The Influence of CRM Organization and Knowledge Management on Employee Job Satisfaction and Intention to Quit: Malaysia Call Center Perspective

Aliyu Olayemi Abdullateef, Sany Sanuri Mohd Mokhtar, Rushami Zien Yusoff and Intan Shafinaz Binti Ahmad

Faculty of Business and Design, Swinburne University of Technology Sarawak Campus, Malaysia

Department of Marketing, School of Business Management, College of Business, University Utara Malaysia

Abstract: The purpose of this paper is to develop a conceptual framework which describes the influence of CRM Organization and Knowledge Management on Employee Job Satisfaction and Intention to Quit in call center industry. Researchers have established turnover of employees as highly detrimental to organizational performance and success and the major determinant in job satisfaction. Extant literatures also suggested that organizations can attenuate turnover rate through the improvement of employee job satisfaction when workers expectations and needs are met as this would positively affect performance, service quality, customer satisfaction and loyalty and competitive advantage. The integration of CRM Organization and Knowledge Management into firms operations and management practices can be the major influence. This paper conceptualized the model that could help in establishing the influence of these two variables on employee job satisfaction and intention to quit within a call center industry. Also, it shall avail call centers management to focus on the best ways to resolve turnover of employees, improve employee job satisfaction and employee performance in the call center.

Key words: Call centers • CRM organization • Employee job satisfaction • Intention to quit • Knowledge management.

INTRODUCTION

Organizations engage in various marketing activities in order to achieve, maintain and sustain profitability and competitive edge in their business environment [1]. The accomplishment of these goals, as proven by academic research and industry reports, is greatly determined by a company’s ability to create and effectively manage positive relationships with the prospective and existing customers [2,3].

Extant marketing and management literatures have acknowledged the pivoting role of employees in organizations’ marketing and/or operational activities which is paramount to the survival and continuity of many businesses [4, 5]. Due to this fact, employees are recognized as the catalyst toward attaining a firm’s competitive fit among the competitors [6]. Therefore, recruiting, maintaining and retaining skilled, experienced and committed employees remain a great challenge to the companies.

However, a unique area of marketing that has been suggested by literatures for organizations to accomplish operational efficiency and mitigate the rate of turnover most especially in the call center firms is the integration of customer relationship management (CRM) dimensions (customer orientation, CRM organization, knowledge management and technology based CRM) into their management and operation practices [7]. The adoption of CRM was argued to offers long term changes and benefits to businesses, most importantly in influencing employee job satisfaction, reduce turnover rate, enhance employee performance and improve service quality and customer satisfaction [8].
Fig. 1: The conceptual framework of the influence of CRM Organization and Knowledge Management on Employee Job Satisfaction and Intention to Quit

Given that customer relationship management is the strategic business process by which organizations build, maintain and sustain a long term positive relationship with their prospective and existing customers through the integration of people, process and technology in order to enhance the achievement of organizational profitability, performance and competitive advantage [9].

Therefore, based on the precedence of CRM dimensions, this research conceptualized the influencing role of CRM organization and knowledge management on employee job satisfaction and intention to quit within the call center industry.

Theoretical Background and Framework: The model proposed in this study conceptualizes the relationships CRM Organization and Knowledge Management have on employee job satisfaction and intention to quit within call center industry. Findings from several studies stressed that turnover of employees in the call centers is becoming an enigma which strong efforts by management to suppress still continued till today [10]. Also, existing literatures suggested employee job satisfaction as the major determinant of this phenomenon which has being sabotaging the organizational performance and competitive fit [11-13].

However, evidences from extant management and marketing literatures have identified CRM dimensions as effective and efficient way of managing an organization to attain its goals and objectives [14-16]. It is on this basis that this study conceptualized the influence of CRM Organization and Knowledge Management (two of the four dimensions of CRM) on employee job satisfaction and intention to quit.

Call Centers in Malaysia: The Malaysia contact center has over the years witnessed tremendous patronage by credible organizations around the world such as BMW, Standard Chartered Bank, HSBC and DHL among who has invested heavily in the industry resulting to its consistent growth, despite being faced with strong competition from countries such as Philippines and India [17]. This is evident in industry reports estimation of over 600 call centers which generated over 25,000 employment opportunities for people of the country [17-20]. Research has established that the Malaysia contact center industry is still undergoing developmental process, the industry is expected to experience 16% growth rate per annum for the next four years [17, 20].

According to Shivanu hukla, associate director at Frost and Sukkivan’s ICT Practice, this growth is being driven by internal market development and the foreign direct investment opportunities that abound the business process outsourcing (BPO) market in Malaysia. Due to the afore mentioned, contact centers investments on technology is changing to a more sophisticated applications such as quality monitoring, workforce management, analytics and voice portals; from mere routing solutions [17].

Hence, Malaysia contact center is the third in Asian Pacific Region for outsourcing and is expected to worth more than US$15.5 million between 2010 and 2014 and her diverse multilingual workforce with an average of 85% Mandarin, Hindi, English and Cantonese have greatly assisted to occupied a relevant position in the call center industry [17, 20].

Turnover Intention: Turnover of employees in the call centers has been a tenacious incident that the industry still continued to battle globally [21, 22]. Despite the ample of literatures and researches by both academics and industries that have written about the antecedents and meaningful ways of resolving this syndrome which is believed to have a strong adverse effects on organizational performance [7, 22, 23]. There is continuous increase in call center globally which serve as employment opportunity for greater number of people, but followed by persistent difficulty in keeping employees as estimated rate of 35 percent to 50 percent turnover are being experienced yearly [24].

Existing literatures revealed the cost of employee turnover to organization on a very high side [25], for example, Yang et al. [26] in their study of job embeddedness as a new perspective to predict voluntary turnover, reported a 17 percent of pre-tax annual income as the cost of employee turnover to organizations. In additionto this, is the fact that American firms estimation
of employees turnover costs to the tune of $5 trillion annually [27], associating these costs to recruitment and selection of new staff, overtime payments to alleviate shortages and the replacement of experienced employees with inexperience ones as well as the cost of training and development [28].

However, among the various causes of employee turnover revealed by relevant literatures are employees job satisfaction which many studies suggested to be the strongest determinant [10, 12, 13], qualitative overstretched [29, 22], role clarity, role conflict and job tension [7], organizational commitment [30] and organizational factors such as pay, promotion, gender differences, education as well as job characteristics [11].

Some researchers also focused on the employee motivation as predictors for turnover of employee [31] and concluded that beyond organizational commitment and job satisfaction, motivation influences turnover of employees’ [32], whereas another study established that employees’ goal orientation and intrinsic motivation predicts intention to quit and employee turnover. Dysvik and Kuvaa [33] in their study of exploring the relative and combined influence of mastery approach goals and work intrinsic motivation on employee turnover intention argued and concluded that additional antecedents to employee turnover are the intrinsic motivation and mastery goals which they claimed still remain unstudied till date.

In view of the diverse opinions concerning the determinants of intention to quit, this study shall focus on job satisfaction, as it has been supported by many authors to present the highest significant impact on quitting intentions [12, 13].

Intention to quit has been used by most literatures to describe turnover, though quitting intention does not imply turnover [34], it was adopted on the fact that actual turnover are most significantly influenced by the intentions [35]. And in support of the study from Alexander et al. [36] where intention to quit effectively distinguished between salespeople who left and remained in an organization, as well as substantial predictors of turnover among psychiatric nurses. In addition, Griffith and Hom [37] in their confirmatory factor analyses proclaimed intention to quit as most suitable measure for turnover.

Malaysia’s call center has been observed to be lingering in the employee turnover problem over the years [9, 18]. Report from industry has attributed high rates of resources utilization towards cost efficiency as the major causes of the phenomenon, with established evidence that employee burnouts as an imminent outcome of high utilization contributed enormously to agent’s turnover in the Malaysia’s call center [38, 18].

Thus, the argument by some practitioners that persistent agent turnover would be detrimental to outsourcing of call centers to Malaysia [18, 39].

**CRM Organization:** Organizations require the provision of a favorable working environment to encourage their employees to conduct customer-oriented behaviors [40]. The existence of inspirational leadership, appropriate reward systems, modern tools and technology and customer-satisfaction tracking and complaints management systems would serve as supportive working conditions that can inspire employees’ behavior toward customer orientation in an organization [41].

Many studies have agreed to Wang et al. [42], Sin et al. [14] and Yim et al. [15] submission that CRM organization remain the critical means through which various companies actualized the fundamental changes in the way they organized and conduct their business processes for employees and customer [7, 40]. To complement this, it was further argued that well coordinated and integrated organizational structure designs that established process teams, customer focused teams, cross discipline segment and cross functional teams would achieve a strong customer relationship [15].

In addition, the integration of organizational wide resources including sale and marketing capabilities, technical expertise, policies and culture and organization structure will positively impact employee job satisfaction, service performance, as well as organizational performance [43, 14, 15]. Particularly, the foundation on which customer relationships is built within an organization are the employees [44], thus the interaction of human resources and marketing would imbue the responsibility of service mindedness and customer orientation in employees [14].

Hence, it is important to note that with the integration of organizational structures, organization wide commitment of resources and human resources management policies, a working environment that is healthy would be created.

---

**Table 1: Intention to Quit Measurement Items and Constructs**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention to Quit</td>
<td>1. How often do you think of leaving your present job</td>
<td>Calisir et al. (2011); Ryan et al. (2011); Tian-Foreman (2009); Siong et al. (2006)</td>
</tr>
<tr>
<td></td>
<td>2. What are the chances you will quit your job in the next 12 months</td>
<td></td>
</tr>
</tbody>
</table>

---

Table 2: CRM Organization Measurement Items and Constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM Organization</td>
<td>1. Our employee training programs are designed to develop skills for acquiring and deepening customer relationship</td>
<td>Akroush et al. (2011); Yueh et al. (2010); Sin et al. (2005); Yim et al. (2005)</td>
</tr>
<tr>
<td></td>
<td>2. My organization has established clear business goals related to customer acquisition, development, retention and reactivation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Our organizational structure is punctiliously designed around our customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. My organization commits time and resources to managing customer relationship</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Employee performance is measured and rewarded based on meeting customer needs and successfully serving the customer</td>
<td></td>
</tr>
</tbody>
</table>

and employee is bound to exhibit job satisfaction which will in turn enhance the possibility of staying with the organization rather than to leave [7, 45, 46].

Based on the above Argument, this Study Hypothesized That:

**H1**: There is a positive relationship between CRM Organization of call center and Employee Job satisfaction.

**H2**: CRM Organization is negatively related to Intention to Quit of employees in call center.

**Knowledge Management**: According to Abdullateef et al. [7], information is prerequisite to knowledge. Knowledge can only be acquired in an organization when available information is effectively analyzed and successfully implemented to achieve an organizational goal [47]. Although, knowledge management has been defined differently by various researchers, this research shall define knowledge management as ‘any process or practice of creating, acquisition, capturing, sharing and using customer knowledge, wherever it resides, to enhance learning and performance in organizations’ [48].

Sin et al. [14] proposed that knowledge management as a process involved three key components, that is; knowledge generation, knowledge sharing and knowledge responsiveness. According to them, the process of capturing customer information directly or indirectly through an interactive communication system that gives feedback about customer preference and needs is knowledge generation, when there is dissemination and sharing of knowledge among different units and/or departments in an organization that accentuates its valuation is referred to as knowledge sharing and finally where the knowledge generated and shared is utilized to taking decisions that facilitate response to customers expectations and needs that would result to long term customer relationships, then the knowledge responsiveness.

In support of the above, transforming customer information to customer knowledge effectively by organizations creates another dimension towards achieving long term relationships with the customers [49]. As emphasized in some literatures, it is through interactions and/or touch points across all functions of the organization that information about customers can be gathered, processed and analyzed for enhancement of customer profitability [15]. And to responds to the current and anticipated needs of the customers, hence the sharing and disseminating of customer knowledge that was generated [50].

However, Dean [51] and Kantsperger and Kunz [29] argued and established knowledge management as a reliable measure through which an organization can acquire an indispensable competitive strength via mutual satisfaction of both employees and customers. Based on these arguments, a positive relationship between employee knowledge acquisition and usage, employee satisfaction and customer satisfaction was empirically established and conceptualized by both [29, 14].

Therefore, it is on this Premise That this Research Hypothesized That:

**H3**: There is a positive relationship between the Knowledge Management of call center and Employee Job Satisfaction.

**H4**: Knowledge Management is negatively related to Intention to Quit of employees in call center.

**Employee Job Satisfaction**: Employee job satisfaction is no doubt very crucial as many literatures have reflected on the consequences to many organizations. It is a very vital factor worthy of consideration for every organizations in order to effectively and efficiently attain their strategic goals [52]. The focus of this section is restricted to the effects and relationships of job satisfaction on turnover intention of the employee.
Table 3: Knowledge Management Measurement Items and Constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Management</td>
<td>1. My organization fully understands the needs of our key customers via knowledge learning</td>
<td>Akroush et al. (2011); Yueh et al. (2010); Sin et al. (2005); Yim et al. (2005)</td>
</tr>
<tr>
<td></td>
<td>2. Customer can expect prompt service from employees of my organization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. My organization provide channels to enable ongoing two-way communication between our key customers and us (employees)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Customers can expect exactly when services will be performed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. My organization shares customer information across all points of contact</td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Employee Job Satisfaction Measurement Items and Constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Job Satisfaction</td>
<td>1. I would describe my work as satisfying</td>
<td>Calisir et al. (2011); LeRouge et al. (2006)</td>
</tr>
<tr>
<td></td>
<td>2. I would describe my work as giving a sense of accomplishment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I would describe my work as frustrating</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I would describe my job as challenging</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. I would describe my job as Fascinating</td>
<td></td>
</tr>
</tbody>
</table>

Job satisfaction was defined in different ways by many researchers; the most popular definition adopted by most literatures is that of Locke [53], who described job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience”. He continued that job satisfaction is the outcomes of employees’ perception of how thriving their job can provide the things that are viewed as important. This explained Ostroff’s [54] definition which tied employees’ job attitude to individual needs. Rice, Gentile and Mcfarlin [55] and Spector [56] affirmed that job satisfaction is the overall feelings of an employee in relation to an identified job attribute. Also, McNamara [57] explicated that job satisfaction as feelings or state of mind of an employee subject to the nature of the job. Ilies and Judge [58] viewed job satisfaction as an attitudinal behavior that indicates a person’s assessment of the work he or she does. Thus, from these definitions, it can be deduced that job satisfaction is psychological in nature, as it revolves around emotions, feelings and attitudes of employees with respect to their job [59], it is employees’ affective states and thoughts about the job and organization.

Sengupta [60] in his exploratory study on job and demographic attributes affecting employee satisfaction in the Indian BPO industry, distinguished between employee satisfaction and job satisfaction, referring to later as a subset of former. He further argued that employee satisfaction is broader, comprising of elements such as; general satisfaction with work [61], employee relationships, remuneration [62], benefits and organizational culture [63] and employee loyalty [64], while job satisfaction is more narrow and specific to the job contents. In addition to the difference, employee satisfaction is organization’s perspective and job satisfaction is employee’s perspective. Apparently, one can presume the two concepts can be used interchangeably as they are referring to satisfaction with particular reference to employees’ attitude toward their job with an organization.

Heslop et al. [65] argued that job satisfaction is the difference between one’s expectations, needs and values about the job and what the job actually delivers. Thus, making job satisfaction vital for both personal well-being and organizational effectiveness [66], putting in mind that dissatisfaction with one’s job can result to seeking alternative position elsewhere [67].

Notably, ample of literatures from different field of studies have accentuated that many factors responsible for intention to quit of employee in an organization, job satisfaction is the most significant [12,13], for example Lee [68] realized that need for achievements and challenge as the components of job satisfaction significantly influenced turnover intentions among IT professionals. Joseph et al. [11] in their meta-analyses of 33 studies relating to turnover intentions of IT professionals identified job satisfaction, job performance, role conflict, pay promotion and perceived job characteristics as the important factors for quitting intentions.

**Job Satisfaction and Turnover Intention:** Numerous negative relationships recorded from several studies on job satisfaction and turnover intentions cannot be overemphasized. Kinicki et al. [69] and Price [70] established and reported a consistent negative relationship between job satisfaction and intention to quit. Though, Wong et al. [71] argued that the relationship is not as strong in some cases.
To further buttress the theoretical and empirical results which explicated job satisfaction and intention to quit negative relationships, Herzberg [72] and Scott and Taylor [73] concluded that job satisfaction is a variable with strongest zero-order relationship to turnover. And the fact that quitting is logically preceded by quitting intention, it was confirmed that intention to quit was negatively and significantly related to job satisfaction [74]. Also in support of a negative relationship between these two variables are; [75, 76].

However, many Chinese researchers believed that employee turnover can be critically influenced by job satisfaction, out of many studies that supported the negative association include; [77-80]. But, Chen [81] and Wang et al. [42] contrarily found no significant relationship between these variables; this was in line with arguments by some researchers that determinants of job satisfaction may differ between cultures and countries thereby affecting the relationship with turnover intention [82].

Meanwhile, in the might of the studies that postulated negative and strong correlation between job satisfaction and turnover intention, as well as reported consistent negative relationship between them, this study hypothesize that;

**H5:** There is a negative relationship between Employee Job Satisfaction in call center and Intention to quit.

**CONCLUSION**

After due considerations of the empirical and theoretical arguments that highlighted the detrimental effects that turnover of employees can impose to organizational performance in term of cost, profitability, customer satisfaction and retention. And as well, the assuring evidences of CRM Organization and Knowledge Management as managerial practices that can be employed to enhance job satisfaction and reduce quitting intentions among employees in an organization. This study has presented a hypothetical model to reflect the relationships between CRM Organization, Knowledge Management, employee job satisfaction and intention to quit. Its immense contribution to knowledge is the framework used for explaining the influence of the two independent variables on employee job satisfaction and intention to quit within the call center.

Importantly, this paper will avail the call centers management to be proactive toward ensuring the provision of avenue where employees’ expectations and needs can be met, as this would ensure stable, satisfied, resourceful and productive employees for the achievement of organizational performance and goals.

However, the limitation in this study is in the lack of data to empirically test for validity of the proposed model which is highly required for the investigation of hypothesized relationships.

**REFERENCES**

3. SQM, G.C., 2007. First Call Resolution Revisited: Why it still matters most and how to improve it; Industry Reports.


81. Chen, L.T., 2005. Exploring the Relationship among Transformational and Transactional Leadership Behavior, Job Satisfaction, Organisational Commitment and Turnover on the IT Department of Research and Development in Shanghai, China, Nova Southeastern University, Fort Lauderdale-Davie, FL.