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The Influence of Government Support and Innovative Work Behaviour on Customer Relationship Management and its Implications on Marketing Result: A Study at PT BPRS Bhakti Sumekar Sumenep

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Abstract
Despite the critical role of regional government owned Islamic Rural Banks (Bank Perekonomian Rakyat Syariah/BPRS) in advancing local financial inclusion, empirical understanding of how government support shapes innovative organizational behavior and, through it, customer relationship management quality and marketing performance remains limited. This study examined the influence of Government Support on Individual and Organizational Innovative Work Behaviour (IWB), the subsequent effects of both IWB dimensions on four Customer Relationship Management (CRM) components: Customer Orientation, CRM Organization, CRM Knowledge Management, and Technology-Based CRM, and the implications of these CRM dimensions for Marketing Result. A quantitative explanatory design was adopted, with data collected from 129 purposively sampled employees and analyzed by Partial Least Squares-Structural Equation Modeling (PLS-SEM). The findings reveal that Government Support positively and significantly influences both Individual and Organizational IWB, with the latter demonstrating stronger downstream effects on all CRM dimensions. Among the CRM components, Customer Orientation and Technology-Based CRM emerged as the most consequential pathways to improved Marketing Result, with the model explaining a substantial proportion of variance in the outcome variable. These results establish Government Support as a strategic institutional resource that catalyzes innovative work behaviour, and identify Technology-Based CRM as the most effective mechanism for enhancing marketing performance in government-owned BPRS. The study extends the model of Nicolescu and Ripa (2024) by incorporating Government Support as an upstream antecedent, offering theoretical contributions to the CRM and innovation literature and practical implications for regional governments and banking regulators.

INTRODUCTION

Intensifying business competition compels organizations to be not only responsive to external environmental dynamics but also proactive in building internal capabilities as a key determinant of long-term success (Garrido-Moreno & Padilla-Meléndez, 2011). This phenomenon is experienced by both conventional and Islamic banking sectors in Indonesia, including the Bank Perekonomian Rakyat (BPR) and Bank Perekonomian Rakyat Syariah (BPRS). In this competitive context, managing customer relationships has emerged as one of the key strategies for sustaining competitiveness and improving organizational performance.

Customer Relationship Management (CRM) has proven to be an effective business strategy for improving marketing performance through four core dimensions: Customer Orientation, CRM Organization, CRM Knowledge Management, and Technology-Based CRM. Recent research shows that CRM effectiveness depends not only on technology and organizational structure but is also significantly influenced by Innovative Work Behaviour (IWB) at both individual and organizational levels (Nicolescu & Rîpa, 2024).

Data from the Financial Services Authority (OJK) as of October 2025 reveals a compelling paradox: 1,499 BPR/BPRS units operate across Indonesia far exceeding the 105 commercial banks yet BPR/BPRS collectively holds only 1.80% of total assets market share, 1.75% in third-party funds, and 2.15% in credit/financing. This disparity underscores the urgent need for more effective competitive and marketing strategies. In response, OJK formulated the BPR/BPRS Development and Strengthening Roadmap 2024–2027, targeting four pillars: structural and competitive strengthening, digital acceleration, regional role enhancement, and regulatory reinforcement.

Among all BPR/BPRS institutions, those owned by regional governments face uniquely complex challenges, operating simultaneously as commercial profit-generating entities and as instruments of local economic policy. The issuance of Permendagri No. 21 of 2024 on the Management of Government-Owned BPR and BPRS marks a new paradigm, expanding the institutional mandate from credit intermediation to comprehensive local economic development. As of October 2025, 234 government owned BPR/BPRS units are active across 25 provinces, with 56.41% located on Java.

BPRS Bhakti Sumekar (BPRS BS) of Sumenep Regency presents a compelling research context. Established in 2002 and adopting Islamic banking since 2004, it stands as the largest government owned BPRS in East Java by total assets. The institution demonstrates strong financial performance reflected in consistent profit growth and ROA improvement and has received numerous prestigious awards, including KEJAR Award 2024 and 2025, and Top Digital Awards 2023. These achievements are attributable to the sustained support of the Sumenep Regency Government, which progressively increased paid-in capital from Rp96 billion to Rp173.5 billion by 2025, alongside policy facilitation, digital literacy programs, and integration of BPRS into regional economic development strategies.

Despite the recognized importance of CRM and IWB in the management literature, few studies have systematically examined: (1) the direct role of government support as an antecedent of IWB in government owned BPRS; (2) the influence of IWB at both individual and organizational levels on all four CRM dimensions; and (3) the direct effects of CRM dimensions on marketing performance in this institutional context. This study addresses these gaps. The findings are expected to strengthen empirical understanding of innovation and CRM dynamics in government owned Islamic rural banks and to provide actionable insights for management, regional governments, and regulators.

METHODS

This research employed a quantitative approach with an explanatory research design and survey method. The central objective is to investigate the influence of Government Support on Innovative Work Behaviour at both individual and organizational levels, the

subsequent influence of IWB on four CRM dimensions, and the influence of CRM dimensions on Marketing Result at BPRS Bhakti Sumekar, Sumenep Regency.

The research population is all employees of BPRS Bhakti Sumekar. Purposive sampling was applied to select 129 respondents who met two criteria: (1) minimum one year of employment at the institution; and (2) direct involvement in at least one of the following business processes customer service and interaction, marketing strategy, or product and information technology development. The research instrument is a structured questionnaire using a 6-point Likert scale (1 = Strongly Disagree, 6 = Strongly Agree).

All constructs were measured using validated indicators: Government Support from Barney, 1991; Ledgerwood, 1999; and the OJK BPR/BPRS Roadmap 2024-2027), Individual IWB, Organizational IWB, Customer Orientation, CRM Organization, CRM Knowledge Management, Technology-Based CRM, and Marketing Result, all adapted from Nicolescu and Rîpa (2024) and Sin et al. (2005). These indicators were operationalized into measurement items as presented in Table 1.

Table 1. Operationalization of Research Variables

No	Variable and Definition	Adopted Measurement
1	**Government Support** is the support of the regional government as shareholder, in the form of policy, financial, and technical assistance.	1. The Sumenep Regency Government provides additional capital to strengthen the financial structure of BPRS. 2. The Sumenep Regency Government issues policies that support the expansion of BPRS business reach. 3. The Sumenep Regency Government involves BPRS in regional economic development programs. 4. The Sumenep Regency Government facilitates BPRS access to reach strategic target markets such as MSMEs and the broader community. 5. The Sumenep Regency Government collaborates with BPRS in organizing financial education, literacy, and inclusion activities for the community. 6. The Sumenep Regency Government supports the acceleration of digital infrastructure development and electronic banking services at BPRS. 7. The Sumenep Regency Government facilitates BPRS access to information technology to improve operational efficiency. 8. The Sumenep Regency Government facilitates the provision of continuous training programs for BPRS employees. 9. The Sumenep Regency Government provides concrete support in improving the competency standards and professionalism of BPRS management.
2	**Individual Innovative Work Behaviour (IIWB)** refers to the proactive actions of individuals in creating, introducing, and applying new ideas within their work role to deliver performance benefits.	1. I create new ideas related to complex problems. 2. I seek new working methods and new solutions to mitigate potential problems. 3. I generate solutions to existing problems. 4. I am able to transform new ideas into useful applications. 5. I apply innovative ideas in the work environment. 6. I evaluate the utility of new ideas after they are applied.
3	**Organizational Innovative Work Behaviour (OIWB)**	1. BPRS Bhakti Sumekar strongly encourages employee creativity. 2. BPRS Bhakti Sumekar encourages employees to solve problems in different ways.

	refers to the collective capacity of an organization to create a conducive ecosystem for innovation through policies, business processes, and mechanisms that facilitate innovative behaviour.	3. The organizational culture at BPRS Bhakti Sumekar promotes the development of new knowledge among employees. 4. BPRS Bhakti Sumekar continuously implements changes. 5. Leadership at BPRS Bhakti Sumekar encourages employees to learn new things. 6. Leadership at BPRS Bhakti Sumekar encourages employees to think creatively and generate new ideas. 7. Leadership at BPRS Bhakti Sumekar provides recognition and praise for innovative employee performance.
4	**Customer Orientation** is a business philosophy that places customer interests as the top priority in every decision-making and business activity.	1. BPRS Bhakti Sumekar's business objectives are focused on customer satisfaction. 2. BPRS Bhakti Sumekar provides banking services and products tailored to the needs of key customers. 3. BPRS Bhakti Sumekar makes efforts to identify the needs of key customers. 4. BPRS Bhakti Sumekar regularly measures the level of customer satisfaction. 5. BPRS Bhakti Sumekar pays great attention to after-transaction services.
5	**CRM Organization** refers to the organizational structure, processes, and systems designed to support the effective management of customer relationships.	1. BPRS Bhakti Sumekar has established clear business objectives related to new customer acquisition, development of existing customers, retention of loyal customers, and reactivation of inactive customers. 2. BPRS Bhakti Sumekar is committed to allocating resources to manage customer relationships. 3. BPRS Bhakti Sumekar has adequate marketing resources to succeed in implementing Customer Relationship Management. 4. BPRS Bhakti Sumekar designs employee training programs to develop the skills required in building and deepening customer relationships.
6	**CRM Knowledge Management** is a systematic process for identifying, acquiring, developing, using, and maintaining knowledge relevant to CRM activities	1. BPRS Bhakti Sumekar has established systematic processes to collect knowledge about customers. 2. BPRS Bhakti Sumekar has accurate customer information that enables quick and precise interactions with them. 3. BPRS Bhakti Sumekar is able to make business decisions quickly based on new knowledge obtained from customers.
7	**Technology-Based CRM** refers to the use of information technology systems to support the implementation of CRM strategy.	1. BPRS Bhakti Sumekar is able to consolidate all information obtained about customers in a comprehensive and up-to-date database. 2. BPRS Bhakti Sumekar has dedicated CRM technology (hardware and software) that meets its operational needs. 3. BPRS Bhakti Sumekar invests in technology to acquire and manage real-time customer information and feedback. 4. BPRS Bhakti Sumekar uses hardware and software applications for data storage and analytics related to customer relationships.
8	**Marketing Result** is the outcome achieved from the implementation of an organization's marketing strategies and activities.	1. The implementation of CRM at BPRS Bhakti Sumekar enhances the bank's image. 2. The implementation of CRM at BPRS Bhakti Sumekar increases customer trust in the bank.

	3. The implementation of CRM at BPRS Bhakti Sumekar improves customer satisfaction. 4. The implementation of CRM at BPRS Bhakti Sumekar improves customer loyalty.

Source: Processed by the Author (2026)

Data analysis employed Partial Least Squares-Structural Equation Modeling (PLS-SEM) via SmartPLS, following Hair et al. (2019). The analysis proceeded in two stages: (1) outer model evaluation assessing convergent validity (outer loadings ≥ 0.70; AVE ≥ 0.50), discriminant validity (HTMT ratio and cross-loadings), and construct reliability (Cronbach's Alpha and Composite Reliability ≥ 0.70); and (2) inner model evaluation comprising R^2, Q^2, model fit indices (SRMR, GoF, NFI), and hypothesis testing via bootstrapping (5,000 subsamples; 95% confidence level).

RESULTS AND DISCUSSION

Of the 129 valid respondents, majority were female (57.36%), aged 26–35 years (55.04%), held undergraduate degrees (87.60%), occupied staff positions (71.32%), and had 1–5 years of tenure (44.19%). This profile is representative of the employee population at BPRS Bhakti Sumekar.

Outer Model Evaluation

Convergent validity was confirmed for all constructs, with all outer loadings exceeding 0.70 and all AVE values above 0.50, as presented in Table 2.

Table 2. AVE Result

Variable	AVE	Status
Government Support (GVSP)	0.641	Valid
Individual Innovative Work Behaviour (IIWB)	0.778	Valid
Organizational Innovative Work Behaviour (OIWB)	0.747	Valid
Customer Orientation (CUOR)	0.796	Valid
CRM Organization (CRMO)	0.797	Valid
CRM Knowledge Management (CRKM)	0.844	Valid
Technology-Based CRM (TCRM)	0.801	Valid
Marketing Result (CRMR)	0.912	Valid

Source: Processed by the Author (2026)

Discriminant validity was confirmed for all constructs, as the square root of AVE for each construct exceeded its highest inter-construct correlation as shown in Table 3.

Table 3. HTMT Discriminant Validity Result

	CRKM	CRMO	CRMR	CUOR	GVSP	IIWB	OIWB	TCRM
CRKM	0.919							
CRMO	0.753	0.893						
CRMR	0.718	0.738	0.955					
CUOR	0.679	0.708	0.757	0.892				
GVSP	0.589	0.686	0.675	0.590	0.801			
IIWB	0.568	0.597	0.509	0.511	0.675	0.882		

OIWB	0.616	0.712	0.663	0.686	0.493	0.357	0.864	
TCRM	0.826	0.787	0.854	0.717	0.629	0.529	0.674	0.895

Source: Processed by the Author (2026)

All constructs demonstrated excellent internal consistency, with Cronbach's Alpha values ranging from 0.907 to 0.968 and Composite Reliability (rho_c) values from 0.940 to 0.977 all substantially exceeding the minimum threshold of 0.70 (Hair et al., 2019), as shown in Table 4.

Table 4. Construct Reliability Result

Variable	Cronbach's Alpha	Composite Reliability	Status
Government Support	0.930	0.941	Reliable
Individual IWB	0.943	0.955	Reliable
Organizational IWB	0.931	0.946	Reliable
Customer Orientation	0.914	0.940	Reliable
CRM Organization	0.915	0.940	Reliable
CRM Knowledge Management	0.907	0.942	Reliable
Technology-Based CRM	0.917	0.941	Reliable
Marketing Result	0.968	0.977	Reliable

Source: Processed by the Author (2026)

Model Fit Assessment

Model fit indices indicate acceptable overall model fit. SRMR = 0.096 (< 0.10, fit), d_ULS = 7.552 (> 0.05, fit), d_G = 2.868 (> 0.05, fit), NFI = 0.735 (acceptable for complex PLS models), and GoF = 0.645 (> 0.36, indicating strong fit). While the Chi-square statistic exceeded the critical value, this is a well-documented consequence of Chi-square sensitivity to large sample sizes in PLS-SEM and does not invalidate the model's overall adequacy. Q^2 values for all endogenous constructs were positive, confirming predictive relevance: IIWB (0.456), CRMO (0.436), CRMR (0.421), TCRM (0.370), CUOR (0.338), CRKM (0.335), and OIWB (0.161).

Inner Model: R-Squared Results

Table 5 presents the coefficient of determination (R^2) for each endogenous construct. Marketing Result achieved the highest R^2 of 0.775, indicating that 77.5% of its variance is explained by the combined influence of Government Support, IWB dimensions, and CRM dimensions a classification of strong explanatory power per Hair et al. (2019).

Table 5. R-Squared Results

Variable	R^2	R^2 Adjusted	Category (Hair et al., 2019)
Individual IWB	0.456	0.451	Moderate
Organizational IWB	0.243	0.237	Weak
Customer Orientation	0.552	0.545	Moderate
CRM Organization	0.641	0.635	Moderate–Strong
CRM Knowledge Management	0.518	0.511	Moderate
Technology-Based CRM	0.550	0.543	Moderate
Marketing Result	0.775	0.768	Strong

Source: Processed by the Author (2026)

Hypothesis Testing Results

Hypothesis testing was conducted via bootstrapping with 5,000 subsamples at a 95% confidence level. A path relationship is considered statistically significant if P-value < 0.05. Table 6 presents the complete path coefficient and hypothesis testing results, figure 2 presents PLS-SEM structural model.

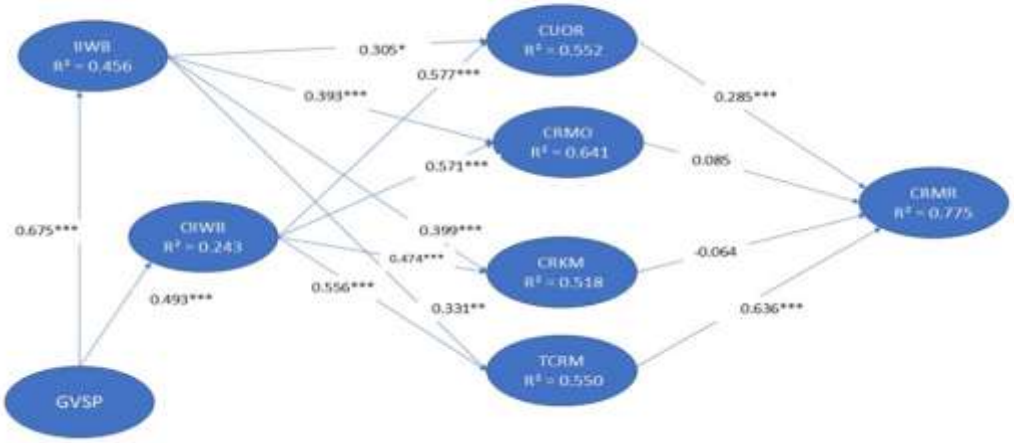

Figure 2. PLS-SEM Structural Model (Inner Model)

Source: Processed by the Author (2026)

Table 6. Path Coefficient and Hypothesis Testing Results (Bootstrapping)

No.	Relationship	β	P-value	Decision
H1	Government Support → Individual IWB	0.675	0.000	Supported
H2	Government Support → Organizational IWB	0.493	0.000	Supported
H3	Individual IWB → Customer Orientation	0.305	0.011	Supported
H4	Individual IWB → CRM Organization	0.393	0.000	Supported
H5	Individual IWB → CRM Knowledge Management	0.399	0.000	Supported
H6	Individual IWB → Technology-Based CRM	0.331	0.002	Supported
H7	Organizational IWB → Customer Orientation	0.577	0.000	Supported
H8	Organizational IWB → CRM Organization	0.571	0.000	Supported
H9	Organizational IWB → CRM Knowledge Management	0.474	0.000	Supported
H10	Organizational IWB → Technology-Based CRM	0.556	0.000	Supported
H11	Customer Orientation → Marketing Result	0.285	0.000	Supported
H12	CRM Organization → Marketing Result	0.085	0.206	Not Supported
H13	CRM Knowledge Management → Marketing Result	-0.064	0.211	Not Supported
H14	Technology-Based CRM → Marketing Result	0.636	0.000	Supported

Source: Processed by the Author (2026)

Of the 14 hypotheses tested, 12 are statistically supported (P < 0.05) and 2 are not supported (H12 and H13). The structural model demonstrates strong predictive capability for Marketing Result (R^2 = 0.775, Q^2 = 0.689). Figure 2 depicts the PLS-SEM structural model with path coefficients.

This study employed PLS-SEM to examine 14 hypothesized relationships among Government Support, Individual and Organizational IWB, four CRM dimensions, and Marketing Result. The following section discusses each hypothesis result, grounded in the empirical findings and supporting literature.

The Influence of Government Support on Individual Innovative Work Behaviour (H1)

H1 is supported: Government Support has a significant positive influence on Individual Innovative Work Behaviour ($\beta = 0.675$, $P = 0.000$), with a large effect size ($f^2 > 0.35$). This finding confirms that every unit increase in Government Support corresponds to a 0.675-unit increase in Individual IWB. This result aligns with Scott and Bruce (1994), who established that IWB is significantly influenced by contextual factors particularly the formation of an innovation climate and group support. When individuals perceive organizational support through available resources and clear innovation expectations, they develop a perception that creative efforts will be valued, increasing their motivation and willingness to engage in complex problem-solving.

In the context of BPRS Bhakti Sumekar, government support from the Sumenep Regency Government materializes in several direct forms: progressive capital injection (from Rp96 billion to Rp173.5 billion by 2025) creates psychological safety for employees to experiment; capacity development programs through TPAKD provide access to current knowledge in Islamic banking and digital finance; and technology infrastructure investment enables individual exploration of digital solutions. Consistent with Ledgerwood (1999), this supportive policy framework and institutional capacity-building constitutes a prerequisite for building individual innovation capacity in microfinance institutions.

The Influence of Government Support on Organizational Innovative Work Behaviour (H2)

H2 is supported: Government Support has a significant positive influence on Organizational Innovative Work Behaviour ($\beta = 0.493$, $P = 0.000$). This finding is consistent with Nicolescu and Rîpa (2024) who show that organizational resources and external support can drive OIWB. This is in line with what Smoke (2001) stated that local government as a strategic actor in regional development has a function that is not only administrative but also transformative. Rondinelli and Cheema (2003) argue that effective government must adopt a collaborative model as an enabler focused on empowering organizational capacity through access to knowledge, technology, and networks. In the BPRS context, government support at the organizational level operates through more diffuse but equally powerful mechanisms creating a conducive innovation ecosystem through strategic directives toward digitalization, governance enhancement (reflected in Permendagri No. 21 of 2024), and the integration of BPRS into regional economic development programs.

The comparatively smaller path coefficient for OIWB (0.493) versus IIWB (0.675) suggests that while government support strongly shapes the organizational innovation environment, its translation to collective innovation behavior involves additional organizational mediating factors such as leadership style, inter-departmental communication quality, and institutional culture that moderate the relationship. From the RBV perspective (Barney, 1991), the exclusive government support received by BPRS Bhakti Sumekar meets VRIN criteria, constituting a strategic asset that builds sustainable collective innovation capacity.

The Influence of Individual IWB on Customer Orientation (H3)

H3 is supported: Individual IWB significantly and positively influences Customer Orientation (β = 0.305, P = 0.011). Employees who proactively generate new ideas, promote those ideas, and implement practical solutions are better equipped to identify evolving customer needs and develop personalized service approaches. This finding is noteworthy because it differs from Nicolescu and Rîpa (2024), who found that IIWB did not significantly influence CRM dimensions, explaining that individual innovations without management endorsement tended not to be implemented in CRM activities.

The contrast may reflect BPRS Bhakti Sumekar's institutional context, where strong government support and aligned organizational culture create an enabling environment where individual innovations receive institutional endorsement bridging the gap between idea generation and CRM implementation. In Islamic banking practice, individual employees' innovative initiatives in understanding specific customer needs (e.g., developing creative financing solutions aligned with sharia principles, improving the 3S service standard: senyum, sapa, salam) directly translate into stronger customer orientation scores.

The Influence of Individual IWB on CRM Organization (H4)

H4 is supported: Individual IWB positively and significantly influences CRM Organization (β = 0.393, P = 0.000). Individual innovative employees contribute to refining organizational workflows, improving customer interaction procedures, and enhancing the internal architecture of CRM. This finding aligns with Scott and Bruce (1994), who explain that individual innovative behaviour from problem identification through applicable idea implementation provides the foundation for business model innovation. In the BPRS context, individual employees who innovate in service delivery processes contribute to developing more efficient cross-functional coordination mechanisms, consistent with Payne and Frow's (2005) emphasis on the critical role of individual innovation in strengthening CRM processes, particularly in information management and multi-channel integration dimensions.

The Influence of Individual IWB on CRM Knowledge Management (H5)

H5 is supported: Individual IWB positively and significantly influences CRM Knowledge Management (β = 0.399, P = 0.000). This finding differs from (Nicolescu & Rîpa 2024), who found that IIWB did not significantly influence CRM Knowledge Management, noting that individual ideas tend to remain tacit without collective support structures. The divergence is explicable by the institutional context: at BPRS Bhakti Sumekar, the strong alignment between government support and organizational culture ensures that individual knowledge innovations receive systematic institutionalization. (Scott & Bruce, 1994) explain that innovative behaviour begins from problem recognition, where individually innovative employees proactively seek better methods to document customer interactions and promote these methods for collective implementation. (Bratianu et al., 2023) empirically confirm that IWB in the workplace significantly contributes to enhanced customer knowledge management, which mediates between innovative behavior and product innovation processes.

The Influence of Individual IWB on Technology-Based CRM (H6)

H6 is supported: Individual IWB positively and significantly influences Technology-Based CRM (β = 0.331, P = 0.002). This finding again contrasts with (Nicolescu & Rîpa, 2024), who found no significant IIWB influence on Technology-Based CRM, arguing that technology adoption is primarily an organizational strategic investment policy. The present finding suggests that individual innovative behaviour plays a significant role in the optimization and utilization of technology not just its adoption. (Scott & Bruce, 1994) explain that individually innovative employees proactively explore new technologies and seek novel ways to leverage system features and integrate digital platforms. In the BPRS context, individual employees' creative use of existing technology systems developing new service workflows, customer interaction protocols, and utilization patterns has contributed to optimizing the institution's technology-based CRM capabilities. Herman et al. (2021) confirm that effective e-CRM utilization requires innovative individuals who can transform digital instruments into creative service solutions.

The Influence of Organizational IWB on Customer Orientation (H7)

H7 is supported: Organizational IWB has a significant positive influence on Customer Orientation (β = 0.577, P = 0.000), exhibiting the strongest path coefficient in the IIWB/OIWB-to-CRM dimension relationships. This result is fully consistent with (Nicolescu & Rîpa, 2024), who documented β = 0.571 for the same relationship. When BPRS Bhakti Sumekar builds a strong collective innovation culture supported by government capital, technology infrastructure investment, and human resource development — this creates an organizational environment that is more responsive and adaptive to customer expectations. (Narver & Slater, 1990) affirm that organizations systematically oriented toward understanding and meeting customer needs consistently create superior customer value. The government-supported innovation ecosystem at BPRS BS enables collective teams to identify new approaches in collaboratively creating value with customers, translating directly into improved customer orientation and marketing performance.

The Influence of Organizational IWB on CRM Organization (H8)

H8 is supported: Organizational IWB positively and significantly influences CRM Organization (β = 0.571, P = 0.000). This finding aligns with Nicolescu and Rîpa (2024), who found β = 0.476 for the same relationship. A strong organizational innovation culture becomes the foundation for creating a comprehensive and adaptive CRM structure. Through systematic exploration of new business opportunities and collective implementation of creative solutions, OIWB facilitates cross-departmental communication and more efficient customer management procedures. Sin et al. (2005) affirm that CRM success is determined by alignment between customer orientation, knowledge management, and technology within a cohesive organizational strategy an alignment that requires organizational innovative capacity. The stronger effect of OIWB (β = 0.571) versus IIWB (β = 0.393) on CRM Organization confirms that systematically coordinated organizational innovation is more effective in reshaping CRM structure than individual initiatives alone.

The Influence of Organizational IWB on CRM Knowledge Management (H9)

H9 is supported: Organizational IWB significantly and positively influences CRM Knowledge Management (β = 0.474, P = 0.000). This finding is consistent with (Nicolescu & Rîpa, 2024), who documented β = 0.241 for the same path. Organizations with strong

collective innovation cultures develop more systematic approaches to customer knowledge collection, processing, and dissemination. (Davenport & Klahr, 1998) emphasize that effective knowledge management requires an organizational culture that encourages knowledge codification. (Bratianu et al., 2023) demonstrate that organizations encouraging collective innovative behaviour are more effective in building customer knowledge capabilities. At BPRS Bhakti Sumekar, organizational innovation drives the systematic enrichment of customer knowledge through integration of digital platforms (BBS Mobile, core banking system), enabling real-time knowledge capture and organizational-level dissemination.

The Influence of Organizational IWB on Technology-Based CRM (H10)

H10 is supported: Organizational IWB has a significant positive influence on Technology-Based CRM (β = 0.556, P = 0.000), consistent with (Nicolescu & Rîpa, 2024), who documented β = 0.318. Collective innovation culture creates a solid foundation for technology adoption and optimization. (Janssen, 2000) explains that innovative work behaviour emerges when organizations create environments encouraging exploration of new ideas and implementation of creative solutions. (Soltani et al., 2018) confirm that organizations with innovative orientation are more successful in integrating technology because they are more adaptive in customizing systems to business needs. The stronger OIWB effect (β = 0.556) versus IIWB (β = 0.331) on Technology-Based CRM reflects that technology adoption and strategic platform integration are fundamentally organizational decisions requiring collective commitment, resource allocation, and systemic change management areas where organizational innovation behavior is more directly effective than individual initiatives.

The Influence of Customer Orientation on Marketing Result (H11)

H11 is supported: Customer Orientation has a significant positive influence on Marketing Result (β = 0.285, P = 0.000). This finding is fully consistent with Nicolescu and Rîpa (2024), who found β = 0.324. Narver and Slater (1990) provide the foundational evidence that organizations placing customers at the core of their strategy consistently create superior customer value, yielding sustainable competitive advantage and stronger financial performance. At BPRS Bhakti Sumekar, customer orientation is manifested through relationship banking practices 31 branches extending to remote islands like Masalembu, the 3S service standard (senyum, sapa, salam), and personalized Islamic financial advisory that directly improve the four Marketing Result indicators: bank image, customer trust, customer satisfaction, and customer loyalty. (Ambler, 2003) emphasizes that strong customer orientation creates the foundation for achieving comprehensive marketing performance metrics through more efficient resource allocation and more resonant value propositions.

The Influence of CRM Organization on Marketing Result (H12)

H12 is not supported: CRM Organization does not have a significant direct influence on Marketing Result (β = 0.085, P = 0.206). This result is consistent with Nicolescu and Rîpa (2024), who also found the CRM Organization–Marketing Result relationship to be non-significant. This finding suggests that organizational structure and CRM processes function as necessary enabling conditions rather than direct marketing performance drivers. CRM Organization contributes to marketing outcomes through indirect pathways enabling and enhancing the effectiveness of Customer Orientation and Technology-Based CRM rather

than through a direct relationship. Pozza et al., (2018) note that CRM organizational effectiveness depends on quality of execution and integration across the entire organization; the benefits of structural improvements in CRM organization may require sufficient time or additional mediating mechanisms (e.g., service quality, employee performance) to translate into measurable marketing results. Future research incorporating mediating variables may clarify this indirect pathway.

The Influence of CRM Knowledge Management on Marketing Result (H13)

H13 is not supported: CRM Knowledge Management does not have a significant direct influence on Marketing Result (β = -0.064, P = 0.211). This finding is consistent with Nicolescu and Rîpa (2024), who similarly found no significant direct effect. The negative direction of the coefficient (β = -0.064) though statistically non-significant may reflect a suppressor effect in the presence of Technology-Based CRM and Customer Orientation in the model: when these two variables are controlled, the incremental direct contribution of knowledge management to marketing results is not detectable. Knowledge management likely operates as an upstream enabler, contributing to Marketing Result through Customer Orientation and Technology-Based CRM pathways rather than directly. Accumulated customer knowledge is only impactful when successfully translated into actionable marketing activities and customer-facing improvements a conversion that depends on the effectiveness of customer orientation and technology infrastructure.

The Influence of Technology-Based CRM on Marketing Result (H14)

H14 is supported: Technology-Based CRM has the strongest direct influence on Marketing Result among all CRM dimensions (β = 0.636, P = 0.000). This result is consistent with Nicolescu and Rîpa (2024) and represents the most dominant pathway in the research model. From an RBV perspective (Barney, 1991), technology meets VRIN criteria when effectively deployed the institution's investments in QRIS Virtual Account (a first among BPRS nationally), mobile banking with payment and purchase features, cardless ATMs (a first in Sumenep Regency), and core banking integration create tangible competitive differentiation that directly improves all four Marketing Result indicators. Soltani et al. (2018) affirm that technology CRM functions to automate business processes and deliver the right information to the right person at the right time, enabling marketing efficiency. The dominant effect magnitude (β = 0.636) implies that for government-owned BPRS operating in geographically dispersed archipelagic areas, technology represents the most impactful strategic lever for reaching and retaining customers.

The overall analysis reveals that the strategic pathway Government Support → Organizational IWB → Technology-Based CRM → Marketing Result is the most powerful mechanism in the model, confirmed by effect size analysis. This chain represents BPRS Bhakti Sumekar's strategic recipe: government capital and policy support cultivates organizational innovation culture, which drives technology adoption and optimization, which directly and most strongly enhances marketing outcomes.

CONCLUSION

Using PLS-SEM analysis on data from 129 employees at BPRS Bhakti Sumekar the largest government-owned Islamic rural bank in East Java this study tested 14 hypotheses examining how Government Support and Innovative Work Behaviour (IWB) influence

Customer Relationship Management (CRM) and, in turn, Marketing Results, with 12 hypotheses supported. Government Support significantly strengthens both Individual IWB ($\beta = 0.675$) and Organizational IWB ($\beta = 0.493$), while both IWB levels positively influence all four CRM dimensions, with Organizational IWB consistently producing stronger effects, confirming that coordinated institutional innovation outperforms individual initiatives in building CRM capabilities. However, of the four CRM dimensions, only Customer Orientation ($\beta = 0.285$) and Technology-Based CRM ($\beta = 0.636$) directly and significantly influence Marketing Results, with the model explaining 77.5% of its variance ($R^2 = 0.775$), suggesting that CRM Organization and Knowledge Management operate through indirect pathways not fully captured in the current model. Future research should address this gap by introducing mediating variables such as service quality, employee performance, or customer experience to clarify the indirect paths from CRM Organization and Knowledge Management to Marketing Results, while also employing longitudinal designs, conducting comparative studies between government-owned and privately-owned BPRS institutions, and incorporating objective financial performance metrics to strengthen causal inference and generalizability.

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