THE LEVEL OF CORRELATION BETWEEN CULTURAL VALUES AND SYSTEM OF CUSTOMER RELATIONSHIP MANAGEMENT

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The purpose of this research paper is to identify the level of correlations and differences between specific cultural values and the employees’ and the customers’ behaviour. The study of cultural values is the basis for establishing desirable behaviour and organizational measures on which the employee’s culture awareness and behaviour are formed to suit both the enterprises and the customers. As indicated by research results, there are differences in the employees’ and the customers’ value systems, which are important for Customer Relationship Management (CRM), so that customers are more self-directed than the employees of the enterprise; they are more prone to accept stimulation and hedonism, and their level of traditionalism is lower than that of the employees. Harmonizing the employees’ and the users’ value systems contributes to a higher-quality communication and more successful business.

Keywords: cultural values, Customer Relationship Management (CRM), employees and customers

Povezanost kulturnih vrijednosti i sustava upravljanja odnosima s korisnicima

1 Introduction

Both successful enterprises and societies are based on good evaluation of the individuals' abilities and the abilities of their organizational units to perform their functions in an effective, efficient and sustainable manner. The establishment of all processes is largely dependent on customer needs and goals, contributing to the market position and success of these processes by being concerned with the product or service. Customer orientation is not a recent idea [1, 2, 3]. More than four decades ago, Levitt [4] argued that customer satisfaction is actually the goal of any business process and any business in general. In the following years and decades, this position has been repeatedly reaffirmed by Deming [5] Juran, [6] Crosby and [7], Garvin [8] and many other authors who have recognized the importance of creating customer oriented processes.

Customer relationship management (CRM) is a business strategy that needs to be present in all functions of the enterprise, provided that it controls the overall aspects of customer relations. This is supported by the argument that it is impossible to make a good customer relationship with products or services lacking appropriate quality, failing to meet the customer's requirements, as it is impossible to maintain a good relationship if the financial department makes mistakes in calculation and invoicing goods or services, or if the human resource management fails when recruiting new personnel in the enterprise. Therefore, it is very important for all the processes of a comprehensive CRM system to be covered by the policy of CRM principles.

Processes are actually based on the constant need for understanding the principle of customer orientation, and responding to all customer requirements. The quality management system has recognized the importance of this business philosophy as early as in the period of its initiation; the other areas have also very quickly realized the importance of customers in business. In 1978, Chase [9] has mentioned customers for the first time in the context operations management. Mills [10] has related customers with the theory of organization. Since the end of the 1980's to this day, many authors have considered the topic of customers from the aspect of marketing [11, 12, 13]. The customers' importance has constantly grown.

In this sense, Schuler and Harris [14] have defined the customer as a partner without whom the organization would not be able to achieve the desired success.

In order to maintain their positions in the market and become competitive among the rivals, companies should make great efforts to achieve competitive production. Competitive production means competition in several spheres of business, first of all in the following areas: quality, JIT (Just-in-Time) production, quick response, low cost, flexibility, standardization of products and services, cooperation with suppliers and customers, and so on [15, 16, 17, 18]. Implementation of enterprise technology, such as CRM and ERP, requires changes to organizational culture [19].

The operation of the enterprise is influenced by its environment (including competitors and customers). Moreover, its results are significantly influenced also by the culture that has been formed within the enterprise. The principles of each organizational culture should be based on several properties that are collective values of the members of organization. To detect values applying in a specific enterprise, it is first necessary to establish its framework of organizational culture, getting acquainted
with the emergence and development of the enterprise, and then to proceed detecting the values applying to its employees. Each enterprise has its own specific values based on which it is represented on the market. In order to understand this research problem as completely as possible, it was necessary to take into account all the internal factors of the enterprise, as well as its external factors and integrate them into a single totality.

Schwartz [20] has conducted a study with the purpose of finding the differences in cultural values. Each level of individual value types represents a value number that can be combined into a common idea. The individual value dimensions according to Schwartz [20] are presented in Tab. 1.

<table>
<thead>
<tr>
<th>Table 1 Individual value dimensions according to Schwartz [20]</th>
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<tr>
<td><strong>Power</strong></td>
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<td><strong>Achievement</strong></td>
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<td><strong>Hedonism</strong></td>
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<td><strong>Stimulation</strong></td>
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<td><strong>Self-orientation</strong></td>
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<td><strong>Universalism</strong></td>
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<td><strong>Benevolence</strong></td>
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<td><strong>Tradition</strong></td>
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<td><strong>Spirituality</strong></td>
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<td><strong>Conformism</strong></td>
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<td><strong>Safety</strong></td>
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There are a number of studies presented in which the Schwartz model is tested in terms of its value structure [20, 21, 22, 23]. It was also tested, in terms of importance of understanding various social phenomena [24], subjective well-being [25], trust in institutions [26], cooperation between the groups in society [27], organizational behaviour [28], conflict between groups [20, 29], participation in defending human rights [30], democratic attitudes [31], gender differences [32], significance of health [33], and in terms of relating a particular model to other models [34, 35].

2 Research

Based on the examples from the international practice discussed in the introduction, the authors started the research by recognizing the specific operating conditions in the observed region: Serbia, Croatia, Bosnia and Herzegovina, Montenegro and Macedonia. As a result of the unstable and risky conditions in the region, there is a need for improving the management of working processes and adjusting to the market on a continuous basis. For enterprises to survive in the market and meet the customer demands, it is important to foster and develop their cultural values.

The survey was carried out in 2012 by distributing questionnaires to employees working in the observed enterprises, as well as to the consumers of their products and services. Respondents and enterprises who participated in this study were selected randomly among the enterprises and customers on the territories of the observed region. All enterprises have implemented a quality system in their operation [36].

The study sample consisted of a total of 380 respondents: 121 employees of enterprises and 259 of their customers.

The research objective was to analyze the influence of the enterprise cultural values on the system of customer
relationship management. The harmonized system of employee and customer values contributes to the quality of services and relationships that make services successful.

The goal of the research was to indicate the impact of specific cultural values on customer relationship management, with a special emphasis on the transitional business conditions in the observed region.

2.1 Research hypotheses

Based on the above defined research objective two general hypotheses were set:
- H1: There is a correlation between the dimensions of the employees and the customers' value system;
- H2: There are differences between the employees and the customers' value system.

2.2 The research instrument

The research was based on the working values questionnaire according to Schwartz. The questionnaire consisted of 56 questions with multiple choice answers. A five scale Likert-type questionnaire (1 - unimportant; 2 - less important; 3 - important; 4 - highly important and 5 - essential) was used to determine the quality and intensity of the measured indicators. Along with the applied multidimensional scale a key has been used as proposed by Schwartz [20]. In order to validate his key on the observed sample, each subscale was checked for whether all the scales have proper subject of measurement (Tab. 1).

The scale reliability was assessed by the Cronbach’s alpha coefficient, which ranges from 0.580 to 0.828; while the level of test representativeness ranges between 0.5 and 0.871; thus satisfying the minimum criterion of 5.

3 Research results and discussion

During the survey a total number of 121 valid questionnaires were collected, with the ratio of male and female respondents being 43.8 %; 56.2 %, i.e. 53 male and 68 female respondents, as shown in Fig. 1. Genders were controlled by Pearson Chi-Square = 17.537; $p \leq 0.05$.

In terms of gender structure, the sample is largely evenly distributed. 45.3 % of the total number of respondents was males and 54.7 % females, shown in Fig. 2.

Fig. 3 shows the respondents' age profile. To facilitate the analysis of results, the age structure was grouped by categories, the first category consists of employees aged 21 ÷ 30, the second of employees aged 31 ÷ 40, the third of employees aged 41 ÷ 50 and the fourth of employees aged 51 ÷ 60. As can be seen from the results, the most populated one is the second category of employees (43 %), which is in accordance with the expectations.

The average age of employees was 36.52 years, with the youngest 23 and the oldest 60.

The average age of customers was 23.05 years; the youngest 18 and the oldest 64 shown in Fig. 4.

Based on the results, it can be concluded that the majority of the surveyed customers was born between 1981 and 1991 (45.0 % of the total sample), followed by customers who were born between 1971 and 1981 (29.0 %), while the last major category are people born before 1971 (26.0 %).

As indicated by the analysis of customer education (Fig. 5), the majority of respondents hold high school degree – 72.6 %; 3.1 % of respondents hold college degree, 23.2 % respondents hold university degree. Only
1.1% of the respondents hold specialization or doctoral degree.

As indicated by the analysis of employees’ education (Fig. 6), the majority of respondents hold high school degree - 60.3%; 9.7% of respondents hold college degree, 28.2% respondents hold university degree. Only 2.4% of the respondents hold specialization or doctoral degree.

3.1 Analysis of hypotheses

OH1: There is a correlation between the value system dimensions of employees and customers of the CRM system.

As indicated by multiple regression analysis, there is a correlation between the CRM system and the value system dimensions ($R = 0.441; F (11; 109) = 2.396; p \leq 0.01$), as shown in Tab. 2.

The statistically significant contribution to this correlation is provided by the following predictors (Tab. 3):

- universalism ($\beta = 0.392; p \leq 0.05$),
- conformism ($\beta = 0.336; p \leq 0.05$).

Based on these indicators, the hypothesis is confirmed.

OH2: There are differences in the value system of employees of enterprises and the customers of their services/products.

As indicated by t-test, there are statistically significant differences between the employee and customer value systems (Tab. 4):

- Self-directedness ($t = –2.581; p \leq 0.01$) customers are more self-directed than the representatives of enterprises.
- Stimulation ($t = –3.297; p \leq 0.01$) customers are more likely to accept stimulations than the representatives of enterprises.
- Hedonism ($t = –2.277; p \leq 0.01$) customers are more prone to hedonism than the representatives of enterprises.
- Tradition ($t = 4.189; p \leq 0.01$) the employees of enterprises have stronger traditional values than their customers.
Regarding the value system, the dimension of tradition is rated more positively by the employees, while the dimensions of self-direction, stimulation and hedonism are rated more positively by customers, as shown in Tab. 5.

The first hypothesis confirmed the existence of correlation between the employees’ and the customers’ value system dimension. Based on the results obtained for all the values (universalism, self-direction, stimulation, hedonism, achievement, power, safety, conformism, tradition, spirituality and benevolence), a significant correlation was found between the values of universalism and conformism.

By testing the second hypothesis, it was confirmed that there are differences between the value systems of employees of enterprises and the consumers of their products/services. Based on the results, it was concluded that customers are more self-directed than the employees of enterprises, they are more prone to accept stimulation and hedonism, but their level of traditionalism is lower than that of the employees.

The assumption is that enterprises, provided that they want to stay involved in the market competition, should put in the maximum effort in order to survive and succeed in achieving a good market position. Thus, it is not an easy process, which becomes evident when analyzing a number of enterprises in our country that have failed to keep pace, due to probably failing to recognize the factors that are critical to business. By investigating the value dimensions of the managers in the region, as measured by the Schwartz questionnaire, the authors obtained the results that can be compared with those in the investigation, which are different to some extent.

The subsample of senior management is defined by affective autonomy (1,38) while the middle and lower management is not defined by any particular cultural value. The following are the differences in properties of subsamples according to the respondents' answers on cultural values: the subsample of senior management is distinguished by hierarchy (0,62 max), intellectual autonomy (0,30 max), harmony (0,12 max), and embeddedness – the importance of social peace and state (0,11 max), embeddedness of the own behaviour (0,09 max.), egalitarianism (0,08 max.) and affective autonomy (0,01 max); the subsample of middle management is distinguished by intellectual autonomy (0,21 min), embeddedness – the importance of social peace and the state (0,08 min), egalitarianism (0,05 min) and mastery (0,05 min). The subsample of lower management is distinguished by hierarchy (0,41 min), harmony (0,09 min), embeddedness of the own behaviour (0,07 min), affective autonomy (0,01 min), mastery (0,06 max) [37].

4 Conclusion

Nowadays, the business world is in the process of rapid and radical changes, imposing the need for developing new business models and new models of customer relationship management. Since the purpose of organizations is meeting the customer’s needs, in addition to making profit, it is necessary to work towards improving current system on a constant basis.

Results of the present survey point out the importance and significance of particular values for customer relationship management, and thus, the performance of the enterprise. Results obtained in this study represent one of the possible views on the influence of cultural values on the system of customer relationship management, as such, it provides a good foundation for further research in this area.

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