

MANAGING CUSTOMER RELATIONSHIPS IN PROCESS-BASED ORGANIZATIONS. AN ANALYSIS OF 1302 ROMANIAN ORGANIZATIONS

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Abstract: *The challenge for companies today is to satisfy their customers through the exceptional performance of their processes, product / service quality and innovation. The paper presents the results of a study, done among the representatives of 1302 Romanian organizations from different fields of activities, which had the purpose to assess the manner in which process-based organizations manage the relationships with their customers. The results show that the majority of the companies collect ongoing data about their clients and use performance indicators to identify and understand their needs and expectations. This leads us to the main conclusion that most of the companies collect data about their clients and use performance indexes to identify and understand their needs and expectations.*

Key words: *CRM, organizations, performance, processes*

1. INTRODUCTION

The continuous cooperation between the company and its stakeholders: clients, suppliers, employees, intermediaries, shareholders, governmental agencies or NGOs is imperative. Out of all company's stakeholders, the most important ones are the clients because all the activities and company's efforts are oriented to satisfy their individual needs, and if the consumers are satisfied by the services / products received, they will bring incomes to the company, on the long term.

Some relationships can be closer than others, and this closeness can be a physical, mental or emotional one and can consolidate the feeling of security in that relationship. When the distance between the partners gets shorter, stronger relationships can be developed; these relationships can be perceived as more solid and have all the chances to resist longer in time. An exploratory research (Veghes et al., 2009) reveals that not all the stakeholders want tight relationships with the company, so it is very important for the organization to know and respects their wishes.

2. LITERATURE REVIEW

Organizations today need performance measures to drive long-term strategies and organizational change, to manage efficiently resources, and to operate processes effectively and continuously improve (Cooke-Davies 2004; Bieker 2004). It is no longer enough for companies just to make profits for their stakeholders and to obey the law. They are increasingly accountable to more environmentally and socially aware shareholders, to civil society in general, to employees, to customers, to partners and to a variety of other stakeholders (Bovee et al. 2005).

A successful company should have the ability to continuously monitor the external environment for opportunities, changes, trends and risks. It should be able to identify, attract and allocate necessary resources to achieve objectives. At the same time, the company needs to have the ability to continuously learn, change and innovate to be

competitive. The creation and sustainable development of the companies is now central to our economic and social lives (Bieker, 2004).

The sustainability of the organization relies on its ability to monitor the external environment for opportunities, changes, trends and risks, and also its ability to learn, change and innovate in response to the results of monitoring. To achieve sustainability an organization should focus on its results as well as on its processes.

3. METHODOLOGICAL NOTES

The specific objectives to be reached through the present exploratory research approach referred to the main aspects concerning customer relationship management: the degree to which the organizations identify and understand the needs and expectations of their current and future clients; the degree of employment of performance indexes to evaluate the level of satisfaction and expectation of their clients; the areas needed to be considered for implementing a learning process for the employees that would offer value to the clients. Questions concerning customer relationship management had represented only a specialized part inside of a consistent statistical research instrument, namely MAS (Maturity Assessment Survey), which collected information on the strategic and operational maturity level of the organizations (Paunescu, 2008).

For the collection of the data, multiple managers, responsible for quality and other executives from Romanian organizations filled in a questionnaire in their organizations. The questionnaire was designed to identify the degree to which organizations are sustainable and offer continued satisfaction to their stakeholders, and to help organizations identify areas in which they can improve their performances.

The sample consisted of 1302 Romanian organizations that met the following sampling criteria: (1) respondents have been working with the company as quality manager/ responsible or other executive position for more than six months, (2) company has been in operation at least three years, and (3) company employs at least five employees. The reporting companies represented a range of industries, including commerce and sales (46%), real estate (15%), consulting (10%), distribution and transportation (7%), banking and insurance (6%), IT (6%), telecommunications (3%), advertising (2), and a mix of other industries (5%). The companies had been in operation for a significant number of year (Mean = 8.5). As regards the organization size, 26% companies employ less than 10 employees (n = 339), 34% of them employ between 10 and 49 employees (n = 443), 23% organizations employ between 50 and 249 employees (n = 299), and 17% organizations employ more than 250 employees (n = 221). Of the 1302 responding organizations, 820 (63%) achieved profitability in the last three consecutive years of operation or more. The sample consisted of 664 men (51%) and 638 women (49%), while 31% were general managers (n = 404), 22% quality managers (n = 286) and 47% were from various executive positions (n = 612: sales and marketing managers, financial managers, operations

managers, HR managers, product managers, account managers, etc.). The mean age of respondents was 38 years.

Data were collected by students and graduates who completed quality management and marketing research courses at the Faculty of Business Administration in Academy of Economic Studies Bucharest. The responses were gathered during October 2007 and May 2008, through face-to-face interviews (100%). Of the more than 1500 Romanian organizations who were asked to participate in the study, 1420 agreed to complete the survey for a 90% response rate.

4. MAJOR FINDINGS

Almost 80% of the respondents (1039) confirmed that their organizations identify the mission and vision while taking into consideration the interests of all parties involved, the characteristics of the parties and own competences. There were only 67 respondents who mentioned that their companies are not taking into consideration the interests of their stakeholders when building their mission and vision, and 196 of them considered that their companies are indifferent to this aspect.

85% of the sample agreed that their organizations identify and understand the current and future needs of all their clients and stakeholders. Out of these 1106 companies that are up-to-date with information concerning their customers, 78% confessed that they collect data in order to understand their actual and potential client's expectations, needs and wants. There were only 7% of the interviewed organizations that declared they do not make any research regarding their client's needs, and 15% of the representatives did not have access to this type of information regarding their organizations.

When asked whether their organization sets processes in order to develop and improve the competences of their employees for offering value to the clients, 73.35% of the respondents confirmed that this is one of their focuses.

In what performance measures are concerned, 940 of the respondents (72.2% of sample) mentioned that the organization they represent identifies performance indexes regarding the satisfaction of the stakeholders. 9.75% of the companies do not use any performance index in order to evaluate the rate of satisfaction of the organization's shareholders, investors, employees, suppliers or partners. About 18% of the sample do not know or do not want to disclose this type of information related to the company. In what the clients are concerned, more than 78% of the respondents confirmed that their companies identify performance indexes for evaluating the level of satisfaction and the level of expectation of their clients.

Fig. 1 shows that at least 67% of the companies consider the needs of the clients, the changes in technology and competition, together with the capacity to collect and analyze different type of information are important and very important and should be taken into consideration for the learning process they implement concerning their employees.

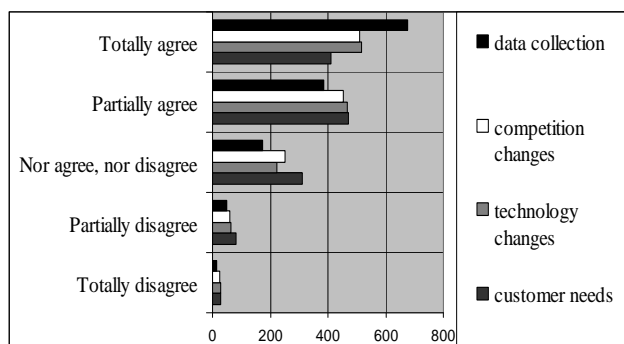


Fig. 1. The areas taken into consideration by the organization when establishing a learning process for their employees

There were 100 representatives of companies who stated that their organizations do not employ any measures in order to assess the satisfaction of their customers (number of complaints, clients' loyalty to the company etc.).

5. CONCLUSIONS AND FURTHER DIRECTIONS OF RESEARCH

From the major findings this study reveals, there can be drawn important conclusions related to the manner in which a rather specific group of process-based improvement organizations manage the relationships with their customers:

- most of the organizations understand that taking into consideration the interests of the organization's shareholders, investors, employees, suppliers or partners are very important when identifying the mission and vision of their companies;
- the majority of the organizations place great importance to collecting data, identifying and understanding the current needs and expectations of their customers in their daily activity and implement performance indexes to measure the satisfaction of their clients;
- as for the learning process implemented, the employees are trained to fulfill the needs of the company's stakeholders.

All this being said, it must be underlined that the respondents were not selected at random and therefore generalization is an important limitation of the study.

Nevertheless, the present paper could prove a solid basis for further research in the fields it addresses. Further directions of research to be considered refer to:

- increasing the complexity of the information generated through the research by introducing supplementary questions about the way process-based organizations manage their relationships with the other stakeholders;
- investigate not only the management of the relationship with the customers, but also with the suppliers and the other stakeholders.

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