



IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT ON FIRM PERFORMANCE? EMPIRICAL INVESTIGATION OF INSURANCE PROVIDERS IN PAKISTAN

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ABSTRACT

The most significant challenge for any firm today in the era of competition is to create and sustain relationships with its customers to increase profit. By lowering costs and improving product quality, the company establishes and maintains relationships with customers. Hereafter, this study aims to evaluate the impact of customer relationships on the organization's performance in insurance companies. The quantitative approach has been used for this study. The population selected for this study comprises team players of insurance companies of Pakistan and the sample size selected for this study was 300 respondents. The software used for the analysis was SPSS and CFA. It is concluded that customer relationship management has a positive impact on the organization's performance, with employee performance and customer handling mediating the relationship of CRM and organization performance.

Keywords: SMEs, Innovation, Performance, Capabilities

JEL Codes: L25, O30

I. INTRODUCTION

Customer relationship management (hereafter CRM) over the recent decades is contracted many scholars from academia and practitioners from industry. It is considered as one of the most revolutionary topics in conceptualizing the success factor of the organization (Bose, 2002; Verhoef, 2003; Reinartz et al., 2004; Padmavathy et al., 2012; Heinonen, 2014; Jan and Abdullah, 2014; Thakur, 2014). The basic orientation of CRM is to enumerate the factors that affect customers in terms of loyalty and customer retention which in turn leads towards the long-term relationship with the customers (Rigby et al., 2003; Lavender, 2004; Leverin and Liljander, 2006; Thakur, 2014; Al-hawari, 2015). The firm's ability to handle the heterogeneous group of customers efficiently is largely dependent upon the emergence of CRM (Zablah et al., 2004; Payne and Frow, 2005). CRM with its latest technologies has served organizations to know customers before or the two development of a relationship (Ramesh, this relationship may be enhanced when the customer provides valuable insights for the organization to improve customer retention and loyalty which further leads to competitive advantage (Ngai, 2005; Brun et al., 2014; Sayani, 2015). CRM help organization to gain a competitive edge which builds the positive image of the organization in the mind of customers (Sin et al., 2005). CRM helps in building and maintaining a long-term relationship with the customers of the organization (Payne and Frow, 2005; Wang and Feng, 2012). The basic purpose of relationship marketing is to retain customer loyalty and increase profit and the long-term success of the organization Reichheld (1995). Sin et al. (2005) and Elkordy (2014) defined that CRM customer handling, CRM customer orientation, CRM customer empowerment, and CRM customer knowledge management have a positive impact on the performance of the business. The profit of the organization increased by focusing on the variables like CRM customer handling, CRM customer orientation, CRM customer empowerment, and CRM customer knowledge management Yim et al. (2004). Global firms spend 50-70% on CRM but still, they are facing high failure (Reinartz et al., 2004; Awasthi and Sangle, 2012). The one reason for the failure is to overconfidence on CRM while the ignorance of customer-centric view. The purpose of the research is to find the factors through which we can implement CRM properly (Ryals and Knox, 2001; Wilson et al., 2002; Nguyen et al., 2007; Bhat and Darzi, 2013). This study will help in determining the factors that differentiate one organization from another in terms of techniques to manage the relationship with the customer and gain a competitive edge (Elkordy, 2014, Alim et al., 2021; Alim et al., 2021; Ali et al., 2021; Audi et al., 2021; Roussel et al., 2021; Ali and Bibi, 2017).

CRM supports businesses to build a strong relationship with their customer which results in creating customer loyalty & customer penetration. Customer loyalty and customer penetration one both attributes that influence a

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company's revenue. CRM is a management approach that results in increased profit for a business. At its crux, a CRM mechanism develops a simple user interface for the compilation of data that self-business to be familiar with and connect with the customer in a scalable manner. This study will help us in learning the importance of the customer relationship management process. Organizations represent the serious importance of customers for the success sequentially of any business. The companies which don't follow CRM techniques their profitability and chances of long-term survival are decreased. Different searchers are working on different CRM models. These models propose some issues that donate to the letdown of CRM projects. The significance of this study is that it would facilitate the insurance company to better understand why customers are deficient. The effect of customer relationship management and many motivational features which could be held to stimulate customers to hold them in the organization to increase and sustain firm's productivity, the study would also donate to slight prevailing knowledge on customer's empowerment in the insurance company in the relation to the effect of organizational performance. The objective of this research is also to find out the effect of customer relationship management on organization performance.

II. LITERATURE REVIEW

Smith (2000) contended that the Resource-based theory supports the relationship of the customer relationship management and the organization performance. He said that as the organization efficiently uses the resources for developing and implementing strategies the satisfaction of the customer and performance of the organization also increase. Many other authors said that the relationship marketing theory also supplies customer relation management and organization performance which assist the organization in building the relationship with the customer to get the benefit and increase in profit (Coltman, 2007; al A. e., 2006). Pandian (1992) said that the know knowledge-based or also support the relationship of customer relationship management and organization performance. He said that knowledge management helps the organization in getting the information about customer needs and wants which assists the organization for competitive advantage. Delwyn (2007) said that resource-based view theory purpose that the organization has valuable resources as these resources are used efficiently, they create the competitive advantage as well as improve the performance of the organization.

II.I. ORGANIZATIONAL PERFORMANCE

Today it is widely acknowledged that entrepreneurship has a substantial role in the n business success of SMEs (Mohsin, Halim, & Farhana, 2017). Characteristics of entrepreneurs included self-images, motives, and social roles, specific and generic knowledge as well skills that may or may not be related to an individual (Truninger, et al., 2018). Additionally, these characteristics are considered as unconscious attributes but few of them are innate whereas the remaining can be acquired by the training and development process (Muzychenko, 2008). Mitchelmore and Rowley (2010) defined characteristics such as self-image, social roles, attitudes, and traits are referred to as "internalized elements" and (Muzychenko, 2008) described other characteristics acquired by practical learning (knowledge, skills, and experience) or theoretical, referred as "externalized elements". Few researchers (Garavan & McGuire, 2001) explained that internal elements are difficult to change while externalized elements can be developed by education programs and proper training and needed to be implemented. The most essential competency of an entrepreneur is considered innovation competency. Moreover, Chandler and Jansen (1992) recommended that entrepreneur has roles of reorganization and envision of innovation. Thus, this category has entrepreneurial activities such as developing, actively seeking, and spotting innovation. Additionally, (Chandler & Jansen, 1992) suggested the significance of managerial roles as a human competence of entrepreneurs. These competencies described the ability of an entrepreneur to develop, lead, organize, control, and monitor the internal and external resources of a firm in various areas. Relationship competencies deal with cooperation, interpersonal skill, trust, communication, connections, and persuasive ability at individual to group and person to person-based interactions (Man et al., 2002). Therefore, an entrepreneur must have competencies of interpersonal abilities, building relationships, persuasion, and communication (Man & Lau 2000). Research showed that small firms are dependent on relationships or networks, as they gain support and advice from experts and professionals such as consultants, lawyers, and accountants (Ramsden & Bennett, 2005), customers, suppliers, government bodies, research and training institutions (Ritter & Gemunden, 2004).

II.II. EMPLOYEE WORK EFFICIENCY

Employee work efficiency is defined as "the required prevailing standard of skill, knowledge, ability or behavioral characteristics that an individual need to accomplish his / her work". It is a composite of various factors like motives, traits, self-concepts attitudes, or values skills, and abilities all of which are required from an individual to perform his work properly and satisfy the need and affections of the customer, as well as accomplish the goals of the organization. Aderson (2002) described the nature of competency in different as "The behaviors, knowledge & motivation that is required to be effective in a job" (Summer, 2004). "A standardized requirement for an individual to properly perform a specific job" (Wikipedia, 2007). Employee work efficiency is a degree of the quantity and quality of work done, considering the cost of the resources used (Millar, 2007). While Udo-Aka (1983) defined

productivity as a measure of overall production efficiency, effectiveness, and performance of the individual organization. Akerele (1991) contends that productivity is the “measure of how well a nation's resources are employed for accomplishing a set of results attaining the highest level of performance with the least expenditure of resources, including human resources”. This is a synthesized definition of productivity. Akerele (1991) further maintained that: Productivity is a boldness of attention. It is the method of development and continuous improvement of that which happens. This is the inevitability of being bright to change that which happens. This is the inevitability of being bright to do improved today than yesterday. This is the willpower to recuperate on the current condition, no substance how moral it may look. This is the continual exertion to apply modern methods and this is the confidence in human competencies. Employee productivity is concerned with the ultimate and thorough productions anticipated from the employee seeing the properties spent on the employee (Baron & Armstrong, 2007). Employee productivity comprises gauging the time consumed in the production of the anticipated productions from an employee. The employee comprises also the dimension of the employee-related budgets experienced by the organization in the production of anticipated production (Esu & Inyang, 2009). Productivity has often been disordered with efficiency. While efficiency is the ratio of the time required to complete the desired production.

II.III. CUSTOMER HANDLING

Customer handling also helps the organization in building a relationship with the customer. It provides ways for the organization to know about the needs and wants of the customer and also helps to interact with the new customer and retain the old customer loyal to the organization (Uduma, 2014). Clewes (2003) concluded in his study that the organizations which fulfilled the customer expectations lead to having a positive effect on customer satisfaction which lead to higher organizational performance. Other studies have found that the organization that is providing quality services and interacting with their customers their profitability increased (Clewes, 2003). Dee et al. (2004) explain the method which is used for the resolution of the complaints of the customers. Johnston (2001) explained that it consists on the number of further processes for the reception, inquiry, reimbursement, anticipation, and retrieval of complaints and Stichler and Schumacher's (2003) explanation is connected to amending strategies and schemes to stop future negative reoccurrences to the customer. Customer handling has an influence on customer preservation and eventually on profit. As soon as a problem is resolute efficaciously, the fulfillment level of the customer is increased and will tell five of their adjoining acquaintances about it associated to telling three if the service was originally upright (Eccles & Durand, 1998). Nevertheless, if the original service was not satisfactory and not determined, the disappointed customers tell among ten to twenty other people (Edvardsson et al., 2011). Representative issues underwriting to disappointment may include deprived employee behavior, underprivileged dependability of service, and the awkward enterprise of information (Friman & Edvardsson, 2003). Which characteristic features to customer gratification comprise suitability of the consequences, admittance to organization connection points, outgoingness, empathy, active response, and speed of rejoinder (Stauss, 2002). The presentation of customer handling ought to be founded on assessing the customer's behaviors before doing the complaints. (Davidow, 2003).

II.IV. COMPLAINT RESOLUTION

CRM helps in creating advanced abilities which leads to a competitive edge for a long period (Lin et al, 2010). Taking information help the organization in understanding the customers. It is significant for the organization to know and retain the customer and understand the needs of the customers. This helps the organization to keep the customer loyal to the organization and is important to earn the profit and competitive edge for the business (Siddique, 2011). Customer loyalty has the signature on the profit of the organization, for maintaining the loyalty of the customer the organization must keep attention on the retaining of old customers instead of attracting the new customer (Reichheld, 2006). Filip (2013) said that the strong customer complaint resolution system helps the organization to get information from the customer response and using this information for the reduction of weaknesses and help in refining the performance of the business. It also helps in avoiding undesirable results, keeping the customer loyal and re-building the satisfaction of the customers, and also relationship commitment.

II.V. CUSTOMER EMPOWERMENT & ORIENTATION & KNOWLEDGE

Customer empowerment today is known as giving the power to the customers for making the decision. The customer empowerment for the internal customer is that giving them precise designation and expected performance (Kilton, 2003). Customer empowerment for the external customer is consist of providing knowledge, education, and commerce (Pires et al, 2006). Montaglione (1999) said that there is the optimistic influence of customer empowerment on the satisfaction of the customers which creates loyalty and satisfaction which leads to high profit. Wright (2006) said that many organizations overlook customer empowerment while many other organizations consider this to increase customer satisfaction, to retain customers loyal to the organization. The firms should use CRM techniques to know about the customer demands and for offering them quality products. Customer empowerment has become increased because many organizations are competing based on attracting the customer by providing them better quality products and services which lead to making choices by the customer (Pires,

Stanton and Rita, 2006). The control on the choices of the customer is the ability represented as empowerment (Wathieu, 2002). The customer not only focuses on the quality of the product but also considered the value-added services offered with the product. This increases the competition among the suppliers and customers choose that supplier which offers them those services (Pires, Stanton and Rita, 2006). The organization which supports customer empowerment by providing them quality products with the value-added services their demand increases (Pires, Stanton and Rita, 2006). It is significant to know about the main aim behind customer-oriented behavior to maximize the longer time satisfaction of the customer and to increase the customer loyalty with the organization. Therefore, many studies have focused that customer-oriented behavior's effect positively on the performance of the organization (Kim, 2008; Yilmaz et al., 2005). Customer orientation is the most vital factor in implementing customer relationship management (King and Burgess 2008).

Customer orientation can be accomplished through the positive relationship between the customer and the service benefactor. Many researches supported that customer orientation has a positive impact on the performance of the organization (Asikhia, 2010; Liu et al., 2003; Zhou et al, 2009). Customer orientation helps the organization to know about the needs and wants of the customer and also helps in providing the desired service to satisfy customers (Liu et al., 2003). Customer orientation help in rising customer satisfaction for the repurchasing, keeping the customer loyal, and building the trust of the customer in the organization. Through using customer orientation like customer-based orientation, the CRM can create more important advantages for the customers. Customer orientation is the most important part of the organization which creates the norms and values for the accepted behavior (Bentum, 2005). Many studies concluded that customer orientation help in increasing customer loyalty, satisfaction as well the performance of the organization (Mathieu, 2014). Doney and Cannon (1997) stated that the loyalty of the customer to the salesman transferred to the organization because customers think that salesman is working on behalf of the organization. The valuable information regarding the customer can be collected through the interaction with the customer and also from many departments of the organization (Brohman et al., 2003), and this information is used by converting into customer knowledge to know that the CRM is positively working or not (Plessis and Boon, 2004; Stringfellow et al., 2004). Customer knowledge help the organization in building and maintaining the relationship with the customers which lead to a positive impact on the performance of the organization (Abdulateef et al., 2010; Akroush et al., 2011; Sin et al., 2005; Yim et al., 2005)

Annabi (2002) said that customer knowledge involved the organization with the collecting, handling, and distribution of knowledge about the customer. Customer knowledge has two types: knowledge about the customer and knowledge from the customer (Chan, 2014). Customer knowledge helps the organizations to know about the needs and wants of the customer which helps them a letter in formulating the marketing strategies (Cheng, 2013). Customer knowledge help in providing better quality goods, quality services as well as maintaining customer loyalty with the organization (Jarvinen, 2014). Walton (2005) said that customer knowledge helps in understanding the needs of the customer, improving relationships with the customer, and enhancing the loyalty and satisfaction of the customers. An organization needs to become competitive and this objective cannot be achieved without knowing the knowledge about the customer. However, the organization can use this knowledge about the customer to implement the marketing strategies efficiently and to increase the performance of the organization (Noble and Mokwa, 1999). Customer knowledge management is closely connected with the organization's marketing capabilities and it empowers the organization to take strategic decisions to increase its performance (Fan and Ku, 2010). Customer knowledge management is significant for the success of the organization to implement the customer relationship management techniques (Yueh et al., 2010; Rajshekhar et al., 2006) because it is used to build the relationship between the organization and the existing and the probable customer (Nguyen et al., 2007). Many research purposes that there is a positive relationship between customer knowledge, customer retention, and the satisfaction of the customer (Sin et al. 2005).

II.VI Hypothesis Development

When you provide employees with the tools and skills they need, employee satisfaction increases as does the ability to serve customers better (Feinberg and Kadam, 2002). Employee satisfaction raises employee productivity, and higher productivity means greater service and value to your customers. This value leads to increased customer satisfaction and loyalty, which promotes profitability and continued success Izquierdo et al. (2005). There are a growing number of companies that place employees and customers at the front of the business Zineldin, (2006). These companies recognize that satisfied employees are more likely to go the extra mile to service a customer. If your employees feel esteemed and valued, they will likely be more pleasant and show a greater willingness to support each customer and ensure each customer interaction is handled by the high standards set forth by your company (Wang and Lo, 2004).

H1: *There is a positive relationship between CRM and employee productivity*

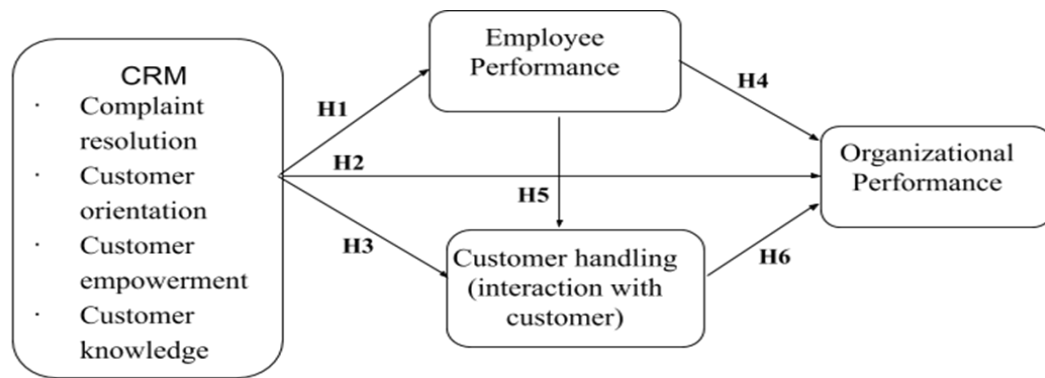


Figure 1. Research Framework

Rogers (2000) purposes that the organizations can earn a high profit when these companies follow the customer relationship management technique. CRM helps organizations in earning high profits. Du Plessis et al, (2005) purpose that customer relationship management includes all the information of customer which provide benefit to the organization to know about the customers and in dealing with them differently. Papastathopoulou et al (2007), Verdugo et al. (2009) purposes that the organization can achieve its desired results only when it followed the customer relationship management techniques and this will increase its profitability. According to Sheth et al., (2000) that the customer relationship management helps the organization to understand the needs of the customer. Customer relationship management brings many benefits to the organization. The organization implements the CRM to gain more profit as compared to those organizations which do not implement it (Bose, 2000; Kotler, 2002; Mnguyen et al., 2007). Customer relationship management is the most significant way to build and enhance the relationship with the customers which lead to enhancing the profitability and the performance of the organization and keeping the customer loyal to the organization (Mylonakis, 2009; Sigala, 2005; Sigala and Connolly, 2004; Wu and Li, 2011).

H2: There is a positive relationship between CRM and organization performance

Ford (1980), concluded in his study that the objective of any organization is to develop the relationship with the customer and supplier. Hakansson and Snehota(1995) contend that the relationship development with the customer increases the trust and loyalty of the organization, which leads to enhancing the performance and profitability of the organization. Brown and Gulyez (2002) said that for increasing the relationship the organization should focus on the complaint resolution system. The organization can develop the relationship with the customers through providing quality products, quality services and also by solving the complaints of the customers (Christopher et al., 1991). Loyalty, satisfaction, customer orientation, and customer retention increase when the organization interacts with the customers and knows about their demands and needs (Brown and Gulyez, 2002). Conferring to Heleny (2008) and Lindgreen et al. (2006), that when the organization interacts with the customers and takes their feedback the profit and performance of the organization increases.

H3: There is a positive relationship between CRM and customer handling

Employee connection is the basic feature of defining the performance of employees. Best connection with workforce can be molded done by motivating employees, operative communication, good working environments, and effective communication. Deming (1997) as he mentioned employees are a major sponsor to higher contributors to the high level of production. A basic responsibility of employees is acceptable performance. How well an employee completes his or her responsibility be contingent on the grade to which the top management defines the satisfactory presentation. The standards, principles, and attitudes of the organization's employees are apprehended to occupy a strategic part in organization accomplishment. Wholly corporations which intentions at the high-performance requirement to have a strategic agenda to form a relationship with their or employees, which support their business purpose and this is called the employee-management relationships. Also, Douglas Mc Gregor (1966) explained that if the employees are given value and responsibilities they behave more to the success of the organization. George Elton Mayo (1927) also said that the need for acknowledgment, need for security, and need for relations were more significant in defining workers' confidence and efficiency than the physical environment present around them. Employees work hard to attain organizational goals. Among the objectives of an insurance company is the focus on people. The company pursues to have interested, skilled, and specialized people who will underwrite fully in the direction of achieving successful results. In the provision of this, the company has a completely fledged human resource department that is stimulating with the responsibility of supporting and human resources development strategies and maintaining an appropriate determination employee's relation environment. As stated by the new vision of Lin et al (2010) which pretentious the complete presentation of the organization it demonstrations that poor employee relative distresses the performance of an organization.

H4: There is a positive relationship between employee work productivity and organizational performance

When you provide employees with the tools and skills they need, employee satisfaction increases as does the ability to service customers better Gee et al.(2008). Employee satisfaction raises employee productivity, and higher productivity means greater service and value to your customers (Hanley, 2008). This value leads to increased customer satisfaction and loyalty, which promotes profitability and continued success. There are a growing number of companies that place employees and customers at the front of the business. These companies recognize that satisfied employees are more likely to go the extra mile to service a customer (Coulter, 2002). If your employees feel esteemed and valued, they will likely be more pleasant and show a greater willingness to support each customer and ensure each customer interaction is handled in accordance with the high standards set forth by your company (Altitas, 2000).

H5: There is a positive relationship between employee work productivity and customer handling

Customers stay involved and continue loyal if they are satisfied with the products or services offered by the organization. Customer satisfaction has a latent impact on the success of an organization through a repeat of buying. If the customer are satisfied that is a basis of new business through word of mouth. Strong customer satisfaction and trustworthiness depends on the value they receive which in turn depends on the relationships between people within the firm and customer (Doyle 1995). Combination of several factors such as traits, self-concept, value skill and abilities of organization employees that try to provide satisfying products, handling any work problem of customers and build strong customer relationship as well as achieve organization objective. Understanding customer is a belief which is important in working customer needs and wants, concluding improving customer satisfaction. Determining customer handling competency of the front, solving problem of customer, give a satisfied product of customers in this customer are loyal with organization resulting organization performance increase. Clewes (2003) concluded in his study that the organizations which fulfilled the customer expectations lead having a positive effect on customer satisfaction which leads to higher organizational performance.

H6: There is a positive relationship between customer handling and organizational performance

III. RESEARCH METHODOLOGY

III.I. POPULATION, SAMPLE & DATA COLLECTION

The data was collected from the insurance companies because they are applying customer relationship management techniques. The purpose of our research is to check the result of CRM and its impact on organizational performance. The area of this research was consisted of the five cities and seven insurance companies of Punjab (Pakistan). Data was collected from the employees of the insurance companies. The simple random sampling technique was used to collect the data. The sample size was considered on the following criteria. Several researchers contemplate the 200-250 respondents acceptable for the researches (Tabachnick and Fidell, 2007; Hill and Alexander, 2002). Most researchers consider that the sample size selected based on the items presents in the questionnaire and 5-10 respondents are acceptable for each item (Hair et al., 1998). Based on this above discussion a sample of 300 respondents was selected for this research and all the questionnaire was distributed to them and all are collected back. This study implemented a quantitative approach by applying the questionnaire to find the relationship between the independent, dependent, and mediating roles of the variables. The questionnaire was divided into 8 sections the first section includes the demographic variables which are name, age, gender, and department. And the other seven sections include the 35 questions out of which 20 questions signify the CRM dimensions which include customer knowledge, customer orientation, customer empowerment, and complaint resolution and the remaining 15 represent the mediating variables which are employee work efficiency and dependent variable which is organizational performance. A five-point Likert scale was used for the questionnaire which ranging from 5 (Strongly agree), 4 (Agree), 3 (Neutral), 2 (Disagree), 1 (Strongly disagree). The items for the complaint resolution, customer orientation, customer empowerment, and customer knowledge were selected from the already developed questionnaire for these variables (Yim et al., 2004; Galitsky and Rosa, 2011; Fuchs and Schreier, 2011; Elkordy, 2014). For the employee work efficiency and customer handling the items were selected from the (Dr. H. C. Sainy and Richa Darshan, (2012). And for the organizational performance, the item was selected from the already developed construct Richa Darshan, (2011). The language of the construct was modified which was suitable for the insurance companies.

IV RESULTS OF THE STUDY

IV.I. CONFIRMATORY FACTOR ANALYSIS (CFA)

For this study, we have done three types of analysis which include Confirmatory Factor Analysis (CFA), Structural equation model (SEM), and Mediation analysis. From the CFA we concluded the correlation and standardized regression weights. We have included all those items which have values greater than 0.4 and excluded all the other items.

CFA was used to check the measurement of the construct. For the measurement, we check the various model fit indices. (CMINDF= <2 is good and 2-5 acceptable), (AGFI>0.090 is good), (GFI>0.090 is good), (NFI>0.090 is good), (TLI>0.090 is good), (RMR>0.080 is good), (RMSEA<0.080 is good). According to these standards, we

obtained all the values according to the standards, and our model lies under the good standards. The analysis is given below.

TABLE 1: Confirmatory Factor Analysis Results

Construct		CFA loadings
Full Model fit: CMINDF= 1.410, GFI=.871, RMSEA=.037, RMR= .119, TLI=.896, NFI=.736 AGFI=.852		
Customer / Citizen Orientation		
CO1	“Is organized to respond to customers’ needs”	1.000
CO2	“Has clearly identified its customers”	.085
CO3	“Has processes in place to identify the needs of its customers”	.098
CO4	“Has developed strategies and objectives to strengthen its customer relationships”	.085
CO5	“Feels responsible for fulfilling the needs of its customers”	.099
Complaint Resolution		
CR1	“The procedure to open an account with the company was difficult”	1.000
CR2	“The minimum account limit is not high and easy to maintain”	.195
CR3	“You wait for long hours before speaking with the staff”	.145
CR4	“You wait for a long time before your problem is resolved”	.192
CR5	“They provide you customer service to resolve the problem”	.304
Employee Productivity		
EP1	“Employee’s quality of work improves overtime”	1.000
EP2	“Employees are able to deliver within the set deadlines”	.097
EP3	“Employees have steadily increased their personal output”	.089
EP4	“Employees are able to deliver under less than perfect conditions”	.091
EP5	“Overtime we have been able to reduce service cycle time”	.090
Customer Handling		
CH1	“It is easy to register your problem”	1.000
CH2	“It is easy to find the correct person to speak”	.127
CH3	“They easily understand customer problems”	.140
CH4	“They clearly inform you the next step and timing in resolving the problem”	.129
CH5	“They call you back if promised or agreed”	.128
Customer Empowerment		
CE1	“They facilitate the customer feelings and thoughts”	1.000
CE2	“Customer opinion is considered important”	.160
CE3	“They take feedback from the customer to Improve their service”	.155
CE4	“Customer feel free to express their opinion”	.178
CE5	“Customer have the right to make the complaint about the services”	.176
Customer Knowledge		
CK1	“Company is able to fulfill customer changing needs and requirements as per changes in the environment”	1.000
CK2	“CRM process of this company plays an important role to create understand the customer need and resolve customer problem”	.069
CK3	“CRM practices to influencing and impact customer buying decision”	.066
CK4	“CRM process attract you to visit company frequently”	.065
CK5	“CRM process improves commitment between customer and company”	.074
Organization Performance		
OP1	“Complaint resolution increase performance of organization”	1.000
OP2	“Employee work efficiency increase organization performance”	.666
OP3	“Customer handling increase efficiency of the organization”	1.698
OP4	“CRM increase the organization performance”	.503
OP5	“Customer orientation help in increasing organization performance”	.391

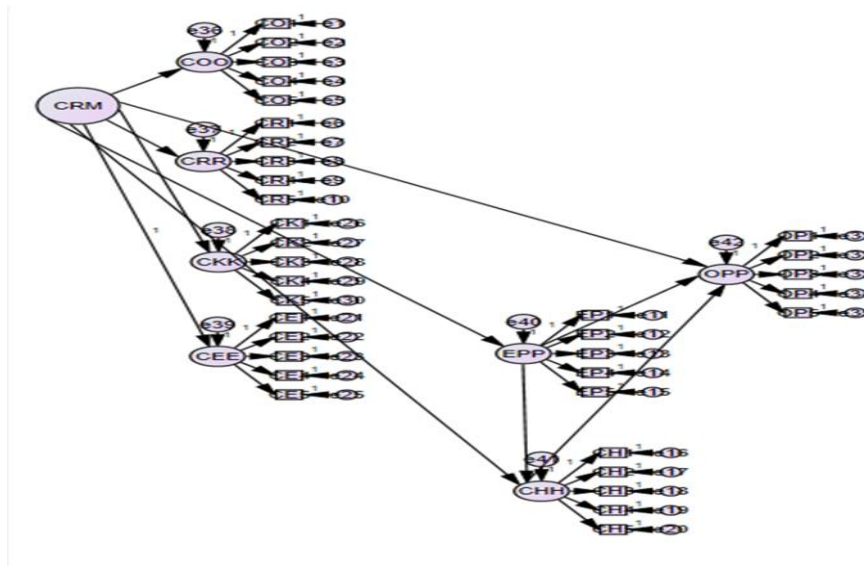


Figure.2 CFA Model

IV.II. PATH ANALYSIS

Table 2: Path Analysis (SEM)

Path	Estimates	S. E	p-Values	Hypothesis
CRM → EP	1.228	.173	***	H1 accepted
CRM → CH	.877	.231	***	H3 accepted
EP → CH	.098	.139	.482	H5 rejected
EP → OP	.127	.133	.342	H4 rejected
CH → OP	-.094	.124	.447	H6 rejected
CRM → OP	.030	.192	.875	H2 rejected

Path value analysis for testing the hypothesis was performed with the help of structural equation model and IBM AMOS. H1 states that there is a positive and significant relationship between customer relationship management and employee productivity. We have found that there is a positive and significant relationship is present because the value is .173* and ($p < 0.001$), so H1 is accepted. H2 states that there is a positive and significant relationship between customer relationship management and organization performance. H2 is rejected because the value is .192* and ($p > 0.001$). H3 states that there is a positive and significant relationship between customer relationship management and customer handling. H3 is accepted because the value is .231* and ($p < 0.001$). H4 states that there is a positive and significant relationship between employee productivity and organizational performance. H4 is rejected because the value is .133* and ($p > 0.001$). H5 states that there is a positive and significant relationship between employee productivity and customer handling. H5 is rejected because the value of the standardized estimate is .139* and ($p > 0.001$). H6 states that there is a positive and significant relationship between customer handling and the organization's performance. H6 is rejected because the value of standardized estimates is .124 and ($p > 0.001$).

IV.II. MEDIATION ANALYSIS

For the mediation analysis, we have used the Barren and Kenny approach (2002). We have calculated the direct, indirect, and total effects in the presence of a mediator.

Path 1 shows the total direct effect of customer relationship management on the organization's performance. We have concluded that customer relationship management has a positive and non-significant relationship with the organization performance because of the $P > 0.01$. Path 2 shows the relationship between the customer relationship management with the organization when the employee performance is a mediator. This relationship shows that customer relationship management has a positive and non-significant direct relationship with the organization performance because of the $P > 0.01$. Path 2 also shows the indirect impact of customer relationship management on the organization's performance. We have concluded from the results the customer relationship management has a positive and significant indirect relationship with the organization performance because of the value of $P < 0.01$. Path 3 represents the direct relationship of customer relationship management on the organization's performance in the presence of customer handling as a mediator. It shows that customer relationship management has a positive and

non-significant relationship with the organization performance because $P > 0.01$. Path 3 also shows the indirect effect of customer relationship management on the organization's performance when customer handling is the mediator. We concluded the results that customer relationship management has a positive and significant indirect relationship with the organization performance because of $P < 0.01$.

TABLE 3: Direct & Indirect Paths

Path	Total effects (TE)	P-value of (TE)	Direct effects (DE)	P-value of (DE)	Indirect effects (IE)	P-value of (IE)
<pre> graph LR CRM --> OP CRM --> EPP CRM --> CHH EPP --> OP CHH --> OP </pre>	.100	0.201*				
			.168	0.766*	.024	0.0000
			.210	0.262*	.027	0.0000

V. DISCUSSION & CONCLUSION

Based on the above results it is concluded that customer relationship management has a positive impact on organizational performance and employee performance and customer handling mediates the relationship between customer relationship management and organization performance. The relationship with the customer can be built directly by interacting with the customers. However, skillful employees and interacting with the customer can help in maintaining customer loyalty with the organization. This helps in understanding the needs and wants of the customers and also helps the organization to resolve the complaints of the customer in a better way which provides the core competency to the insurance companies. In addition to customer knowledge, customer orientation, customer empowerment, and complaint resolution also add value in the CRM to increase customer loyalty with the insurance companies. The direct relationship of customer relationship management and organization performance is well written in the literature review but it is also proved through the statistical result concluded from the structural equational model with the outcome that the employee performance and customer handling mediate the relationship of CRM and organization performance. Consequently, the insurance companies that want to build strong relationships with the customer must interact with the customer and also need skillful employees who know about the resolution of customer complaints and also keep them loyal to the organization. However, if the insurance companies fail to build a strong relationship with the customer and fail in knowing the needs of the customer and don't provide the best solution for the customer complaint it put a negative impact on the relationships and can turn the cherished customers into the intimidating customers.

VII. IMPLICATION OF RESEARCH

This study has some practical implications for managers and also theoretical implications. This study will help the insurance companies to build relationship with the customers in the era of this competition. This will help the organization to provide quality services to the customers. This study will also help the managers and employees to better interact with the customers and distribute their funds for the interaction of new customers and retain the old customers. It will also help the managers to know the needs and wants and complaints of the customers over time. This will assist the human resource manager to provide better training to the employees so that they can efficiently handle old and attract new customers. Supplementary this study will also help the organization to develop new marketing strategies to attract new customers. This will help in reducing the cost of attraction of new customers and retention of old customers.

VIII. THEORETICAL IMPLICATIONS

This study enhances the scope of CRM by preparing the new research model for examining the relationship of customer relationship management and organization performance with the mediating role of employee performance and customer handling. This study provides knowledge in the context of insurance companies. As in this period of competition, this study will help in further research on this topic because CRM is the emerging topic of this age. Second, most studies have focused on the implication of CRM on the banking and hoteling industries but this study is done on the insurance companies. Previous studies only focus on customer loyalty, customer knowledge, customer orientation, customer empowerment, and complaint resolution but this study also combines the mediating effect of employee performance and customer handling which enhance the scope of CRM. Third, the study statistically proves the relationship of the customer relationship management and organization performance with CRM dimensions including customer knowledge, customer empowerment, complaint resolution, customer orientation, and the mediating role of employee performance and customer handling the study contributes to enhancing the literature review by verifying the model. Fourth this study includes the two mediating variables

employee performance and customer handling which have never been used together in any of the previous studies. And the result also indicates the significance of customer relationship management as a contributor in achieving the core competency and competitive advantage for the insurance companies. Which will help in doing further research on the customer relationship management topic in the insurance sector. Fifth this study also concluded that when employee productivity and customer handling is used as mediator the customer relationship management has a positive impact on the organization's performance but have a non-significant impact. Despite several valuable contributions, this study also had some limitations. As the research design was Cross-sectional, the study was conducted at one time period and it didn't explore that how entrepreneurial competency and its outcomes change over different periods in an organization so future research must be conducted on the longitudinal studies. Another limitation is the Sample of the study, as the data were collected from different sectors not covered all the sectors, the results must be tested on some other sample of the organization. The present study was conducted in the Pakistani context and results may differ as to the culture change. Therefore, it limits the generalizability of the results. The impact of demographic variables can be tested, for Different age groups, gender differences, as the present study included these demographics as a control variable.

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