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Impact of Customer Relationship Management on Perceived Bank Performance in Oyo Town, Nigeria

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Abstract

This study investigated the impact of customer relationship management (CRM) on perceived bank performance. The objectives of this study were to determine the relationship between the variables measuring customer relationship management (bonding, trust, commitment, communication and satisfaction) and bank performance. The study employed survey research. Primary data was used for the study with questionnaire as research instrument. The subjects were one hundred and thirteen employees of selected banks in Oyo town (gt bank, stanbic bank, zenith bank, eco bank, uba and skye bank). The four hypotheses formulated for this study were tested using T-test, Pearson's correlation, regression, and analysis of variance with the aid of statistical package for social sciences (SPSS). The findings from the study revealed that commitment independently predicted perceived organizational performance. Also, there was a significant difference between bonding and perceived organizational performance. Furthermore, there was main and interaction effect of bonding and trust on Perceived Organizational Performance. In addition, trust, communications, satisfaction, commitment and bonding jointly and independently predicted perceived organizational performance. Based on the findings, it was recommended that there is a need for organizations especially banks to have a good relationship with their customers which can sustain competitive advantage. It is also recommended that organizations should take cognizance of their organizational structure to attract and retain qualified employees that can contribute positively to bank performance.

Key words: Customer relationship management; Bonding; Commitment; Communication; Satisfaction and bank performance

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INTRODUCTION

The banking sector is becoming increasingly competitive around the world. This is particularly true in the area of small-medium business banking. Further, the core and actual product being offered to business customers could be considered reasonably homogenous. Consequently, there is an increased need for banks to differentiate themselves from competitors at the augmented product level. One way that this might be achieved is to develop longer-term relationships with their key customers (Heffernan *et al.*, 2008). The purpose of a business is to create customers. This statement is predicated on importance of keeping those same customers and growing the depth of their relationship with you. Initially, new customers cost you money-money spent on advertising and marketing and money spent learning what they want and teaching them how best to do business with you.

Customer relationship management (CRM) is currently under active consideration by organizations across the globe, parading itself in the open market in the disguise of new technology and software applications. Past market analyses concluded and predicted that the CRM software market was set to grow by 700% over the years 2001 to 2004 and generate total revenues of approximately $3 billion (Fox, 2001). This research works from the premise that the real purpose of business is to create and sustain mutually beneficial relationships, especially with selected customers. With the main proposition which assume that successful relationships is the two-way flow of value (Christopher, M., *et al.,* 2002). Trust key is a component of organizational relationships, and management approach to the issue of trust is of academic and practical significance. A rapidly growing body of literature recognizes that trust represents a significant variable that influences organizational productivity (Kramer & Tyler, 1996; Lewicki *et al.*, 1998; Mayer *et al.*, 1995; Mayer & Davis, 1999; Prusak & Cohen, 2010).

In competitive consumer markets, customer choice decisions are at the root of business survival, focusing attention on the attraction and retention of customers through personalized service. Rosenberg and Czepiel (1984) estimate that the cost of winning a new customer is five times higher than that of maintaining an existing customer, while Reichheld and Sasser (1990) estimate that the retention of an additional 5% of customers, can increase profit by nearly 100%. Maintenance of the customer relationship is therefore cost-effective marketing, and has become a key aspect of most firm's business strategy, prompting extensive deployment of Customer Relationship Management (CRM) systems (Morgan & Hunt, 1994; Kim *et al.*, 2003). The nature of CRM aims to maximize customer value in the long term, by focusing business processes, marketing and customer service on client relationship maintenance, through the coordinating agency of an information technology (IT) system. Implementation of such a system is not a panacea, and is not, of itself, sufficient to transform a production oriented organization into a customer-oriented one (Kanji, 2002; Chang, 2005), which will require a wide-ranging overhaul of organizational structures, employee training and reward system, as well as appropriate IT support (Chen & Popovich, 2003). This fundamental redesign of business processes is described as Business Process Reengineering (BPR). Earl *et al.* (1995) state that, 'BPR has meant redesigning existing business processes and implementing new ones.' Davenport (1993) considers BPR as process innovation, changing all business processes and redesigning them. BPR aims at substantial gains in organizational performance by a 'ground-up' redesign of core business processes, discarding existing processes and inventing new ones, rather than incrementally improving existing processes (Attaran, 2004). Since the CRM provides a means to acquire and distribute personalized customer information, its usefulness will depend on the organization's ability to exploit that information in innovative new products and services (Chen & Ching, 2004), which in turn will be dependent on the speed of employee and organizational learning, a key to survival in innovative consumer markets (Stata, 1989; Fulmer, 1994; Chang, 2006). This study therefore examines the impact of customer relationship management and bank performance in Oyo town, Nigeria.

(1) Statement of the Problem

This research work investigates the impact of customer relationship management on the perceived performance in the banking sector. Customers are the major products of every bank and the way these products are managed determine the effectiveness and efficiency of the banks and ultimately their performance. This is because most banks offer to customers the same set of services and the only way to be different from others and gain competitive advantage over other banks is to treat the customers as kings. This is why this study focuses on studying the impact of customer relationship management on perceived organizational performance.

(2) Objectives and Hypotheses

The objectives of this study are four which are inculcated in the hypotheses stated below:

· Bonding, trust, communications, satisfaction and communication will jointly and independently predict organizational performance.

· There will be a significant difference between bonding and perceived organizational performance.

· There will be a significant relationship between trust and perceived organizational performance.

· There will be main and interactive effect of communications and satisfaction on perceived organizational performance.

(3) Significance of the Study

CRM is an important business approach because it can enhance a company's ability to achieve the ultimate goal of retaining profitable customers and gain competitive advantage over its competitors. In principle, CRM focuses on building long-term and sustainable customer relationships that add value for both customer and the company. It is regarded as a process of computerizing a staff's knowledge about his or her customers because customer relation staff would normally need to remember their clients' requirements, behaviors, tastes and preferences in a usual business process.

This research work examines the impact of customer relationship management on the perceived performance of banking sector. Customers are viewed as important elements in organizational performance of banks. When relationship with customers is properly managed, this can lead to competitive advantage for the banks. This study is important for customers, employees, banks, academia and even government. Customers will have access to better and qualitative services from the banks. Employees can also have improved conditions of service due to better organizational performance. Banks can gain in terms of superior performance. The research can also benefit the academia in terms of addition to knowledge.

1. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

CRM focuses on customer retention (Lockard, 1998; Deighton, 1998) and relationship development (Galbreath, 1998). CRM complements the relationship marketing perspective. It is defined by Couldwell (1998) as, "...a combination of business processes and technology that seeks to understand a company's customers from the perspective of who they are, what they do and what they're like." Ling and Yen (2001) pointed out that CRM is a normal and expected extension of how marketing and sales have evolved over the years. In the past, the door-to-door salesperson was the other face of the company and the personal relationships established by the salesperson were the key to success. The age of mass marketing then replaced the intimacy of a direct sales force in many organizations. This put pressure on the relatively inefficient door-to-door models. Mass marketing was enabled through technological improvements in TV, radio and the printed press, all of which created a simple and powerful means to communicate a company's message to millions of people at once. Target marketing then recognized the need to interact more with customers at a very superficial level without going far enough. It is a significant step in the evolution to today's CRM in that it moved the relationship between producer and consumer one more step towards a personal interaction. CRM is therefore the subsequent stage in the evolution, and it moves us back into the direction of developing intimacy with today's customers. According to McDonald (2000), definitions of CRM include:

(1) A continuous performance initiative to increase a company's knowledge of its customers and
(2) Consistent high quality customer support access across all communications channels. The characteristics of CRM are suggested as follows by McDonald (2000):

A customer relationship perspective aimed at the long-term retention of selected customers. Gathering and integrating information on customers. Use of dedicated software to analyze this information. Segmentation by expected customer lifetime value. Micro-segmentation of markets according to customers' needs and wants. Customer value creation through process management (Hammer & Champy, 1993; Hamel & Prahalad, 1994). Customer value delivery through service tailored to micro-segments, facilitated by detailed, integrated customer profiles. A shift in emphasis from managing product portfolios to managing portfolios of customers, necessitating changes to working practices and sometimes to organizational structure. McDonald (2000) suggests that CRM provides management with the opportunity to implement relationship marketing on a company-wide basis. However, for CRM to be successful, all of these activities need to be managed in combination. Ryals and Knox (2001) suggest that the philosophy bases of CRM are a relationship orientation, customer retention and superior customer value created through process management. IT is the "glue" that holds these together and enables the whole to be operationalized. In consequence, the successful implementation of CRM requires Marketing and IT to work closely together to maximize the return on customer information. Scott, also in 2001, defined CRM as "a set of business processes and overall policies designed to capture, retrain and provide service to customers." Parvatiyar and Sheth (2001) defined CRM as a "comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customers. It involves the integration of marketing, sales, customer service and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value". In 2002, Cunningham pointed out that CRM is all of the elements inside the business associated with the customer function connected in an intelligent manner. Customer management processes, supported by the business rules of the operation and technology make it all hang together. CRM can be complex because of the nature of business. Many of the day-to-day aspects of business are dealing with customers, so providing systems that can improve any of these functions is critical to success. More and more executives and managers have realized that CRM is not just the responsibility of the marketing department or customer services department, it is a fundamental business strategy carried out within the whole organization, spanning different business functions.

Kincaid (2003) viewed CRM as "the strategic use of information, process, technology, and people to manage the customer's relationship with your company across the whole customer life cycle". Injazz and Karen, (2004), define CRM as "a coherent and complete set of processes and technologies for managing relationships with current and potential customers and associates of the company, using the marketing, sales and service departments, regardless of the channel of communications." Sin *et al.* (2005) has a similar definition to Parvatiyar and Sheth (2001) about CRM. They defined CRM as "a comprehensive strategy and process that enables an organization to identify, acquire, return and nurture profitable customers by building and maintaining long-term relationships with them."

Bonding is defined as the dimension of a business relationship that results in two parties (the customer and the supplier) acting in a unified manner toward a desired goal. In the dyadic relationship of a buyer and a seller, bonding can be described as a dynamic process that is progressive over time. The bonding process begins with the very basic force of the need for a seller to find a buyer for their product, and the desire for a buyer to purchase a product that will satisfy their needs (Chattananon & Trimetsoontorn, 2009). Trust is defined as a belief or conviction about the other party's intentions within the relationship. In the context of relationship marketing, trust is defined as the dimension of a business relationship that determines the level to which each party feels they can rely on the integrity of the promise offered by the other (Chattananon & Trimetsoontorn, 2009). Communication is defined as "the consumer's perception of the extent to which a retailer interacts with its regular customers in a warm and personal way". Such an interaction is reflected in the feelings of familiarity and friendship, personal knowledge, and the use of the client's family name and/or first name on the sales spot (Naoui & Zaiem, 2010). Commitment is another important determinant of the strength of a marketing relationship, and a useful construct for measuring the likelihood of customer loyalty and predicting future purchase frequency. In the marketing literature, Moorman *et al.* (1992) have defined commitment as an enduring desire to maintain a valued relationship.

2. METHOD

2.1 Research Design

This study adopted a survey research design which measured two variables, independent variable and dependent variable. The independent variable is customer relationship management which was measured by five sub variables (trust, bonding, communication, commitment and satisfaction) and the dependent variable is perceived organizational performance.

2.2 Sample

One hundred and twenty employees of the selected banks (Gtbank, Eco bank, Skye bank, Uba, Stanbic bank and Zenith bank) in Oyo town constituted the sample size which was purposefully drawn from the population. They were made up of management staff, senior staff and junior staff of the banks. The sample was drawn using stratified sampling method. One hundred and thirteen questionnaires were filled, found usable and were analyzed.

2.3 Data Analyses

The demographic information was analysed using frequency counts and simple percentage. The hypotheses for this study were analysed using correlation analysis, regression analysis, t-test and analysis of variance.

Hypothesis 1 was analysed using multiple regression, hypothesis 2 was tested using t-test, hypotheses 3 was analysed using Pearson correlation and hypothesis 4 was analysed using analysis of variance.

2.4 Instruments

The study made use of a questionnaire which was divided into three sections. Section A measured the demographic information , section B measured customer relationship management in terms of bonding, trust, communications, satisfaction and commitment respectively. The customer relationship management scale is based on prior work by Jones and Taylor (2007) and Alrubaiee and Al-Nazer (2010) which is a 27 item scale with Likert scale scoring format ranging from Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4) to Strongly Agree (5). The scale had a cronobach alpha value of 0.91. Section C measured perceived organizational performance. The perceived organizational performance scale was adapted from a scale developed by Khandwalla(1977) and David Wan et al(2002) which is an eighth item scale with Likert scoring format ranging from very high (6) to very low (1).

The instruments were revalidated, and the Chronobach alpha reliability gave the following results: bonding-.67, trust-.65, communications-.65, satisfaction-.69, commitment-.67, and perceived organizational performance-.69.

3. DATA PRESENTATION AND ANALYSES

3.1 Showing the Descriptive Statistics of Demographics

Table 1
Sex of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	57	50.4	50.4	50.4
	FEMALE	56	49.6	49.6	100.0
	Total	113	100.0	100.0	

Source: Field Survey, 2012

Table 1 shows the distribution of respondents according to their sex. 57 of the respondents representing about 50.4% of the total respondents are male while 56 representing about 49.6% of the total respondents. From this, we conclude that majority of the respondents are male.

Table 2
Age of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25YEARS	31	27.4	27.4	27.4
	26-35YEARS	55	48.7	48.7	76.1
	36-45YEARS	23	20.4	20.4	96.5
	46-55YEARS	4	3.5	3.5	100.0
	Total	113	100.0	100.0	

Source: Field Survey, 2012

Table 2 shows that 31 respondents (27.4%) are age ranged 18-25 years, 55 respondents (48.7%) are between the age of 26-35 years, 23 respondents (20.4%) are age ranged 36-45 years while 4 respondents (3.5%) are between the age of 46-55years. This means that majority of the respondents are age ranged 26-35 years.

Table 3
Marital Status of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	45	39.8	39.8	39.8
	MARRIED	66	58.4	58.4	98.2
	DIVORCED	2	1.8	1.8	100.0
	Total	113	100.0	100.0	

Source: Field Survey, 2012

Table 3 represents the marital status of the respondents. 45 of the respondents representing 39.8% of the total respondents are single, 66 of the respondents representing about 58.4% of the total respondents are married while 2 of the respondents representing about 1.8% of the total respondents are divorced. From this result, we conclude that majority of the respondents are single.

Table 4
Educational Status of the Respondents

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	POST GRADUATE	40	35.4	35.4	35.4
	BSC/HND	52	46.0	46.0	81.4
	OND/NCE	20	17.7	17.7	99.1
	SSCE	1	.9	.9	100.0
	Total	113	100.0	100.0	

Source: Field Survey, 2012

Table 4 represents the distribution of the respondents according to their educational background. 52 of the respondents representing about 46.0% of the total respondents are BSC/HND, 20 of the respondents representing about 17.7% of the total respondents have OND/NCE while 1 of the respondents representing about .9% of the total respondents have SSCE. From this result, we conclude majority of the respondents are BSC/HND holders.

Table 5
Working Cadre of the Respondents

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	MANAGEMENT STAFF	28	24.8	24.8	24.8
	SENIOR STAFF	32	27.4	27.4	52.2
	JUNIOR STAFF	53	46.0	46.18	98.2
	Total	113	100.0	100.0	100.0

Source: Field Survey, 2012

Table 5 shows the distribution of the respondents according to their working cadre. 28 of the respondents representing about 24.8% of the total respondents are management staff, 32 of the respondents representing about 27.4% of the total respondents are senior staff while 53 of the respondents representing about 46.0% of the total respondents are junior staff. From this result we conclude that majority of the respondents are junior staff.

Table 6
Department of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OPERATIONS	32	28.3	28.3	28.3
	MARKETING	22	19.5	19.5	47.8
	PERSONNEL	15	13.3	13.3	61.1
	CUSTOMER SERVICE	23	20.4	20.4	81.4
	FUND TRANSFER	21	18.6	18.6	100.0
	Total	113	100.0	100.0	

Source: Field Survey, 2012

Table 6 shows the distribution of respondents according to their department. 32 of the respondents representing about 28.3% of the total respondents are in the operations department, 22 of the respondents representing about 19.5% of the total respondents are in marketing department, 15 of the respondents representing about 13.3% of the total respondents are in the personnel department, 23 of the respondents representing about 20.4% of the total respondents are in the customer service department, 21 of the respondents representing about 18.5% of the total respondents are in fund transfer department. From this result, we conclude that majority of the respondents are in customer service department.

3.2 Hypotheses Testing

In order to examine the impact of customers' relationship management on perceived organizational performance, four hypotheses were formulated and tested.

3.2.1 Hypothesis 1

H1**:** Trust, communications, satisfaction, commitment and bonding will jointly and independently predict perceived organizational performance.

Hypothesis 1 was set to examine whether trust, communications, satisfaction, commitment and bonding will jointly and independently predict perceived organizational performance. In order to examine this, a multiple regression was carried out to see their joint prediction while a simple linear regression was also conducted to examine their independent prediction.

In order to test for this hypothesis, the multiple regressions were carried out and the result obtained is presented below:

Table 7
A Table Showing Multiple Regression of Trust, Communications, Satisfaction, Commitment on Perceived Organizational Performance

Variables	F- ratio	Significance of P	R	R^2	$\bar{R}^2$	β	T	Probability
Bonding						-.235	-1.246	.216
Trust						.132	.422	.674
Communication	10.525	.000	.574	.330	.298	.737	2.408	018
Satisfactions						.763	2.798	.006
Commitment						.291	.920	.360

Source: Field Survey, 2012

Table 7 shows that bonding, trust, communications, satisfaction and commitment effect on perceived organizational performance in banking industry. The result was significant with F (5,107) = 10.525 with P<0.01. The result indicates that it is significant at 1%. The R value = .574, R^2 = .330 and Adj R^2 of .298 indicates that the independent variables jointly account for a variation of about 33% of the dependent variable that is Bonding, Trust, Communication, satisfaction and Commitment accounts for about 33% in the variation of Perceived Organizational Performance.

Based on the independent result, the result obtained are presented below

Variable	F-Ratio	Significant of P	R	R^2	$\bar{R}^2$	B	T	P
Bonding	16.222	.000	.357	.128	.120	.521	4.028	.000

Source: Field Survey, 2012

From the table above, it is clear that bonding predicts Perceived Organizational Performance. The result was significant with F (1,112) = 16.222 with P<0.01. The result indicates that it is significant at 1%. The R value = .357, R^2 = .128 and Adj R^2 of .120 indicates that Bonding will independently predict Perceived Organizational Performance. The result also shows that Bonding account for a variation of about 13% of Perceived Organizational Performance. Hence we accept that Bonding will independently predict Perceived Organizational Performance.

Variable	F-Ratio	Significant of P	R	R^2	$\bar{R}^2$	B	T	P
Trust	28.028	.000	.449	.202	.194	.966	5.294	.000

Source: Field Survey, 2012

From the table above, it is clear that Trust predicts Perceived Organizational Performance. The result was significant with F (1,112) = 28.028 with P<0.01. The result indicates that it is significant at 1%. The R value = .449, R^2 = .202 and Adj R^2 of .194 indicates that Trust will independently predict Perceived Organizational performance. The result also shows that Trust account for a variation of about 20% of Perceived Organizational performance. Hence we accept the hypothesis that Trust will independently predicts Perceived Organizational performance.

Variable	F-Ratio	Significant of P	R	R^2	$\bar{R}^2$	B	T	P
Communication	32.055	.000	.473	.224	.217	1.306	5.662	.000

Source: Field Survey, 2012

From the table above, it is clear that Communication predicts Perceived Organizational Performance. The result was significant with F (1,112) = 32.055 with P<0.01. The result indicates that it is significant at 1%. The R value = .473, R^2 = .224 and Adj R^2 of .217 indicates that Communication will independently predict Perceived Organizational performance. The result also shows that Communication account for a variation of about 20% of Perceived Organizational performance. Hence we accept the hypothesis that Communication will independently predicts Perceived Organizational performance.

Variable	F-Ratio	Significant of P	R	R^2	$\bar{R}^2$	B	T	P
Satisfaction	40.414	.000	.517	.267	.260	1.053	6.357	.000

Source: Field Surveys, 2012

From the table above, it is clear that Satisfaction predicts Perceived Organizational Performance. The result was significant with F (1,112) = 40.414 with P<0.01. The result indicates that it is significant at 1%. The R value = .517, R^2 = .267 and Adj R^2 of .260 indicates that Satisfaction will independently predict Perceived Organizational Behavior. The result also shows that Satisfaction account for a variation of about 26% of Perceived Organizational Behavior. Hence we accept the hypothesis that Satisfaction will independently predicts Perceived Organizational performance.

Variable	F-Ratio	Significant of P	R	R^2	$\bar{R}^2$	B	T	P
Commitment	22.572	.000	.411	.169	.162	1.234	4.751	.000

Source: Field Survey, 2012

From the table above, it is clear that Commitment predicts Perceived Organizational Performance. The result was significant with F (1,112) = 22.572 with P<0.01. The result indicates that it is significant at 1%. The R value = .411, R^2 = .169 and Adj R^2 of .160 indicates that Commitment will independently predict Perceived Organizational Behavior. The result also shows that Commitment account for a variation of about 17% of Perceived Organizational performance. Hence we accept the hypothesis that Commitment will independently predicts Perceived Organizational performance.

3.3.2 Hypothesis 2

H2: There will be a significant difference between bonding and Perceived Organizational behavior

Hypothesis 2 was set to examine if there will be a significant difference between bonding and Perceived Organizational performance. In order to examine this, the Paired Sample T - test technique was employed and the result obtained is presented below.

Table 8
A Table Showing T-test Between Bonding and Perceived Organizational Performance

Variable	N	Mean	Std. Dev.	Crit-t	Cal –t	DF	P
Bonding Perceived Organizational Behaviour	113	40.1947 39.6372	4.58814 6.69763	2.306	23.894	112	.000

Source: Field Survey, 2012.

Table 8 shows that there was significant difference between Bonding and Perceived Organizational Performance (Cal –t = 23.894, Cal – t =, df =112, P<.01 level of significant). The result is significant at 1 per cent. The mean value shows a value of 40.1947 for bonding and 39.6372 for Perceived Organizational Performance but with the calculated value of t greater that the tabulated value. We conclude that there is a significant difference between bonding and Perceived Organizational Performance.

3.3.3 Hypothesis 3

H3: There will be a significant relationship between Trust and Perceived Organizational Performance

The hypothesis was set to examine the significant relationship between Trust and Perceived Organizational Performance. In order to examine this, the Pearson's correlation technique was employed and the result is presented bellow.

Table 9
A Table Showing Pearson's Correlation Between Trust and Perceived Organizational Performance

Variable	Mean	Std. Dev	N	R	P	Remark
Trust	**26.91**	**3.11264**	**113**	**.449**	**.000**	**Sig.**
Perceived	15	6.69763				
Organizational	39.63					
performance	72					

Source: Field Survey, 2012

The result from the table 9 shows that the mean value of 26.9115 for trust and 39.6372 for perceived organizational performance falls in between their minimum and maximum values. The standard error however was low with their values being 3.11264 and 6.69763.

From the correlation table, it indicate clearly that there is a significant relationship between trust and perceived organizational performance with $P<0.05$. This was shown from the table based on the two tailed test result with $P = 0.05$ the result is significant and hence we accept the hypothesis.

3.3.4 Hypothesis 4

H4: There is main and interactive effect of communication and trust on Perceived organizational performance

Hypothesis 4 is set to examine if there is a main and interactive effect of communication and trust on Perceived organizational performance. In order to examine this, the one way Analysis of variance (ANOVA) technique was used and the result obtained is presented below.

Table 10
A Table Showing Analysis of Variance Between Communication and Trust on Perceived Organizational Performance

Variables	Sum of square	Df	Mean Square	F	Sig.	Remark
Main Effect	267.028	2	11.610	2.627	.001	Sig.
	622.358	1	27.059	4.420	.000	Sig.
Communication		1				
Satisfaction	393.362		11.610			
2 – way Interactions	587.776		27.059	25.436	.000	Sig.
Communication						
Trust						
Explained Main Effect	3435.124					
Residual						
	5024.124					
Total						

Source: Field Survey 2012

Table 10 shows that there was significant main and interaction effect of communication and trust on Perceived Organizational Performance. The hypothesis was significant with (F (3, 110) = 25.436, $P<.05$. The hypothesis is accepted.

CONCLUSION

This study examined the impact of customer relationship management on the perceived organizational performance in the banking industry with a particular focus on some selected banks in Oyo town. This study was carried out from employees' perspective.

The research work concluded that trust, bonding, communication, satisfaction and commitment jointly and independently predicted perceived organizational performance. This means that these variables were predictors of perceived organizational performance. The test conducted indicated a significant difference between bonding and perceived organizational performance. There was a strong association between trust and perceived organizational performance. The study also concluded that there was main and interaction effect of communication and trust on perceived organizational performance. Furthermore, there was a significant relationship between commitment and perceived organizational performance. The study showed a significant difference between satisfaction and perceived organizational performance. The results also indicated a significant relationship between satisfaction and perceived organizational performance. This study supported earlier studies on the impact of customer relationship management on perceived organizational performance. Successful relationship marketing efforts improve customer loyalty and firm performance through stronger relational bonds (e.g., De Wulf, Odekerken-Schröder, & Iacobucci, 2001; Sirdeshmukh, Singh, & Sabol, 2002).

RECOMMENDATIONS

The following are recommended based on the findings from this study.

- That there is a need for organizations especially banks to have a good relationship with their customers so as to sustain competitive advantage.
- That organizations should take cognizance of their organizational structure to attract and retain qualified employees that can contribute

positively to bank performance and that bring about strong and positive relationship.

- That training and development that are directed at building enduring customer relationship should be periodically given to all employees.

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