

**THE IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT
(CRM) ON PERFORMANCE INDICATORS: THE MEDIATING
EFFECT OF INNOVATION CAPABILITY, SPECIAL REFERENCE
TO BANKING EMPLOYEES IN BATTICALOA DISTRICT**



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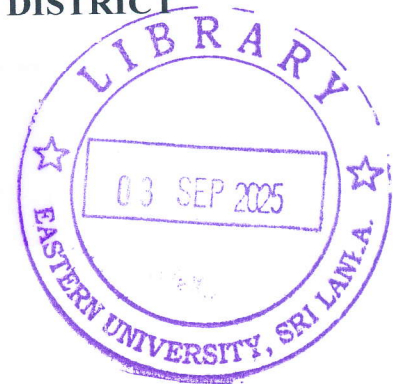
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This is certifying the project report on,

ABSTRACT

This study investigates the relationship between CRM practices, Innovation capability, and Firm performance. And the research investigates the role of innovation capability in organizational performance and CRM practice. So, the study makes a contribution by integrating organizations' CRM practices with their innovation capability process for creating firm performance. So, the study's main goal was to contribute to a better understanding of the role of innovation capability in mediating the relationship between CRM practices and firm performance.

Structured questionnaires were used to collect data from 212 banking employees in the Batticaloa district. So, the units of analysis were four selected banks in the Batticaloa district. Correlation, simple regression, and multiple regression analysis were used to test research objectives and hypotheses. The results show that results indicate that CRM practices initiatives have a significant influence on an organization's performance, that CRM activities result in a strong innovation capability, that innovation capability provides a competitive advantage by enhancing the firm performance, and that innovation capability mediates the relationship between CRM practices and firm performance. So, the findings indicate that innovation capability mediates the relationship between CRM practices and firm performance.

Hence, this research will help managers/employers in investing in CRM activities and develop strong innovation capability to attract a variety of stakeholders. It will also assist businesses in focusing on an appealing value proposition in order to attract various stakeholders, primarily job seekers. This study adds to the literature on CRM practices and innovation capability by proposing a statistically tested model of innovation capability mediation for the creation of firm performance. The research examines the relationships between CRM practices, firm performance, and innovation capability from the perspective of the employee.

Key words: Customer Relationship Management, Firm performance, Innovation capability.

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