

Mediating Effects of Customer Management on the Relationship between Employee engagement, Financial Strategic decisions, and Organizational Performance: A Conceptual Analysis

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ABSTRACT

This paper adopts an indepth review of literature with a Conceptual Case Anlysis study paradigm. The review of literature covers Employee Engagement, Strategic financial decision making, Customer Management and supporting theories and organizational performance. The study conceptualizes that the two dependent variables medited by customer management shown in the conceptual digram impact organizational achievement in service enterpriesses including educational institutions. It emphasizes also that an organization may have all that it takes to achieve its goals which may not include only conducive organizational climate, egalitarian- leadership ,human capital maximization with streaming organizational culture ethos and structural encumbrances, but also collaborating efforts among all the sectors and mediators to achieved the desired goals. These factors provide the thrust for achieving goals in an organization. Previous studies emphasized organizational culture, structure and human capital performance as key levers in achieving competitive advantage, side- stepping collaborating between customer management, financial strategic decision making and the impact on organizational performance. Recent studies in the health sector in west African countries emphasized good administrative planning and control, rewards and compensation, business strategy and off setting environmental uncertainty. The earlier study focuses on the mediating roles of organizational capabilities and its determinants. However, the This work uses a Conceptual Case Analysis study methodology to conduct an in-depth analysis of the literature. Employee engagement, strategic financial decision making, customer management, and supporting theories, as well as organizational performance, are all covered in the literature review. The study hypothesizes that the two dependent variables mediated by customer management, as depicted in the conceptual diagram, have an impact on organizational success in service businesses, including educational institutions. It also emphasizes that an organization may have everything it takes to achieve its objectives, which may include not only a favorable organizational climate, egalitarian leadership, human capital maximization with streaming organizational culture ethos, and structural encumbrances, but also collaborative

efforts among all sectors and mediators to achieve the desired objectives. These variables give the impetus for an organization's aims to be met. Previous research has focused on organizational culture, structure, and human capital performance as essential levers for creating competitive advantage, ignoring collaboration between customer management, financial strategic decision-making, and the influence on organizational performance. knowledge gap left which is filled by this current study are the conceptualization of customer management as an intervening variable together with employee engagement and strategic decision making as dependent variables. In order to establish the relationship between dependent and the independent variables, this study recommends further research work to analyze an empirical data on employee engagement, strategic decision making and customer management and its resultant effects on organizational performance.

Key words: Employee engagement, Strategic decisions making, customer management, Organizational performance , culture ethos and organizational structural encumbrances

INTRODUCTION

The current study seeks to presents an in-depth review of literature on Organizational Performance, Employee Engagement, Financial decision Making, and Customer Management which constitutes the independent variable thus organizational performance and employee engagement and strategic financial decision making as the independent variables in the study. The research paradigm is combination of a Conceptual Analysis with a mediator variable. This is partially in contrast with earlier studies which combined models and frameworks together with primary data and literature review (Shatque-ur et al 2019); (Giti et al 2012; Rojas, R.R. 2000); Schermerhorn, J.R. et al (2014), besides, the approach is equally in consonant with those that adopt the full conceptual case analysis with a review of the literature and propose further research using primary data (Ganu and Peprah, 2018) and (Azameti, M.S.K. 2020).

The Humanist literature (1940), under the caption the "New World Order" mentioned in (Azameti M.S,K.2020), added two more variables such as organizational climate and leadership typology to the Conceptual Case study Analysis paradigm. This underscores the phenomenal use of diverse social and economic variables in conceptualizing case study analysis yet the results remain inconclusive, all depends on the creativity and ingenuity of the individual researcher. Adding to this volume of knowledge, the current research presents customer management taking the center stage of collaborating with employee engagement and strategic decision making that are perceived to ensure organizational performance.

Strategic plan implementation and other variables mentioned in literature do impact organizational performance (Buani, H.Yusuf, A.Kiiru, et al 2015); Cania.L.(2014); (Sangkay, R., Lapian, S. J., & Rumokoy, F. 2016) states employee compensation, social structures, and their effects on achievements of organizations). Hamas, T.T.(2004) is also of the view that social factors have an impact on organizations. Hanafi E. and Fatma, Z.(2015) contend that integration between the level of control and SWOT Analysis affect organizational performance, further more Shafique-ur et al (2019), also emphasized that organizational culture, organizational structure, and human capital performance are among the indispensable variables that impact organizational performance. Management control in areas such as poor planning culture, compensation, business strategy, environmental uncertainty, leadership, and administrative issues mentioned in Hanafi, E. and Fatma, Z.(2015); Shafique-ur et al 2019)

affects the performance of organizations. Previous research especially during the 1970s focused on factors that determine the structures of an organization such as internal and external factors with emphasis on economic and political encumbrances, however, the current research is mainly on such internal factors within the organization, these form the independent and dependent variables stated in the conceptual diagram(Figure 1.below). The current study is the sequel to earlier studies of other researchers like William, Peprah (2018, Jeston & Neils; 2014; William & Ganu 2018; Newman,2012) and Hakim(2015). Burke and Litwin(2015) in their study employed organizational performance model and a Causal Model of Organizational Performance and Change that has enriched the conceptual paradigm of research.The study is based on the assumption that collaboration between employees' level of engagement on customer service, and the relationship between financial decision making, and customer management at the center of organization management philosophy positively correlates with organizational performance. This has introduced another strand in the conceptual Case analysis with an in-depth review of the literature.

ORGANIZATIONAL PERFORMANCE

The concept of organizational performance is the comparison of an organization's goals and objectives with its actual performance in three distinct areas thus,financial performance, market performance, and shareholder value.

The concept of Organizational Performance in Specialized Theory

The concept of performance, as it appears defined in the dictionaries of French, English and Romanian, defines more the idea of outcome, achieved goal, quality, and less the economic aspects of efficiency and effectiveness.

The Explanatory Dictionary of the Romanian Language defines performance as "a result (particularly good) obtained by someone in a sporting contest; a special achievement in a field of activity; the best result obtained by a technical system, a machine, a device, etc." The definition shows that the term performance was originally taken from themechanics and sports fields, in order to subsequently be used to characterize the very good results also achieved in other fields. This means that performance is obtained only by a limited number of entities, those who get the bestresults. Performance can not be associated with any result achieved, but only with a special one. What does "special"mean? In the first place, net superior to what was obtained in an earlier period, in the second place, superior to results obtained by "others" and, in a third place, different by the objectives obviously set, in a favourably acceptance.(Ion,Elena Iuila2016)

Currently there are a variety of definitions attributed to the concept of performance due to its subjective nature. In the literature there are many articles or studies that define the concept of performance closely related to environmental factors. Didier Noyé (2002) believes that the performance consists in "achieving the goals that were given to you .Organizational performance stated in literature means the actual output or results of an organization as measured against its intended outputs that are goals and objectives. (Charles Omondi Ondoro,2015). It is comprised of the actual output or results of an organization as measured against its intended outputs. According to Richard et al (2019), organizational performance encompasses three specific areas of firm outcomes namely, financial performance; product market performance; and shareholder return. Some factors are to be performed by the

organization such as human and cultural factors, technology, natural resources, economic factors, regulatory measures, markets, management philosophy, organizational culture (Goals, Value, Beliefs & Norms), organizational climate, motivated behavior, and teamwork, structure, and culture. These have widened the scope of use of variables in the social Sciences research approach.

EMPLOYEE ENGAGEMENT

Employee engagement is a workplace strategy that creates the right conditions for all employees to give their best every day, committed to the organization's goals and principles, inspired to contribute to organizational progress, and feeling better about themselves. Employee involvement is about knowing one's position in an organization and being able to see and feel how it fits into the organization's mission and goals (Pritchard, K.) (2010)'(Woods, S.A.,Sofat,J.A(2013). It's all about getting a common vision for the employees. Employee engagement is described as having a clear understanding of how an organization is achieving its mission and goals, how it is evolving to better serve those objectives, and being given a voice in the journey to provide ideas and express opinions that are considered as decisions are made. (<http://www.google.com/employeeengagement.org>). Employee engagement in the context of this study explains the points where customer management and financial strategic decision making must be a collaboration of all these stakeholders of the firm. More often than not, some management decisions towards financial maximization scarcely involves employees who deal directly with customers. When such decisions lack human face in its implementation it goes against ethos of customers relationship management. Many service providing firms especially private educational enterprises are vulnerable to such decisions when drastic measures are taken to get fees paid by defaulting students. Some students eventually take French leave by seeking admission in other competing institutions offering similar programmes. Employee engagement must ensure customer management which calls for working in concert with strategic financial decision makers like the finance directors of the institution who are sometimes pushed by owner equity drive

EMPLOYEE ENGAGEMENT AND CUSTOMER RELATIONSHIP

Employee engagement affects customer service in a number of positive ways. Engaged employees are more willing to go the extra mile to resolve a client's problem or close a sale, contributing to a culture that consistently delivers great customer service. Engaged employees pay way more attention to their work. Employee engagement measures how much employees value their company as well as its customers. ... The happier your employees are, the better service they'll provide to customers. If your employees are more engaged with your business they'll be more committed to your customers' needs Management Guide (2019)

THE THEORY OF EMPLOYEE ENGAGEMENT

The theory of employee engagement, when stated simply, looks like common sense. According to the theory, leaders of an organization must ensure that all their staff members are fully engaged, that they are fully switched on at their job (2012 available at <https://www.awaragroup.com>). The widely- used term 'employee engagement, embraces two attempts of management—motivating the employees and focusing their commitment to achieving the organizational objectives. Engagement at work was conceptualized by Kahn (1990) as the 'harnessing of organizational members' selves to their work roles. The Three Components of Employee Engagement are Validation that is the unconditional recognition of

an employee's intrinsic human value, Recognition is conditional praise based on job performance, behavior, and attitude and Feedback.

The term employee engagement has been defined by various researchers. A commonly agreed-upon definition would be the physical, psychological, or emotional involvement of the employee while at work. Four things are important when we talk about employee engagement; commitment, motivation, loyalty, and trust. In the context of this study, the concept of employee engagement explains organizational leaders recognizing the value and expertise of employees when considering customer maximization to impact organizational achievement. Research has shown that strategic financial decisions of many service organizations less involved employees both at the middle level and operational level of the organization. Many havoc has been done against customer management which is directly in line with employee engagement when performing their assigned duties.

JOB EMBEDDEDNESS THEORY

Job embeddedness theory defines sacrifice as “the perceived cost of material or psychological benefits that are forfeited by organizational departure.” Aside from the most obvious benefits of employment such as income and insurance, a variety of secondary incentives may be withdrawn or concluded if an individual leaves .Management Guide(2018) These may include formal benefits such as pension plans, stock options, or opportunities for future career advancement. They may also include informal benefits such as co-worker friendships, personally significant tasks or projects, or even the reputation of holding a certain position.

STRATEGIC FINANCIAL DECISION MAKING

Strategic financial management as a discipline has acquired critical significance because of continuing globalization and resulting cross-border flow of capital. Financial Management: A Strategic Perspective stresses the importance of applying knowledge and techniques of financial management to the planning, operating, and monitoring of financial functions within the context of the strategic choices and issues that have an impact on an organization's long-term success. This decision must involve the expertise of employees who are more or less play a significant role in customer maximization with an overriding aim of contributing to organizational performance. Several studies stressed organizational culture. human capital, organizational climate, and leadership styles, just to mention a few, influencing organizational performance. As a sequel to this earlier research, the present study seeks to conceptualize employee engagement, financial decision making, and customer management as the intervening variables that propel organizational performance.

THEORY OF FINANCIAL MANAGEMENT

Basically, financial management theory deals with the usage of money in a business, including all acquisitions, sales and expenditure. Its effectively taking financial management theory and applying it to practice applicable to your organisation.(<http://www.finance for nonfinancemanagers.com>). There are four recognized elements of financial management: planning, controlling, organizing and directing, and decision making. (<https://Samples.jbpub.com>).

The four divisions are based on the purpose of each task. Types of Financial Decisions.These are: Financing Decision, Investment Decision, Dividend Decision and Working Capital

Decisions. The key aspects of financial decision-making relate to financing, investment, dividends and working capital management.(<https://www.economicdiscussions.net>).

CUSTOMER MANAGEMENT

Customer management is defined as the process of managing the relationship between an organization, its people, and its customers over time. For sustained success, companies need to align their customer strategy with the company's aims and objectives. The definition of customer management is the processes, practices, systems, and applications that a company uses to manage its relationships with existing customers and new prospects.

It has long been established that effective organizational performance hinges on Customer management in conjunction with employee engagement and strategic financial decision-making of the firm. This study is based on the assumption that for organization performance to be achieved, analysis of the effect of mediating roles of customer management on the relationship between employee engagement and strategic financial decision is to be analyzed . Strategic financial decisions makers in many service enterprises such as private educational institutions in Ghana most often try to sidestep other actors when perusing financial maximization. By so doing, in enforcing such decisions sometimes lack human face that eventually negates the practical and theoretical approaches to customer relationship management.(Johson and Ross 2014) in Rajarshi, Debnath et al 2016).

CUSTOMER MANAGEMENT THEORY

The CRM Behaviour Theory represents seven inter-related perspectives of Customer Relationship Management (CRM) relating to managing corporate customer relationships in service industries such as telecommunications and education. This involved 52 personal interviews with service providers and their corporate clients as mentioned in Management Guide (2010). Research has shown that service-providing business like educational institutions has inadvertently reduced their customer base through lack of this phenomenon of improper management of their customers. Among several competitors, it is of strategic importance for service providers to collaborate in employee engagement, financial strategic decisions making, and customer management. Therefore, the importance of the mediating roles of customer management on the relationship between employee engagement and financial strategic decisions making and organizational performance cannot be over-emphasized. The current literature presents a host of ways through which customer management affects the loyalty of customers.

This paper employed the literature review method with conceptual analysis to show the extent to which lack of corporation between employee engagement, financial strategic decision making towards customer management affects organizational performance in the emerging private educational enterprise in Ghana. This study proposes as follows:

- P1.** Employee engagement has a statistically positive relationship with customer management and the performance of organizations.
- P2.** Strategic financial decisions have a statistically positive relationship with customer management and organizational achievement
- P3.** Customer management has a statistically significant relationship with employee engagement, financial decisions and organizational performance.

Employee engagement

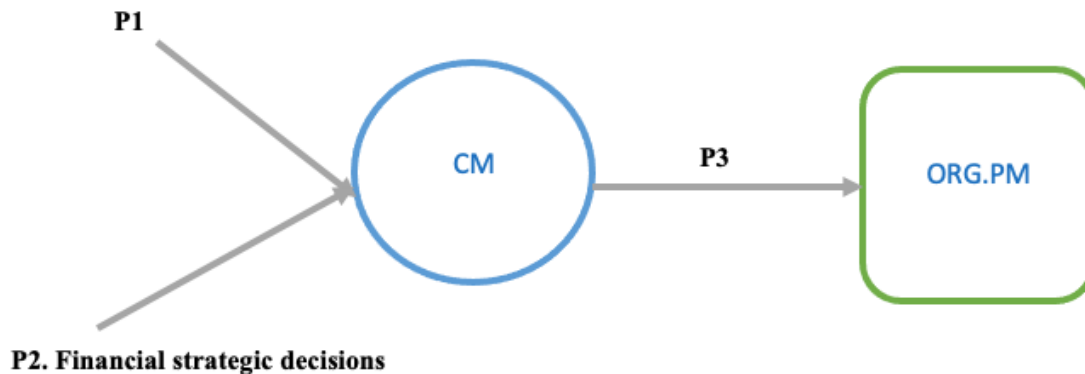


Figure 1: Representation of the perceived impact of workforce engagement, financial decision making, and customer management on organizational performance

Source: The Researcher's compilation: It suggests that employee engagement, strategic financial decisions, and customer management significantly impact organizational performance

This supports the earlier research of Shafique-ur, et al (2019); Kramar, R. (2014); Hanafi, E., and Fatma, Z.(2015), that emphasized the level of employee engagement, customer management, and financial decision making as perceived factors that contribute to organizational performance. This paper recommends empirical investigation with primary data to find the true statistical relationship between the intervening variables in this study and their impact on organizational performance.

CONCLUSION

Several studies recorded in literature present conceptual frameworks and models on organizational performance with adoption of diverse variables yet the knowledge gap remains unclosed. Human capital maximization, organizational structure and culture cocoon have also been conceptualized in explaining the impact on organizational performance. Besides these variables namely, organizational climate and management of leadership style, administrative issues such as planning, organizing, rewards and compensation, leading and controlling in the context of leadership efficacy, just to mention a few, have been added to the debate that makes this field of study very dynamic. Adding to this debate this paper supports earlier ones that organization can have all that it takes to achieve its goals but without collaborating between its employees, focusing on customer management and financial decision making scarcely can such feat be realized.

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