Why participation works
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Why participation works: the role of employee involvement in the implementation of the customer relationship management type of organizational change (dissertation J.T. Bouma).

**SUMMARY**

The current research combines insights in two research areas: human resource management (HRM) and customer relationship management (CRM).

In the HRM research area employees influencing organizations are usually referred to using the participation label. Participation was first defined as group involvement, or group decision making, equalization of influence or power sharing. Later, scholars defined participation as involvement in organizational decision making. Despite the fact that academic literature describing participation is extensive, scholars seem not to agree whether participation is positively related to organizational change outcomes, or negatively. Such controversy makes this rather old research field -with publications starting from 1948- particularly interesting today. Currently it is still unclear whether there would be any (direct) relationship between participation and organizational change success. Even with no direct relationship, an indirect relationship between participation and organizational change success could still exist. In such view, participation may lead to intermediary effects, which sometimes lead to positive, sometimes to negative, and sometimes to a net result of zero organizational change success. Mediating entities that form part of a supposedly causal chain between participation and organizational change success may then explain the difference between positive and negative contributions. The following supposed mediating entities were suggested by scholars to play an important role in such causal chain: intrapersonal attitudes, interpersonal relations, job pressures and job contents. Based on theory it was assumed that these intrapersonal attitudes consist out of both constructs ownership and satisfaction, while interpersonal relations consist out of both constructs being trusted and trusting others, job pressures consist out of three constructs workload, conflict and stress, and job contents consist out of the construct local fit. The latter was described as an indicator of the amount of fit between changes in jobs of individual employees and changes of an organization.

In the CRM research area it was reported that employee participation played an important role in a particular organizational change type: the implementation of customer relationship management (CRM). Employee participation (independent variable) was defined as the amount of active involvement of (an) individual employee(s) in decisions regarding customer relationship management (CRM) organizational change in Dutch financial organizations. CRM was defined as the engagement of individual customers in a meaningful dialogue with employees so that firms can customize their products and services to attract, develop and retain customers. Furthermore, CRM effectiveness (dependent variable) was defined as the amount of successful customer relationship management (CRM) organizational change from the perception of (an) individual employee(s).
In order to research the foregoing in a limited timeframe and with limited funding, the research scope is limited to one aggregation level –perceptions from individual employees– being applied to one organizational change type –implementation of customer relationship management– within one cultural context –financial organizations in the Netherlands–.

Based on the foregoing, the current central research objective was formulated: to add insights to the academic and to the professional practitioners’ knowledge regarding the role of employee participation and several supposedly mediating entities –intrapersonal attitudes, interpersonal relations, job pressures and job contents– in the customer relationship management (CRM) type of organizational change in Dutch financial organizations. To achieve the current research objective, the following central research question is researched: in which way does employee participation and its mediating entities influence the effectiveness of the customer relationship management (CRM) type of organizational change in Dutch financial organizations? After answering the foregoing research question, two research areas are provided with further insights. In the human resource management (HRM) research area, the current research aims to contribute to the current understanding of employee participation, its consequences and their influence on organizational change effectiveness. In the customer relationship management (CRM) research area, the current research aims to contribute to the current understanding of CRM effectiveness and its potential predecessors like employee participation.

Next, a research model was constructed and tested using a non-experimental field study. Preliminary interviews were conducted with managers, consultants and scholars to construct the items and scales underlying this research model. Between 2003 and 2006 sixteen financial organizations cooperated with the current research. In these sixteen organizations, the jobs of 1217 individual employees in the Netherlands were changed because of the implementation of CRM. Between six and twelve months after all employees started using CRM in their jobs, all these individual employees were asked orally by their managers and in writing via an e-mail to fill out one questionnaire during working hours. The questionnaire was provided online and data was processed automatically to avoid coding errors. After the quantitative data from 732 employees was gathered (60.15 per cent response rate), interviews were conducted with managers and consultants from all organizations under study to add qualitative insights to the quantitative data.

Current research results support the view that employee participation contributes to a greater CRM effectiveness of organizational change through the positively mediating roles of ownership, satisfaction, being trusted, trusting others and local fit. Some of these mediators obviously contribute more than others. The strongest mediators in this research are satisfaction, being trusted and trusting others. Due to its positive influences on the foregoing mediators, employee participation positively influences CRM effectiveness in the current research.

Some supposedly mediating variables come differently into view when studied alone or when studied together with other variables. When workload is researched apart from the other variables, its added value to such isolated research model is found negligible. Furthermore, the added value of stress is reduced strongly and is hardly present anymore upon the addition of workload and conflict. Consequently, the mediating effect of stress seems to be cannibalized mainly by conflict. Results show that conflict plays a specific
mediating role: due to its conflict reducing effects, employee participation adds to CRM effectiveness in the current research. As a consequence, from the three job pressures (workload, stress, conflict) only conflict was supported as a mediator between employee participation and CRM effectiveness. Meanwhile workload, stress and conflict influence each other in the current research.

In the organizations in the current research, the average amount of employee participation is close to the low end of the scale. The previously described post-research interviews with managers and consultants working for all sixteen organizations add quantitative insights. Most interviewed managers mentioned that the majority of employees did not wish to participate. Some consultants considered it unwise to force them into participation, because they expected force to ignite resistance among these unwilling employees. The foregoing summarizes the explanation for the relatively low employee participation average in the current research.

The average amount of CRM effectiveness among individual employees in the current research is slightly lower than the middle of the scale. This does not indicate overly successful CRM implementations. Post-research interviews revealed that almost all managers and consultants started with much higher expectations that did not come true. They had expected that the relationships with customers would have increased much more because of the introduction of CRM. In the light of the relative low level of employee participation (independent variable), a not very high level of CRM effectiveness (dependent variable) can be considered logical. Interviews with managers and consultants revealed additional information. The majority of these managers and consultants mentioned having underestimated the human component as an important reason for not reaching the maximum possible CRM effectiveness. Several managers indicated that they were not finished implementing CRM, which was a clear indication that the organizations under study were still adding small incremental improvements. Some interviewees called the foregoing their learning process towards improved customer relationships.

The results from the current research show several practical and theoretical implications. Obviously, employee participation can be considered an useful organizational change instrument. Apparently, even a low average level of employee participation contributes positively to the effectiveness of customer relationship management organizational change. For practitioners is recommended to monitor and measure all variables that positively or negatively contribute to CRM effectiveness –like satisfaction, trust and conflict– throughout every CRM organizational change. When managers and consultants measure those variables repeatedly on all their CRM projects, they may obtain information that points out where possible threats and opportunities exist on the path to improved customer relationships. This information can be used for steering the organizational change towards more success. Actions based on these insights are important for raising the CRM organizational success rate to a higher level. Individual employees participating in organizational change should be aware that their active involvement influences more than just the local fit of the change contents. Employee participation in CRM organizational change can positively influence their intrapersonal attitudes –like satisfaction– and their interpersonal relations –like trust–. Furthermore, participants should watch out for job pressures –like conflict–, because those job pressures may jeopardize the success of a CRM organizational change.
The current research has contributed insights to two academic research fields: the human resource management (HRM) and the customer relationship management (CRM) area. In the first research area, the current research aims to contribute to the current understanding that even a low level of employee participation can positively –via several mediators– increase organizational change effectiveness. In the second research area, the current research aims to contribute to the current understanding that CRM effectiveness can be increased by the introduction of employee participation.

Some side remarks can be made regarding the current research. Results indicated that employee participation together with the previously mentioned mediators explained 51 per cent of the variance in CRM effectiveness. As this explanatory value is much lower than one hundred per cent, there must be more influences outside the current research model to play a role in the relationship between employee participation and CRM effectiveness. Some may be uncontrollable side effects that cannot be avoided in such an empirical field situation, while others may be identifiable and add to the current understanding of employee participation in CRM organizational change. Consequently, a suggestion for further research is to enlarge the scope of the research and try to find more variables that play a mediating or moderating role in this relationship. Future research could also shine more light on the effects of high versus low employee participation.

Finally, based upon the generic assumption that nothing sustains forever, organizational change effects would logically erode over time. Thus, CRM effectiveness and other organizational change related elements might differ depending on the measurement moment. Future longitudinal research might add insights in any possible changing influences of change related elements like employee participation during organizational change.