Why participation works
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Document Version
Publisher's PDF, also known as Version of record

Publication date:
2009

Link to publication in University of Groningen/UMCG research database

Citation for published version (APA):

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Even today, no universal set of questions –let alone a universal set of answers– is available to scholars. The foregoing makes it increasingly difficult to disentangle the many and often contradictory issues related to (employee) participation and all foregoing alternative terms (Dachler & Wilpert, 1978; Swanberg-O'Connor, 1995).

Consequently, the current research will require one clear definition. Webster’s dictionary is often used as a starting point for definitions and provided the following insights:

- “The act of participating means to take part, or to have a part or share in something, or to be related to a larger whole.”

Thus, participation in its many forms refers to a person taking part in a larger whole, which makes Webster’s definition (too) generic for the current research. Further specification will add more precision. Within one book that claims to evaluate nearly half a century of participation research (Heller, Pusic, Strauss & Wilpert, 1998), three different definitions are used:

- “Participation is the process and result of influence sharing over work and work conditions” (Strauss, 1998, page 11).
- “Participation is the totality of forms and of content intensities by which actors secure their interests or contribute to the choice process through self-determined
choices among possible actions during the decision process” (Wilpert, 1998, page 42).\footnote{Kluytmans (2001) has simplified Wilpert’s definition as follows: “Participation is the totality of discussions within an organization that empowers employees to influence the decision process.” Unfortunately Kluytmans lost the action element in his definition, which can make the difference between authentic and inauthentic participation. The latter means that management creates a deception, but does not provide any genuine influence sharing on important issues (Heller, 1998). On the opposite, authentic participation makes use of influential actions of employees.}

The first definition by Strauss (1998) does not reveal what is meant by the process and how influence sharing works. The second definition by Pusic (1998) adds practicality, but still shows the same disadvantages. The third definition by Wilpert (1998) is more precise, although it needs some clarification; he singles out three dimensions which together make up an organization’s participation level. These dimensions need further explication before they can be applied to the current research.

\begin{itemize}
  \item The actors dimension represents the number of participating employees -called participants- being involved in decision making processes. Applied to the field of organizational change this may vary from only an individual employee to many employees that change an organization. This dimension is usually categorized from nobody to everybody in an organization.
  \item The subjects dimension represents the impact of the decisions which are subject to decision making by participating employees. Applied to the field of organizational change those decisions may vary from minor issues like a dress code, to fundamental ones such as signatures on a contract for the takeover of a large competitor. Locke and Schweiger (1979) proposed the following categories within this dimension: (1) routine personnel functions, (2) work itself, (3) working conditions, (4) company policies. Burke (1987) added another category: (5) subjects that can make the difference between organizational discontinuity and survival.
  \item The controls dimension represents the level of involvement in a decision making processes. This may vary from being ignored on the one hand, to having decided on the other hand. Dachler & Wilpert (1978) proposed the following categories within this dimension: (1) employees are being by-passed in the decision making process, (2) employees are informed about decisions that are made by others, (3) employees are given the opportunity to give their opinion about the decision to be
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made, (4) employees’ opinions are taken into account in the decision making process, (5) employees are the decision makers.

Following Strauss (1998), together these dimensions constitute the full concept of participation. In more practical terms this means that combined, these dimensions provide insights in the total amount of participation. A high amount of participation is found in a situation where many involved employees (actors) are enabled to significantly leave their mark (controls) on fundamental as well as operational issues (subjects) regarding their work. An example of a low amount of participation in organizational change occurs when only one individual employee (actor) participates through just one vote (controls) in the works council about a minor issue (subjects).

Participation does not only differ in amount, participation also appears in different forms, or shapes. Cotton, Vollrath, Frogatt, Lengnick-Hall & Jennings (1988) and Leana & Locke (1990) reviewed over 400 articles regarding participation in its many forms and distinguished two dichotomous classifications: (in)formal and (in)direct.

The first classification “(in)formal” refers to written rules that prescribe participation in some sort of a structure, procedure, policy, law or contract (formal) versus pragmatic, spontaneous, or ad hoc participation (informal). Leana & Locke (1990) mentioned, that the latter has more heterogenic properties and is therefore more difficult to measure, when for example employees consult each other during a lengthy lunch meeting and at other times briefly via an easily erased and forgotten e-mail message. Dachler & Wilpert (1978) added, that participants often don’t consciously choose between formal and informal participation. Instead, usually local cultural situations and/or law enforcements like for example the law on works councils in the Netherlands dictates the implementation of formal participation.

The second classification “(in)direct” refers to immediate personal involvement of employees (direct) versus employee representation via others (indirect), like for example via a works council, union, or task force. Witt, Andrews & Kacmar (2000) described direct participation as a choice that participants could make themselves in the decision making process. They described indirect participation as individuals who articulate their voice to another decision maker before the latter makes the actual decision (Witt, Andrews & Kacmar, 2000). Dachler & Wilpert stated that direct participation is to be preferred over indirect participation. Nurick (1982) found proof for Dachler & Wilpert’s theoretical statement, indicating that indirect participants perceived themselves as less influential with regards to organizational change, because they need to rely on their representatives to decide and inform them of change activities. Indirect participants are dependent on direct participants and perceive less power in the decision making process.
According to Cotton et al. (1988) and Leana & Locke (1990), participation can be classified using the foregoing classifications. For example, employees requesting their management to decide on higher wages can be classified as informal and indirect participation. Another example is a spontaneous strike of employees paralyzing their own company, which can be classified as informal and direct participation. The representation of all workers in a works council can be classified as formal and indirect participation. Participation of a member of a works council or a change team can be classified as formal and direct.

Furthermore, the current dissertation needs to differentiate between the many forms and definitions of participation being used by several scholars and the specific form that will be studied in the current research in the previously introduced context of CRM organizational change. The latter will be called employee participation and will be applied throughout the remainder of this dissertation. Based on the foregoing and combined with the CRM organizational change context, employee participation is defined as follows.

Employee participation means active involvement of (an) individual employee(s) in decisions regarding customer relationship management (CRM) organizational change in Dutch financial organizations.

Following that last definition, employee participation will be studied at the aggregation level of one or more individual employee(s) instead of for example an organization as a whole entity. Furthermore, employee participation will only be researched in the context of decisions related to organizational change of the customer relationship management (CRM) type in Dutch financial organizations instead of other contexts.

Whenever applicable throughout this dissertation, a distinction will be made between the current specific employee participation meaning and other participation meanings that were introduced by others. Wherever it reads employee participation with no further context specified, the current specific meaning is always meant. Furthermore, participants will be applied as a label to describe individuals showing more or less employee participation in

iv Some scholars suggested other classifications like short versus long term participation and financial versus non-financial participation, although those have been found confusing. For example, an employee receiving payments and bonuses in return for participation is sometimes treated as a form of financial participation (Bakan, Suseno, Pinnington & Money, 2004; Schefflen, Lawler & Hackman, 1971) and often not (Kaler, 1999; Leana et al., 1990). Another example is a laboratory study with students acting as participants during an afternoon, which is clearly a form of short term participation, while a three months field study of participants is often treated as a form of short term participation (Osborn, 1998) and sometimes as long term (Wagner, 1994). The foregoing makes understanding of participation confusing and will therefore not be used here.
the above described context, while non-participants will be used to describe other individuals lacking any employee participation.

Employee participation is expected to be indirectly related to CRM effectiveness


Some studies reported a strong relationship between (employee) participation and several forms of effectiveness, while others did not find such evidence at all. Van der Vlist (1990) performed a meta analysis over 72 studies and found 20 studies where participation – described as participation in decision making and measured in both work and classroom environments– positively affected effectiveness –the latter was described in terms of productivity–, 48 studies with no significant relation and 4 where participation affected effectiveness negatively. Those studies were quite different and therefore almost incomparable to each other: 13 laboratory studies, 16 field studies and 43 controlled experimental studies were included. To overcome problems with adding figures from entirely different contexts, Sagie & Koslowski (1994) applied one study to five similar organizational changes in five organizations, ranging from a tax agency to a public elementary school. In four of these organizations participation –described as participation in strategic and tactical organizational change decisions– was positively correlated with effectiveness –again described as productivity–, in one no significant relationship was found. After researching the effectiveness through several indicators among 39,000 individuals within 176 school organizations, Ostroff & Schmitt (1993) reported .52 correlation between participation and favorable change related attitudes, .19 correlation between participation and effectiveness and .23 between those attitudes and effectiveness.
Interestingly, in the discussion section they mentioned that there is a significant direct effect of participation on the effectiveness of the schools, but there is probably a greater indirect effect.

These foregoing studies presented not overly convincing results that participation would contribute to effectiveness. Among others, Heller (1998) pointed out that participation—defined as a form of influence sharing, p. 2—does not automatically have to lead to more effectiveness—defined as organizational outcomes—. This may be explained by the wide variety of meanings and contexts of the effectiveness label, which makes drawing conclusions on a possible relationship between (employee) participation and (organizational, organizational change, or CRM) effectiveness difficult. Such wide variety of meanings and contexts is a major research obstacle. To overcome this obstacle, the current research needs a clear definition of CRM effectiveness. The following terminology will be applied throughout this dissertation:

✓ CRM effectiveness means successful customer relationship management (CRM) organizational change from the perception of (an) individual employee(s).

Thus, the current research will focus on CRM effectiveness using the above definition. CRM effectiveness will not be used as an objective measure of the success of customer relationship management organizational change, but instead as a subjective measure from the viewpoint(s) of (an) individual employee(s) which may differ from individual to individual. Some individual employees may experience improved relationships with the customers they deal with, while others may not reach improved customer relationships. As a consequence, not everyone in an organization will experience the same CRM effectiveness.

Hardly any research has been performed on which employee related factors play a role in improving customer relationship oriented effectiveness. Shah, Rust, Parasuraman, Staelin & Day (2006) indicated that certain aspects of individual employees formed a major barrier for organizations to change towards a customer orientation. They mentioned intrapersonal attitudes like commitment and interpersonal relations aspects like trust to play an important role to overcome this barrier. Bohling et al. (2006) found in a study on executives affiliated with 101 US based firms, that human resource factors played an important role in CRM success or failure. Their survey results showed that intrapersonal attitudes like ownership and satisfaction, together with employee alignment with CRM contents were highly correlated with perceived success.

Similar intrapersonal attitudes, interpersonal relations and contents associated with CRM organizational change success, were also associated with (employee) participation earlier in this dissertation. Based on the foregoing, it seems logical that employee participation would play a crucial indirect role—via these mediating entities—in CRM effectiveness. In such view, employee participation is supposed to lead to improved intrapersonal attitudes,
interpersonal relations, job pressures and job contents of employees. In turn, those intrapersonal attitudes, interpersonal relations, job pressures and job contents are supposed to contribute to CRM effectiveness. The upcoming section will theorize the expected relationship between employee participation, CRM effectiveness and the first supposed mediating entity: intrapersonal attitudes.

### 2.2 THEORY ON INTRAPERSONAL ATTITUDES

One of the supposed mediating entities between employee participation\(^\text{v}\) and CRM effectiveness\(^vi\) was labeled intrapersonal attitudes of employees. Webster’s dictionary defined attitudes as mind states or emotional feelings. House & Mitchell (1974) clarified in which way such attitudes are formed. Individuals form expectations based on initial thoughts and feelings. Then these attitudes are altered by evaluations of outcomes along the path towards intrapersonal goals (Bandura, 1977). Individuals change their intrapersonal attitudes based on developing knowledge of the mix of expected goals and established outcomes (Elias, 2009).

The theoretical rationale above is applied here to predict in which way employee participation influences intrapersonal attitudes in the context of organizational change. If the goal of organizational change seems attractive, then individual participants start off enthusiastically and put effort in supporting decisions in organizational change process (House & Mitchell, 1974). Later, based upon previously taken decisions and their outcomes, attitudes are updated with new insights. As a consequence, attitudes undergo a learning process (Huzzard, 2004). Through participation in decision making, employees can learn for themselves which decisions lead to which outcomes (Witt, Andrews, Kacmar, 2000). Participation makes the involved employees understand the situation, backgrounds, goals and consequences of organizational change better than those who are not involved (Burke, 1987, chapter 5). To employees contributing actively in the decision process, the change doesn’t require much explanation (Bouma & Emans, 2004). In that way participation assists employees in understanding the change content and context better, which leads to the formation of favorable attitudes. Two of those favorable attitudes can be distinguished based on the power-share and the humanistic view (Heller, 1998).

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\(^{\text{v}}\) Employee participation refers to active involvement of (an) individual employee(s) in decisions regarding customer relationship management (CRM) organizational change in Dutch financial organizations.

\(^{\text{vi}}\) CRM effectiveness refers to successful customer relationship management (CRM) organizational change from the perception of (an) individual employee(s).
First, according to the so-called power-share view (Arnstein, 1969; Pasmore, 1986), participation is expected to redistribute power. Power is distributed more equally throughout the organization, when leaders delegate a part of their power and make their employees co-owners by allowing them to make decisions. Pasmore (1986) stated that individual employees accepting their power-share are more motivated to put their skills and knowledge into their decisions. Consequently, higher quality decisions can be reached (Locke & Schweiger, 1979). Furthermore, power-share provides the employees with control over what happens on the job (House & Mitchell, 1974). Control gives them freedom and autonomy on the job, although control also creates responsibilities. Because when leaders give up (some) control regarding decisions, they will expect responsible decisions to be made in return (Spector, 1986). In this way, responsibilities between leaders and employees are shared. As a result, participants experience change related decisions as something of themselves and gain an attitude of (co-)ownership of decisions (Strauss, 1998).

Second, according to the so-called humanistic view (Burke, 1987), participation is expected to satisfy a number of employee needs, such as personal growth and recognition. Personal growth can be established through learning. Learning means that understanding grows while participants gain knowledge and skills of causes and effects of their own decisions (Huzzard, 2004). Knowledge and skills are built by doing—also called trial and error—and by thinking or evaluating. Also, employees can reach recognition when they are granted the opportunity to make decisions by themselves (Blake et al., 1989). The foregoing recognition is known to motivate participants (Miner, 1978). They enjoy carrying out the decisions they have helped creating themselves (Wagner et al., 1997). Furthermore, participants associate themselves with organizational change goals and put effort in pulling the change towards those goals. Emery & Barker (2007a) called this association process the psychological identification with one’s job. Consequences that one can identify him or herself with, are easier accepted when one has made the underlying decisions (Chakravarthy & Gargiulo, 1998). Ultimately, the humanistic view predicts that participation leads to employees with an attitude of satisfaction (Burke, 1987).

Thus, based on the foregoing theories: intrapersonal attitudes is a mediating entity which consists out of several constructs that will be called mediators throughout this dissertation. These constructs are often associated with (employee) participation: ownership and satisfaction. Both will be clarified in the upcoming sections.
Employee participation is related to ownership

The earlier introduced power-share view introduced ownership as an intrapersonal attitude. Many scholars described such ownership using a wide range of definitions. Some, like Bakan et al. (2004), Cotton et al. (1988), Kaler (1999) and Rooney (1992), apply ownership strictly to situations where employees possess financial shares or stocks in an organization. Others use a broader view. Blake, Mouton & McCance (1989) declared that employees with an attitude of ownership, feel like they have a stake in organizational change. Roberts (2003) articulated, that employees attain ownership over the process and manifest ego involvement as they manifest a stake in the success of a system. Locke & Schweiger (1979) even used ego involvement to indicate something similar to ownership. Furthermore, Mowday (1979), Coyle-Shapiro (1999) and Goodman et al. (1980) described that such an attitude entails commitment. Acceptance and a strong belief in goals, a willingness to exert considerable effort, together with a strong desire to maintain membership, a feeling of pride and being part of something. Bouma & Emans (2004) added that employees with an attitude of ownership are less willing to walk away for the consequences of the decisions they have contributed to, which feels as responsibility to support their own decisions. Such an attitude of ownership implies commitment and dedication to make ‘owned’ decisions work (Cooper, 2002; Marchington, Wilkinson, Ackers & Goodman, 1994). In sum, it appears that ownership, acceptance, possession, responsibility, dedication and commitment are usually described as being closely related to each other.

Based upon the foregoing descriptions and the context of this research, in the remainder of this dissertation this construct will be defined as follows:

✓ Ownership means that (an) individual employee(s) show(s) attitudes of acceptance, possession, responsibility, dedication and commitment towards CRM change decisions.

Substantial evidence throughout scientific literature suggested a positive relationship between participation and ownership. For example Emery & Barker (2007b) reported substantial positive correlations between participative leadership styles within banks and food stores and commitment among individual employees. Sagie & Koslowsky (1994) reported participation in decision making being positively related to acceptance among the individual employees from five Israeli public organizations, ranging from the tax authority to public schools. Wanous, Reichers & Austin (2000) reported participation in decision making being positively correlated with commitment and the motivation to keep on trying as elements of ownership in the automotive industry. Shadur, Kienzle & Rodwell (1999) found participation in decision making to positively affect commitment as an attitude of individual employees in a technological company. Furthermore, Janssen (2004) reported that participative processes correlated positively with commitment of teachers in a school
environment. Consequently, it was reported that several forms of participation were positively associated with several forms of ownership in many different contexts.

All scholars in this section share one theoretical view: participation in many forms provides employees with an attitude of ownership. Their theoretically suggested positive relationship between participation and ownership was supported by empirical evidence in the meta analysis of Spector (1986) regarding 101 samples from 88 studies. Spector (1986) did not differentiate between studies that reported on ownership, acceptance, possession, responsibility, dedication, nor commitment. Armenakis & Bedeian (1999) called such meta analysis on interrelated constructs a juxtaposition of inertia. Several elements (here: acceptance, possession, responsibility, dedication and commitment) were positioned close together to maintain one central element (here: ownership).

Despite the theoretically suggested positive relationship between participation and ownership, there were no studies found on the relationship between the current specific type of ownership and the current specific type of employee participation in decisions regarding organizational change of the customer relationship management type. Consequently, the following hypothesis was formulated, which will be tested hereafter in the current research:

**H1.** Employee participation is positively related to ownership.

**Employee participation is related to satisfaction**

The humanistic view introduced the satisfaction construct as an intrapersonal attitude of employees. Similar to ownership, satisfaction was described under a wide range of definitions. Webster’s dictionary worded the meaning of satisfaction as a feeling of contentment or the feeling of a fulfilled desire. Strauss (1998) described satisfaction in terms of fulfillment of human needs. Alutto & Acito (1974) and Erez & Arad (1986) described satisfaction in the work environment, including satisfaction with the job, satisfaction with supervisors, satisfaction with pay and satisfaction with promotions. Steensma (1988) described the construct as contentness with job meetings, job happiness and interesting job contents. Schneider, Brief & Guzzo (1996) described satisfaction as the feeling of an interesting place to work. French, Israel & As (1960) limited satisfaction to job contents. Huang & Dastmalchian (2004) described satisfaction with organizational change outcomes among employees of financial organizations.

Following the descriptions above and the current research context, throughout the remainder of this dissertation (job) satisfaction will be defined as follows:
Satisfaction means that (an) individual employee(s) show(s) an attitude of contentment and fulfilled desire towards CRM change decisions.

Satisfaction has often been associated to participation in its many forms. Wagner (1994) performed a meta analysis that combined 11 other meta level researches on 160 empirical studies and concluded that evidence substantiated a strong positive relationship between participation and satisfaction, although many of the underlying studies were conducted using different constructs and scales, which led to methodological imperfectness (Sagie, 1995). Later, Wagner, Leana, Locke & Schweiger (1997) integrated several studies based on the same data set, deleted studies with questionable methodological credibility and repeated the meta level researches on 86 empirical studies. Again, a substantial positive relationship between participation and satisfaction was found. Also Sagie & Kozlowski (1994) reported strong positive correlations between participation in decision making and satisfaction in five Israeli corporations. Ritchie & Miles (1970) found significant correlations between participation and satisfaction among 330 managers. More recently, Kim (2002) reported positive effects of participation on satisfaction among 1576 US government employees. Shadur, Kienzle & Rodwell (1999) found participation in decision making to positively affect job satisfaction as an attitude of individual employees in a technological company. And Emery & Barker (2007b) reported positive correlations between participation within banks and food stores and job satisfaction among individual employees. Consequently, it was reported that several forms of participation were positively associated with several forms of satisfaction.

Similar to the other attitude construct called ownership, there were no studies found on the relationship between the specific current type of satisfaction and the specific current type of employee participation in decisions regarding organizational change of the customer relationship management type. Consequently, the following hypothesis was formulated:

H2. Employee participation is positively related to satisfaction.

Ownership and satisfaction are related to CRM effectiveness

Not only are ownership and satisfaction both expected to positively correlate with employee participation as described in the foregoing sections, these attitude constructs are also expected to play an important role in improving several forms of effectiveness.

Some scholars associated different forms of effectiveness with attitudes of ownership or satisfaction. For example Schneider et al. (1996) used the effectiveness label to describe organizational change success, that they supposed could be reached by participants forming certain attitudes. Furthermore, Blake et al. (1989, chapter 7) suggested, that feelings of ownership evoke commitment to achieve the corporate objectives essential to
change effectiveness. And Scheflen, Lawler & Hackman (1971) reported, that a lack of ownership resulted in discontinuity of the change plans, although the change plans themselves were effective. Furthermore, satisfied employees put more effort in reaching change effectiveness than those who were not satisfied (Armenakis & Bedeian, 1999). Next, Emery & Barker (2007a) reported strong correlations between participation and satisfaction of customers of automotive organizations. They summarized that the relationship between satisfied employees and satisfied customers should be obvious, because ‘you can’t have happy customers served by unhappy employees’. Using such logic, they argued that participation would probably lead to more satisfied employees, which in turn would probably lead to an improved relationship with more satisfied customers. Bohling et al. (2006) researched the relationships between ownership and satisfaction and customer relationship management organizational change success and reported strong correlations between these variables.

Based on the foregoing, it can be expected that increasing ownership and satisfaction may be related to increasing CRM effectiveness. However, empirical evidence is not yet available regarding the specific type of employee participation and the specific type of CRM effectiveness used in the current research. The foregoing led to the formulation of the following hypotheses:

H3. Ownership is positively related to CRM effectiveness.

H4. Satisfaction is positively related to CRM effectiveness.

Ownership and satisfaction are expected to play mediating roles

It seems logical to expect a close relationship between employee participation and CRM effectiveness, because effectiveness is assumed to result from a series of decisions by each individual participant (Conlon, 1980). However, despite the foregoing theoretical expectations, several scholars disagree with such expectation.

Ostroff & Schmitt (1993) argued that the relationship between participation and effectiveness may not be direct, but merely indirect via the mediating roles of intrapersonal attitudes. Also in the case of the current study, the relation between employee participation and CRM effectiveness may be indirect instead of direct. It could well be possible that individual employees participating develop positive intrapersonal attitudes of ownership and satisfaction towards organizational change, which contribute positively to the CRM effectiveness of that change.

Such indirect effect may be lower or even absent for non-participants, because they may experience neutral attitudes of ownership and satisfaction, so that they do not contribute to
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CRM effectiveness. Because the level of participation may differ more or less between individuals, similar differences in ownership and satisfaction may occur and via those also differences in CRM effectiveness may occur. To test whether this indirect effect would be applicable to the research described in this dissertation, the following hypothesis was formulated:

**H5.** Employee participation is positively related to CRM effectiveness through the mediating role of ownership.

**H6.** Employee participation is positively related to CRM effectiveness through the mediating role of satisfaction.

**Partial model ii: employee participation, ownership/satisfaction, CRM effectiveness**

In the previous sections it was first expected that employee participation correlated positively with both ownership and satisfaction. Next, ownership and satisfaction were both expected to positively correlate with CRM effectiveness.

Those expectations leave room for the hypothetical situation in which employee participation influences CRM effectiveness not directly but indirectly, via ownership and satisfaction. Altogether, employee participation is expected to improve the individual employees’ attitudes ownership and satisfaction, that in turn are expected to improve CRM effectiveness. These expectations led to the formulation of the previously numbered hypotheses regarding the relationships between employee participation, ownership, satisfaction and CRM effectiveness.

Figure ii shows the theoretical model representing the foregoing hypotheses. It illustrates the following predictions. It is predicted that employee participation leads to ownership (hypothesis 1), which in turn leads to CRM effectiveness (hypothesis 3). Next, it is predicted that employee participation leads to satisfaction (hypothesis 2), which in turn leads to CRM effectiveness (hypothesis 4). Together, ownership and satisfaction are considered intrapersonal attitudes that mediate the relationship between employee participation and CRM effectiveness (hypotheses 5 and 6). Altogether, these hypotheses in this research model predict an indirect relationship between employee participation and CRM effectiveness.
Figure ii: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by the intrapersonal attitudes ownership and satisfaction.
2.3 Theory on interpersonal relations

Employees usually do not work alone in an organization; usually they work together and form interpersonal relations among themselves (Blake Mouton & McCanse, 1989, chapter 2 & 3). Such relations are defined here following Blake et al. (1989) and Van Offenbeek & Koopman (1996) as connections between employees showing social interactions. These interpersonal relations include exchanging ideas, weighing opinions, influencing each other’s perceptions, building up confidence, forming allies, cooperating, bundling forces and making joint decisions (Blake et al., 1989; Frone, 2000). Interpersonal relations are bi-directional in nature, because each individual can both provide output and gain input via exchanges with others (Burke, 1987, chapter 5; Van Offenbeek & Koopman, 1996). This bi-directional nature often works as follows: by giving, individuals in interpersonal relations add something to others. By taking, they gain something from others (Burke, 1987; Church, 2008). Thus, employees in interpersonal relations are being connected to each other and exchange what they give and take.

In interpersonal relations, individuals tend to weigh the perceived amount that they give against the perceived amount that they receive (Mayer, Davis & Schoorman, 1995). In the case of equal or more taking than giving, an individual may choose to extend the relation; or in the case of more giving than taking he or she may end it (Morgan & Hunt, 1994). The same choices can also be made by the other individual(s) in a relation. Therefore, everyone in a relation is at least partly dependent on others (Burke, 1987; Mayer et al., 1995; Nooteboom, Berger, Noorderhaven, 1997; Vroom, 1960). The paradoxical situation thus exists that the more people exchange with each other, the more valuable and risky the relation between them is for them (De Jong, 2007). The risk of dependency can be covered by trust vii (Mayer et al., 1995; Nooteboom, 1997). According to Church (2008), trust is the key ingredient necessary for relations to knit together. She articulated that trust provides the glue that allows control to be relinquished into the hands of those who will act in the best interests of all. Blake, Mouton and McCanse (1989) described something similar: without trust, employees work alone, with the risk of striving towards results in undesirable directions leading to no joint results. Such absence of trust is also called

vii According to Mayer et al. (1995) people strive to minimize risk in relations, in order to overcome vulnerability. For example leaders have traditionally found one way to demonstrate influence over lower echelon employees by telling them how to do their jobs and then monitoring them with constant surveillance to guard against surprises (Spreitzer & Mishra, 1999). These so-called authoritative leaders are supposed to be controlling, while in contrary participative leaders are supposed to be trusting (Sagie, Zaidman, Amichai-Hamburger, Teeni & Schwartz, 2002). Consequently, in the participation setting that is applicable to this research, the element of control is considered less relevant, while trust in relations will be considered further hereafter.
distrust (Schoorman et al., 2007). Often the threat of trust to be broken is sufficient to avoid distrust. Nooteboom et al. (1995) called this the reputation mechanism. This mechanism entails that destructive behavior will be punished: in that case no one in the relation will ever trust that party again and the relation may be destroyed (Nooteboom et al., 1995). Furthermore, knowledge about the distrusted is often communicated to others in a relation and a pattern of insights is built over time (Schoorman et al., 2007). Those insights usually contain knowledge about someone else’s skills, competencies, loyalty, promise fulfillment, consistency, discreetness, fairness, reliability, credibility, principles, beliefs, motives and values (Mayer et al. 1995). In this way, everyone in a relation exchanges information about trust and distrust. The more trust exists, the less rules and watertight contracts need to be administered in order to maintain interpersonal relations (Costa, 2000). Nooteboom, Berger & Noorderhaven (1997) added that the foregoing leads to lower transaction costs, which forms an incentive for organizations to incorporate trust. Trust is incorporated through solidarity patterns that commit individuals to norms and values which aim to share responsibility in a group (Costa, 2000). These solidarity patterns mean, that managers or employees allow their colleagues some degrees of freedom in their work and expect them to act responsibly. When there is trust, managers expect that their employees will not take unfair advantage of them (Tzafrir, 2005). Furthermore, many scholars agreed that trust is an essential component that motivates employees to organize their work without much monitoring effort by the management (Mayer et al., 1995; Morgan & Zeffane, 2003; Nooteboom, Berger & Noorderhaven, 1997; Schoorman et al., 2007). Spreitzer & Mishra (1999) called the same from the perspective of the management: give up or share control without losing control. Magner, Welker & Johnson (1996) found that participation correlated with increased trust levels among academic accountants. Blake, Mouton & McCanse (1989, chapter 8) even stated that every sound relation in an organization is based on trust. Similarly, Morgan & Hunt (1994) reported evidence indicating that the presence of trust is important for successful relations in the context of automobile tire retailers.

Individuals usually build relations while they are participating (Cooper, 2002). Strauss (1998) explained why participation and relations seem to be related: participants working together towards the same goal, tend to socialize and bond together, which leads to improved relations among them. Often, those relations are found across levels in organizations (Birnbirg, 1998; French, Kay & Meyer, 1966). The foregoing is assumed to narrow the gap of inequalities between managers and employees as soon as they start interpersonal relations while working together (Blake et al., 1989, chapter 4; Wu & Lee, 2001). In the case when managers ask employees to participate in organizational change,

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**viii** Relations are not only found horizontally between individuals on the same skill level, experience level, or organizational hierarchy level (French, Kay & Meyer, 1966). Within organizations, relations can also be formed vertically between individuals on different hierarchical levels, like managers and workers (Birnbirg, 1998).
they implicitly grant them trust to make organizational change a success (Burke, 1987, chapter 2). Thus, several scholars revealed one view: interpersonal relations require trust. Trust will be defined and clarified hereafter.

Employee participation is related to being trusted and trusting others

Trust has been researched from different scientific perspectives by economics, sociologists and psychologists, resulting in multiple views on trust:

- Economic theory brought the view that trust is more than an invisible and intangible asset to employees. The economic relevance of trust is that it reduces the need for specification and monitoring of contracts, leading to lower transaction costs (Nootboom, Berger and Noorderhaven, 1997). Stated differently: trust pays. But this economic pay-off is not undoubtedly quantifiable (Nootboom et al., 1997).

- From a sociological perspective, trust is considered rewarding for employees (Costa, 2000). Trust is rewarding through the provision of security in a group setting, whereas the opposite distrust is considered an important collective insecurity element in social relationships (Costa, 2003). Furthermore, trust secures the process of cooperation for employees with each other, whereas distrust is perceived as disturbing and raising obstacles for cooperation (Costa, 2003; Nurick, 1982).

- Other scholars, like Morgan & Zeffane (2003) described the psychological view, which implies that trust is an exchange process of informal, mostly implicit obligations toward others. In this exchange process, trust can grow with each positive personal experience, while one negative experience may wipe out trust for a long time. Loss of trust means loss of reputation (Nootboom et al., 1997), which can affect the culture among employees within an organization negatively (Huang & Dastmalchian, 2004).

\[1^*\] Of course the short theoretical introduction of the meaning of relations among individual employees in organizations is not intended to describe its many complicated aspects. To describe relations in full would take at least an entire dissertation. Here, only those aspects of relations were described that are expected to be relevant in the context of participation of individual employees in organizational change.
The foregoing views have in common, that all individuals in a relation are considered to have motives to apply trust. Based on Morgan & Zeffane (2003), trust is considered bi-directional in nature: a so-called truster assesses the trustworthiness of a trustee, before granting the latter trust, while the first expects trust in return. Bi-directional does not implicate that trust is necessarily reciprocal: because for example A can trust B, while B independently may or may not trust A (Schoorman et al., 2007). In essence, trust does not always have to be returned. It consists out of two separate dimensions that can operate independently from each other. Both Scott (1980) and Costa (2000) stated that trust consists out of the following dimensions:

- Being trusted reflects a perception of the amount of respect that is received from others around the individual, almost like a cultural aspect (Scott, 1980). In the context of organizations, being trusted indicates perceived respect and confidence received from colleagues in the organization (Blake et al., 1989, chapter 2; House, 1971; House & Mitchell, 1974; Latham, Mitchell & Dosset, 1978). For example: when asked by the management to perform a special task or to join a specific team, this brings a sense of confidence among anyone who is being asked (Blake et al., 1989, chapter 8; French & Israel, 1960). Next, being trusted makes individuals feel more respected as a human being (Cooper, 2002). Several scholars articulated the foregoing as the feeling of obtaining a reward, when others respect the work one does in order to contribute to a greater goal, like for example organizational change (Schneider, Brief & Guzzo, 1996; Tzafrir, 2005). Furthermore, individuals within an organization who believe that they are trusted, feel more comfortable in their jobs (Alutto & Acito, 1974; Nurick, 1982).

- Trusting others consists of beliefs about others, together with some confidence in others and overt behavior towards others (Scott, 1980). Those others are perceived and approached with positive expectations and a willingness to become vulnerable in their presence (Costa, 2003). Spreitzer & Mishra (1999) added, that individuals show this approach based on their belief that the other party is competent, honest, reliable and concerned. Tzafrir (2005) added that managers trusting others usually show more willingness to take the risk of sharing decisional power. Also, employees trusting others, stay more focused on the contribution of their own results and don’t get distracted by checking upon others (Morgan & Zeffane, 2003).

Following both dimensions of trust that were described above together with the current research context, the next two interpersonal relations dimensions were defined as follows and will be applied throughout this dissertation:

- Being trusted means that others are believed to respect (an) individual employee(s) to make the right CRM change related decisions.
The relationship between participation in its many forms and similar trust dimensions was supported by some empirical findings. Boselie, Hesselink, Paauwe & Van der Wiele (2001) reported that employee participation was a key factor for trust in a study among 2247 employees from an employment agency in the Netherlands. Tzafrir (2005) found evidence for a positive relationship between being trusted by others and participation among 104 human resource managers of Israeli companies that were larger than 200 employees. Nurick (1982) reported, that participation contributed positively to trust among 380 employees within one division of a utility located in the southeastern US. Morgan & Zeffane (2003) reported similar findings among 19,155 employees in 2,001 Australian organizations. Furthermore, Spreitzer & Mishra (1999) collected data from 517 top managers of 92 business units of automotive firms and concluded that participation in decision making was positively correlated with trust in others, although in their research model they assumed that trust would lead to participation instead of the reverse order. Furthermore, Magner, Welker & Johnson (1996) reported among 220 non-administrative faculty members of four universities in the US, that those who had participated in an evaluative program, showed more trust in their supervisor.

The foregoing findings suggested a possible relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and both dimensions of trust in interpersonal relations, although such a relationship has not been reported yet. Based on the foregoing, the following hypotheses were formulated:

H7. Employee participation is positively related to being trusted.

H8. Employee participation is positively related to trusting others.

Being trusted and trusting others are related to CRM effectiveness

When employees form interpersonal relations, information from multiple sources is usually combined into shared knowledge (Cooper, 2002). Such shared knowledge may aid employees to gain influence and power in an organization (Coch & French, 1948; Conger &

* The order of these variables is disputable, therefore all possible sequences will be tested using the current research data and the outcomes will be described in the results chapter.
Kanugo, 1988). The power of relations in large groups in organizations can be potentially tremendous (Dachler & Wilpert, 1978). In powerful relations, employees gain benefits from the pooling of others’ expertise, access and resources, while trust grows (Church, 2008). These benefits encourage individual employees to do their very best for each other, leading to combined efforts towards a common organizational goal (Strauss, 1998). Thus, powerful interpersonal relations showing high trust levels often increase group and organizational effectiveness in general.

However, little is known whether powerful interpersonal relations with high trust levels would affect the specific type of CRM effectiveness which was introduced in the first chapter of this dissertation. Plakoyiannaki, Tzokas, Dimitratos & Saren (2008) stated to be the first scholars to report that employee participation and trusting relations positively affected the CRM effectiveness of a CRM organizational change in a UK automotive services organization case study. This single case study article did not predict the same outcomes in other industries like financial organizations, although it did not rule out the possibility that such relationships would work similarly.

Hence, it will be tested whether being trusted and trusting others would possibly affect CRM effectiveness in the current research. Therefore the following hypotheses were formulated:

H9. Being trusted is positively related to CRM effectiveness.

H10. Trusting others is positively related to CRM effectiveness.

Being trusted & trusting others are expected to play mediating roles

It was argued earlier in this dissertation, that employee participation does not have to lead to more effectiveness directly, but instead indirectly through mediating entities. Schneider, Brief & Guzzo (1995) theorized that the necessary ingredient for an effective organizational change is that participating employees build and improve trust levels in interpersonal relations. These improved trust levels in relations will increase the morale necessary to enhance the probability of actually having the change take root (Pennings, 1976; Schneider, Brief & Guzzo, 1995). Thus, it is through the act of involving employees in decision making that trust levels can influence effectiveness (Spreitzer & Mishra, 1999, Tzafrir, 2005).

Such mediating effect can be applied to the current research. The mediating effect is supposed to work as follows: individual employees participate together in decisions regarding organizational change and form relations. In these relations, participants are being trusted and their trust in others grows. Through the increased levels of being trusted and trusting others, the participants jointly enhance their CRM effectiveness of
organizational change. The non-participants however, do not experience more trust levels and do not enhance their CRM effectiveness of organizational change. The level of employee participation may differ more or less between individuals which may be related to differences in being trusted and trusting others and through those differences in CRM effectiveness may occur. The foregoing led to the formulation of the following hypothesis:

H11. Employee participation is positively related to CRM effectiveness through the mediating role of being trusted.

H12. Employee participation is positively related to CRM effectiveness through the mediating role of trusting others.

Partial model iii: employee participation, trusted/trusting, CRM effectiveness

Figure iii provides an illustrative overview of the foregoing theories and numbered hypotheses. This figure on the next page illustrates the following predictions. First, it is predicted that employee participation leads to being trusted (hypothesis 7), which in turn leads to CRM effectiveness (hypothesis 9). Next, it is predicted that employee participation leads to trusting others (hypothesis 8), which in turn leads to CRM effectiveness (hypothesis 10). Consequently, being trusted and trusting others mediate the relationship between employee participation and CRM effectiveness (hypothesis 11 and 12). Altogether, these hypotheses underlying the research model predict an indirect relationship between employee participation and CRM effectiveness.
Figure iii: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by being trusted and trusting others in interpersonal relations.
2.4 THEORY ON JOB PRESSURES

In the introduction chapter it was already mentioned that employee participation may not always contribute positively to CRM effectiveness. In contrary, employee participation may contribute negatively to CRM effectiveness. This section will theorize these potential negative consequences.

Several scholars suggested that (employee) participation in its many forms may contribute negatively to the CRM effectiveness of organizational change. For example Dachler & Wilpert (1978) described participation as a system of actions and reactions. They theorized that in such system pressures on the jobs of employees may play an important role in the negative consequences of participation. When several individual participants want to change their organization, they have to confront each other with their similar and their different ideas. All ideas need to be discussed and weighed, before consensus can be reached about joint ideas. This process of confronting, discussing and weighing ideas puts pressures on individual participants to comply to joint ideas, before the organization can be changed in a joint direction (Church, 2008; Tosi, 1971). It is virtually impossible for every employee to comply with all joint ideas in an organization. Whoever does not completely comply may feel pressured by the others to do so (Burke, 1987, chapter 3). As a consequence, everyone being more or less involved in organizational change may feel pressured. Such pressure often undermines the advantages of participation (Cheney & Cloud, 2006). Some of the reported negative consequences of pressures were: employee depressions (Alutto & Acito, 1974), illnesses like employee burnouts (Elloy, Terpening & Kohls, 2004; Frone, 2000; Jackson, 1983), reduced perceived influence (Jackson, 1983) and reduced job performance (French, Kay & Meyer, 1966; Grove, 2004). Furthermore, it was reported that participation together with high pressures formed a threat to the effectiveness of a large appraisal system (French, Kay & Meyer, 1966). Logically Heller (1998) warned that participation is not always better when there is more of it.

The suggested negative consequences of participation are summarized under the label job pressures in the current research. Because of such job pressures, often it may not be possible to reach positive organizational change outcomes. Before describing the supposed relationship between (employee) participation and job pressures, first these job pressures will be clarified in the context of their negative impact on organizational change outcomes. Heller (1998) and Wilpert (1998) explained the foregoing in more detail, while pointing out three negative job pressures from participation that could lead to organizational change failures:

- Workload is a form of job pressure on individuals whose roles are (over-)loaded with activities that need to be finished in a limited timeframe (Conger & Kanugo, 1988; Grove, 2004). If a worker gets insufficient time to get the entire workload done, he or she will probably fail to do so, while emotional exhaustion and/or burnout can occur (Elloy, Terpening & Kohls, 2001). Insufficient workload can
cause problems as well (Grove, 2004). According to the Yerkes-Dodson Law (1908) an inverted-U shaped relationship exists between the amount of work demanded of an individual and the performance and health of that individual. In the case of a substantial deviation above or below the optimal band of workload for the particular individual, negative consequences can be expected (Grove, 2004). Especially above normal amounts of workload are often found in organizational change settings (Church, 2008).

Stress is a form of job pressure that is characterized by emotional arousal within individuals (Bandura, 1977). Stress is mostly invoked by little control over someone’s environment (Bordia, Hobman, Jones, Gallois & Callan, 2004; Grove, 2004). Low levels of stress can contribute to organizational change outcomes, because when individuals feel that control is possible, they can be motivated to make changes work (Grove, 2004; Piderit, 2000). Bandura (1977) described this positive effect of stress as an energizing function, because it can energize an individual to either show or to avoid certain behavior. However, organizational change is known as commonly related to high stress levels among many involved employees, because their current way of working and their current task control are disturbed (Dachler & Wilpert, 1978; Elias, 2009; Grove, 2004). High levels of stress in organizational change have the disadvantage of igniting resistance, which can threaten organizational change outcomes (Grove, 2004).

Conflict is a form of pressure that was defined by Pusic (1998) as individuals working against each other in order to achieve alternative goals. Karasek, Gardell & Lindell (1987) defined conflict alternatively as conflicting opinions between employees. Furthermore, Eddleston, Otondo & Kellermanns (2008) described conflict as disagreements being characterized by anger and resentment. They theorized that high conflict levels can damage the harmony in relationships between individual employees, which can even make their organizations collapse. Low conflict levels can have a beneficial effect on organizational and individual performance (Eddleston, Otondo & Kellermanns, 2008), because disagreements are usually expressed and as a consequence these disagreements can be solved (Blake, Mouton & McCanse, 1989, chapters 6 & 8; Van der Vlist, 1991). However, high conflict levels can disrupt relations among colleagues or others, like for example customers (Msweili-Mbanga & Potswana, 2006). Frone (2000) made a distinction between conflict with supervisors and conflict with co-workers, but reported very similar effects: both were found to be associated with decreased satisfaction and increased illness. High conflict levels are common in organizational change contexts (Cutcher-Gershenfeld, 1991). High conflict levels are potentially explosive and destructive (Pusic, 1998), because conflict may hinder individual employees to form positive attitudes (Janssen, 2004). Wilpert (1998) summarized such views on conflict and concluded that some say that conflict means sand in the smooth functioning of organizations, while others tell that conflict facilitates innovation.
Thus, increased levels of the foregoing job pressures usually contribute negatively to organizational change outcomes. The upcoming sections will each theorize in which way employee participation can drive changes in these job pressures and how these pressures could potentially impact CRM effectiveness.

Employee participation is related to workload

Among others, Church (2008) and Spector (1996) described that participation costs time and energy from all involved individuals. Individual employees participating in organizational change next to their daily job, are confronted with additional workload. This workload on top of the regular work activities consists out of participative meetings, negotiations, discussions and other time absorbing activities. As a consequence, workload is supposed to be increased by participation, because participants need to invest more time and energy in decision making than non-participants.

The more participation takes time and energy away from other activities, the more negative consequences it will invoke, according to Kanter (1983). She wrote that most people are not willing to invest extra hours next to their daily job. Church (2008) added, that nowadays no one has enough time to commit to participation regularly. Conger & Kanugo (1988) stated that when jobs involve role overload, employees face powerlessness. In their view, participation can both lead to empowerment and to powerlessness, depending on the amount of workload on the participants. Spector (1986) theorized that workload as a possible negative consequence of participation of individual employees could possibly outweigh positive consequences, like increased satisfaction. Also, those who participate in organizational change often experience additional job pressures, which can make participation a burden (Church, 2008; Heller, 1998). A participative change strategy runs the risk of overloading employees with work which might cause exhaustion, tiredness, lesser performance and burnouts (Elloy, Terpening & Kohls, 2001). Grove (2004) added reduced personal accomplishment to the list of known negative consequences of excessive workload in organizational change context. Workload is also related to resistance towards organizational change and threaten its outcomes (Msweli-Mbanga and Potwana, 2006).

Following the foregoing descriptions on workload and applying it to the context of customer relationship management change, the next definition will be applied throughout this dissertation:

✓ Workload means that (an) individual employees’ role(s) is (are) loaded with CRM change related activities to be finished in a limited timeframe.
The relationship between (employee) participation and workload in its many forms was supported by little empirical evidence. Elloy, Terpening & Kohls (2001) reported that low participation occurred in combination with low workload levels, which altogether worsened job conditions for 320 workers in a heavy industry manufacturing organization. No relationship between employee participation and CRM effectiveness was found in academic literature.

The foregoing theories suggested a supposed positive relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and workload. Consequently, the following hypothesis was formulated:

**H13.** Employee participation is positively related to workload.

Employee participation is related to stress

Grove (2004) wrote in his dissertation about stress among individuals employed in an organization undergoing change, that tensions associated with organizational change often heighten the levels of stress among individual employees. For example, most organizational changes include job changes, which implicate loss of control over the old job. Any organizational change force threatening to remove control, usually leads to increased stress levels among individuals undergoing change (Grove, 2004). Stohl & Cheney (2001) described that tensions seem inherent in participatory and democratic practices. Bordia, Hobman, Jones, Gallois & Callan (2004) and Jackson (1983) described something similar under the label psychological strain. Psychological strain or stress can lead to several dysfunctional effects on individuals being involved in organizational change. Those dysfunctional effects include resistance, reluctance to cooperate, uncertainty, apathy, or even health problems (Grove, 2004; Jackson, 1983).

Based on the foregoing, the next definition of stress in the context of the current research will be applied throughout this dissertation:

✓ Stress means that (an) individual employee(s) is (are) emotionally aroused by low control over their changing CRM environment.

The relationship between (employee) participation and stress in its many forms is not very obvious. Scholars seem to disagree on a positive or a negative influence.

† The positive view on stress associates (employee) participation with increased stress levels. Because when participation is added to organizational change, individual employees are usually encouraged to come up with plans and opinions...
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Church (2008). Heller (1998) pointed out that this call may be too demanding for some participants. For example, if they do not possess the right competences or the ability to express opinions freely, participation can put extensive pressure on their shoulders leading to stress (Zwick, 2004). Alternatively, when contributions to organizational change decisions from certain participants become crippled or even erased by other participants, they may feel like being forced into an unwanted direction and as a consequence they may develop more stress (Kanter, 1983). Such view would expect (employee) participation to be positively related to stress.

In the opposite negative view on stress, participation in organizational change may not be positively related to increased stress levels. Many scholars argued that most participants—and especially those who choose freely to participate—will not find a call for plans and opinions too demanding, they do not feel pressured and they do not experience more psychological strain (Jackson, 1983; Miller et al., 1990; Spector, 1986). Most participants like involvement and seem to like the extra control over their jobs that participation offers (Cooper, 2002). It is that extra control that provides them with more influence (Cooper, 2002), less insecurity (Grove, 2004), less threats (Bandura, Adams & Beyer, 1977) and last but not least less stress (Bordia et al., 2004; Grove, 2004). In such view heightened stress levels are not expected among participants being prepared for change, but instead among those being confronted with sudden organizational change like the non-participants (Burke, 1987; Grove, 2004; Jackson, 1983).

The last view, suggesting a negative relationship between participation in its many forms and stress has clearly been supported by several empirical findings. Shadur, Kienzle & Rodwell (1999) studied participation among 269 employees in an information technology company and found that participation correlated negatively with job related stress. Similarly, Jackson (1983) manipulated participation by assigning hospital employees to either a no-intervention or participation group, while the intervention was aimed at increasing employees’ influence over work related issues. Jackson found that the intervention led to a significant reduction in emotional strain or stress. Interestingly, at another test six months after the participation took place, it appeared that there was no significant reduction anymore. Only during participation stress levels were lowered. In the context of an hospital organizational change, Bordia et al. (2004) reported negative correlations between participation in organizational change and stress. They explained that as follows: participation showed positive regression outcomes on control, which in turn showed negative regression outcomes on stress. Consequently, individual participants gained control over their jobs, which decreased stress levels. In effect, the higher amounts of stress that are usually common in organizational change, were instead lowered by participation via increased control (Bordia et al., 2004).
The foregoing theories and findings left room for a supposed negative relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and stress. Consequently, the following hypothesis was formulated:

H14. Employee participation is negatively related to stress.

Employee participation is related to conflict

Organizational change usually consists out of opposing forces that push in different directions, like for example the force to maintain the current state and opposing forces to try new behaviors and ideas (Schein, 2002). Both organizations and individuals are confronted with these forces upon change (Schein, 2002). For example, sometimes the needs of individual employees conflict with the collective interests of the organization (Spreitzer & Mishra, 1999). In such perspective, any force into one direction may call for an opposing force –also called resistance (Swanberg-O’Connor, 1995)– to slow it down or to bend it. While resistance refers to an opposing force, conflict refers to the clash of several opposing forces. Tosi (1971) wrote that when individuals comply to one force, that makes it almost unavoidable for them not to clash with an opposing force. As a consequence of clashes, organizational change is often associated with increased amounts of conflict (Cutcher-Gershenfeld, 1991; Tosi, 1971).

Following the above descriptions on conflict in the context of customer relationship management organizational change, the next definition will be applied throughout this dissertation:

Conflict means that (an) individual(s) employee(s) has collisions with (an) other(s) rooted in opposing CRM change related forces.

The association between (employee) participation and conflict in its many forms has been theorized by several scholars. Similar to the earlier described participation-stress views, scholars seem to disagree on the participation-conflict views.

The positive view on conflict associates (employee) participation with increased stress levels. Because participants are associated with their own decisions, they cannot be considered independent anymore (Bouma & Emans, 2004). Often they need to explain their own decisions to other employees (Blake, Mouton & McCanse, 1989; Pennings, 1976; Wanous, Reichers & Austin, 2000). In participation meetings, pro opinions meet con opinions sooner or later (Burke, 1987). For example, discussions between change willing participants and change resistant employees can easily lead to conflict (Bouma & Emans, 2004). Swanberg-
O’Connor (1995) called conflict between those who are with or against change the paradox of empowerment, because empowerment can become obsolete when parties are too busy fighting each other. Conflict is known to consume energy from participants, while their energy should instead be mobilized by empowerment or participation (Burke, 1987; Kanter, 1983; Pusic, 1998). In such view, (employee) participation is expected to be associated with increased conflict levels.

The negative view on conflict poses the opposite relationship. Participation is a form of empowerment that does not have to lead to increased conflict. Conflict is something that all participants need to deal with (Pusic, 1998). As soon as conflict arises participants have to attend to it, otherwise many negative consequences will arise (Cutcher-Gershenfeld, 1991). The constant watch over potential conflict keeps all participants sharp (Pusic, 1998). Schuler (1980) wrote: the more participation, the more chances for conflict resolution. Blake, Mouton & McCanse (1989, chapter 8) theorized that participants are in the best position to learn how to solve conflicts. Because they are the ones who receive all kinds of information, which makes them the best actors to take all standpoints into consideration (Pusic, 1998). Participants tends to talk about conflict and discuss underlying disagreements. By doing so, they can often resolve conflict. For example, conflict can be resolved when the underlying misunderstandings are cleared, or when opposing opinions can be bent towards joint opinions after some reasoning. In such view, participation minimizes conflict (Wu & Lee, 2001).

The last (negative) view between (employee) participation in its many forms and conflict was supported by many empirical findings. Spector (1986) reported in his meta-analysis of 101 samples from 88 studies, that participation correlated negatively with conflict. Furthermore, Jackson (1983) performed a longitudinal field experiment among 95 workers in a hospital and found evidence that participation correlated more negatively with conflict levels over time. Even half a year after the intervention, the conflict levels remained lower in groups where participation had been applied in comparison to the conflict levels in control groups. Newton & Jimmieson (2006) studied 119 individual employees in an Australian local government council and reported strong negative correlations between participation and conflict. Next, Eddleston, Otondo & Kellermanns (2008) researched 86 individual (co-)owners of 37 family firms in the US and reported that participation in decision making negatively affected conflict. Also Schuler (1980) found that participation negatively correlated with conflict in two samples. One among 382 individual employees working for a glass products company and another sample among 429 individual employees of a large public utility firm. Unfortunately none of the foregoing scholars collected empirical evidence on such relationship regarding employee participation in customer relationship management organizational change.
The foregoing theories and findings left room for a supposed negative relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and conflict. Thus, the following hypothesis was formulated:

**H15.** Employee participation is negatively related to conflict.

*Workload, stress and conflict are related to CRM effectiveness*

Dealing with workload, conflict and stress implies dealing with multiple job pressures and consequently higher levels of effort are necessary before they can be overcome (Elloy, Terpening & Kohls, 2001). The higher the levels of workload, conflict and stress, the more efforts are necessary to deal with them. From the perspective of participants, those efforts can take their energy away from other work activities. As a consequence, job pressures are considered being non-productive in many organizations (Eddleston, Otondo & Kellermanns, 2008). Cutcher-Gershenfeld (1991) put the previously mentioned aspects in the context of organizational change. She wrote that the challenge and the potential for organizational change involved attending to the resolution of conflict. Plakoyiannaki, Tzokas, Dimitratos & Saren (2008) stated to be the first scholars to report that individual employee participation and stress negatively affected the CRM effectiveness of a CRM organizational change in a UK automotive services organization case study. This single case study article could not predict the same outcomes in other industries like financial organizations, although it did not rule out the possibility that such relationships would work similarly.

Thus, the pressures workload, conflict and stress are expected to negatively affect CRM effectiveness of organizational change. The foregoing led to the formulation of the following hypotheses:

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In his dissertation on stress, Grove (2004) wrote that three job pressures tend to strengthen each other. He stated that in particular excessive workload tends to invoke job-related stress, often leading to conflicts with co-workers and leaders. This view was supported by findings from Karasek, Gardell & Lindell (1987), who reported that workload and conflict correlated significantly among 8700 Swedish workers. Karasek et al. (1987) theorized that both workload and conflict were closely related to stress. Also Tosi (1971) reported findings among 488 managers of financial organizations indicating that job stressors affected conflict positively. Therefore, it needs to be tested in the current research if all three pressures should indeed be treated as three distinct scales.
H16. Workload is negatively related to CRM effectiveness.

H17. Stress is negatively related to CRM effectiveness.

H18. Conflict is negatively related to CRM effectiveness.

Workload, stress and conflict are expected to play mediating roles

Based on Ostroff & Schmitt (1993), (employee) participation is expected to increase organizational change effectiveness indirectly. The necessary ingredient for an effective CRM change could well be employee participation, which keeps negative pressures like conflict and stress levels low. Such low pressures levels can in turn increase the morale necessary to enhance the probability of actually having the change take root (Pennings, 1976; Schneider, Brief & Guzzo, 1995). In such view, it is through the act of involving employees in organizational decision making that pressures can influence effectiveness.

Such mediating effect can be applied to the context of the research on employee participation in customer relationship management organizational change, which was introduced in the previous chapter. The mediating effect is supposed to work as follows: individual participants show lower stress and lower conflict and higher workload levels. Heightened levels of these three pressures -workload, stress and conflict- together affect CRM effectiveness in a negative way. Based on the fact which pressures are more or less affected by employee participation, CRM effectiveness may decrease or increase. For example when employee participation leads to large amounts of extra workload and only small lower levels of stress and conflict, CRM effectiveness will be affected negatively. Workload, conflict and stress are supposed to play important mediating roles in the relationship between employee participation and CRM effectiveness, which led to the formulation of the following hypothesis:

H19. Employee participation is related to CRM effectiveness through the mediating role of workload.

H20. Employee participation is related to CRM effectiveness through the mediating role of stress.

H21. Employee participation is related to CRM effectiveness through the mediating role of conflict.
Partial model iv: employee participation, workload/stress/conflict, CRM effectiveness

Figure iv graphically represents the foregoing theories and the accompanying hypotheses regarding employee participation, workload, stress, conflict and CRM effectiveness. This figure on the next page illustrates the following predictions.

It is predicted that employee participation is positively related to workload (hypothesis 13), which in turn is negatively related to CRM effectiveness (hypothesis 16). Next, it is predicted that employee participation is negatively related to stress (hypothesis 14), which is also negatively related to CRM effectiveness (hypothesis 17). Then, it is predicted that employee participation is negatively related to conflict (hypothesis 15), while conflict is negatively related to CRM effectiveness (hypothesis 18). Furthermore, workload, stress and conflict mediate the relationship between employee participation and CRM effectiveness (hypotheses 19, 20 and 21).

Thus, some associations with job pressures are supposedly positive, others are supposedly negative. The hypotheses underlying the research model predict an indirect relationship between employee participation and CRM effectiveness.
Figure iv: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by the job pressures workload, stress and conflict.
2.5 THEORY ON JOB CONTENTS

Employees and participants do not only develop attitudes, relationships and pressures, as described in the previous sections. The most important reason why employees are hired, is because they can deliver job contents. Those job contents consist out of many elements like: decisions, decisional outcomes, (non-) routine activities, products, services, policies and (solved) issues (Locke & Schweiger, 1979; Koopman, Drenth, Bus, Kruyswijk, Wierdsma, 1981).

During organizational change, some of those job contents hardly change, while other job contents change entirely (Caldwell, 2003). All those more or less changed job contents together form the substance of organizational change (Armenakis & Bedeian; Caldwell, 2003). However, almost no individual employee can grasp the entire picture including all employee’s detailed job contents within an entire organization, because usually everyone has a limited view over only those job contents that are positioned in and closely around their own work unit (Caldwell, 2003). Each individual employee has in-depth knowledge of the exact local situation of his or her own daily job (Strauss, 1998).

When individual employees are provided with the opportunity to participate in organizational change, they can utilize their in-depth knowledge of local situations. That knowledge puts workers in a better position than managers to plan and schedule their work in detail (Spreitzer & Mishra, 1999). Participation brings them autonomy to adapt those job contents that are under their immediate local influence (House & Mitchell, 1974). When they improvise and make incremental local changes in daily job routines, they can become more flexible (Blake, Mouton & McCanse, 1989; Burke, 1987; Church, 2008). Flexibility allows them to eliminate local bottlenecks or interruptions and as a result their local work becomes more balanced (Spreitzer & Mishra, 1999; Zwick, 2004). In such view, their local job contents will reflect an increased fit with their local organizational environment (Caldwell, 2003; Newton & Jimmieson, 2006).

The foregoing implies that individual participants may be better utilized to incorporate organizational change contents into their own local job contents, than non-participants. In such view, job contents may show more local fit after employee participation is introduced in organizational change. The upcoming sections will theorize the meaning of local fit, in which way individual participants can affect local fit and how local fit could make an entire CRM organizational change more effective.
Employee participation is related to local fit

Throughout scientific literature several descriptions of local fit can be found. For example, Armenakis & Bedeian (1999) described such fit as consistency between organizational processes, contents and contexts. Caldwell (2004) defined fit in terms of how well employees believe that their own values match those of their organizations. Newton & Jimmieson (2006) defined such fit as an employee’s subjective fit with organizational culture including organizational values. Furthermore, Caldwell, Herold & Fedor (2004) described the local fit between individual employees and their environment in terms of compatibility or congruence. In his dissertation about local fit and organizational change, Caldwell (2003) preferred to study perceived local fit, since individual perceptions come closest to individual feelings of fitting in. He articulated that local fit has been seen as a potentially useful explanation of micro-level behavior of individuals.

Following the above descriptions on local fit in the context of employee participation in CRM organizational change, the next definition will be applied throughout this dissertation:

✓ Local fit means that (an) individual(s) employee(s) perceive(s) personal job contents to match CRM organizational change contents.

Caldwell (2003) theorized that several forms of local fit can be improved by introducing (employee) participation. Because whenever employees participate, they receive more control over their jobs and they get the chance to adapt their work processes, leading to a greater fit between their own local job contents and organizational change contents. Dunphy & Stace (1988) contributed the view that in such way incremental improvements can be implemented. They predicted a growing local fit between (parts of) organizations with future environmental conditions. In such view, many individual employees showing local fit of their changing job contents could together contribute to an improved fit of organizational change in their entire organization. Consequently, higher levels of local fit can be considered positive for both individuals and organizations (Caldwell, 2003).

Empirical findings support the foregoing views that local fit in its several forms can affect several other elements in the environment of individual employees. Local fit was reported to predict increased satisfaction (Newton & Jimmieson, 2006) and to predict decreased conflict (Newton & Jimmieson, 2006). Limited empirical support was found regarding a possible relationship between (employee) participation and some form of local fit. Newton & Jimmieson (2006) studied 119 employees of an Australian local government council and found a significant positive relationship between participation as a form of control from employees over job-related decisions and local fit.

The foregoing theories and findings left room for a supposed positive relationship between the specific type of employee participation in decisions regarding organizational change of
the customer relationship management type and local fit. Consequently, the following hypothesis was formulated:

H22. Employee participation is positively related to local fit.

Local fit is related to CRM effectiveness

When workers participate in organizational change, they are provided the opportunity to make improvements in their local job contents (Koopman et al., 1981; Locke & Schweiger, 1979; Wilpert, 1998). Their decisions and their decisional consequences can drive actions, set conditions, build policies and clear issues. The more individuals combine their knowledge of their local situations, the better the joint decisions affecting several local situations become (Strauss, 1998). Together, participants have more decision making capacity than alone. Together they are expected to enhance the performance of an entire organizational change (Church, 2008; Locke & Schweiger, 1979; Miller & Monge, 1986).

Logically, when many employees succeed in many improved local fits of their individual changed job contents, then a substantial part of the organization will notice a better match with the organizational change contents (Caldwell, 2003). In such view, a better fit is created between the needs of the individuals and the needs of the organization (Dunphy & Stace, 1988; Elloy, Terpening & Kohls, 2001). Caldwell (2003) added that improved local fit is supposed to result in improved organizational change outcomes. Burke (1986, chapter 5) theorized that an inconsistent fit between any pair of components of organizational change processes can result in less than optimal organizational and individual effectiveness.

Negatively stated, employees may simply abandon organizations when they do not fit in an organizational change. Caldwell (2003) theorized that those employees may not want to contribute to organizational change success. Based on the foregoing he suggested on one side a close relationship between low local fit and low organizational success. In his view, the employees with low fit would at least consider to leave an organization, while those with high fit stay. Thus, local fit is expected -but not yet empirically confirmed- to positively affect CRM effectiveness. The foregoing led to the formulation of the following hypotheses:

H23. Local fit is positively related to CRM effectiveness.
Local fit is expected to play a mediating role

Caldwell’s (2003) related adaptive responses on the individual employees level to change effects on the organizational level and called the outcomes of those adaptations the increased local fit with their personal work environment. He argued that local fit is supposed to be measured on the individual level. Furthermore, he wrote that this individual level relates indirectly to the organizational level. In his view, individual participants can establish local fit directly and organizational change effectiveness indirectly. Conger & Kanugo (1988) expected something very similar. They wrote that participation will probably result in a desired level of individual performance, which in turn will produce desired outcomes for an entire organization.

When both views from Conger & Kanugo (1988) and Caldwell (2003) are combined, it could well be that employee participation affects local fit, which in turn affects CRM effectiveness. The foregoing idea led to the formulation of the following hypothesis:

H24. Employee participation is positively related to CRM effectiveness through the mediating role of local fit.

Partial model v: employee participation, local fit, CRM effectiveness

Figure v reflects the theoretical model representing the overview on all foregoing theories and hypotheses on employee participation, local fit and CRM effectiveness. This figure on the next page illustrates the following predictions. It is predicted that employee participation is positively related to local fit (hypothesis 22), which in turn is positively related to CRM effectiveness (hypothesis 23). Next, local fit positively mediates the relationship between employee participation and CRM effectiveness (hypothesis 24). Altogether, these hypotheses underlying the research model implicitly predict no direct relationship between employee participation and CRM effectiveness.
Figure v: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by the local fit of the job contents.
2.6 THEORETICAL CONCEPTS

In this section the main concepts of theoretical chapter are summarized shortly. This chapter provided the theoretical overview regarding the concepts of employee participation, CRM effectiveness and their supposed mediating entities: intrapersonal attitudes, interpersonal relations, job pressures and job contents.

Such intrapersonal attitudes were suggested to consist out of both constructs ownership and satisfaction, while interpersonal relations were suggested to consist out of both constructs being trusted and trusting others. Furthermore, job pressures were suggested to consist out of three constructs workload, conflict and stress, while job contents were suggested to consist out of the construct local fit.

For each of the foregoing constructs, definitions were presented in this chapter. Although in some cases these variables were reported to correlate with participation or effectiveness in many contexts, there is no evidence yet that these constructs correlate with the specific employee participation and the specific CRM effectiveness as hypothesized in this dissertation.

Hypotheses overview

To test whether employee participation is related to CRM effectiveness through the mediating roles of the foregoing mediators, the hypotheses below were theorized and formulated earlier in this chapter.

Based on theory on intrapersonal attitudes:

H1. Employee participation is positively related to ownership.
H2. Employee participation is positively related to satisfaction.
H3. Ownership is positively related to CRM effectiveness.
H4. Satisfaction is positively related to CRM effectiveness.
H5. Employee participation is positively related to CRM effectiveness through the mediating role of ownership.
H6. Employee participation is positively related to CRM effectiveness through the mediating role of satisfaction.

*Based on theory on interpersonal relations:*

H7. Employee participation is positively related to being trusted.
H8. Employee participation is positively related to trusting others.
H9. Being trusted is positively related to CRM effectiveness.
H10. Trusting others is positively related to CRM effectiveness.
H11. Employee participation is positively related to CRM effectiveness through the mediating role of being trusted.
H12. Employee participation is positively related to CRM effectiveness through the mediating role of trusting others.

*Based on theory on job pressures:*

H13. Employee participation is positively related to workload.
H14. Employee participation is negatively related to stress.
H15. Employee participation is negatively related to conflict.
H16. Workload is negatively related CRM effectiveness.
H17. Stress is negatively related to CRM effectiveness.
H18. Conflict is negatively related to CRM effectiveness.
H19. Employee participation is related to CRM effectiveness through the mediating role of workload.
H20. Employee participation is related to CRM effectiveness through the mediating role of stress.

H21. Employee participation is related to CRM effectiveness through the mediating role of conflict.

Based on theory from job contents:

H22. Employee participation is positively related to local fit.

H23. Local fit is positively related to CRM effectiveness.

H24. Employee participation is related to CRM effectiveness through the mediating role of local fit.

The previously hypothesized mediators may not work independently from each other. The foregoing mediating effects may become stronger or weaker upon the addition of other mediators. Thus, testing the combination of all mediators instead of isolated mediators may reveal more insights. For example one isolated mediator between employee participation and CRM effectiveness –like local fit– does not have to play the same role in a different situation with multiple mediators in a combined research model. If support would be found for local fit as a single mediator between employee participation and CRM effectiveness, then it would be interesting to test if this mediator would contribute similarly upon the addition of satisfaction and all the other mediators. Therefore, the combined final hypothesis was added.

Based on integrated theories:

H25. Employee participation is related to CRM effectiveness through the mediating roles of ownership, satisfaction, being trusted, trusting others, workload, stress, conflict and local fit.
Overview model vi: employee participation, mediators, CRM effectiveness

The last one hypothesis numbered 25 is graphically represented in the hypothesized overview research model (Figure vi) on the next page. This research model shows the independent variable (employee participation) on the left hand side, which is supposed to influence the dependent variable (CRM effectiveness) on the right hand side via the positive or negative mediating roles of all forementioned mediators.

The upcoming chapter will describe the method together with the context of the current research.
Figure vi: overview research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by ownership, satisfaction, being trusted, trusting others, local fit, workload, stress and conflict.