The Quality of Human-Centeredness in CRM for SFA

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RESEARCH PROPOSAL

At present relationship marketing is increasingly geared towards the development and utilization of information systems (IS), which sets a new domain of interest also for the viewpoint of human-centered use and development of IS. However, after several years of implementing information technology to support relationship marketing, up to 55% of all Customer Relationship Management (CRM) projects do not produce expected results (Rigby et al. 2002). In CRM success literature one can find several human related factors as potentially affecting a successful CRM implementation. Incentive alignment, resistance, commitment, and the fear for change of power relations are just a few (Wikström 2005; Fjermestad and Romano 2003; Ba et al. 2001; Morgan and Inks 2001).

CRM has been defined in many ways. CRM is seen as processes and technologies that support the planning, execution and monitoring of coordinated customer, distributor and influencer interactions through all channels (Wilson et al. 2002). CRM is also defined as any application or initiative designed to help an organization optimize interactions with customers, suppliers, or prospects via one or more touch points for the purpose of acquiring, retaining, or cross-selling customers (Goodhue et al. 2002). In order to manage a relationship with an individual customer, the company must be able to see the relationship with the customer as a whole (Ryals and Payne 2001). Seeing the relationship with the customer as a whole involves all the interactions the customer has with the firm, regardless of the channel the customer uses. In order to achieve the whole view of customer relationships it is necessary to collect, store, and manage data on every interaction with them whether the data comes from a salesperson, a call centre, or the Web.

Ryals and Payne (2001) in their empirical study explicate several barriers to successful implementation of CRM. The human being is intertwined in at least three of these barriers: lack of skills, low awareness of benefits and functional boundaries. An example of the sensitivity of the personal relationship between the human being servicing a customer and the customer herself is depicted in Colgate and Danaher (2000), who show how the customer perceived satisfaction of a personal banker had a significant effect on the overall perceived satisfaction of the company as a whole. Essential from the human perspective in their list of the "four perils of CRM" (Rigby et al. 2002) is the apparent need for changes in an organization to match the chosen customer relationship marketing strategy. This potential need for change affects human beings in as well the sales, marketing as the service organization. The need for change may affect employees' job descriptions, performance measures, compensation systems, and training programs (Rigby et al. 2002).

Chen and Popovich (2003) explore the critical components that can enable (or hinder) the successful implementation of CRM initiatives and introduce a CRM implementation model that integrates the dimensions of people, process, and technology. In the category of "people" the authors note that "implementation of enterprise technology, such as CRM, requires changes to organizational culture". Customer-centric management requires top management commitment and support to CRM throughout the entire CRM implementation. The importance of a project champion is mentioned as a person who can persuade top management for continuous change efforts. In addition to enhancing employee skills and knowledge Chen and Popovich (2003) argue that education boosts motivation and commitment of employees and reduces employee resistance.

The above definitions of CRM explicate some of the most common organizational roles of the human being in the CRM context: as a member of the company's sales or service organization. Sales-oriented CRM applications, (sales force automation (SFA) applications) refer to salespeople's use of computer hardware, software, and telecommunication devices in their selling and/or administrative activities (Morgan and Inks 2001). To be specific, we focus in this study on human beings as users of SFA applications.

According to Zablah et al. (2004) the CRM phenomenon is best conceptualized as "an ongoing process that involves the development and leveraging of market intelligence for the purpose of building and maintaining a profit-maximizing portfolio of customer relationships". Thus, they introduce knowledge and interaction management as the two major sub processes of the CRM macro level process. Therefore, the interaction management process is highly dependent upon the human resources of a firm. In particular, the market intelligence of a salesperson plays an essential role in the process of transferring customer knowledge to the firm's portfolio of customer relationships. The salesperson's capability of understanding human qualities and recognising the factors essential to maintaining customership is the significant micro process establishing market intelligence. Then human qualities should be reflected against a holistic point of view concerning the very nature of the human being. In our holistic view, we draw on philosophical anthropology and the works of John Dewey and Michel Polanyi. We reflect humans in terms of physical, cognitive, emotional, social and cultural modes of being. Human knowledge creation is then seen to occur within two intertwined elements: knowledge and knowing, which include the tacit and explicit dimensions in human action.

We argue that for CRM to be successful a CRM system should be implemented and used in such a way that the users – in our research the salespeople – are empowered, motivated, committed, and willing to utilize the CRM system for knowledge management. In successful CRM culture salespeople gather and store essential information from crucial interaction episodes with their present and potential customers in order to collect into the CRM database information of customers' needs and wants. The tacit knowledge, which salespeople possess, can be made more explicit and thus help the organization to better utilize it. This knowledge may help the company in retaining its present customer relationships and enhance their profitability by enabling more targeted and effective cross-selling and up selling activities.

In our analysis, we take into account definitions of CRM as they arise in related research works, and the implications of the non-instrumental role of the human being (Isomäki 2006) as it appears in diverse application domains of CRM. We argue that research concerning CRM success should focus more on human-centered issues. The central argument is that humans should be understood in a holistic manner to fulfil the demands of human-centredness. Our analysis is carried out with the following aims: 1) to illustrate the importance of human qualities in implementing CRM successfully, 2) to be specific of the nature and delineation of the human qualities in CRM, 3) to explicate the nature of the image of the human being in CRM success, and to make visible the variety and limitations of human-centeredness in CRM.

To establish the concept of human-centeredness within the domain of CRM, we carry out a conceptual analysis (as presented by Järvinen 2001) with a normative orientation that draws on the previous findings of CRM research. In this way our analysis emphasises the utility aspect of the concept of human being in understanding the underlying assumptions rather than representing different interpretations of human-centeredness (cf. Järvinen 2001). Concepts are of utmost importance in theory formulation, since they establish, first, the boundaries that define a theory's domain of interest, second, the key constructs and their relationships within that domain, and third, the values or contents those constructs can take on (Järvinen 2001). To establish sound concepts, it is necessary to carry out conceptual analysis. This is especially important in new emerging domains that draw on earlier research drawing on different disciplines with varying underlying epistemological

and ontological notions. The recent research on CRM applications is a typical example of this kind of new research area in which concepts are applied from one domain to another. We aim to bring to the fore and discuss the nature and qualities of people in CRM theorization, and thus offer new explications of the construct to serve as means for further research and also development of CRM applications. We use the following framework to accomplish the analysis:

Questions/Means	Objectives/ Ends
1) What is the role of the human being in the context of CRM?	1) to clarify the specific role and activities of people in CRM
2) How the notion of the human being appears as a success factor in CRM?	2) to illustrate the importance of human qualities in implementing CRM successfully
3) What is the framework for a holistic view of people in CRM?	3) to be specific of nature and delineation of the human qualities in CRM
4) What are the human qualities present in the previous research on CRM success?	4) to explicate the nature of the image of the human being in CRM success, and to make visible the variety and limitations of human-centeredness in CRM

In our analysis, we set the boundaries that define a theory's domain of interest by first defining the prevailing image of the human being in CRM, and specify the significance of the notion of the human being as a CRM success factor. Further, we establish the framework for outlining the nature of the human being by drawing on a metamodel illustrating what kind of quality assumptions may be connected to humans in the CRM context, and continue by analysing what kind of human qualities there is within the domain of CRM. In this way we explicate the contents that the concept of human-centeredness can take on within this domain.

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