# ผลกระทบของกรอบ McKinsey 7S และการจัดการความสัมพันธ์ลูกค้าต่อความยั่งยืนของสถาบันฝึกอบรมทางการศึกษาในคุนหมิง

# The Impact of McKinsey 7S Model and customer relationship management to the sustainability of educational training institutions in Kunming

Received: September 23, 2025
Revised: November 5, 2025
Accepted: November 6, 2025

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**บทคัดย่อ**

การศึกษานี้ นำสถาบันการฝึกอบรมด้านการศึกษาหลังเลิกเรียนไปใช้เป็นตัวอย่างวิจัย และสร้างเฟรมเวิร์กวิจัยเชิงสัมพันธ์ “7S-CRM-ESG” โดยใช้วิธีการวิเคราะห์เชิงปริมาณ และรวบรวมข้อมูลจากพนักงานสถาบันผ่านแบบสอบถามเพื่อการวิเคราะห์เชิงประจักษ์ ผลการวิจัยเผยให้เห็นว่า ในสถาบันการฝึกอบรมด้านการศึกษาระหว่าง K-12 เฟรมเวิร์กของ McKinsey 7S ส่งผลกระทบเชิงบวกต่อความยั่งยืน และส่งผลกระทบเชิงบวกต่อ CRM อย่างไรก็ตาม CRM ไม่มีผลกระทบโดยตรงที่มีนัยสำคัญต่อการพัฒนาอย่างยั่งยืน และไม่สวมบทบาทกลางระหว่างกรอบการทำงานของ McKinsey 7S และการพัฒนาที่ยั่งยืน การศึกษานี้ไม่เพียงแต่เสริมสร้างการประยุกต์ใช้ของ McKinsey 7S ในบริบทขององค์กรที่ไม่ใช่ธุรกิจ และให้การสนับสนุนเชิงประจักษ์สำหรับการใช้งานในสถาบันการฝึกอบรมทางการศึกษาเท่านั้น แต่ยังให้ข้อมูลอ้างอิงที่มีค่าสำหรับรัฐบาลในการเพิ่มประสิทธิภาพการปกครอง ส่งเสริมการดำเนินงานตามมาตรฐานของสถาบันการฝึกอบรม และช่วยในการกำหนดนโยบายที่เกี่ยวข้อง รวมถึงการพัฒนาความยั่งยืนของอุตสาหกรรมการฝึกอบรม

**คำสำคัญ:** กรอบแนวคิด McKinsey 7S การจัดการความสัมพันธ์กับลูกค้า ความยั่งยืน สถาบันกวดวิชานครคุนหมิง

**Abstract**

To study the mechanism and relational pathways among the McKinsey 7S Model, Customer Relationship Management (CRM) and Sustainability, this study took K-12 after-school educational training institutions in Kunming as research samples, constructed a “7S-CRM-ESG” relational research framework, adopted quantitative analysis methods, and collected data from institution employees via questionnaires for empirical analysis. The findings reveal that in K-12 after-school educational training institutions, the McKinsey 7S Model exerts a significant positive impact on Sustainability and a significant positive driving effect on CRM. However, CRM has no significant direct impact on Sustainability, nor does it play a mediating role between the McKinsey 7S Framework and Sustainability. This study not only enriches the application scenarios of the McKinsey 7S Model in non-enterprise organizational contexts and provides empirical support for its practical use in educational training institutions, but also offers valuable references for the government to enhance governance effectiveness and promote the standardized operation of training institutions, thereby providing practical assistance for formulating relevant policies and advancing the Sustainability of the training industry.

**Keywords:** McKinsey 7S Model, Customer Relationship Management, Sustainability, Extracurricular Training Institutions, Kunming City

## Introduction

Prior to the implementation of the "Double Reduction" policy, China's off-campus training industry underwent a period of explosive growth, with its market scale expanding to approximately 3 trillion RMB by 2020 (Lanzhi & Jun, 2022). However, the full implementation of the "Double Reduction" policy in 2021 fundamentally reshaped the industry's landscape, compelling a shift from an exam-oriented focus to quality-oriented education and regulatory compliance (Ministry of Education of the People's Republic of China, 2022). This transition provides the essential backdrop for this research into the sustainable development of these institutions. How to move beyond short-term survival anxiety and build sustainable development capabilities capable of withstanding external risks and achieving long-term value creation through systematic optimization of internal management and strategic reshaping has become not only a strategic imperative at the enterprise level but also a key issue affecting the healthy development of the entire industry.

As a classic management framework (Peters & Waterman, 1982), the McKinsey 7S model emphasizes seven internal elements that enterprises must focus on in pursuit of success: structure, systems, style, staff, skills, strategy, and shared values. These elements work in concert to influence overall organizational effectiveness and long-term development. Customer Relationship Management (CRM), on the other hand, focuses on promoting continuous corporate growth by establishing and maintaining good customer relationships to enhance customer satisfaction and loyalty (Buttle, 2019). Against this backdrop, this study focuses on K-12 off-campus educational training institutions in Kunming, deeply exploring how the McKinsey 7S Model and Customer Relationship Management (CRM) can synergistically promote the Sustainability (ESG) of these institutions. This research not only holds theoretical value but also offers significant practical guidance.

## Research Objectives

The aim of this study is to build a "7S-CRM-ESG" relationship framework based on the McKinsey 7S model, to investigate the influence of these three elements, and through multi-dimensional verification analysis, to further propose the Sustainability path for education training institutions in Kunming and even in China. The research objectives are as follows:

(1) To study the impact of the McKinsey 7S model on sustainability (ESG). Propose a Sustainability path for after-school educational training institutions, providing theoretical support and practical references for the Sustainability of after-school educational training institutions. Assist educational training institutions in formulating development strategies and marketing plans, enhancing their competitiveness and social influence.

(2) To study the impact of Mckinsey 7s model on Customer Relationship management (CRM). Through in-depth research on various after-school training institutions in primary and secondary schools in Kunming, we explored the role of relevant elements in

the CRM practice of these training institutions, as well as their impact on the Sustainability of the training institutions.

(3) To study the impact of Customer Relationship Management (CRM) on sustainability (ESG). Explain the intrinsic connection between customer relationship management and enterprise sustainability. Sustainability is not only reflected in economic benefits, but also encompasses multiple dimensions such as social benefits and ecological benefits.

(4) To study the mediating role of customer Relationship management (CRM) between Effectiveness of training institutions and sustainability (ESG). The research is based on the McKinsey 7S model, with a focus on the impact of the performance of after-school education and training institutions through customer relationship management (CRM) on the sustainability (ESG) of education and training institutions. A "7S-CRM-ESG" functional relationship framework is constructed.

**Literature Review**

Existing research has formed three basic consensuses: First, the McKinsey 7S model significantly enhances organizational effectiveness through the dynamic fit between its hard elements (strategy, structure, systems) and soft elements (skills, staff, style, and shared values) (Peters & Waterman, 1982). Second, Customer Relationship Management (CRM) maximizes customer lifetime value through customer data integration and value mining (Buttle, 2019). Finally, the ESG framework provides a four-dimensional evaluation system—economic, environmental, social, and governance—for sustainable development (GRI, 2021). These consensuses provide the theoretical foundation for this study.

Scholars have attempted to establish theoretical connections between these concepts. For instance, it has been noted that the successful implementation of CRM requires a synergistic configuration of an organization across multiple dimensions—including strategy, processes, personnel, and technology—which is highly aligned with the core elements of the McKinsey 7S model (Payne & Frow, 2005).

Al-Shuridah and Ndubisi (2023) proposed that CRM indirectly enhances ESG performance through the adoption of green technologies. Similarly, research indicates that the successful integration of ESG principles is deeply rooted in the synergistic configuration of an organization's core elements, a concept central to the McKinsey 7S model (Friede et al., 2015). However, these studies share common limitations: first, their research subjects are primarily concentrated in the manufacturing and finance sectors, lacking targeted analysis for the education and training industry; second, they have not considered the potential moderating effect of the 'Double Reduction' policy on these theoretical pathways.

Based on the above analysis, this study identifies three key research gaps: a contextual adaptation gap, where existing ESG measurement scales fail to account for the

specific characteristic of the education and training industry—that 'policy compliance takes precedence over environmental responsibility,' a trait further reinforced by the 'Double Reduction' policy; a mediation mechanism gap, as the transmission role of CRM between 7S and ESG remains at the stage of theoretical hypothesis and lacks empirical validation; and a policy moderation gap, as there has been no quantitative research on how the 'Double Reduction' policy alters the weighting of 7S elements.

In summary, the existing literature has initially confirmed that the McKinsey 7S model promotes sustainable development and provides foundational support for CRM practices, while also revealing potential synergistic or moderating effects of CRM between the 7S framework and sustainability. However, these theoretical consensuses and explorations of interconnections are primarily rooted in traditional business contexts such as manufacturing and finance. When the perspective is shifted to China's K-12 off-campus educational training institutions, particularly against the backdrop of the 'Double Reduction' policy reshaping the industry ecosystem, the limitations of current research become apparent: first, the synergistic mechanism between the 7S model and CRM in these institutions lacks targeted empirical testing; second, the specific transmission path of CRM between 7S and sustainability remains unclear; and third, research on the '7S-CRM-ESG' relationship within specific regions (e.g., Kunming city) is virtually non-existent. Therefore, this study aims to fill these critical gaps and provide regional empirical evidence for understanding the sustainable development of educational training institutions.

**Research Framework and Hypotheses**

Relevant studies on the McKinsey 7S Model, Customer Relationship Management (CRM), and Sustainability have shown that this integrated management approach is an effective management tool. Through the rational application of this approach, enterprises can not only achieve the standardization of internal management but also enhance external competitiveness, thereby gaining better economic and social benefits. To further explore the functional relationships between the McKinsey 7S Model, CRM, and Sustainability in after-school educational training institutions, this study proposes a "7S-CRM-ESG" relationship framework based on a literature review.

The core variables of this study include three aspects: the McKinsey 7S Model, Customer Relationship Management (CRM), and Sustainability, covering 14 dimensions. Specifically, the McKinsey 7S Model comprises 7 dimensions: 1) Strategy, 2) Structure, 3) Systems, 4) Skills, 5) Staff, 6) Style, and 7) Shared Values; CRM includes 3 dimensions: 1) Customer Acquisition, 2) Customer Relationship, and 3) Customer Value Enhancement; Sustainability consists of 4 dimensions: 1) Economic, 2) Environment, 3) Social, and 4) Governance.

Based on the above analysis, the following hypotheses are proposed:

H1: The McKinsey 7S Model exerts a positive effect on Sustainability (ESG).

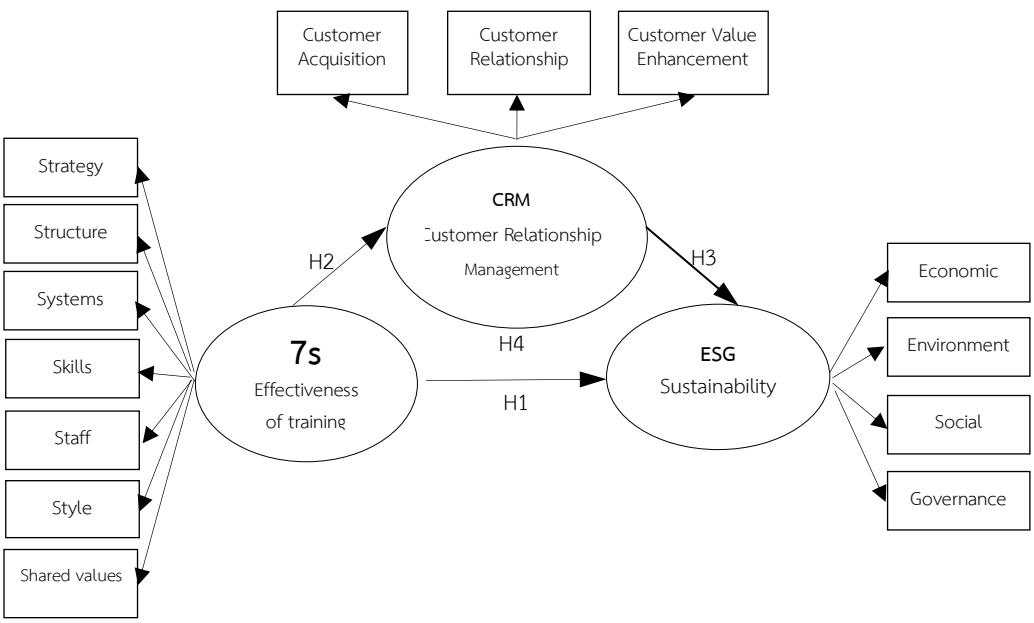
H2: The McKinsey 7S Model exerts a positive effect on Customer Relationship Management (CRM).

H3: Customer Relationship Management (CRM) exerts a positive effect on Sustainability (ESG).

H4: Customer Relationship Management (CRM) plays a mediating role between the McKinsey 7S Model and Sustainability (ESG).

**Figure1**

*Research Framework*




**Research Methods**

The population of this study consists of 567 K-12 after-school educational training institutions in Kunming urban area. A stratified random sampling method (stratified by institution size and training type) was adopted to select 100 institutions as samples. A total of 300 questionnaires were distributed to employees of these sample institutions, with 258 valid questionnaires recovered, resulting in an effective response rate of 86%. This sample size meets the requirement for SEM analysis (≥200 samples). The data collection tool was a questionnaire, which included 3 variables, 14 dimensions, and 73 items. Prior to formal distribution, 3 industry experts and university scholars were invited to conduct an IOC pre-test to optimize the clarity and relevance of the items.

Quantitative methods were used for the data analysis. The specific steps were as follows: Basic statistical analysis was conducted using SPSS software, including reliability tests (all Cronbach's $\alpha > 0.8$) and validity tests. Validity was assessed through confirmatory factor analysis (CFA), with composite reliability (CR) and average variance extracted (AVE) required to exceed 0.7 and 0.5, respectively (Hair et al., 2018). A structural equation model (SEM) was then constructed using AMOS software. The model fit was tested using fit indices (e.g., $\chi^2/df < 3$, GFI > 0.9, RMSEA < 0.08) to verify the path relationships among the variables.

**Research Results**

The demographic section of the questionnaire covered six items: gender, age, years of work experience, educational background, job position, and professional title. Among the valid respondents, 148 were male (57.4%) and 110 were female (42.6%). The study included 20 sample groups, and the questionnaire itself contained 73 items. Reliability analysis was conducted using Cronbach's Alpha coefficient. The overall Cronbach's Alpha value for the questionnaire was 0.952. Furthermore, the "Cronbach's Alpha if Item Deleted" value for each individual item exceeded 0.700. These results indicate that the questionnaire demonstrates sufficient reliability for the purposes of this study.

**1) Descriptive Statistical Analysis**

Findings of the analysis on opinion levels regarding the impact of the McKinsey 7S Model and Customer Relationship Management (CRM) on the Sustainability of Kunming educational training institutions are as follows: Overall, the opinion level fell into the "Agree" category, with a mean value of 3.568. The data exhibited a relatively high degree of dispersion, with a standard deviation of 1.310. As shown in Table 1.

**Table 1**

*Descriptive Statistics of the Variables*

| Variable | Dimension | Mean | Standard Deviation | Aspect Level | Skewness | Kurtosis |
|---|---|---|---|---|---|---|
| McKinsey 7s model | Strategy | 3.548 | 1.312 | agree | -0.615 | -0.800 |
| | Structure | 3.533 | 1.319 | agree | -0.600 | -0.839 |
| | Systems | 3.551 | 1.321 | agree | -0.633 | -0.788 |
| | Skills | 3.616 | 1.274 | agree | -0.699 | -0.635 |
| | Staff | 3.572 | 1.320 | agree | -0.628 | -0.813 |
| | Style | 3.585 | 1.290 | agree | -0.655 | -0.718 |
| | Shared Values | 3.621 | 1.310 | agree | -0.686 | -0.724 |
| CRM | Customer Acquisition | 3.539 | 1.340 | agree | -0.613 | -0.830 |
| | Customer Relationship | 3.555 | 1.324 | agree | -0.620 | -0.818 |
| | Customer Value Enhancement | 3.529 | 1.304 | agree | -0.598 | -0.782 |
| ESG | Economic | 3.608 | 1.297 | agree | -0.692 | -0.662 |
| | Environment | 3.509 | 1.312 | agree | -0.533 | -0.883 |
| | Society | 3.622 | 1.305 | agree | -0.664 | -0.726 |
| | Governance | 3.574 | 1.314 | agree | -0.601 | -0.806 |

**2) Confirmatory Factor Analysis (CFA) Analysis**

The study employed confirmatory factor analysis (CFA) to analyze the construct validity of variables in the measurement model. Specifically, the 14 dimensions of the three variables—namely the McKinsey 7S Model, Customer Relationship Management (CRM), and Sustainability—were tested separately, with the results presented in the table 2 below:

The correlation coefficients between observed variables were all statistically significant at the 0.01 significance level, with all showing positive correlations. The correlation coefficients ranged from 0.602 to 0.782, indicating a genuine positive directional relationship among the observed variables in the model. Results from Bartlett's test of sphericity showed that the chi-square ($\chi^2$) values ranged from 1661.303 to 2533.530, with degrees of freedom (df) = 10 and $p < 0.001$, which was significantly different from zero at the 0.01 significance level. The Kaiser-Meyer-Olkin (KMO) measure approached 1, with values ranging from 0.889 to 0.929.

These results indicate that the correlation matrix of observed variables is not an identity matrix, and the correlations among variables are sufficient for factor analysis to

test construct validity, thus supporting the establishment of the "7S-CRM-ESG" structural equation model (SEM).

**Table 2**

*The results of Confirmatory Factor Analysis (CFA)*

| Variable | Dimension | Loadings | Correlation coefficient range | Approximate chi-square value | KMO |
|---|---|---|---|---|---|
| McKinsey 7s model | Strategy | S1 | 0.643-0.712** | 1794.300 | 0.897 |
| | Structure | S2 | 0.616-0.709** | 1699.155 | 0.893 |
| | Systems | S3 | 0.671-0.721** | 1875.908 | 0.903 |
| | Skills | S4 | 0.664-0.721** | 1844.105 | 0.902 |
| | Staff | S5 | 0.673-0.732** | 1919.427 | 0.901 |
| | Style | S6 | 0.641-0.734** | 1838.680 | 0.894 |
| | Shared Values | S7 | 0.665-0.751** | 1928.470 | 0.895 |
| CRM | Customer Acquisition | C1 | 0.602-0.731** | 2351.755 | 0.923 |
| | Customer Relationship | C2 | 0.654-0.737** | 2533.530 | 0.929 |
| | Customer Value Enhancement | C3 | 0.664-0.768** | 2470.040 | 0.926 |
| ESG | Economic | E1 | 0.683-0.739** | 1959.447 | 0.905 |
| | Environment | E2 | 0.617-0.713** | 1661.303 | 0.889 |
| | Society | E3 | 0.640-0.709** | 1756.101 | 0.894 |
| | Governance | E4 | 0.631-0.782** | 1840.968 | 0.894 |

**Note.** * indicates a statistical significance level of 0.05, ** indicates a statistical significance level of 0.01

**3) CR and AVE Analysis**

Further analyses were conducted using composite reliability (CR) tests and average variance extracted (AVE) for latent variables. For composite reliability (CR) of latent variables, the threshold value should be greater than 0.60. The analysis results showed that the highest CR value was 0.740 and the lowest was 0.610, with all values exceeding 0.60. For average variance extracted (AVE), the threshold value should be greater than 0.50.

The analysis indicated that the highest AVE value was 0.941 and the lowest was 0.873, with all values exceeding 0.50. These results suggest that each latent variable can adequately explain the variance of its observed variables. The model evaluation is presented in Table 3.

**Table 3**

*CR and AVE Tests*

| Variable | Dimension | Loading | CR | AVE |
|---|---|---|---|---|
| McKinsey 7s model | Strategy | S1 | 0.671 | 0.891 |
| | Structure | S2 | 0.633 | 0.873 |
| | Systems | S3 | 0.699 | 0.921 |
| | Skills | S4 | 0.627 | 0.894 |
| | Staff | S5 | 0.740 | 0.919 |
| | Style | S6 | 0.682 | 0.915 |
| | Shared Values | S7 | 0.673 | 0.911 |
| CRM | Customer Acquisition | C1 | 0.613 | 0.905 |
| | Customer Relationship | C2 | 0.726 | 0.941 |
| | Customer Value Enhancement | C3 | 0.701 | 0.933 |
| ESG | Economic | E1 | 0.643 | 0.900 |
| | Environment | E2 | 0.632 | 0.896 |
| | Society | E3 | 0.610 | 0.886 |
| | Governance | E4 | 0.625 | 0.892 |

**4) Results of Structural Equation Modeling (SEM)**

The researcher conducted a structural equation modeling (SEM) analysis, aiming to examine the consistency between the hypothetical model and actual data and verify the preset hypotheses. An analysis of Pearson product-moment correlation coefficients among the 14 observed variables showed that the correlation coefficients between almost all pairs of observed variables were positive and significant at the 0.001 statistical level, indicating that the variables under study are linearly correlated.

However, results of the structural equation analysis before model adjustment revealed that the hypothetical model was not yet consistent with the actual data, as shown in Table 4.

**Table 4**

*Initial Model Fit Indices*

| | S1 | S2 | S3 | S4 | S5 | S6 | S7 | C1 | C2 | C3 | E1 | E2 | E3 | E4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S1 | 1 | | | | | | | | | | | | | |
| S2 | .793** | 1 | | | | | | | | | | | | |
| S3 | .805** | .866** | 1 | | | | | | | | | | | |
| S4 | .723** | .791** | .848** | 1 | | | | | | | | | | |
| S5 | .764** | .773** | .841** | .805** | 1 | | | | | | | | | |
| S6 | .761** | .814** | .804** | .793** | .844** | 1 | | | | | | | | |
| S7 | .801** | .786** | .830** | .812** | .843** | .855** | 1 | | | | | | | |
| C1 | .725** | .772** | .770** | .778** | .789** | .836** | .770** | 1 | | | | | | |
| C2 | .664** | .743** | .822** | .808** | .809** | .805** | .770** | .836** | 1 | | | | | |
| C3 | .642** | .713** | .725** | .762** | .747** | .809** | .747** | .800** | .812** | 1 | | | | |
| E1 | .771** | .758** | .795** | .756** | .800** | .804** | .822** | .789** | .736** | .772** | 1 | | | |
| E2 | .654** | .729** | .699** | .727** | .678** | .672** | .654** | .778** | .728** | .734** | .742** | 1 | | |
| E3 | .703** | .740** | .769** | .794** | .734** | .704** | .784** | .787** | .767** | .757** | .835** | .804** | 1 | |
| E4 | .720** | .714** | .758** | .717** | .695** | .697** | .763** | .731** | .713** | .679** | .763** | .753** | .792** | 1 |

**Note.** ** indicates a statistical significance level of 0.01

The model fit was assessed according to the following criteria: $\chi^2/df < 2$ (Kline, 2005; Carmines & McIver, 1981); GFI > .900, NFI > .900, and TLI > .950 (Hu & Bentler, 1999; Kline, 2005); RMSEA < .08 (MacCallum et al., 1996; Schumacker & Lomax, 2004); and RMR < .050 (Browne & Cudeck, 1993). The initial results indicated a poor fit: the Relative Chi-Square ($\chi^2/df = 5.257$), Goodness-of-Fit Index (GFI = 0.826), and Root Mean Square Error of Approximation (RMSEA = 0.129) did not meet the required standards. However, the Normed Fit Index (NFI = 0.918), Tucker-Lewis Index (TLI = 0.918), Comparative Fit Index (CFI = 0.933), and Root Mean Square Residual (RMR = 0.027) were all acceptable. Therefore, the model required modification, and the revised fit indices are presented in Table 5.

**Table 5**

*Modified Model Fit Indices*

| Indicator | Evaluation Criteria | Consistency Level Index | Consistency | Evaluation |
|---|---|---|---|---|
| X2 / df | < 2.000 | High degree of consistency | 1.426 | Through standards |
| | 2.00-5.00 | largely consistent | | Through standards |
| GFI | > 0.900 | High degree of consistency | 0.969 | Through standards |
| NFI | > 0.900 | High degree of consistency | 0.986 | Through standards |
| TLI | > 0.950 | High degree of consistency | 0.992 | Through standards |
| CFI | > 0.900 | High degree of consistency | 0.996 | Through standards |
| RMSEA | < 0.050 | High degree of consistency | 0.041 | Through standards |
| RMR | < 0.050 | High degree of consistency | 0.011 | Through standards |

As shown in Table 6, the factor loadings of observed variables for the seven latent variables of the McKinsey 7S Model ranged from 0.851 to 0.920; the factor loadings of observed variables for the three latent variables of Customer Relationship Management (CRM) ranged from 0.879 to 0.919; and the factor loadings of observed variables for the four latent variables of Sustainability ranged from 0.808 to 0.908. All variables were statistically significant at the 0.05 level.

From the statistical results, the direct path from Customer Relationship Management (CRM) to environmental, social, and governance (ESG) did not pass the significance test (path coefficient = 0.100, p = 0.579 > 0.05). This indicates that in the context of after-school educational training institutions in Kunming, the direct positive impact of Customer Relationship Management on Sustainability is not significant.

**Table 6**

*SEM Path Coefficients and Significance Test*

| Latent variable | | Observation variable | Estimate value | S.E. | C.R. | P |
|---|---|---|---|---|---|---|
| McKinsey 7S | ---> | CRM | 0.956 | 0.168 | 2.7705 | *** |
| McKinsey 7S | ---> | ESG | 0.859 | 0.168 | 4.986 | *** |
| CRM | ---> | ESG | 0.100 | 0.168 | 0.555 | 0.579 |
| McKinsey 7S | ---> | Strategy | 0.851 | 0.040 | 22.846 | *** |
| McKinsey 7S | ---> | Structure | 0.866 | 0.039 | 24.106 | *** |
| McKinsey 7S | ---> | Systems | 0.918 | 0.036 | 28.000 | *** |
| McKinsey 7S | ---> | Skills | 0.890 | 0.034 | 26.443 | *** |
| McKinsey 7S | ---> | Staff | 0.910 | 0.037 | 28.612 | *** |
| McKinsey 7S | ---> | Style | 0.917 | 0.032 | 31.999 | *** |
| McKinsey 7S | ---> | Shared Values | 0.920 | 0.036 | 27.001 | *** |
| CRM | ---> | Customer Acquisition | 0.910 | 0.039 | 25.728 | *** |
| CRM | ---> | Customer Relationship | 0.919 | 0.038 | 27.543 | *** |
| CRM | ---> | Customer Value Enhancement | 0.879 | 0.039 | 23.913 | *** |
| ESG | ---> | Economic | 0.928 | 0.046 | 21.291 | *** |
| ESG | ---> | Environment | 0.808 | 0.049 | 19.355 | *** |
| ESG | ---> | Society | 0.908 | 0.040 | 24.825 | *** |
| ESG | ---> | Governance | 0.860 | 0.049 | 19.693 | *** |

**Note.** *** indicates a statistical significance level of 0.001.

**5) Results of Hypothesis Testing**

Direct Effects: Regarding factors with a direct effect on Sustainability, it was found that the McKinsey 7S factors exert a direct effect on Sustainability, with a direct effect value of 0.859, while the direct effect value of Customer Relationship Management factors is 0.100. Regarding factors with a direct effect on Customer Relationship Management, it was found that the McKinsey 7S factors have the strongest direct effect on CRM, with a direct effect value of 0.956.

Indirect Effects: Regarding factors with an indirect effect on Sustainability, it was found that the McKinsey 7S factors exert an indirect effect on Sustainability, with an indirect effect value of 0.096, while the indirect effect value of Customer Relationship Management factors is 0.000.

Total Effects: Regarding factors with an overall effect on Sustainability, it was found that among the factors influencing Sustainability, the McKinsey 7S factors have the strongest total effect on Sustainability, with a total effect value of 0.955, while the total effect value of Customer Relationship Management factors is 0.100.

**Table 7**

*Direct, Indirect, and Total Effects*

| Variable | CRM | | | ESG | | |
|---|---|---|---|---|---|---|
| | Direct impact | Indirect impact | Total impact | Direct impact | Indirect impact | Total impact |
| McKinsey 7S | 0.956 | 0.000 | 0.956 | 0.859 | 0.096 | 0.955 |
| CRM | | | | 0.100 | 0.000 | 0.100 |

**Table 8**

*Mediation Effect Test Results*

| Standardized Indirect Effects | value |
|---|---|
| McKinsey 7S⟶ CRM ⟶ ESG | 0.001 |
| CRM ⟶ ESG | 0 |
| McKinsey 7S⟶ ESG (via CRM) | 0.001 |

Results of the hypothesis testing revealed that the McKinsey 7S Model has a positive direct impact on Sustainability (path coefficient = 0.859, $p < 0.001$) and exerted positive effects across the four dimensions of economy, society, environment, and governance. Moreover, the McKinsey 7S Model had a stronger impact on Sustainability through Customer Relationship Management (CRM) (path coefficient = 0.955, $p < 0.001$), which is consistent with Hypothesis H1.

The McKinsey 7S Model has a positive direct impact on Customer Relationship Management (path coefficient = 0.956, $p < 0.001$), consistent with Hypothesis H2.

Customer Relationship Management had no significant impact on Sustainability (path coefficient = 0.100, $p = 0.579$), which was inconsistent with Hypothesis H3.

Customer Relationship Management did not play a significant mediating role between the McKinsey 7S Model and Sustainability (indirect effect = 0.001), so Hypothesis H4 was rejected.

## Conclusion

This study focuses on K-12 after-school educational training institutions in Kunming as its research sample. It mainly explores the interactive influences among the three variables—the McKinsey 7S Model, Customer Relationship Management (CRM), and Sustainability—in the context of after-school educational training institutions.

1) The research confirms that among current after-school educational training institutions in Kunming: Hypothesis H1 (the McKinsey 7S Model has a positive impact on Sustainability) is supported, and the McKinsey 7S Model exerts a stronger impact on Sustainability through CRM. Hypothesis H2 (the McKinsey 7S Model has a positive impact on CRM) is supported. Hypothesis H3 (CRM has a positive impact on Sustainability) is not supported. Hypothesis H4 (CRM plays a significant mediating role between the McKinsey 7S Model and Sustainability) is not supported, as CRM does not exhibit a significant mediating effect.

2) In after-school educational training institutions, the direct impact of the McKinsey 7S Model on Sustainability is far greater than the indirect impact of CRM. This is because the elements of the McKinsey 7S Model do not need to rely on CRM for transmission. Additionally, the Kunming municipal government has implemented supervision and regulation over after-school training institutions, requiring them to first meet compliance requirements through the relevant elements of the McKinsey 7S Model. As a result, the functions of CRM are directly replaced by governance, weakening its mediating role.

3) This study integrates and applies the McKinsey 7S Model, CRM, and Sustainability to the specific field of educational training institutions, particularly targeting the K-12 after-school training industry, thereby addressing the gaps in theoretical application research in this field. The study developed the "7S-CRM-ESG" mechanism model, conducted an in-depth analysis of the relationships among the three variables, and revealed the direct impact of the McKinsey 7S Model on Sustainability and its effect on CRM. This provides a new perspective for understanding the Sustainability mechanisms of educational training institutions.

However, the research sample is limited to Kunming, which may restrict the ability to infer causality from the cross-sectional data. Furthermore, the current application of Customer Relationship Management (CRM) in off-campus training institutions lacks depth, and educational training institutions in Kunming still face numerous challenges to be addressed in terms of sustainability.

Recommendations: First, take the McKinsey 7S Model as the core driver to strengthen its direct driving effect on sustainability, and optimize the practical pathways of the McKinsey 7S Model by dimension. Second, promote the coupling and adaptation of CRM with the McKinsey 7S Model, break through the limitations of its tool-based nature, and upgrade CRM from a customer management tool to a "7S-ESG transmission carrier." Third, establish an

industry-specific sustainability implementation system: develop an “ESG system exclusive to educational training institutions” in combination with industry characteristics, promote the transformation of ESG from general standards to industry-adapted ones, and build a government-industry-institution collaborative ESG ecosystem.

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