from training. Thus mere numbers of hours do not guarantee better results for an organisation, rather they may be counter-productive if training is ill-designed. In all three cases discussed above, training needs assessment seems inefficient and inaccurate.

Similarly, customisation of training contents and delivery were also problematic. All three companies had foreign consultants from outside Arabic speaking areas. Consultants from the Western countries did not fully understand the culture of their clients and did not sufficiently customise training contents and methods to suit target groups. As one respondent from Company (A) mentioned, they had their training presentations prepared in English. Although they customised presentations and translated them in Arabic, some of the screenshots shown were in English. That indicates it was mere translation of slides and training material rather than customising according to the customer's requirement. Although the customisation was there, the level of customisation was insufficient. It can be argued that top leadership monitoring, involvement and communication with consultants could have put greater pressure on them to improve training material and delivery. Effectiveness of training was not measured by the management and thus consultants were not under any pressure to improve contents of training.

Employees generally had low interest in the training sessions. One of the reasons could be lack of customisation of training material that could not attract the interest of most trainees; however, the other reason could also be the casual attitude of trainees towards CRM training. The interest and seriousness of trainees depend on their evaluation of the importance of training. Due to lack of leadership commitment, employees might have considered this project not a high priority. It reinforces the role of top management discussed in previous sections. This is in line with Scaduto, Lindsay and Chiaburu (2008), who studied leader influences on training effectiveness and suggested that leadership involvement has positive impact on a trainee's motivation and training effectiveness. It also is in line with findings of Burke, Chan-Serafin, Salvador, Smith and Sarpy (2008) who suggested that national culture, organisational culture and leadership influence training effectiveness. As discussed before, the lack of interest in the current studies may also be due to the casual attitude of trainees besides issues with the training material, which largely depends on their evaluation of the importance of the project for top leadership. The discussion leads to the following propositions. Thus, lack of customisation leads to training ineffectiveness. Also, quality of

training material and relevance determine interest of trainees. Moreover, top leadership involvement in the training process improves trainees' interest in the training.

### **5.7.5 System Dynamism**

CRM is a continuous process and the system requires changes on an ongoing basis. Systems should be capable of incorporating changes required due to changes in market conditions or customers' expectations. Furthermore, the system should have the capability to revise and improve the processes that are not working well.

All three companies tested systems before launching their full versions. Although the systems were checked, requirements to bring changes to the system arise from time to time due to a number of factors, including flaws in the system, changing customers' requirements, new products, etc. In order to keep systems efficient, the system should have flexibility and dynamism to identify potential for changes and then make appropriate changes in the system.

Although all three companies agreed that the system was designed in such a way that it could accommodate changes, Company (C) and Company (B) respondents were not very satisfied with the changes made after the system was implemented.

CRM was implemented in certain departments of Company (C) and other departments are still not integrated within CRM systems. Besides updating systems to changing market requirements, there is need for better integration of the system. Similarly at Company (B), respondents felt that there is need for changes in the system. Although minor changes in the system at the time of launching new products are made in all three organisations, employees feel that the system is not dynamic enough to incorporate big changes. Company (A), on the other hand, had better flexibility and response to the market changes and the system is more dynamic.



The dynamism in the organisation can be linked to the earlier discussion on organisational culture and innovation. As discussed in previous sections, Company (A) is more open to innovation and organisational culture was relatively more open to change. Dynamism supports the earlier discussion which suggested that Saudi origin companies Company (B) and Company (C) are less inclined to innovation and change in the organisation. However, inability to react in time to the market changes and slow changes to the system negatively affects CRM effectiveness and as a result, system benefits are reduced. This study finds that Saudi origin organisations have less dynamism in CRM systems compared with the foreign origin companies in Saudi Arabia. Furthermore, lack of system dynamism in post-implementation time reduces effectiveness of the CRM system.

## **5.8 CRM Outcomes**

A number of problems have been discussed in previous sections during implementation of CRM systems. Most of these problems were at the early stage of system implementation and were related to planning, implementation, training, and system integration and flexibility. The analysis of all the companies reveals that system implementation was not a smooth and straightforward matter . Furthermore, some aspects of organisational culture and leadership style enhance problems during implementation. However, the system efficiency improved with time when those problems were fixed.

All three organisations said that they have benefited from implementing CRM. The major benefits that resulted from implementation of CRM were integration of the system, efficient working and better customer experience. Respondents from Company (B) and Company (C) were of the view that although full benefits have not been reaped by implementing this system, their organisations were substantially benefitting from the system. However, most respondents at Company (A) were more open to claim that CRM has been very beneficial for the organisation. This is consistent with the previous sections that indicate that Company (A)

had relatively fewer problems in implementation and was more dynamic in terms of system changes. As a result, the benefits derived from the system seem more visible.

As these quotes indicate, all three organisations benefited from implementation of a CRM system although the benefits derived seem to vary. Difference in the benefits is due to the difference in planning, commitment, implementation and post-implementation changes. One of the major benefits was integration of all databases and customer records that substantially reduced duplication of processes and made systems more efficient. Automation in the system that enabled customers to interact with the system without human involvement substantially reduced the pressure on employees who were earlier heavily involved in customer services. The system automation enhanced options for customers as well. The customers were able to manage their own account without calling and waiting their turn at the call centre. It gave users more freedom and autonomy to manage their services, which improved customers' experience and satisfaction level. Furthermore, CRM helped in integration of network partners, including agents, franchises and customer services offices that not only improved customer experience but also make their network partners more efficient. This is in line with a number of studies that suggest CRM brings greater integration, better customer experience, better coordination among departments and network partners and efficiency in employees' working (Khodakarami and Chan, 2014; Goodhue, Wixom and Watson, 2002; Peppard, 2000). Improvement in organisational working, customer experience and better coordination leads to better performance. The discussion leads to the conclusion that CRM implementation makes organisational processes more efficient. Moreover, CRM improves customers' experience and satisfaction as well as organisational performance.

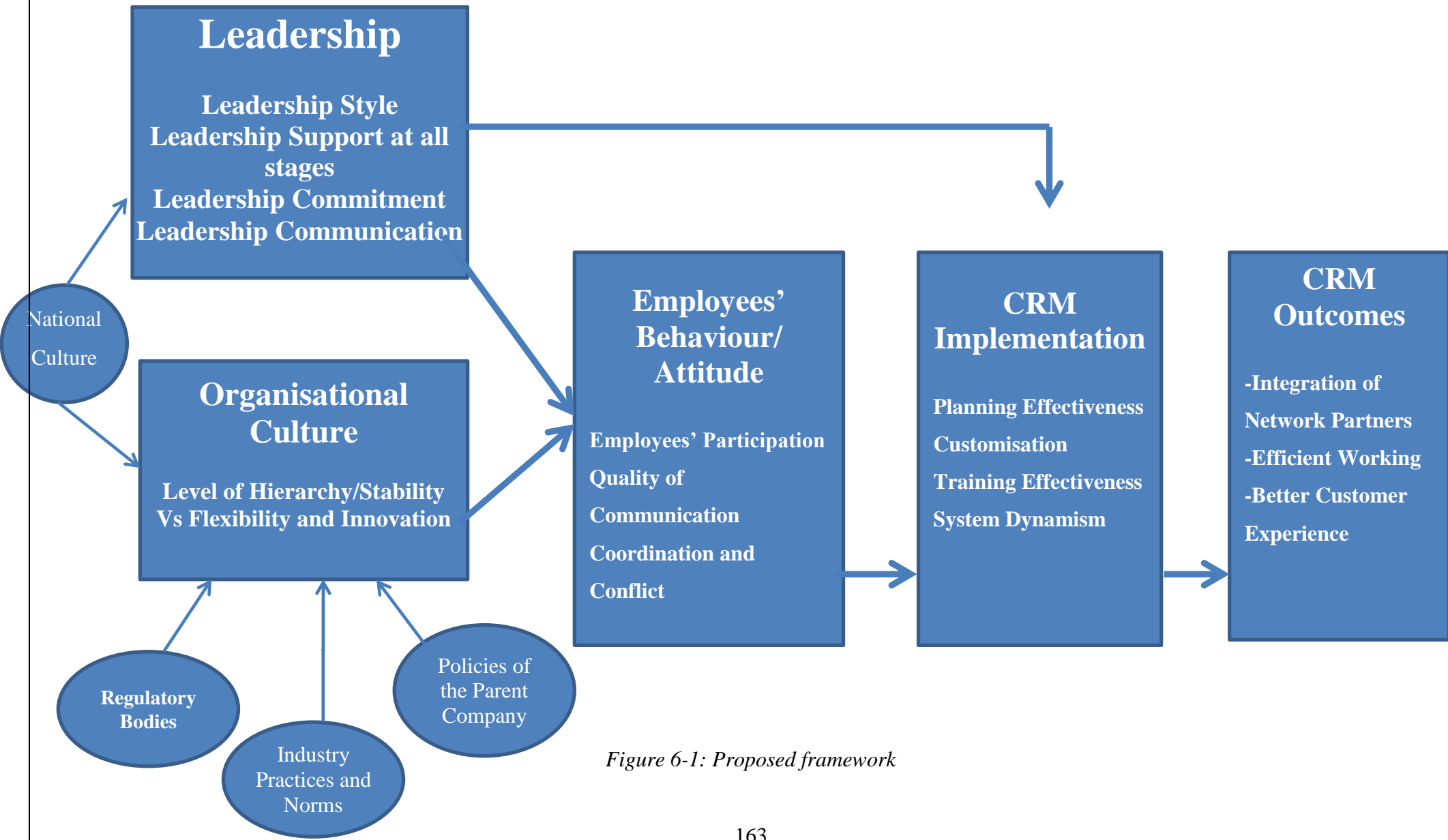


Figure 6-1: Proposed framework

The framework based on the literature review suggested that organisational culture and leadership affect each other. This thesis also shows that that organisational culture and leadership are interlinked. The framework based on the literature review suggested that both organisational culture and leadership affect CRM implementation. The model proposed in this study also shows similar results. The model based on the literature review suggests that there are a number of factors relevant to leadership and organisational culture that affect CRM implementation in terms of discovery, design, development and deployment. These factors included different cultures such as clan, market, adhocracy and hierarchy culture, while factors that are relevant to leadership included leadership style, teamwork, motivation, commitment, relationship management, communication, top management support and professionalism. This thesis shows that all of these factors highlighted by the existing literature affect CRM implementation. For example, this thesis shows that the case study organisations have hierarchy culture and this has negatively affected the effectiveness in the implementation of CRM. There is a lack of top management support and lack of communication between departments. In all three cases, the leadership commitment and support towards a CRM system was found to be low, which needs to improve for efficient working of the organisation and efficient system implementation. The study shows that leadership, organisational culture, important influences on organisational culture, employees' behavioural outcomes of organisational culture and leadership, issues related to CRM implementation and benefits are drawn from CRM implementation.

However, in addition to these factors, this thesis add value to the literature by bringing to the fore other different factors that affect CRM implementation. These included some impacts of industry practices and parent company policies which also influence organisational culture and leadership style. Moreover, planning effectiveness, customisation, training effectiveness and system effectiveness dynamism are important components of CRM implementation.

## **5.9 Implications of the research**

First and foremost this research talked about leadership. Transactional leadership is the most commonly used approach by the Saudi managers for implementation of RM. However, this is non participative. This research finds that this no participatory style of leadership affects the implementation of CRM in Saudi organisations. What is required is for top management to try and win the support of the employees through communication, negotiation and facilitation. Autocratic and centralised leadership approach adopted is not suitable for implementation of CRM because it is quite a complex system which has both technical and non technical aspects. Autocratic leadership may be useful in implementing the technical aspects of CRM but for non technical aspects such as customer focused culture it is essential to adopt a more inclusive leadership approach. In this respect it is advised that managers should use transformation leadership style because of the nature of change required in case of implementation of CRM. It is often the front line employees who are intended users of the CRM system because they are the one dealing directly with the customers. Unless there is change in their behaviour any CRM system will provide limited benefits. Since the end users are a key stakeholder in whole CRM it is essential to provide them some degree of representation and hence delegation of power is essential. Leaders can promote culture of innovation and creativity by allowing more equitable power distribution whereby front line employees have some degree of autonomy in how they carry out their jobs. These front line employees know their job well and can provide valuable comments/ feedback on how the CRM system can be improved in context of the organisation and its customers. CRM is about providing superior customer skills and this often means going to a much personalised level of customer service. Only front line employees know individual customers better through their day to day interaction with them. This is therefore essential to use feedback from employees at all levels to determine and implement the best system. For this it is advisable to appoint representatives at all levels and delegate them with powers to provide feedback regarding how CRM can be improved in context of the organisation. These agents will act as bridge and information channels between the senior management and lower level managers and front line employees. This will also help in eliminating resistance to change which is highlighted as one of the key causes of failure of CRM. The delegation of power should be more towards the lower level management and front line employees for organisations which involve significant degree of human interaction.

CRM is not only a system but a philosophy which must be embraced by the employees of the organisation. This will only happen through commitment at all level. Leaders, through their behaviour, can alter the culture of the organisation and in this respect the onus is on the leaders to adopt the right approach to influence the culture to steer it in a more customer focused direction. For an organisation the employees are its internal customers. Satisfying these internal customers and eliminating their concerns can go a long way in developing a culture of customer satisfaction.

This research also implies that leaders should adopt a culturally sensitive approach to management. Leadership styles that are not culturally suitable generate a number of problems in coordination, communication and implementation of the project. In this respect leaders need to see what culture the organisation has and what kind of culture they wish to steer the organisation towards in order to be able to implement CRM holistically.

Top leadership needs to express commitment to CRM in order to provide legitimacy and support to all the agents involved in implementation of CRM. This could be done through usual channels of communication such as meetings and newsletters. Mentioning CRM and how critical it is for the organisation will ensure that employees know that CRM is one of the key focus areas for the management. Especially in high power distance societies such as Saudi Arabia top management support is critical because employees often tend to accept authority and are willing to work on strategies developed at the top. Top leadership commitment should not stop at the planning stage but should remain through both implementation and post implementation stage. It is also essential that this commitment is visible to the employees through the messages that the top management sends out to the employees. CRM requires long term commitment from the employees and this can only be achieved if the leadership itself can demonstrate long term commitment to CRM.

Leaders need to facilitate communication, coordination and team working. These factors are essential to develop a more coordinated approach towards implementation of CRM. CRM does not belong to a specific division of business function. It requires a holistic approach and thus management need to give the employees a purpose to gel together. This can be done by engaging with the organisation as a whole whereby the leaders bring together all of the business divisions and work with them to ease out any distance that they might have. Holding meetings together or referring to the organisational output as culmination of the efforts of all the divisions could lead to a sense of unionisation among different divisions. Also

communication and information exchange should be facilitated at both horizontal and vertical levels.

Leaders also need to provide support to the employees in order to eliminate any fears they have regarding using the system. This involves assuring them that they will not be penalised for mistakes. Often one of the key causes of resistance is that the employees are worried about making mistakes. As long as the employees are assured that they will not be penalised at least in the initial phases of implementation. In addition, organising training for the employees can be quite useful to get the employees used to the system. IN this respect this research recommends two phases of training. The initial phase should be compulsory for al and the second phase should be voluntary where the employees who feel unprepared even after the first phase of training can improve their skills.

### **5.10 Summary of the Chapter**

The chapter compares findings from the three cases about the themes developed in the literature review and the themes that emerged during the interviews. The findings from the comparison of the three companies indicate that organisational culture and leadership are important variables that determine effectiveness of CRM implementation and smooth functioning. The organisations have a hierarchy culture; however, some impacts of industry practices and parent company policies also influence organisational culture. In all three cases, the leadership commitment and support towards a CRM system was found to be low, which needs to improve for efficient working of the organisation and efficient system implementation. The discussion is concluded in the form of a developed theoretical model that encompasses leadership, organisational culture , important influences on organisational culture, employees' behavioural outcomes of organisational culture and leadership, issues related with CRM implementation and benefits drawn from CRM implementation.

## **CHAPTER 6: Conclusion**

### **6.1 Conclusion**

This research looked at the role of leadership and culture in implementation of CRM in Saudi Arabian organisations. According to this research leadership plays a vital role in implementation of CRM. However for this to happen leadership should be culturally sensitive because conflict between culture and leadership style can lead to further complications. CRM is more than an IT system; it is a philosophy which is based on the customer focus perspective. This means that the holistic benefits of CRM can only be achieved not only by using the system but by adopting a more customer focused philosophy throughout the organisation and its value chain. Leadership plays a vital role in shaping up the culture of the organisation especially in high power distance cultures like Saudi Arabia. By projecting and exhibiting right values themselves leaders can steer their organisations towards a more customer focused culture. For example this can include including customer satisfaction as a key performance criteria for managers and then monitoring and rewarding performance of managers based on this criteria. Top management need to play a range of roles such as mentor, legitimacy provider, supervisor, facilitator of knowledge and communication etc. It is not always possible to play all these roles at the same time so effective planning has to be put in place which clarifies different roles under different circumstances for individuals. Above all the top management need to delegate powers appropriately as CRM system cannot be driven by the top leadership alone. It needs to be operationalised through front line employees feedback and this requires top management to give them voice.

### **6.2 Findings**

This study carried out an in-depth analysis of the effect of organisational culture and leadership on the effective implementation of CRM. Three companies, Company (A), Company (B) and Company (C) were used as case study companies. The findings are based on the empirical data collected, using mainly semi-structured interviews.



The first finding is about the links between leadership and CRM implementation. This study found that the role of leadership is particularly important in implementing a technology system. During implementation of a CRM project, the organisation undertakes a major change process that influences all departments of the company. This study reveals that the style of leadership being adopted in all three companies is inclined towards “transactional”. That is, the focus of top management has been on business events and transactions. In this way, the top leadership does not involve employees and instil commitment among them through communication, negotiation and facilitation. Rather, the relationship is transactional and employees are expected to produce output in return for their salaries. In essence, Saudi leaders pay more attention to exchange of transactions.

This study found that there is autocratic leadership style in the case companies. That is, powers are concentrated at the top and decisions are made without involvement of the lower cadre employees. This leadership style has resulted in a number of problems in coordination, communication and implementation of CRM as well as low levels of interaction between top management and the employees working at the front end. Thus, it is summed up as autocratic leadership does not sufficiently incorporate feedback from the front-end users and thus it is less effective in addressing the CRM implementation problems. Moreover, decision making is very slow, requiring frequent approvals from the top management, which impairs the quality and speed of customer services. Delays in services cause dissatisfaction amongst the customers. In essence, this study suggests that an autocratic leadership style negatively influences customers’ experience in customer-oriented industries.

This study also suggests that leadership commitment increases commitment of subordinate employees and that leadership commitment increases commitment of external stakeholders, including consultants, towards implementation of the system. This study shows that in all three companies, the level of support from leadership was not sufficient. There is a need for greater communication, involvement and support in all phases of the project planning and implementation. One of the reasons that top management had its support limited to provision of resources is that leadership does not fully realise the potential and scope of the CRM. The

management considered that CRM is a software instead of considering it a company-wide system that requires involvement and support and different levels of management and at different stages of the project implementation. Thus, it is imperative to get comprehensive leadership support at every stage of CRM implementation to increase its effectiveness and benefits.

The second finding of the study is about organisational culture and CRM. This study shows that organisational culture plays an important role in implementation of CRM system. It shapes how employees interact with each other and how they interact with their superiors and subordinates and guides employees about what to do and what not to do, including practices, values, and assumptions about their work. In fact, there are different aspects of organisational cultures, including effect of overall culture, conflicts between employees, coordination and collaboration, employee participation and diversity of workforce that have been found to affect CRM implementation.

This study also shows that there is impact of the national culture on organisational culture and CRM implementation is evident. This study reveals that leadership style, communication, interaction between employees and other areas of organisational working are influenced by national culture. Saudi culture is considered to be very different from most of the Western cultures, as the impact of religion and tribal systems is very strong. For example, the country is considered to have a power distance culture. The communication between leadership and front-end users of a CRM system is shaped by both organisational and national cultures where employees' participation is quite low.

One of the case companies, Company (A) is a subsidiary company. This study shows that the practices as well as CRM of Company (A) were influenced by the head office. Some of the top management officials came from the head office and thus they brought some values and practices with them. Moreover, the parent company policies influence organisational culture of the subsidiary and implementation of CRM.

Similarly, other factors such as industry practices and standards have also been found to affect organisational culture. Organisations operating in certain industries receive varying degrees of influence from the industry conventions, industry practices, regulatory bodies, customers' expectations and level of competition. These factors influence organisational culture as well. For example, the companies operating in highly competitive markets are under strong pressure to improve their customer service, bring innovative products and make their organisational structure capable of responding quickly to changes in the market and customer preferences. On the other hand, for the companies operating in less dynamic industries where customer demands are not changing rapidly, there is less market pressure on them.

Moreover, the closest description of the organisational cultures that matches with the Saudi organisations studied in the current research is hierarchy culture. Hierarchical organisations tend to rely on clear lines of decision-making authority and standardised rules and procedures. Hierarchy culture reinforces stability and control, while employees at the front end need autonomy and flexibility to deal efficiently with the customers. This autonomy is necessary to ensure that customers get a timely response. Without autonomy and flexibility, the feedback and response to the customers are delayed and that causes dissatisfaction among customers. Two of the three organisations studied in this research are from the mobile phone industry, which is a highly dynamic industry in terms of customers' expectations. The airline industry is relatively stable compared with the mobile phone industry. Thus, it is concluded that due to influence of the national culture, the dominant organisational culture in Saudi Arabia is hierarchy culture. Moreover, strictly hierarchy culture does not provide sufficient flexibility and dynamism for efficient operations when customers' requirements and expectations are rapidly changing.

This study also finds that organisational culture plays an important role in planning implementation, and effectiveness of CRM systems in an organisation. If there is a mismatch between organisational culture and an information system, it can lead to a number of problems and even an excellent technology can be sabotaged if it is perceived to interfere with the established social network.

One of the important aspects of organisational culture is the extent to which people support each other and perform tasks in a coordinated manner. Employees can be supportive and unsupportive at the same time depending upon the distance from in-groups. Employees prefer to work in teams and groups rather than having an individualistic way of working. Collective or departmental goals are given priority. However, the level of cooperation with other departments is not the same. The active support or cooperation is only limited to people working in the same department or in-group. Such collectivistic orientation within the departments comes not only from Saudi collective culture but also from the religious norms and practices. This collective behaviour, however, is missing at the organisational level. When departments are dealing with each other, they fiercely compete for resources, especially at the time of implementation of a CRM system; when there is pressure from the top management to complete the given task within a given time, departments try to put their responsibility on others. In particular, different departments were unhappy with the level of support that IT departments were extending to them. In essence, this study shows that employees extend high levels of support and cooperation within the department they belong to. Moreover, support from colleagues positively influences implementation of CRM. Employees have low degree of cooperation between different departments in Saudi Arabia.

Another aspect that is influenced by the organisational cultures is the extent to which employees participate in the decision-making process. Employees' participation is considered to be a symbol of employees' commitment and involvement. The findings of this study suggest that employees' participation is relatively higher in the mobile phone industry due to highly demanding customers, while low employee participation leads to less effective implementation of CRM.

Another important finding of this study is about the issues facing CRM implementation. These issues are relevant to planning and implementation stages. The planning of the system sets the whole foundation for its later implementation and outcomes generated from the system. The analysis of the planning phase shows that all three companies were influenced by the changing market trends and changing customers' expectations. Although Company (A) was pushed by its parent company to start CRM from the start of operations, the other two

companies realised that their existing systems were unable to cater for the demands of the changing market and thus they needed to switch to a better system. This study also shows that the market environment is changing and it puts pressure on the companies to bring new information systems into their organisation that could better suit their changing requirements. However, the problem with a reactive instead of a proactive approach is that if a company reacts slowly and other companies implement such technology systems substantially earlier, it would negatively affect the company who is not implementing. On the other hand, timely decisions and implementation prepare a company for the challenges of the market. In short, this study found that changing market forces largely influence the implementation of a CRM system in the organisation.

While the planning phase was the most turbulent and uncertain phase of the whole project for all three companies, there were many issues negatively affecting CRM implementation at later stages. One of the major issues was reassessing the system requirements. Company (B) and Company (C) were working on different software systems which were not well integrated. They needed a system that could integrate all the relevant data and departments involved in customer service either on the front end or at the back end. One of the major problems encountered was that departments were unable to anticipate how an integrated system would look. Thus some of the processes designed at the time of planning were based on the previous process flow instead of “integrated process” being targeted through CRM.

Companies faced problems due to lack of understanding of the new processes and many of the processes were embedded in the old procedures. The old procedures were based on an un-integrated system which was not suitable and efficient for an integrated system. The reasons for having problems in correct evaluation of the new processes can be attributed to two main factors. The other important issue was related to the organisational culture, where employees generally had limited participation. So the meetings conducted for planning were not as fruitful as they could be with greater participation of employees. These issues in planning negatively affect customisation and implementation of a CRM system.

During the implementation stage, the companies faced problems with consultants which led to less effective implementation of CRM systems. Lack of cultural knowledge of the client reduced effectiveness of consultants' services. Other issues in the implementation stage were due to lack of coordination between IT and other departments. There were some conflicts between different departments, creating problems in system implementations. The business departments complained about IT departments for not cooperating or instantly responding to their concerns. IT departments were in the leading role that coordinated matters between business departments and consultants. The job of IT departments needs to be improved. If IT does not coordinate well, it leads to delay in purchasing of equipment, delays in system design and ineffectiveness in system implementation. This is in line with the literature that suggests that collectivists' cultures often have harmony within the group (department) and conflicts with other departments (Greif, 1994). It has been found that conflict between IT departments and business departments reduces the effectiveness of CRM implementation.

While training is crucial for implementation of any new information system, the problems in designing, content and delivery of the training may cause huge money. Training was conducted by consultants in all three organisations and each organisation has different issues related to the training methods and material. The empirical findings from all three companies indicate problems in training need assessment, customisation of training and training contents. The main issue was the lack of quality of the training. Similarly customisation of training content and delivery were also problematic. These issues resulted in training ineffectiveness.

Moreover, CRM is a continuous process and the system requires changes on an ongoing basis. Systems should be capable of incorporating changes required due to changes in market conditions or customers' expectations. However, the systems in all these companies lacked dynamism and had an inability to react in time to the market changes, and slow changes to the system negatively affect CRM effectiveness and as a result, system benefits are reduced. It is thus concluded that Saudi origin organisations have less dynamism in CRM systems compared with the foreign origin companies in Saudi Arabia. Lack of system dynamism in post-implementation time reduces effectiveness of the CRM system.

Nevertheless, despite difficulties, all three organisations have benefited from CRM. The major benefits that resulted from implementation of CRM were integration of the system, efficient working and better customer experience. However, the level of benefits for all different companies were different. Difference in the benefits is due to the difference in planning, commitment, implementation and post-implementation changes. One of the major benefit was integration of all databases and customer records that substantially reduced duplication of processes and made systems more efficient. Moreover, customers were facilitated as they were able to manage their own account without calling and waiting their turns at the call centre. This resulted in offering them freedom and autonomy to manage their services which improved customers' experience and satisfaction level. CRM also helped in integration of network partners, including agents, franchises and customer services offices.

### **6.3 Contributions of the research**

The findings of this study offer important lessons for the decision makers in the organisations. This study suggests that leadership needs to focus on the inclusion of the employees in order to enhance the effectiveness of CRM as well as overcome the resistance from employees in the change initiatives. The autocratic leadership style and hierarchical decision making should be avoided, as they can impede the CRM implementation and its effectiveness. Moreover, this study suggests to managers that organisational culture that facilitates collaboration, communication and continuous interaction is helpful in the CRM effectiveness.

This study also recommends to top management that CRM should not be considered as just a software. Rather, it is a philosophy that needs consistent support and commitment of the top management to make the system effective.

By carrying out an in-depth analysis of the effect of organisational culture and leadership on the effective implementation of CRM, this study contributes to three important areas of literature. First, by defining the role of leadership in CRM, this study contributes to the literature on the links between organisational culture and CRM. Secondly, this study found that organisational culture influences CRM implementation. By doing so, this study contributes to the literature on the links between organisational culture and CRM. The third contribution of the study is to the CRM literature, as this study found that CRM is beneficial for the organisations. The major benefits that have resulted from the implementation of CRM are integration of the system, efficient working and better customer experience.

This study used three case studies and collected data mainly through semi-structured interviews. This study shows that case study as research methodology and semi-structured interviews helps in-depth exploration of the role of organisational culture and leadership on effective implementation of CRM. Moreover, this study shows that case study research methodology can help unfold different issues relevant to organisational culture and leadership that can negatively affect the CRM implementation.

#### **6.4 Limitations and future research directions**

This study is based on the three organisations working in Saudi Arabia. The studies in other countries can offer further insights into the phenomena of the role of leadership and culture on CRM. Moreover, this study mainly focussed on two industry sectors – telecommunications and airline industry. Future studies can focus on other sectors of industry, as organisational culture and leadership style as well as effectiveness of CRM may vary across industries. Furthermore, the findings of this study are mainly based on data collected using semi-structured interviews. Future studies may involve different data collection methods such as observations, archival data and so on to offer more depth to the phenomena.



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## **Appendix 1: Interview questions**

1. Can you brief me about the objectives you had with CRM implementation? I mean what objectives your organisation had in implementing CRM?
2. What are the internal and external factors that led you to implement CRM?
3. How did you undertake CRM implementation? Just tell me a bit about the process.
4. Who was involved in CRM implementation?
5. Reflecting back on CRM implementation in your organisation, do you think you had adequate planning for implementing CRM or do you think you made some mistakes?
6. Do you consider CRM implementation in your organisation as successful? I mean has your organisation achieved all its objectives from CRM implementation?
7. What role did the management play in implementation of CRM?
8. What was your management's approach towards implementation of CRM? Did anyone control it or was it implemented with everyone's participation?
9. Were the front line employees involved in decision making for CRM? How were they involved and why?
10. What were the key challenges that your organisation faced in implementing CRM?
11. Were there any cultural or human resource issues in implementing CRM?
12. How did the managers handle these employee problems?
13. From your learning of CRM implementation what adjustments will you make to your CRM implementation approach if you were to undertake it now?