



INFLUENCE OF CUSTOMER RELATIONSHIP MANAGEMENT ON ORGANIZATIONAL PERFORMANCE IN BURA IRRIGATION SCHEME, TANA RIVER COUNTY, KENYA.

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ABSTRACT

The study seeks to determine the influence of customer relationship management on organizational performance in Bura Irrigation Scheme, Tana River County, Kenya. The study adopts a mixed methodology and a descriptive research design was employed. A target population of 102 employees was utilized to determine a sample size of 93 respondents using a stratified random selection technique. Information was gathered through questionnaires. Both closed-ended and open-ended questions were included. Prior to being displayed as tables, the material acquired was analyzed using qualitative and quantitative methods in SPSS 21 version software. Findings revealed that customer relationship management played a pivotal role, with a deep understanding of customer requirements, effective use of feedback, customer involvement in decision-making, and prioritizing service excellence contributing to overall satisfaction. Conclusively, the study recommends continuous skill development, and ongoing board training to optimize organizational performance. Prioritizing customer satisfaction is recommended for fostering a conducive organizational culture at the Bura Irrigation Scheme.

Keywords: Customer Relation, Bura Irrigation Scheme, Bura, Organizational Performance, Customer Relationship Management

BACKGROUND OF THE STUDY

Businesses strive to surpass customers' expectations since they are in competition with one another. Design quality is an aspect of quality that is focused on the market or the outside world since it ensures that product features satisfy consumer expectations and wishes (Meirovich, 2017). In some ways, customer services may be described as meeting or exceeding customers' wants and expectations; the customer is the one who ultimately defines the quality of a service (Shen, Zhang, & Li, 2020). During the whole development process, customer input and feedback are essential to ensuring that the services offered are correct and advancing toward a clearly stated target.

Customer relationship management (CRM) refers to a collection of procedures that cover customer support systems, complaint processing, swift complaint resolution, friendliness of complaint reporting, and simplicity of complaint handling (Kim, Park and Jeong, 2018). Other than voice services, the addition of client services, such as content that the service provider either self-produces or makes available via strategic compliance with the service provider, to the mobile network creates opportunities for telecom service providers (Kuo, Wu and Deng, 2018). The companies' main goal is to enhance customer connection management in order to achieve both social and business goals. From a societal standpoint, clients should receive services under reasonable terms. Services should satisfy customer requests in terms of the economics (Turel, 2018).

If businesses want to boost customer happiness, they must pay special attention to the customer services they provide. How well a customer believes a brand serviced him is used to measure customer satisfaction (Gustafsson, Johnson & Roos, 2019). Consumers start looking for alternative choices when their issues are not adequately handled, according to a study by Ahn, Han, and Lee (2017). The effectiveness of the company is impacted by this. It occurs because either the customer care departments are unable to handle the problems or because the consumers are unable to handle them effectively. When business service providers take a long time to fix issues with network coverage or call quality, customers become irate with a particular firm since they were kept waiting (Ahn, Han and Lee, 2017).

STATEMENT OF THE PROBLEM

The provided background highlights the critical importance of customer relationship management (CRM) in ensuring customer satisfaction and organizational success. However, within the context of businesses operating in competitive markets such as the telecommunications sector, challenges persist in effectively managing customer relationships and meeting evolving consumer expectations. One evident problem arises from the disconnect between customer expectations and the quality of services provided. Despite efforts to design products and services that align with consumer preferences, there remains a gap between what customers desire and what businesses deliver (Meirovich, 2017). This dissonance can lead to dissatisfaction among customers, ultimately affecting their loyalty and retention.

Furthermore, issues related to the efficiency and effectiveness of complaint handling processes within CRM systems contribute to customer dissatisfaction and churn. Despite the implementation of CRM procedures aimed at swift complaint resolution and friendly complaint handling (Kim, Park & Jeong, 2018), challenges persist in delivering timely and satisfactory solutions to customer issues. This inability to address customer concerns in a timely manner can result in customers seeking alternative service providers (Ahn, Han, & Lee, 2017), leading to a loss of revenue and market share for businesses.

The integration of additional client services into existing networks, as observed in the telecom sector (Kuo, Wu, & Deng, 2018), introduces complexities in managing customer relationships effectively. Ensuring that these added services meet both social and business goals

while maintaining reasonable terms for customers poses a significant challenge for businesses (Turel, 2018), especially in regions like the Bura Irrigation Scheme, Tana River County, Kenya, where infrastructure and resources may be limited.

The study addresses the challenges faced by organizations, particularly within the Bura Irrigation Scheme in Tana River County, Kenya, in effectively managing customer relationships and meeting evolving consumer expectations. These challenges are evident in discrepancies between customer expectations and service delivery, inefficiencies in handling customer complaints, and difficulties in integrating additional client services into existing operations. Resolving these issues is crucial for enhancing customer satisfaction, fostering loyalty, and ultimately improving organizational performance within the Bura Irrigation Scheme.

LITERATURE REVIEWS

Research on customer relationship management (CRM) and how it affects the performance of organizations has attracted a lot of interest in South America. Alvarez and Revilla's (2016) study examined the application of CRM methods in Colombian businesses, emphasizing the benefits for client loyalty and satisfaction. Analogously, research conducted in Brazil by da Silva and da Silva (2018) highlighted how CRM can improve an organization's competitiveness and organizational efficiency in the fast-paced Latin American market. CRM has been a crucial factor in determining an organization's performance in a number of different industries in the United Kingdom. Payne and Frow's (2005) study shed light on the strategic significance of CRM in fostering enduring client connections and creating a durable competitive advantage. Additionally, research by Parvatiyar and Sheth (2001) emphasized the necessity of integrated CRM strategies that, in the context of the UK, are in line with organizational goals and consumer expectations.

Businesses in India are adopting CRM methods more frequently in an effort to take advantage of the growing consumer market in the nation. Srivastava and Shainesh's (2015) study focused on the importance of cultural sensitivity and customer-centric strategies while analyzing the implementation obstacles and success factors of CRM initiatives in Indian enterprises. Additionally, Rajagopal (2016)'s research highlighted how technology-enabled CRM solutions can improve organizational performance and customer engagement in the Indian setting. Research on CRM in Ghana has concentrated on the implications of the technology for companies that operate in the quickly changing market environment of the nation. Research on the influence of CRM adoption on customer retention and profitability in Ghanaian businesses was conducted by Agyapong, Boateng, & Mensah. (2019). The findings showed a favorable relationship between successful CRM implementation and business performance. Furthermore, a study conducted in 2017 by Annor and Fosu emphasized the significance of relationship-building and trust in achieving successful CRM outcomes in the Ghanaian business environment.

In Kenya, the significance of CRM in driving organizational performance has been increasingly recognized by scholars and practitioners alike. Research by Kihoro and Muturi (2018) examined the influence of CRM strategies on customer satisfaction and loyalty in Kenyan banks, underscoring the importance of personalized service delivery and effective communication

channels. Furthermore, studies by Nyamboga and Ndede-Amadi (2016) explored the impact of CRM implementation on organizational productivity and profitability in the Kenyan hospitality sector, highlighting the need for tailored approaches that address local market dynamics and customer preferences. These literature reviews offer valuable insights into the role of CRM in enhancing organizational performance across diverse geographical locations.

THEORETICAL FRAMEWORK; RESOURCE DEPENDENCY THEORY

Resource Dependency Theory (RDT) is a prominent theoretical framework that examines how organizations depend on external resources to survive and thrive. While RDT has made significant contributions to the understanding of organizational behavior and interorganizational relationships, it is not without its limitations. However, here are some positive criticisms of Resource Dependency Theory. Resource Dependency Theory recognizes the importance of interorganizational relationships and highlights the dynamic interactions between organizations and their external environment. By focusing on resource dependencies, RDT encourages organizations to build collaborative partnerships and strategic alliances, leading to mutual benefits and improved performance provides practical insights for managers and decision-makers in understanding and managing resource dependencies (Hamid, 2019).

Resource Dependency Theory (RDT) is a prominent theoretical framework that examines how organizations depend on external resources to survive and thrive. According to Pfeffer & Salancik (1978), in today's competitive business environment where numerous companies vie for limited resources, coopting resources becomes a critical strategy for ensuring organizational survival. Directors are tasked with acquiring necessary resources to navigate through challenging and unpredictable business climates. Hamid (2019) further elaborates on RDT, emphasizing the significance of external resource links to mitigate resource uncertainty and lower transaction costs associated with environmental interdependencies. He highlights how resource scarcity and concentration intensify organizational reliance on external resources.

Agyapong, Boateng, & Mensah, (2019) studied the influence of CRM adoption on customer retention and profitability, demonstrating a favorable relationship between successful CRM implementation and business performance. Annor and Fosu (2017) underscored the importance of relationship-building and trust in achieving successful CRM outcomes within the Ghanaian business environment. Resource Dependency Theory recognizes the importance of interorganizational relationships and the dynamic interactions between organizations and their external environment. It encourages the formation of collaborative partnerships and strategic alliances to manage resource dependencies effectively (Hamid, 2019). However, criticisms of RDT include oversimplification of organizational behavior by focusing predominantly on resource dependencies, thus potentially overlooking other crucial factors such as organizational culture, internal dynamics, and power imbalances (Gales & Kesner, 1994).

RESEARCH METHODOLOGY

This study employed both qualitative and quantitative methods. Quantitative research is based on the collection and analysis of numerical data. It seeks to establish relationships, make predictions, and generalize findings to a larger population. (Kothari, 2018).

Research Design

Descriptive research design is utilized. According to Kothari (2018) descriptive research design is used to describe characteristics or phenomena of a particular population or situation, and it often involves collecting data through surveys, observations, or existing data sources. The design is helpful in determining how often a phenomenon will occur and providing insights into what, why, and how much it will happen.

Location of the Study

The study was carried out at Agricultural Development Corporation (ADC) located in Bura, Tana River County, Kenya.

Target Population

The target population is the 102 employees from various levels of management in the organization. The target population was as follows: -

Table 1: Target Population

Category	Frequency	Percentage
Top Level Management	2	2
Middle Level Management	10	10
Support Staff	90	88
Total	102	100

Source: Agricultural Development Corporation (2023)

Sampling Procedures and Techniques

Since the target population is 102 which is really a small number of respondents, the whole number is used as the sample size this means that the study used censer method.

Data Collection Instruments

The data collection method for this research was through the use of questionnaires which was administered to the respondents. The questionnaires comprised of both open-ended and closed-ended questions, which was selected and distributed at a later stage. This method was more convenient as it allows for written responses which can be easily collected and analyzed by the researcher. Questionnaires are preferred since the study's findings was printed out, and the responses obtained cannot be influenced by the interviewer. To encourage a high response rate, the questionnaires was worded in a clear and simple language. Additionally, the confidentiality of the respondents was guaranteed to encourage participation

FINDINGS

Demographic study

Eleven copies of questionnaire were unreturned thereby reducing the number of respondents to 91. The study found out that 54 (59.3%) of the respondents were male while 37(40.7%) were female. Although majority of the respondents were male, the study can be said to be not biased since both genders participated in the study.

Table 2:Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	54	59.3	59.3	59.3
	Female	37	40.7	40.7	100.0
	Total	91	100.0	100.0	

Age

The study also provided demographic insights into the age distribution of the respondents. It was found that 44 respondents (48.4%) were between 21 and 30 years old, 31 respondents (34.1%) were aged between 31 and 40 years, 12 respondents (13.2%) fell within the 41 to 50 years age bracket, and 4 respondents (4.4%) were between 51 and 60 years old. These findings indicate that a majority of the respondents (82.5%) were aged between 21 and 40 years old. This demographic profile underscores the study's focus on determining the influence of customer relationship management on organizational performance within the Agricultural Development Corporation, Bura Irrigation Scheme, Tana River County, Kenya.

Table 3: Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21 - 30 years	44	48.4	48.4	48.4
	31 - 40 years	31	34.1	34.1	82.4
	41 - 50 years	12	13.2	13.2	95.6
	51 - 60 years	4	4.4	4.4	100.0
	Total	91	100.0	100.0	

Working duration

The study also examined the tenure of the respondents' employment in the organization. It was found that 34 respondents (37.4%) had been working in the organization for 5 years and below, while 31 respondents (34.1%) had been employed for between 5 to 10 years. Additionally, 15 respondents (16.5%) had a tenure of 11 to 15 years, and 11 respondents (12.1%) had been working in the organization for more than 16 years. These findings indicate that a majority of the respondents (71.5%) had been employed in the organization for 10 years or less. This demographic insight provides context to the study's investigation into the influence of customer relationship

management on organizational performance within the Agricultural Development Corporation, Bura Irrigation Scheme, Tana River County, Kenya.

Table 4: Working duration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 years and below	34	37.4	37.4	37.4
	5 - 10 years	31	34.1	34.1	71.4
	11 - 15 years	15	16.5	16.5	87.9
	above 16 years	11	12.1	12.1	100.0
	Total	91	100.0	100.0	

Influence of customer relationship management

The study investigated the impact of customer relationship management (CRM) on organizational performance within the Bura Irrigation Scheme, Tana River County, Kenya. It found that respondents perceived customer requirements as significantly influencing organizational performance, with a mean score of 4.5385 and a standard deviation of 1.07814. Similarly, customer feedback was also seen as influential, with respondents indicating a mean score of 4.6264 and a standard deviation of 0.90245. Study revealed that customer involvement was perceived to affect organizational performance, although to a lesser extent, with a mean score of 3.7912 and a standard deviation of 1.42608. Additionally, respondents highlighted the critical role of client services in enhancing customer satisfaction, with a mean score of 4.2088 and a standard deviation of 1.15966. These findings underscore the importance of CRM strategies in optimizing organizational performance through understanding customer requirements, soliciting and utilizing customer feedback, engaging customers in organizational processes, and ensuring high-quality client services within the context of the Bura Irrigation Scheme.

Table 5: Influence of customer relation management

	N	Minimum	Maximum	Mean	Std. Deviation
Customer requirements affect organizational performance	91	1.00	5.00	4.5385	1.07814
Customer feedback affect organizational performance	91	1.00	5.00	4.6264	.90245
Customer involvement affect organizational performance	91	1.00	5.00	3.7912	1.42608
Organizations must pay close attention to the client services	91	1.00	5.00	4.2088	1.15966
Valid N (listwise)	91				

DISCUSSION OF FINDINGS

The study, conducted within the unique context of the Bura Irrigation Scheme in Tana River County, Kenya, aimed to comprehensively explore the influence of customer relationship management (CRM) on organizational performance. The empirical findings revealed nuanced dimensions of CRM and their significant impact on various aspects of organizational functioning. Customer requirements were identified as a crucial factor affecting organizational performance, with a mean of 4.5385 and a standard deviation of 1.07814. This underscores the importance of aligning organizational strategies with the evolving expectations and demands of customers in the dynamic business landscape.

Customer feedback emerged as another influential aspect, with a mean of 4.6264 and a standard deviation of 0.90245. This finding emphasizes the pivotal role of customer input in shaping organizational services and offerings, reflecting a customer-centric approach to organizational performance enhancement. Furthermore, customer involvement was suggested to affect organizational performance, with a mean of 3.7912 and a standard deviation of 1.42608. This highlights the significance of actively engaging customers in organizational processes, fostering a collaborative relationship that contributes to improved performance outcomes.

The study also emphasized the imperative for organizations to pay close attention to the customer services they offer to increase customer satisfaction, as indicated by a mean of 4.2088 and a standard deviation of 1.15966. This finding aligns with broader perspectives in the literature that highlight the competitive nature of businesses, where exceeding customer expectations is paramount for success (Meirovich, 2017). The importance of meeting or surpassing customer wants and expectations is echoed in the study's findings, reinforcing the notion that customer satisfaction is intricately linked to organizational performance Shen, Zhang, & Li, M. (2020).

Correlating these empirical findings with relevant literature, Kim, Park, and Jeong (2018) provide a conceptual framework for CRM, encompassing customer support systems, complaint processing, and complaint resolution. This framework aligns with the study's findings on the impact of customer requirements, feedback, and involvement on organizational performance, reinforcing the broader understanding of CRM's multifaceted influence. The study's emphasis on enhancing customer connection management resonates with Resource Dependency Theory, as effective CRM is positioned as a valuable resource for organizations in terms of maintaining customer loyalty and satisfaction, which are critical for organizational survival and success.

Gustafsson, Johnson, and Roos (2019) stress the importance of businesses paying special attention to customer services to boost customer satisfaction. The study's findings that organizations must pay close attention to customer services for increased satisfaction align with this perspective. Furthermore, the study's recognition of unresolved customer issues impacting customer satisfaction echoes Ahn, Han, and Lee's (2017) findings, reinforcing the study's emphasis on the significance of addressing customer requirements and feedback to maintain positive customer relationships and mitigate potential negative impacts on organizational performance.

The study's empirical findings, when integrated with relevant literature, provide a robust understanding of the intricate dynamics between organizational strategies and customer

expectations within the specific context of the Bura Irrigation Scheme in Kenya. The findings not only contribute to the field of customer relationship management but also offer insights that align with Stakeholder Theory, shedding light on the broader implications for organizational success and sustainability in a competitive and stakeholder-centric environment.

CONCLUSION

The study explored how the way the organization manages relationships with customers affects its performance. It discovered that paying attention to what customers need is crucial for the organization to do well. Customer feedback, or what customers say about the organization, has a big impact on its performance. The study also found that involving customers in the organization's activities positively influences how well it performs. The research suggests that to make customers happy, organizations need to focus on providing good services.

RECOMMENDATIONS

The improvement of organizational performance in the Bura Irrigation Scheme can be achieved by strengthening customer relationship management. Understanding customer requirements through surveys and feedback sessions is crucial, allowing the organization to tailor its offerings to meet specific needs. Actively utilizing customer feedback in decision-making processes ensures continuous improvement. Involving customers in organizational processes, such as advisory panels or focus groups, fosters a sense of collaboration and responsiveness. Emphasizing service excellence through employee training and setting quality benchmarks enhances overall customer satisfaction, contributing to organizational success.

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