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A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT AT BANKS: AN EMPIRICAL STUDY IN MADURAI DISTRICT

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Introduction

Knowledge is a potentially significant resource to the firm as it may possess valuable, rare, inimitable and non-substitutable characteristics particularly if it has a tacit dimension (Hall and Sapsed, 2005). Knowledge is described as dynamic, since it is created in social interactions amongst individuals and organizations (Nonaka et al., 2000). Knowledge which is new to an organization has to either be invented internally or acquired from external sources (Alwis and Hartmann, 2008). The benefits claimed by organizations, as derived from applying KM, are many and relate to most areas of organization performance and employee emancipation (McAdam and McCreedy, 2008). The integrated KM system can offer organization the following three most important benefits: (1) help organizations to capture, organize, store, transfer, distribute and use the internal and external knowledge in business line implementation; (2) make valuable knowledge of individual understanding decompose, externalize and accumulate into organization knowledge; and (3) make employees able to share organizational knowledge in business implementation process (Li et al., 2006). Thus, organizations manage knowledge to achieve these benefits. KM is the vehicle for organizational consequences and competitiveness (Hupic et al., 2002).

Review of Literature

Mostafa et al., (2011) showed that the reasons for the creation of knowledge management initiatives are to facilitate better decision making, increase profits and reduce costs. Laith and Hassan (2012) indicated that critical success factors of knowledge management namely human resource management, information technology, leadership, organisational learning, organisational structure, organisational culture and innovation had a significant and direct positive effect on innovation and organisational performance. Iman (2014) examined the effect of the knowledge of management on organizational performance

in state banks of Rasht. He revealed that the efficiency, innovation, dynamic capabilities caused by the knowledge management have a significant positive impact on organizational performance. He also revealed the significant mediator role of intellectual capital in between the knowledge management and organizational performance in banks. Alireza and Afarin (2014) indicated that customer knowledge management has effect on customer loyalty. The banks identified the required knowledge about customers by creating a knowledge bank from internal and external sources and they shared it with other sections in the bank. Alan (2014) identified the failure factors in the implementation of knowledge management. These are causal factors namely lack of measurable benefits, inadequate management support, improper planning, inadequate skill, and poor organisational culture whereas the resultant failure factors are lack of widespread contribution, lack of relevance, overemphasis on formal learning, improper budgeting, lack of responsibility and loss of knowledge. Sudha et al., (2014) revealed that the KM initiatives in ICICI bank made a tremendous impact on the performance of the bank in various operational parameters such as deposits, current deposits, saving bank deposits, advances, investments, deposits, current deposits, saving bank deposits, advances, investments, working funds, total expenses, interest expenses, staff expenses, other expenses, total income, interest income, other incomes, gross profit, staffs strength, number of branches and number of branches.

Objectives of the study

To measure the Customer Relationship Management among the employees of Banks.

Methodology

Totally 572 employees has been chosen for the purpose of the study. For this study, the researcher used a well-structured questionnaire to collect the data from the respondents. The questionnaire includes variables related

to customer relationship management. The researcher used t-test analysis to identify the view on variables in Customer Relationship Management (CRM) caused by KMP Implementation at Bank. IBM SPSS 21 version was used for statistical purpose.

Customer Relationship Management at Banks

One of the important consequences of implementation of knowledge management is the development and enrichment in customer relationship management (CRM) at banks. In the present study, the CRM at banks have been measured with the help of fourteen variables. The respondents are asked to rate these variables at five point scale. The mean score of variables in CRM at private and public sector banks have been computed separately along with its 't' statistics.

Table 1: View on Variables in Customer Relationship Management (CRM) caused by KMP Implementation at Bank

S. No.	Variables in CRM	Mean scores in		't' statistics
		PRSBs	PUSBs	
1.	Minimise the value of request for same service	3. 8586	3. 1784	2. 7089*
2.	Screening proposals in the shortest time	3. 2171	3. 8085	-2. 7161*
3.	Identifying blind spots to customers requirements	3. 9194	3. 3899	2. 6969*
4.	Try to meet the real needs of customers	3. 7084	3. 1179	2. 6461*
5.	Resolve the complaint issues in shortest time	3. 8944	3. 2776	2. 7441*
6.	Provision of competitive service	3. 6691	3. 0889	2. 7284*
7.	Identifying operating problems	3. 8044	3. 2117	2. 6917*
8.	Analysing the offers	3. 3884	3. 8996	-2. 5155*
9.	Improve the service system	3. 6034	3. 2671	2. 2173*
10.	Create an alert report	3. 8221	3. 3884	2. 4996*
11.	Identifying and promoting the constructive suggestors	3. 1174	3. 7886	-2. 5196*
12.	Continuous enrichment of service	3. 7224	3. 2088	2. 5996*
13.	Accountability and performance evaluation	3. 3447	3. 8471	-2. 6145*
14.	Effective redressal system	3. 9084	3. 2676	2. 7887*

The above table shows the mean score of the variables in CRM at private and public sector banks. The highly viewed variable in CRM at private sector banks are 'identifying blind spots to customer requirements' and

'effective redressal system' since their mean score are 3. 9194 and 3. 9084 respectively. In the case of public sector banks, it is noticed in the case of 'analysis of offers' and accountability and performance evaluation since their mean score are 3. 8996 and 3. 8471 respectively. Regarding the level of variables in CRM, the significant difference among the private and public sector banks have been noticed in the case of all 14 variables in CRM since their respective 't' statistics are significant at five per cent level.

Conclusion

The present study concludes that the rate of implementation of knowledge management (KM) practices in the private sector banks is higher than that in the public sector banks. The consequences of KM practices in banks are knowledge enrichment, customer relationship management, service quality of the employees, decision making process and organisational performance at the banks. All these effectiveness are higher in private sector banks than that in public sector banks.

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