Effect of Customer Relationship Management on Organizational Culture: A Case of NSSF MBEYA Region

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Abstract:
This study aimed to examine the effect of Customer Relationship Management (CRM) on organizational culture at the National Social Security Fund (NSSF) in Mbeya Region. The study was motivated by limited empirical evidence concerning how CRM practices influence shared organizational values, information sharing, trust, teamwork, and adaptability within Tanzania's social security institutions. Specifically, the study focused on customer responsiveness, customer data integration, and customer satisfaction. It adopted a positivist philosophy, quantitative approach, and explanatory research design. The target population comprised 161 NSSF employees, from whom 115 respondents were selected through simple random sampling. Data were collected using a structured questionnaire, and 100 usable questionnaires were returned, representing an 87% response rate. Data were analyzed using descriptive statistics, Pearson correlation, and simple linear regression in SPSS version 26. The descriptive findings showed that CRM indicators recorded an overall mean of 3.55 and a standard deviation of 1.167, indicating generally positive employee perceptions. Pearson correlation revealed a strong, positive, and statistically significant relationship between CRM and organizational culture ($r = 0.874$, $p < 0.001$). Regression results further showed that CRM explained 76.3% of the variation in organizational culture ($R^2 = 0.763$), while its effect was positive and statistically significant ($B = 0.878$, $\beta = 0.874$, $p < 0.001$). The study concluded that effective CRM practices strengthen customer-centered values, employee coordination, information sharing, and adaptability. It recommends continuous employee training, reliable system accessibility, effective customer data integration, and consistent management support.

Keywords: Customer relationship management, organizational culture, customer responsiveness, data integration, customer satisfaction.

1.0 BACKGROUND INFORMATION

Organizational culture is a system of shared values, beliefs, norms, and working practices that shapes how employees communicate, collaborate, and perform their responsibilities. A supportive organizational culture promotes teamwork, mutual trust, openness, adaptability and commitment to institutional goals. Conversely, a weak culture can create fragmented working relationships, resistance to change, poor information sharing, and inconsistent service practices. In public institutions, organizational culture is particularly important because employees must coordinate their responsibilities and maintain common service standards when responding to citizens. Gasela (2022) established that an organizational culture that does not support institutional strategies may weaken the implementation of these strategies and prevent public entities from achieving expected performance and service-delivery outcomes.

Digital transformation has increased the need for organizational cultures that encourage employees to share information, adopt new technologies and respond collectively to customers' needs. Nevertheless, introducing digital systems does not automatically change employees' values, attitudes and working practices. Employees may continue operating through isolated procedures, resist technology-driven changes or fail to coordinate customer responses despite the availability of appropriate technological systems. Consequently, a discrepancy may develop between the institution's intended customer-centered culture and employees' actual workplace practices. Gil-Gomez et al. (2020) explain that digital transformation requires integrating technology with organizational processes and sustainable work models. This means that organizational culture depends in part on whether employees consistently use customer management technologies to reinforce openness, teamwork, accountability, and responsiveness.

Customer Relationship Management (CRM) provides a potential mechanism for strengthening organizational culture by integrating customer information, employee responsibilities, and service processes. CRM enables employees to access customer records, track interactions, manage feedback, follow up on requests, and coordinate responses across functional areas. When such practices become embedded in daily operations, they may cultivate shared responsibility, information sharing, teamwork, and commitment to customer-centered values. Guerola-Navarro et al. (2024) describe CRM as both a management strategy and a technological solution for responding to changing customer expectations. However, CRM implementation may fail to improve organizational culture when employees lack relevant competencies, resist new processes, or use customer information inconsistently.

In Tanzania, social security institutions have adopted computerized systems to modernize member-information management and improve service accessibility. Pessa (2023) found that these institutions use systems such as the Members Management Information System, the Core Fund Management System, mobile information services, self-service portals, and the Fund Identification Management System. NSSF has also established a Customer Service Charter to formalize its commitment to service standards (National Social Security Fund [NSSF], 2024). Despite these interventions, Pessa (2023) identified ongoing challenges, including inadequate system integration, weaknesses in records management, limited use of technology, and insufficient management support. These challenges may undermine the development of an organizational culture founded on reliable information sharing, employee coordination, adaptability and collective commitment to members' needs.

The central problem is that the extent to which the organizational culture at NSSF Mbeya Region reflects shared commitment, openness, mutual trust, teamwork, and adaptability within a CRM-supported work environment remains insufficiently established. Although CRM is intended to integrate customer information and coordinate service responsibilities, its availability does not necessarily mean it has transformed employees' values and workplace behavior. Existing studies have largely investigated CRM in relation to marketing, innovation, customer satisfaction, and organizational performance (Gil-Gomez et al., 2020; Guerola-Navarro et al., 2024), while others have treated organizational culture as a factor influencing the implementation of technology. Moreover, Pessa (2023) examined computerized systems in Tanzanian social security funds but did not examine how CRM affects organizational culture at the regional office level. This leaves an empirical, contextual, and geographical gap regarding whether CRM strengthens organizational culture within NSSF Mbeya Region. Therefore, this study examined the effect of Customer Relationship Management on organizational culture at NSSF Mbeya Region.

1.1 Objectives

The main objective of this study is to examine the effect of Customer Relationship Management on organizational culture at NSSF Mbeya Region. Specifically, the study sought to: (i) determine the effect of customer responsiveness on organizational culture; (ii) assess the effect of customer data integration on organizational culture; and (iii) examine the effect of customer satisfaction on organizational culture at NSSF Mbeya Region.

1.2 Scope and Significance of the Study

The study examined the effect of Customer Relationship Management on organizational culture at NSSF Mbeya Region. It focused on customer responsiveness, customer data integration, and customer satisfaction, while organizational culture was assessed through shared commitment, information sharing, mutual trust, teamwork, and adaptability to technological changes. The study adopted a quantitative approach and an explanatory research design, collecting data from 100 NSSF employees through a structured questionnaire and analyzing it using descriptive statistics, Pearson correlation, and simple linear regression. The findings are significant because they provide NSSF management with evidence to improve CRM practices and strengthen a customer-centered organizational culture. They may also assist employees, policymakers, and managers of other social security institutions in improving coordination, service responsiveness, and information-sharing practices. Academically, the study contributes contextual knowledge concerning the relationship between Customer Relationship Management and organizational culture within Tanzania's social security sector and provides a basis for future related studies.

2.0 LITERATURE REVIEW

2.1 Theoretical Literature Review

2.1.1 Structuration Theory

Structuration Theory, developed by Giddens (1984), explains the reciprocal relationship between human actions and organizational structures, whereby established rules and resources shape employee behaviour while employees simultaneously reproduce or transform them through daily practices. In this study, CRM systems represent organizational resources that guide customer responsiveness, data integration, and customer satisfaction practices. Through employees' continued use of these systems, shared practices involving information exchange, teamwork, adaptability and customer-centered service may become embedded in organizational culture. Although the theory is relatively abstract and may not fully account for external constraints such as regulations and limited technological infrastructure, it effectively connects individual behaviour, technological systems and cultural transformation (Grover et al., 2022; Urbaniec et al., 2022). Therefore, it provides an appropriate foundation for examining how CRM practices shape organizational culture at NSSF Mbeya Region.

2.2 Empirical Literature Review

Customer Relationship Management (CRM) systems play an important role in reshaping organizational culture by aligning employee behavior and organizational practices with customer-centered values. CRM systems facilitate the integration of customer feedback and preferences into decision-making, thereby promoting customer satisfaction, continuous improvement, and service excellence as shared organizational priorities (Grover et al., 2022). Their influence extends beyond customer-facing departments, encouraging employees across functional areas to share customer information, coordinate responsibilities, and prioritize customer needs. Consequently, CRM-supported practices can strengthen responsiveness, innovation, and employee ownership of customer relationships while enabling organizations to adapt effectively to changing customer expectations and market conditions (Asatiani et al., 2021; Bagga et al., 2023; Singh et al., 2020).

However, the extent to which CRM systems transform organizational culture depends on effective leadership, employee acceptance, and alignment between technology and existing work practices. Inadequate management support and limited organizational commitment can lead to the underutilization of CRM systems, thereby limiting their ability to foster customer-centered values and behaviors (Chatterjee et al., 2022). Moreover, continuous pressure to meet customer expectations may increase employees' workloads and contribute to workplace stress when implementation is not supported by appropriate training, resources, and realistic performance expectations (Shao et al., 2023). Organizations should therefore integrate CRM systems carefully by providing leadership support, developing employees' competencies, and establishing supportive practices that balance customer responsiveness with employee well-being.

2.3 Knowledge Gaps and Contribution of the Study

Previous studies have primarily linked CRM to customer satisfaction, innovation, and organizational performance, paying limited attention to its effects on organizational culture, particularly in Tanzanian social security institutions. This study addressed this contextual and empirical gap by examining how CRM shapes shared values, information sharing, trust, teamwork, and adaptability at NSSF Mbeya Region. It provides evidence to guide NSSF management and other public institutions in aligning CRM systems with a customer-centered organizational culture.

2.4 Conceptual Framework

The conceptual framework shows that Customer Relationship Management, measured through customer responsiveness, data integration, and customer satisfaction, influences organizational culture at NSSF Mbeya Region.

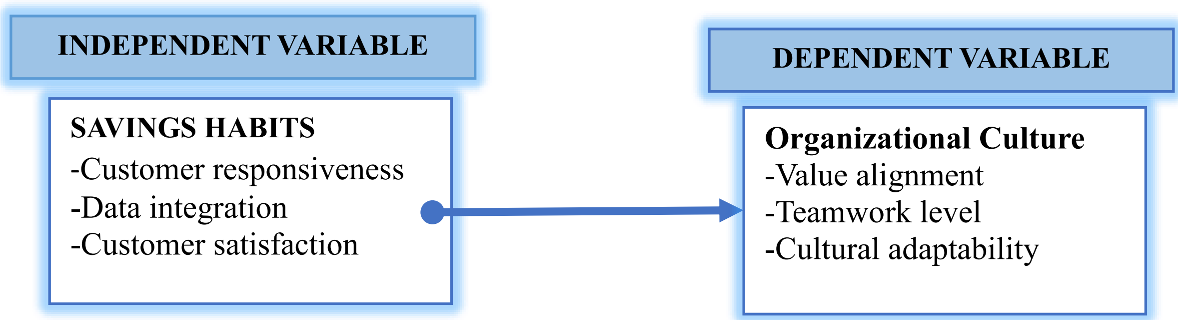

Figure 1: Conceptual Framework

Source: Researcher. 2025

3.0 RESEARCH METHODOLOGY

The study adopted a positivist philosophy, quantitative research approach and explanatory research design to examine the effect of Customer Relationship Management on organizational culture at NSSF Mbeya Region. The target population consisted of 161 employees, from whom a sample of 115 respondents was determined using Yamane's formula at a 5% margin of error. Simple random sampling was used to give every employee an equal chance of selection, while a structured questionnaire containing closed-ended statements, measured on a five-point Likert scale, was administered via the drop-and-pick method. A total of 100 usable questionnaires were returned, representing an 87% response rate. The instrument's validity was assessed through expert review, and reliability was assessed using Cronbach's alpha, with coefficients of 0.70 or above considered acceptable (Pallant, 2020). Data were analysed using SPSS version 26, where frequencies, percentages, means and standard deviations provided descriptive results, while Pearson correlation and simple linear regression determined the relationship and effect of CRM on organizational culture. Regression assumptions, including normality, linearity, homoscedasticity and independence of residuals, were also examined. Ethical principles involving informed consent, voluntary participation, anonymity, confidentiality, and proper acknowledgment of sources were maintained throughout the study.

4.0 FINDINGS

4.1 Effect of Customer Relationship Management on Organizational Culture

Descriptive Statistics for Customer Relationship Management

Descriptive statistics were used to assess respondents' perceptions of Customer Relationship Management practices at NSSF Mbeya Region. The analysis covered reliable access to customer information, effective tracking of customer interactions, timely follow-up on customer requests and complaints, systematic management of customer feedback, and coordination among employees responsible for addressing customer needs. The mean, standard deviation, variance, skewness, and kurtosis were used to summarize the responses obtained from 100 respondents.

Table 4.1: Descriptive Statistics for Customer Relationship Management Indicators

Customer Relationship Management Indicator	Mean	Std. Deviation	Variance	Skewness	Kurtosis
Reliable access to customer information	3.55	1.184	1.402	−0.476	−0.643
Effective tracking of customer interactions	3.55	1.184	1.402	−0.476	−0.643
Timely follow-up on customer requests and complaints	3.55	1.184	1.402	−0.476	−0.643
Systematic management of customer feedback	3.55	1.184	1.402	−0.476	−0.643
Coordination among employees addressing customer needs	3.55	1.184	1.402	−0.476	−0.643

Source: Field Data (2026).

As presented in Table 4.1, all Customer Relationship Management indicators recorded a mean score of 3.55, indicating that respondents generally agreed that CRM systems supported customer-information accessibility, interaction tracking, responsiveness, feedback management and internal coordination at NSSF Mbeya Region. The standard deviation of 1.184 and variance of 1.402 indicate moderate variation in employees' experiences and perceptions. This suggests that although CRM practices were positively assessed, their accessibility and application were not entirely consistent among all respondents.

Furthermore, all indicators recorded a skewness value of −0.476, showing that responses were moderately concentrated toward the agreement side of the measurement scale. The kurtosis value of −0.643 indicates a relatively flatter distribution compared with a perfectly normal distribution. Nevertheless, both skewness and kurtosis values were within the acceptable range of −2 to +2, suggesting that responses to the individual CRM indicators were approximately normally distributed. The descriptive findings therefore indicate that CRM practices were generally evident at NSSF Mbeya Region and potentially supported the development of a customer-centered organizational culture. Inferential analysis was subsequently conducted to determine whether CRM had a statistically significant effect on organizational culture.

Correlation Analysis Between Customer Relationship Management and Organizational Culture

Pearson correlation analysis was conducted to determine the strength and direction of the relationship between Customer Relationship Management and organizational culture at NSSF Mbeya Region. The analysis was based on the composite scores of the two variables obtained from 100 respondents. The results are presented in Table 4.2.

Table 4.2: Correlation Between Customer Relationship Management and Organizational Culture

Variable	Statistical Measure	Customer Relationship Management	Organizational Culture
Customer Relationship Management	Pearson correlation	1	.874**
	Sig. (2-tailed)	-	<.001
	N	100	100
Organizational Culture	Pearson correlation	.874**	1
	Sig. (2-tailed)	<.001	-
	N	100	100

Note: **Correlation is significant at the 0.01 level (2-tailed).
Source: Field Data (2026).

Table 4.2 shows a strong positive and statistically significant relationship between Customer Relationship Management and organizational culture (r=.874r=.874, p<.001p<.001). This finding indicates that improvements in customer information accessibility, customer-interaction tracking, responsiveness, feedback management and internal coordination are associated with a stronger organizational culture characterized by shared commitment, information sharing, trust, teamwork and adaptability. Since the probability value was below the 0.05 significance level, the relationship was statistically significant. However, the correlation result demonstrates an association and does not independently establish causation; therefore, simple linear regression was conducted to determine the explanatory effect of Customer Relationship Management on organizational culture.

Regression Analysis Between Customer Relationship Management and Organizational Culture

Simple linear regression analysis was conducted to determine the effect of Customer Relationship Management on organizational culture at NSSF Mbeya Region. Customer Relationship Management was treated as the independent variable, and organizational culture as the dependent variable. The model summary results are presented in Table 4.3.

Table 4.3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.874	0.763	0.761	0.573

Predictor: Customer Relationship Management
Dependent Variable: Organizational Culture
Source: Field Data (2026)

The results in Table 4.3 show a strong relationship between Customer Relationship Management and organizational culture, as demonstrated by an R-value of 0.874. The R Square value of 0.763 indicates that Customer Relationship Management explained 76.3% of the variation in organizational culture, while the remaining 23.7% was explained by other factors not included in the model. The Adjusted R Square value of 0.761 further demonstrates that the model had strong explanatory power.

Table 4.4: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	103.963	1	103.963	316.146	0.000
Residual	32.227	98	0.329		
Total	136.190	99			

Dependent Variable: Organizational Culture
Predictor: Customer Relationship Management
Source: Field Data (2026)

Table 4.4 shows that the simple linear regression model was statistically significant, with $F(1, 98) = 316.146$ and $p < 0.001$. This means that Customer Relationship Management provided a statistically significant explanation of changes in organizational culture. Therefore, the regression model was suitable for examining the effect of Customer Relationship Management on organizational culture at NSSF Mbeya Region.

Table 4.5: Regression Coefficients

Predictor	Unstandardized Coefficient (B)	Std. Error	Standardized Beta	t	Sig.
Constant	0.434	0.184		2.352	0.021
Customer Relationship Management	0.878	0.049	0.874	17.780	0.000

Dependent Variable: Organizational Culture
Source: Field Data (2026)

The coefficient results in Table 4.5 show that Customer Relationship Management had a positive and statistically significant effect on organizational culture, with $B = 0.878$, $Beta = 0.874$, $t = 17.780$, and $p < 0.001$. This finding indicates that a one-unit increase in Customer Relationship Management was associated with a 0.878-unit increase in organizational culture. Therefore, improvements in customer responsiveness, customer data integration, and customer satisfaction were associated with a stronger organizational culture at NSSF Mbeya Region.

The estimated regression equation was expressed as follows:

$$\mathbf{OC = 0.434 + 0.878CRM + \varepsilon}$$

Where:
OC = Organizational Culture
CRM = Customer Relationship Management
0.434 = Constant
0.878 = Regression coefficient
ε = Error term

Since the significance value for Customer Relationship Management was below the 0.05 significance level, the null hypothesis was rejected. The study therefore established that Customer Relationship Management had a positive and statistically significant effect on organizational culture at NSSF Mbeya Region.

5.0 DISCUSSIONS

Effect of Customer Relationship Management and Organizational Culture

The descriptive findings demonstrated that Customer Relationship Management practices were generally evident at NSSF Mbeya Region. All five CRM indicators recorded a mean score of 3.55, while 56% of respondents agreed that CRM systems facilitated reliable access to customer information, effective tracking of customer interactions, timely follow-up on requests and complaints, systematic management of customer feedback, and coordination among employees to address customer needs. These results indicate that CRM supported customer responsiveness, data integration, and customer satisfaction while encouraging information sharing and coordinated service delivery. The findings support Grover et al. (2022), who established that CRM systems integrate customer feedback and preferences into organizational decision-making, thereby promoting customer-centered values and continuous improvement. They also agree with Bagga et al. (2023), who maintained that CRM practices foster a responsive organizational environment in which employees prioritize customer needs and deliver consistent service.

The inferential findings further revealed a strong, positive, and statistically significant relationship between Customer Relationship Management and organizational culture ($r = 0.874$, $p < 0.001$). Simple linear regression showed that CRM explained 76.3% of the variation in organizational culture, while its regression coefficient was positive and statistically significant ($B = 0.878$, $Beta = 0.874$, $p < 0.001$). This implies that improvements in CRM practices were associated with stronger shared values, information sharing, mutual trust, teamwork and adaptability among employees. The findings are consistent with Asatiani et al. (2021), who observed that technology-supported customer practices can promote responsiveness, innovation and coordinated decision-making. They also support Singh et al. (2020), who argued that digital customer-management practices encourage employees to take responsibility for customer relationships and adapt their behaviour to changing service expectations. Therefore, CRM should be understood not merely as a technological system but as an organizational mechanism capable of influencing employees' values, relationships and working practices.

The findings also support Structuration Theory, which explains that organizational structures and human actions continuously shape one another (Giddens, 1984). At NSSF Mbeya Region, CRM systems provided technological resources and procedural guidance for accessing customer information, tracking interactions, managing feedback and coordinating customer responses. Through repeated use of these systems, employees reinforced shared customer-service practices that contributed to the development of organizational culture, while their attitudes, competencies and established norms simultaneously influenced how CRM was utilized. Nevertheless, 24% of respondents remained neutral and 20% disagreed with the CRM statements, suggesting that its cultural benefits were not experienced uniformly. This observation supports Chatterjee et al. (2022) and Shao et al. (2023), who emphasized that limited management support, inadequate employee training and resistance to technological change can restrict the cultural benefits of digital systems. Thus, strengthening organizational culture through CRM requires reliable system accessibility, employee competence, supportive leadership, and consistent integration of customer-centered practices across departments.

6.0 CONCLUSION

The study concludes that Customer Relationship Management has a positive and statistically significant effect on organizational culture at NSSF Mbeya Region. The findings demonstrate that CRM practices involving reliable access to customer information, effective tracking of customer interactions, timely follow-up of customer requests and complaints, systematic management of customer feedback, and coordination among employees contribute to shared commitment, information sharing, mutual trust, teamwork and adaptability.

CRM explained a substantial proportion of variation in organizational culture, confirming that it functions not only as a technological system for managing customer information but also as an organizational mechanism that shapes employees' values, behaviour and working relationships. Consistent with Structuration Theory, the study establishes that CRM systems provide organizational rules and resources that influence employees' daily practices, while employees' attitudes and competencies determine how effectively these systems become embedded in the culture. However, the presence of neutral and negative responses indicates that the cultural benefits of CRM were not experienced uniformly across the organization. The study therefore concludes that CRM's ability to strengthen organizational culture depends on consistent system accessibility, effective data integration, employee competence, supportive leadership, and the continuous adoption of customer-centered practices throughout the NSSF Mbeya Region.

7.0 RECOMMENDATIONS

The study contributes knowledge by demonstrating that CRM strengthens information sharing, teamwork, trust, adaptability and customer-centered values within Tanzania's social security sector, while supporting Structuration Theory by showing that technological systems and employees' practices mutually shape organizational culture. NSSF should establish policies governing customer data integration, information sharing, complaint management, data protection, and employee training. Management should ensure reliable system access, timely updating of customer information, effective complaint follow-up, and coordination across departments. Future studies should examine multiple NSSF offices, use longitudinal or mixed-methods designs, and investigate how digital competence, technological infrastructure, and management support influence the relationship between CRM and organizational culture.

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