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“When two worlds collide”: Career satisfaction and altruistic organizational citizenship behavior

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Abstract

Previous studies find a strong relationship between job satisfaction and altruistic OCB. The aim of this study is to investigate the effects of a different kind of employee satisfaction, namely the extent to which employees are satisfied with the career opportunities that their organization offers. Based on social exchange theory, two contrasting hypotheses are formulated and tested. Hypothesis 1 argues that satisfaction with career opportunities is positively related to altruistic OCB because it strengthens the relationship between employees and organizations. Hypothesis 2 states that altruistic OCB is part of the horizontal exchange relationship between co-workers and that career opportunities are negatively related to this kind of behaviour since it disrupts the social exchanges taking place between co-workers. The hypotheses are investigated using survey data from 280 employees. Ordinary least squares (OLS) regression is applied to analyze the data. The empirical analyses find support for Hypothesis 2: career satisfaction is negatively related to altruistic OCB. The practical implication of this research concerns the potential trade-off between career satisfaction and employees’ levels of altruistic OCB. This indicates that strengthening vertical organizational relationships may weaken horizontal relationships. For managers this implies that they have to take this trade-off into account if they want to sustain altruistic OCB. Research on OCB focused mainly on the vertical exchange relationship within organizations. This article also includes the horizontal dimension and shows how it may be related to employee behaviour.

Keywords: Altruistic OCB, career satisfaction, social exchange theory, vertical and horizontal dimensions in organizations
1 INTRODUCTION

Employees can contribute to the functioning of their organization by showing altruistic behaviour. This is a kind of Organizational Citizenship Behaviour (OCB) defined as helping specific others in the organization, for instance by assisting them in their work, sharing knowledge, and guiding newcomers (Bateman & Organ, 1983; Smith et al, 1983). Engaging in altruistic OCB is particularly important in team-based organizations, which are characterized by task discretion and interdependencies among employees (Appelbaum & Batt, 1994; Banks et al, 2014; Cohen & Bailey, 1997). Although such team-based structures enable employee cooperation, they also imply that managers can exercise less direct control over the activities of the employees. Therefore, the success of teams depends on the willingness of employees to be loyal to the organization and their fellow workers, by assisting them to finish team tasks. As a result, organizations benefit from employees’ altruistic behaviour: monitoring costs are lower, interdependencies among employees are more easily managed, and fewer resources are required for the effective socialization of newcomers. To date, empirical research explaining OCB shows that altruism is associated with the so-called “morale” factor, which includes job satisfaction and organizational commitment (Bateman & Organ, 1983; Fehr et al, 1990; Iaffaldano & Muchinsky, 1985; Lui & Cohen, 2010; Organ & Ryan, 1995; Podsakoff et al, 2000; Puffer, 1987; Smith et al, 1983). Social exchange theory (Blau, 1964; Homans, 1974) provides an explanation for these empirical findings arguing that employees show different kinds of OCB to reciprocate employers acts such as providing valued rewards, investing in human resources, and creating a pleasant work environment (Cropanzano & Mitchell, 2005; Gong et al, 2010; Settoon et al, 1996; Smith & Organ, 1983).

While much is known about what explains OCB (Chiaburu et al, 2011; Hoffman et al, 2007; Podsakoff et al, 2000), several issues worth investigating have not been addressed to date. First, most of the OCB investigations focus on the effects of job satisfaction, but they do not include other kinds of employee satisfaction such as the satisfaction with certain organizational policies (Brown & Peterson, 1993; Churchill et al, 1974; Huang et al, 2004; Vitell & Davis, 1990). Of the different human resource practices strengthening the exchange relationship between organizations and the employees, career systems are of special interest since they constitute a “shadow of the future” allowing for reciprocity and cooperation (Axelrod, 1984; Koster & Sanders, 2006; Lambooj et al, 2009). The extent to which satisfaction with career opportunities contributes to the employees’ willingness to help co-workers has not been empirically investigated so far and the present study aims at examining the relationship between this dimension of job satisfaction and altruistic OCB. Secondly, in line with studies investigating OCB in general, a large part of the research concentrating on altruistic OCB focuses on vertical exchange relationships (see for example Devasagayam, 2013; Wagner & Rush, 2000). Nevertheless, since altruistic OCB involves cooperation between co-workers, it includes horizontal exchange relationships within the organization as well. From these two observations the question follows how career satisfaction relates to cooperation between employees and more specifically whether this kind of satisfaction strengthens altruistic behaviours of employees or creates a tension between vertical and horizontal exchange relationships in organizations since altruistic OCB concerns the relationship between co-workers and career systems relate to the relationship between employees and the organization.

Some recent studies suggest that such a tension exists. Lavelle (2010) argues that employees can be instrumentally motivated to show OCB. This is for example the case if they do show this kind of behaviour to enhance their employment opportunities and advancement within the organization. Such career-related motives, however, are likely to be related to behaviours focused on the functioning of the organization, rather than altruistic OCB, which is aimed at co-workers. What is more, it may be argued that such instrumental considerations concerning one’s career are detrimental to altruistic OCB. Other research provides some evidence for that. In one study, Cohen & Keren (2010) find that altruistic OCB is negatively related to continuance commitment, indicating that employees who aim to stay with the organization (e.g. having a career with that organization) are less willing to support co-workers. While a study by Liu & Cohen (2008) does not confirm this finding (and instead finds that altruistic OCB is positively related to altruistic OCB), it does provide additional evidence for this potential detrimental effect. Altruistic OCB turns out to be lower as employees value achievement (which may be a precondition for advancing across the career ladder) more. These findings suggest that career systems can make employees more concerned about their own career then to help their colleagues.

2 ALTRUISM, SATISFACTION, AND EXCHANGE RELATIONSHIPS

Throughout the years researchers spent much time and effort defining and measuring different dimensions of OCB. Initially, two dimensions of OCB were distinguished, namely general compliance and altruism, referring to what a good employee ought to do and helping specific others (Bateman & Organ, 1983; Smith et al, 1983). Later research refined this distinction and added some new dimensions (Organ, 1997; Podsakoff et al, 2000) and explored different conceptualizations of OCB such as the distinction between behaviour directed at specific individuals in the organization (OCB-I) and behaviour aimed at improving the organization (OCB-O)
and in-role versus extra-role behaviour (Lavelle, 2010; Pond et al, 1997; Van Dyne et al, 1994; Van Dyne et al, 1995; Williams & Anderson, 1991). A meta-analysis of this empirical work concluded that all these different OCB dimensions basically fall into one category, namely a general tendency to cooperate within an organization (LePine et al, 2002). These discussions may give the discouraging impression that there is little agreement regarding the content of OCB and its dimensions. Nevertheless, the literature also shows that there is considerable consensus among organizational researchers, namely that employees do perform behaviour benefiting organizations and that altruism is among these cooperative acts of employees.

The list of factors explaining altruistic OCB includes individual characteristics, task characteristics, organizational characteristics, and leadership behaviours (Podsakoff et al, 2000). Although human resource policies like rewards and job redesign are related to these four sets of factors, there are no studies examining the relationship between such formal practices and altruistic behaviours of employees directly. Either the focus is on the exchange relationship in general, rather than on specific practices that the organization uses to manage personnel (Tsui et al, 1997) or the claim is not investigated empirically and is stated in terms of propositions and expectations instead (Morrison, 1996; Werner, 2000). Examining the effects of a particular human resource practice like the career system of the organization tests such claims and provides additional insights into the exchange relationships within organizations. Furthermore, previous studies mainly included job satisfaction, implying that little is known about the effects of other dimensions of employees’ satisfaction with the organization and the practices it uses. Since overall job satisfaction partly results from the past experiences of employees and career satisfaction concerns future expectations about the future, their effects on the cooperative behaviour of employees may be markedly different (Banks et al, 2014; Koster & Sanders, 2007). While research shows that employees are more altruistic towards supervisors if they have good social exchange relationships with them (Shore et al, 2009), it is not investigated how vertical exchanges relationships affect altruistic behaviour towards co-workers. How opportunities for career systems can affect vertical and horizontal social exchange relationships within the organization is hypothesized below.

2.1 Altruism and the employee-organization relationship: the vertical dimension

There are several theories arguing that the career system is important for inducing employee socialization, loyalty, and cooperation, as it enables a long term relationship between organizations and employees. Starting from social exchange theory and applying it to the employee-organization relationship (EOR), different kinds of exchange relationships are distinguished (Gong et al, 2010; Shore et al, 2004; Tsui et al, 1997; Tsui & Wang, 2002). The EOR is balanced if the contributions of both parties are similarly low or high, called the quasi-spot contract and the mutual investment contract, respectively, and unbalanced if one of the parties contributes more than the other. Assuming that balanced social exchanges are more stable than unbalanced exchanges, it follows that organizations can influence employee effort and OCB by investing human resources. Career opportunities are among the investments through which employer signal that they care about the wellbeing of employees and employees can reciprocate this by showing cooperative behaviour (Lambooj et al, 2009; Tsui et al, 1997). Research on the psychological contract (Rousseau, 1989) also stresses the role of social exchanges within organizations for understanding employee behaviour. Here, the emphasis is mainly on the negative consequences resulting from a breach of the psychological contract by representatives of the organization (usually the supervisor), showing the importance of keeping promises as the employment relationship unfolds (Robinson, 1996). Basically, a breach of the psychological contract can be interpreted as a change in the EOR from a balanced to an unbalanced relationship that leads to less employee cooperation. And, fulfillment of the psychological contract is associated with higher levels of OCB (Hornung & Glaser, 2010). From a somewhat different angle, economic theories of organizations like principal-agent theory and transaction costs economics arrive at similar expectations. Rather than focusing on the outcomes of organizational policies, these theories try to explain why organizations use certain governance structures. These economic theories are explicitly based on the assumption that the interests of employers and employees diverge: employers prefer that employees put effort in their work and offer a wage in return and employees prefer to put minimal effort in their work, while receiving a wage (Eisenhardt, 1989; Shapiro, 2005; Williamson, 1981). Therefore, aligning these interests is an important issue within organizations. When the contributions of employees are difficult to measure, for instance when they work in a self-managing teams instead of working on a clearly specified task, it is more likely that employers choose to offer employees long term contracts enabling socialization of employees and a means to promise future rewards if they perform well (Shapiro, 2005; Williamson, 1981). Such career paths create a distinction between employees who belong to the internal labour market of the organization and those residing at the external labour market (Doeringer & Piore, 1971; Osterman, 1987; Wachter & Wright, 1990). Employees showing behaviour that the organization values increase their chances of advancing on the internal career ladder. Furthermore, theories of social capital in organizations (Adler & Kwon, 2002; Leana & Van Buren, 1999) provide additional reasons to expect a link between altruistic employee behaviour and career opportunities. This part of the literature proposes a close relationship between social capital – the structure, nature and quality of the connections (Nahapiet & Goshal, 1998) – and OCB. The association between social capital and OCB is believed
to be mutually enforcing: the establishment of relationships within organizations in which OCB can flourish requires long-term relationships between organizations and employees (Leana & Van Buren, 1999) and the development of a shared vision (Adler & Kwon, 2002).

Although these theories differ with regard to their basic assumptions, they all focus on the vertical social exchange relationship between organizations and employees and arrive at similar predictions about the effect of career opportunities on employee cooperation. They acknowledge that long-lasting employment relationships provide means to align possibly diverging interests in organizations by investing in people, keeping promises, providing future rewards, and building cooperative relationships. This leads to the first hypothesis. **Altruistic OCB is positively related to career satisfaction** (**Hypothesis 1**).

### 2.2 Altruism and the employee-employee relationship: the horizontal dimension

Organizations value that employees show OCB. Hence, they may use several formal and informal policies to stimulate it. Nevertheless, even though organizations may benefit from altruistic OCB shown by employees as it contributes to the functioning of the organization, this kind of behaviour does not merely take place within the vertical organizational-employee relationship but also involves the horizontal social exchange relationship between employees since most of the time employees express altruism by helping co-workers. If altruistic OCB is a form of cooperation related to horizontal rather than vertical relationships within organizations (Chiaburu & Harrison, 2008; Koster & Sanders, 2006; Smith et al, 1995) then the exchange relationship that employees have with their co-workers should be important as well (Halbesleben & Wheeler, 2012; Flynn & Brockner, 2002; Love & Forret, 2008; Mohrman et al, 1995; Wittek, 1999). This aspect of altruistic OCB emphasizes the importance of the quality of intra-team processes such as communication, coordination, balance of member contributions, mutual support, effort, and social cohesion (Hoegl & Gemuenden, 2001). One of the main obstacles to cooperation between co-workers is that it involves a public good aspect since everyone in the team benefits is members assist each other on the job, but for each individual employee the best option is to free-ride on the cooperation of others (Miller, 1992; Murnighan, 1994). Social exchanges within long-term relationships, involving past experiences and the possibility of future rewards, contribute to the development of cooperation and thus of altruistic OCB due to mutual learning and possibilities for negatively and positively sanctioning uncooperative and cooperative moves (Axelrod, 1984; Buskens, 2002; Buskens & Raub, 2002; Hinds et al, 2000; Koster & Sanders, 2007; Rholes et al, 1990).

If altruistic OCB takes place in the horizontal social exchange relationship between employees, the question is how this relates to the (vertical) employee-organization relationship. From the point of view of vertical relationships, the answer is that engaging in altruistic OCB is an example of employee performance benefiting the organization. If organizations have human resource practices that employees value, such as career opportunities, they establish a mutual investment relationship leading employees to reciprocate by showing such behaviour. The basic assumption in this kind of reasoning is that formal organizational policies support informal cooperation between co-workers (Balkundi & Harrison, 2004; Ramamoorthy & Flood, 2004). Nevertheless, even though this brings horizontal relationships in the theoretical argument, the main mechanism remains the vertical social exchange relationship between organization and employees. If one regards altruistic OCB as a result of positive exchanges in horizontal relationships between employees, a different outcome is expected. Cooperation within teams results from stable and cohesive networks of employees holding a relatively similar position in the hierarchy of the organizations. As a result, team members who belong to a more cohesive and committed work-group are more likely to show OCB (Bentein et al, 2002). When they have to work together, reward systems focusing on team performance can provide incentives to overcome free-riding and support horizontal solidarity. Career systems, however, provide other incentives since they reward individuals instead of teams and are based on competition rather than cooperation between employees as there are only a limited number of people who can achieve a higher position within the organization. Therefore, career paths strengthen the vertical employee organization relationship but possibly at the expense of weakening the relationship between employees due to a decrease of horizontal exchanges, leading to lower levels of altruistic OCB. The employees with the best chances of making progress in the organization are also expected to be the ones are positive about the career possibilities that the organization offers. This leads to the second hypothesis. **Altruistic OCB is negatively related to career satisfaction** (**Hypothesis 2**).

The research hypotheses are different because their basic assumptions about organizational relationships and employee behaviour diverge. While the argument leading to hypothesis 1 does not assume that vertical and horizontal relationships may be in conflict (and hence incentives in the vertical relationship may decrease the likelihood of helping behaviour in the horizontal dimension), the argument underlying hypothesis 2 explicitly assumes that incentives in the vertical direction will diminish altruistic behaviour in the horizontal relationship as it strengthens individualistic behaviour of employees. Table 1 summarizes this overall research framework and shows how the hypotheses are related to each other. As Table 1 shows, taking into account that vertical and horizontal relationships lead to conflicting incentives, provides the logic for hypothesis 2.
Table 1: Research Framework

<table>
<thead>
<tr>
<th>Kind of exchange relationship</th>
<th>Vertical</th>
<th>Horizontal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship conflict</td>
<td>More altruistic OCB</td>
<td>More altruistic OCB</td>
</tr>
<tr>
<td>No</td>
<td>Less altruistic OCB</td>
<td>More altruistic OCB</td>
</tr>
</tbody>
</table>

3 METHOD

3.1 Respondents and procedure
In this study 280 employees from three Dutch organizations participated: 138 of them are employed at a university, 63 at a pressing plant, and 79 at a project organization. The main occupations differ across these organizations. The majority of the university employees are teachers and researchers, the employees of the pressing plant are mainly production workers, and the respondents employed at the project organization are professionals managing projects at different locations. A questionnaire was used to gather information about the behaviour, opinions, and background variables of the employees. The data were collected in 2002 and 2003 as part of a larger research project called “Solidarity at Work” (for the complete questionnaire see Lambooij et al, 2003). The project aimed at investigating how modern organization structures affect employee behaviour. In total 1347 employees from 17 organizations participated (overall response rate, 52%).

To make sure that respondents were able to complete the survey within 45-60 minutes, the following strategy was applied. First, the Solidarity at Work survey consisted of a core module that was used in all organizations (measuring aspects of the job of the respondent, the organization, cooperative behaviour, commitment, and so on). Secondly, the survey contained rotating modules, containing sets of questions were asked in a limited number of organizations (for example focusing on the career systems of the organization, personal traits of respondents, resistance to change, informal rules, and so forth). Finally, some organization-specific questions were added to provide some tailor-made information. This strategy proved to be helpful to get access to organizations and cooperation from respondents. Questions about career satisfaction were part of the rotating module which was included in the three organizations investigated in this study.

3.2 Measures and analysis
The dependent variable altruistic OCB is measured with three items from the OCB questionnaire developed by Smith et al (1983). The three items are: “I orient new people even though it is not required”, “I help others who have heavy workloads”, and “I help others who have been absent”. Respondents are asked to rate their level of altruism on a scale from 1 (totally disagree) to 7 (totally agree). The Cronbach’s alpha of the scale is 0.67.

Regarding their satisfaction, respondents are asked to score on a scale from 1 (not satisfied at all) to 7 (satisfied a lot) how satisfied they are with their job (indicating their level of job satisfaction) and with the possibilities that the organization offers for career advancement (a high score indicating a high level of career satisfaction).

A number of control variables are added to the analysis to take into account other possible factors influencing altruistic OCB. Some studies have found a positive relationship between altruism and affective and continuance commitment (Becker & Kernan, 2003) and measures for these kinds of commitment are included in this study using questions developed by Allen and Meyer (1990). The three items measuring affective commitment are “I really feel as if this organization’s problems are my own”, “This organization has a great deal of personal meaning for me”, and “I feel like ‘part of the family’ at my organization”. These question run from 1 (totally disagree) to 7 (totally agree) and the alpha reliability of the scale is 0.60. Continuance commitment is also measured on a seven-point scale using the following three items: “I am afraid of what might happen if I quit my job without having another one lined up”, “Too much in my life would be disrupted if I decided I wanted to leave my organization now”, and “I feel I have too few options to consider leaving this organization” (Cronbach’s alpha = 0.75). The extent to which employees are dependent on each other to finish their tasks may have an influence on their helping behaviour. This is accounted for by including a scale for task interdependence, consists of three items based on earlier measures (Van der Vegt et al, 1998). The items are “In order to do my job, I need information from my team members”, “I depend heavily on my team members to be able to do my job”, and “In order to be able to do my job well, I need to cooperate with my team members”. The questions are asked on a scale from (1) totally disagree to (7) totally agree and the Cronbach’s alpha is 0.81.
Furthermore, good personal relationships can create informal interdependence affecting behaviour within teams (Koster et al, 2007). A scale consisting of five items measures an employee’s relation with co-workers. The items, measured on a seven-point scale, are: “With how many people of your team do you occasionally talk about personal things?”, “With which part of your team do you engage in activities inside and outside of work?”, “With which part of your team did you engage in one of the following activities: to go to dinner, to go to the movies, visiting?”, “With which part of your team do you have a good personal relationship?”, and “Which part of all persons you get along with very well, is also part of your team?”. The scale has an alpha reliability of 0.73. The influence that the formal employment relationship has is accounted for by including information about the employment contract and the work history of the employee. Regarding the type of contract a distinction is made between temporary and permanent employees. Temporary employment relationships include those arrangements where there is no implicit or explicit contract for long-term employment (Polivka & Nardone, 1989). The respondents are given three options to indicate their employment status: (1) permanent contract; (2) temporary contract with an implicit or explicit agreement that they can stay after the contract ends; and (3) temporary contract without an implicit or explicit agreement to continue the employment relationships. Since option 3 included temporary workers according to the definition, this category is recoded into 1 and the other categories are recoded into 0. Tenure is measured with the number of years that the employee has spent in the organization they work for. Finally, gender (0 = male; 1 = female) and age (in years) are included in the analysis to account for the possible influence of these background variables.

The data are analyzed using regression analysis. The analyses are conducted in two steps. Model 1 examines how the control variables are related to altruism and Model 2 investigates whether altruistic OCB is related to the two kinds of employee satisfaction while controlling for the other variables. Table 2 provides an overview of the three organizations in the sample. The organizations do not differ a lot with regard to the level of altruism that employees show. Since there is very little unexplained variance across between the organizations in altruistic OCB no organizational characteristics are added to the analysis.

### Table 2: Descriptive statistics of the organizations

<table>
<thead>
<tr>
<th></th>
<th>University</th>
<th>Pressing plant</th>
<th>Project organization</th>
<th>Total Mean (s.d.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Altruistic OCB</td>
<td>5.25</td>
<td>5.79</td>
<td>5.27</td>
<td>5.34 (0.94)</td>
</tr>
<tr>
<td>2. Job satisfaction</td>
<td>5.24</td>
<td>5.10</td>
<td>5.52</td>
<td>5.38 (1.13)</td>
</tr>
<tr>
<td>3. Career satisfaction</td>
<td>4.33</td>
<td>3.70</td>
<td>5.04</td>
<td>4.39 (1.25)</td>
</tr>
<tr>
<td>4. Affective commitment</td>
<td>4.10</td>
<td>4.79</td>
<td>4.16</td>
<td>4.27 (1.50)</td>
</tr>
<tr>
<td>5. Continuance commitment</td>
<td>3.99</td>
<td>4.31</td>
<td>3.97</td>
<td>4.05 (1.53)</td>
</tr>
<tr>
<td>6. Task interdependence</td>
<td>4.16</td>
<td>5.37</td>
<td>6.09</td>
<td>4.97 (1.77)</td>
</tr>
<tr>
<td>7. Relation with coworkers</td>
<td>5.34</td>
<td>5.07</td>
<td>5.65</td>
<td>5.37 (0.96)</td>
</tr>
<tr>
<td>8. Permanent contract</td>
<td>74%</td>
<td>98%</td>
<td>96%</td>
<td>86%</td>
</tr>
<tr>
<td>10. Female</td>
<td>53%</td>
<td>32%</td>
<td>54%</td>
<td>49%</td>
</tr>
<tr>
<td>11. Age</td>
<td>41.89</td>
<td>41.93</td>
<td>37.23</td>
<td>40.56 (10.21)</td>
</tr>
<tr>
<td>Number of respondents</td>
<td>138</td>
<td>63</td>
<td>79</td>
<td>280</td>
</tr>
</tbody>
</table>

### 4 RESULTS

#### 4.1 Descriptive results

Table 3 shows the correlation coefficients among the variables. Altruistic OCB is positively associated with job satisfaction ($r = 0.11$, $p < 0.10$), affective commitment ($r = 0.19$, $p < 0.01$), continuance commitment ($r = 0.11$, $p < 0.10$), task interdependence ($r = 0.29$, $p < 0.01$), relation with coworkers ($r = 0.11$, $p < 0.10$), having a permanent contract ($r = 0.22$, $p < 0.01$), longer tenure ($r = 0.16$, $p < 0.01$), and age ($r = 0.14$, $p < 0.05$). Furthermore, there is a negative relationship between altruism and career satisfaction ($r = -0.13$, $p < 0.05$) and the level of altruistic OCB does not differ between men and women.
Table 3: Correlation coefficients

<table>
<thead>
<tr>
<th></th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
<th>7.</th>
<th>8.</th>
<th>9.</th>
<th>10.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Altruistic OCB</td>
<td>0.11†</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Job satisfaction</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Career satisfaction</td>
<td>-0.13*</td>
<td>0.36**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Affective commitment</td>
<td>0.19**</td>
<td>0.11†</td>
<td>0.09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Continuance commitment</td>
<td>0.11†</td>
<td>0.01</td>
<td>-0.05</td>
<td>0.31**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Task interdependence</td>
<td>0.29**</td>
<td>0.06</td>
<td>0.17**</td>
<td>-0.01</td>
<td>-0.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Relation with co-workers</td>
<td>0.11†</td>
<td>0.16**</td>
<td>0.19**</td>
<td>-0.08</td>
<td>-0.08</td>
<td>0.32**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Permanent contract</td>
<td>0.22**</td>
<td>-0.05</td>
<td>-0.02</td>
<td>0.13†</td>
<td>0.17**</td>
<td>0.36**</td>
<td>0.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Tenure</td>
<td>0.16**</td>
<td>0.06</td>
<td>-0.16*</td>
<td>0.23**</td>
<td>0.27**</td>
<td>-0.05</td>
<td>-0.13*</td>
<td>0.20**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Female</td>
<td>-0.01</td>
<td>-0.04</td>
<td>0.07</td>
<td>-0.19**</td>
<td>-0.07</td>
<td>0.00</td>
<td>0.00</td>
<td>-0.03</td>
<td>-0.24**</td>
<td></td>
</tr>
<tr>
<td>11. Age</td>
<td>0.14*</td>
<td>0.07</td>
<td>-0.05</td>
<td>0.23**</td>
<td>0.31**</td>
<td>0.01</td>
<td>-0.06</td>
<td>0.37**</td>
<td>0.65**</td>
<td>-0.17**</td>
</tr>
</tbody>
</table>

N = 280

†p < 0.10; *p < 0.05; **p < 0.01
4.2 Regression results
Table 4 shows the results of the regression analysis. Model 1 in Table 4 shows that altruism is higher among employees with a higher level of affective commitment \( b = 0.16; p < 0.01 \) and those who report higher levels of task interdependence \( b = 0.25; p < 0.01 \). These effects remain the same after the satisfaction variables are added to the model. Furthermore, except for an effect of tenure \( b = 0.14; p < 0.10 \) that disappears in Model 2, no other independent variables are significantly related to altruistic OCB. After adding the two kinds of employee satisfaction (Model 2 in Table 4), the explained variance of the model increases significantly with 5 percent \( p < .01 \). Altruism is positively related to job satisfaction \( b = 0.16, p < 0.01 \) while career satisfaction is negatively related to altruistic OCB \( b = -0.24, p < 0.01 \). The positive effect of job satisfaction confirms the findings of earlier studies. The negative effect of career satisfaction means that Hypothesis 1 is rejected. The empirical findings support Hypothesis 2.

Table 4: Results of regression analysis for altruistic OCB

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>0.16** (2.61)</td>
<td></td>
</tr>
<tr>
<td>Career satisfaction</td>
<td>-0.24** (3.99)</td>
<td></td>
</tr>
<tr>
<td>Affective commitment</td>
<td>0.16** (2.57)</td>
<td>0.17** (2.91)</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>0.03 (0.44)</td>
<td>0.02 (0.33)</td>
</tr>
<tr>
<td>Task interdependence</td>
<td>0.25** (3.93)</td>
<td>0.28** (4.44)</td>
</tr>
<tr>
<td>Relation with coworkers</td>
<td>0.05 (0.87)</td>
<td>0.06 (1.03)</td>
</tr>
<tr>
<td>Permanent contract</td>
<td>0.08 (0.24)</td>
<td>0.08 (1.19)</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.14† (1.82)</td>
<td>0.09 (1.19)</td>
</tr>
<tr>
<td>Female</td>
<td>0.06 (0.95)</td>
<td>0.07 (1.26)</td>
</tr>
<tr>
<td>Age</td>
<td>0.01 (0.13)</td>
<td>0.00 (.114)</td>
</tr>
<tr>
<td>Adjusted R squared</td>
<td>0.12**</td>
<td>0.17**</td>
</tr>
<tr>
<td>R squared change</td>
<td>0.15**</td>
<td>0.05**</td>
</tr>
</tbody>
</table>

\( N = 280 \)

Standardized regression coefficients are reported; standard errors are in parentheses.

\(^{†} p < 0.10; ^{*} p < 0.05; ^{**} p < 0.01\)

5 DISCUSSION AND CONCLUSION

Within modern organizations, based on team-based organizational structures in which employees have considerable autonomy in their job and work closely together with colleagues, cooperative behaviour of employees is important. Altruistic OCB may be particularly important within such organizational structures as it emphasizes the relationship and mutual dependence between employees. Given this value for the functioning of teams, organizations will try to elicit such behaviour from their workforce. Nevertheless, as this study shows, career systems may create a tension between the need for help among co-workers and promoting well-performing employees.

5.1 Theoretical implications

This study has theoretical and practical implications. Theoretically, it emphasizes that organizations are a combination of vertical and horizontal social exchange relationships. This is not the first time that this distinction is made. Whereas theories of employee-organization relationships, psychological contracts, and agency focus on the vertical dimension, studies aimed at explaining cooperation within teams, for instance examining team-member exchanges (TMX) (Seers, 1989), investigate the horizontal dimension of organizations. Nevertheless, there is not much empirical work examining the two dimensions simultaneously to investigate how they relate to each other. There are some exceptions. However, these studies examine how strong solidarity among workers, in terms of protecting each other from bad management and not necessarily in terms of contributing to the organizational goals, relates to certain policies and organizational structures (e.g. Hodson et al, 1993). In that case, altruism is viewed as benefiting co-workers but not the organization and the question is whether organizations are able to undermine that kind of oppositional solidarity. The present study investigates altruistic OCB, which is a kind of solidarity that does contribute to the functioning of the
organization. Therefore, it refers to a type of behaviour that organizations will not deliberately try to undermine. In certain circumstances altruistic OCB will be stimulated by both vertical and horizontal social exchanges, especially when these two dimensions do not provide conflicting or contrasting signals to employees. The present study shows that researchers should be aware that there are circumstances under which the vertical exchanges between employees and their organization are affected by social exchanges among co-workers (for instance, when norms arise within teams that counter the organizational goals) and, as was studied in this article, that it is possible that the horizontal exchanges between co-workers are influenced by vertical exchanges. The notion of vertical and horizontal exchange relationships breaks ground for new questions about the mutual effect of these two dimensions on all kinds of employee attitudes and behaviour, such as satisfaction, commitment, organizational support, organizational trust, organizational justice, and OCB. Besides that, it can shed a light on the policies that organizations develop to deal with the potential conflict between vertical and horizontal exchange relationships and how they try to balance the two.

5.2 Practical implications
The practical implications concern the question what organizations can learn from the negative relationship between career satisfaction and altruistic OCB found in this study. First, the possibility that this does not alarm managers that much should be taken into consideration. This is especially the case if they do not expect from all their employees to engage in altruistic OCB, for instance when they are concerned about getting their most valued employees promoted to a higher position rather than how much that person contributes to helping others in the organization. This, however, has two implications, a practical one and one concerning the basic idea of OCB. The practical implication is that being focused too much on the careers of high flyers and less on altruism within teams may have a negative impact on helping behaviour among co-workers altogether. Cooperation between co-workers is created in ongoing relationships enabling reciprocity and constituting a norm of reciprocity. This norm weakens if too little co-workers can reciprocate cooperative moves from other employees. An implication for OCB research is that sometimes it seems as if it is assumed that organizations are interested in all their employees engaging in organizational citizenship behaviours. However, it is also possible that these expectations vary across different classes of employees. A larger number of researchers have the tendency to focus on balanced employee-organization relationships involving high levels of OCB rather than on the balanced relationship in which little extra effort is expected from employees. More research attention may be directed towards explaining the different expectations regarding OCB. Finally, there are several ways in which managers who are concerned about the level of altruistic OCB in their organization and who want to promote employees on a regular basis can prevent that these vertical exchanges negatively affect the horizontal exchanges between employees. First, career systems are not an isolated management instrument but are part of a broader system of human resource practices. Some of these practices can help to preserve altruistic OCB within teams. This particular study offers three possibilities for that because job satisfaction, affective commitment, and task interdependence contribute to altruism. Human resource practices can be geared towards increasing these factors to ensure that employees show altruistic OCB despite that some of their co-workers are promoted. Secondly, managers can emphasize that it is important to show altruistic OCB. Career progress and altruistic OCB can even be coupled by promoting those employees who are known for helping others. However, this may be a bit at odds with the standard definition of organizational citizenship behaviour stating that it involves behaviour that is not formally rewarded.

5.3 Limitations
The study has some shortcomings that should be considered while interpreting the findings. First, the number of organizations and respondents are relatively low. To what extent the outcomes hold across a wider range of organizations, is a question that future studies can try to answer. Regarding the number of organizations and respondents, it can also be argued that the outcome was found, even across a small sample. Including a larger number of organizations would also provide possibilities to examine different types of employee-organization relationships. Furthermore, the data are gathered using self-reports, which may lead to same source bias. Clearly, this is an issue taken into account in this type of research and future work is needed to find out whether the data gathering had an impact on the finding reported in this study.

5.4 General conclusion
A large share of the theories aimed at explaining why employees engage in OCB focus on the vertical relationship between the organizations and employees. A central assumption is that if the organization provides a valuable good to employees, they will reciprocate by showing different kinds of OCB, such as altruism. The present study does not dispute this assumption as other studies convincingly show that the social exchange relationship between organizations and employees can lead to cooperative behaviour. What this study does show is that altruistic OCB does not always have to arise if organizations invest in the social exchange relationship with their employees and that such investments may even undermine employee cooperation. The reason for this
is that organizations consist of vertical as well as horizontal relationships that should be clearly distinguished because they refer to different kinds of social exchanges involving different actors (organization and employees versus employees and co-workers). In some cases, these vertical and horizontal social exchanges are directed towards the same goal, for instance when the organization applies policies that select employees who are likely to be team players, that create shared goals for the members of the organization, that build effective teams, and that create a certain level of stability within these teams. Human resource practices like these align vertical and horizontal relationships in which employees, co-workers and the organization gain from altruistic OCB. Career systems, however, do not always strike this balance. Although the provision of career possibilities by the organization strengthens the vertical relationship, it can disrupt the horizontal relationships necessary for altruism between co-workers to develop. As such, career systems offer the possibility for future interaction with the organization but not necessarily with fellow workers, at least, not with all of them. Given that promotions are scarce and can only be granted to a restricted number of employees, they will compete with each other to achieve a better position. This focus on the vertical exchange relationship tends to decrease the willingness to assist colleagues.

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Influence of brand differential on motivation to conform and manufacturer versus store brand purchase intention

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Abstract

Relationships and characteristics that influence consumers’ purchase decision between store brand and manufacturer brand product offerings have emerged as an interesting and practical area of research. From a management perspective, understanding the process by which consumers make purchase choices between these brand offerings would lead to both theoretical and practical applications. Therefore, this study attempts to enhance understanding about the factors that influence consumers’ manufacturer versus store brand purchase decisions. A conceptual model is developed to integrate the manner by which a consumer’s motivation to conform to the perceived social norm of purchasing manufacturer brand products influences this purchase decision. The model is tested using survey data. Findings indicate the importance of the intensity of perceived differences between store brand and manufacturer brand product offerings in affecting consumers’ purchase intention of these products. The relationship is also mediated by consumers’ motivation to conform to manufacturer brand products in their purchase decision.

Keywords: manufacturer brand, store brand, brand differential, motivation to conform

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1 INTRODUCTION

According to Private Label Manufacturers’ Association (2013), private label brands garnered 17 percent market share and a record-breaking $108 billion in 2012, and private labels have been outpacing national brands by more than a 2:1 margin since 2009. Furthermore, the 2013 Private Label Yearbook averred that almost one-quarter of all units sold in grocery stores in 2012 were private label options (Private Label Manufacturers’ Association 2013). Moreover, a study by Nielsen (2011) found that two-thirds of global consumers in developed markets in Europe, the Pacific, and North America perceived private label brands to be a very viable alternative to national brands. The foregoing highlights the seeming unabated success private label products have been capturing.

Stocking private label product lines gives a retailer more discretion over the products to be managed. Store brand product lines also, among other things, allow retailers to take advantage of the effects of “umbrella branding,” which occur when the same brand name is carried across multiple product categories, as is often the case with store brand products (Chintagunta, 2002).

Notwithstanding the salutary impact that private labels can have for retailers, as well as the tremendous growth in private label offerings, selling private label products can be a double-edge sword. Indeed, differences in objective or perceived product attributes and marketing activities between manufacturer and store brands may cause different perceptions and preferences among consumers (Baltas, 2004)—both favourable and unfavourable. Consequently, store brand products are not always preferred or purchased by consumers. In fact, many consumers make a conscious effort to purchase manufacturer brands, even when they are priced higher than store brand counterparts (Albayrak and Aslan, 2009; Dick, Jain, and Richardson, 1995; Govender and Govender, 2013; Sethuraman and Cole, 1999; Sethuraman, 2000).

Research has found that store brands are viewed as more risky than manufacturer brands (Sheau-Fen, Leong, and Yu-Ghee, 2012). Manzur, Olavarrieta, Hidalgo, Farias, and Uribe (2011) discerned that consumers’ manufacturer brand loyalty increases their favourable attitude toward the manufacturer’s brand and decreases it toward the store brand. Martínez-Ruiz, Jiménez-Zarco, Barba-Sánchez, and Izquierdo-Yusta (2010) ascertained that consumers’ level of satisfaction with store brands was partly a function of the quality image of the store. Therefore, identifying variables that influence consumers’ store brand or manufacturer brand purchase intention would enable brand managers to better understand and influence this decision.

To assist practitioners in the foregoing issue, the present study examined the relationship between variables identified as influencing factors in the purchase of manufacturer versus store brand grocery products. Grocery offerings were utilized as the focal point to be consistent with much extant work that has examined national versus private label products in a grocery context (e.g., Boutsouki, Zoto, and Masouti, 2008; Huang and Voges, 2011; Kumar, Reddy, and Mahathi, 2014; Mandhachitara, Shannon, and Hadjicharalambous, 2007; Wyma et al., 2012). In addition, because of astronomical growth private brand grocery products have experienced over the past several years (Strom, 2013), focusing on national versus private label products in a grocery context seemed especially pertinent from a marketing management perspective.

Study variables included brand differential, which could conceivably affect consumer’s store brand purchase intention. In addition, the effect of social influence on the store brand purchase decision is investigated. This is explored by examining a consumer’s motivation to conform to the intention to purchase a manufacturer brand offering (purchase intention). Further, a consumer’s motivation to conform to buy manufacturer brand products is purported to mediate the relationship between brand differential and a consumer’s intention to purchase the manufacturer brand of a given product offering. For reader clarity and consistency, the definition of private label or store brand used throughout this paper is a brand “created and owned by a specific chain of stores” (Murphy, 1987, p. 7).

The three foregoing constructs were included in the present work for several reasons. First, all three have been examined extensively in a national versus private brand context (as will become apparent below). They have not, however, been considered collectively in extant published research. Exploring this concatenation has merit to discern how the variables relate with one another. Second, purchase intention was included because intention is considered the immediate precursor of an individual’s behaviour (Fishbein and Ajzen, 1975). As such, it is regarded as an especially critical construct in the study of consumer behavior (e.g., Solomon, 2012). Third, most empirical efforts focusing on the national-private brand dichotomy were conducted over ten years ago. Only recently (as noted below) have scholars resumed reconnoitring it. Given the economic swoon that enveloped much of the world beginning in 2008, empiricism pertaining to the foregoing issue seems apposite owing to macro-environmental differences between the earlier studies and current conditions.
2 CONCEPTUAL MODEL

The proposed conceptual model (Figure 1) incorporates three variables: brand differential, motivation to conform to the norm of purchasing manufacturer brand products, and intention to purchase the manufacturer brand of a given product offering. Brand differential is proposed to directly influence a consumer’s motivation to conform to the norm of purchasing a manufacturer brand product, as well as intention to purchase the manufacturer (rather than the store) brand of a given product offering. In addition, motivation to conform to the norm of purchasing manufacturer brand products is purported to mediate the relationship between brand differential and a consumer’s intention to purchase the manufacturer brand of a given product offering.

2.1 Brand Differential

For the purpose of this study, brand differential is defined as the perceived difference between the store brand and the manufacturer brand offering of the same type of product (Dick, Jain, and Richardson, 1995; Erdem, Zhao, and Valenzuela, 2004; Sethuraman and Cole, 1999). Such differences include both extrinsic cues (i.e., indirect indicators)—such as brand name, advertising, and packaging—and intrinsic cues (i.e., direct indicators)—such as ingredients, taste, and product quality (Dick, Jain, and Richardson, 1996).

2.2 Motivation to Conform

Motivation to conform to purchase a manufacturer’s brand product is derived from the consumer’s level of internal recognition and importance placed on his or her social influence driving conformity toward the manufacturer’s brand. According to the theory of reasoned action (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975), motivation to conform is a crucial variable. Attitude and subjective norm assess the degree to which the individual has a favourable or unfavourable evaluation toward the behaviour. Subjective norm assesses the impact of peers on one’s intention to act. Attitude and subjective norm are posited to shape the individual’s behavioral intention, which directly influences one’s actual behavior. The theory has obtained relatively strong empirical support (e.g., Albarracín et al., 2001; Hale, Householder, and Greene, 2002; Randall and Wolff, 1994). The motivation to conform feature of the theory is particularly apropos in the current context, as scholars have found that various aspects of social conformity are related to one’s intention to purchase manufacturer brand products (as discussed below).

Admittedly, some scholars have found that consumers may attempt to “escape” the social influence placed on them (e.g., Labrecque, Krishen, and Grzeskowiak, 2011). Nonetheless, a plethora of research has ascertained that social influence has a strong impact on whether consumers purchase a national or store brand product. Kavmark, Powers, and Sandahl (2012) promulgated that social risk—“pressures from consumers’ peers to act a certain way, or behave a certain way”—will likely affect what they buy. For instance, if one feels that his/her counterparts regard a particular product inimically, then he/she will eschew that offering to avoid negative repercussions that could ensue by deviating from the group “standard”. Zielke and Dobbelstein (2007) examined social risk vis-à-vis grocery products. They observed that, when considering making a purchase in a high social risk product class, the purchaser may opt for the national brand rather than its private label alternative. Indeed, Kavmark, Powers, and Sandahl (2012, p. 7, 8) asserted, “Private label brand success is greater in product categories where social factor is less influential...[P]rivate labels have failed...due to the high influence level of social pressure.”

Mandhachitra, Shannon, and Hadjicharalambous (2007) found that a sense of belonging induces consumers to be more inclined to purchase national rather than private label grocery brands. The researchers’ rationale was that individuals identify themselves—at least partially—with respect to their social groups, as well as with those with whom they have direct and recurring contact. Accordingly, if consumers have strong social commitment to their respective groups, the more they perceive the group as partially defining who they are. They thus accommodate to group norms to maintain “…social harmony, interpersonal sensitivity, conformity, and readiness to be influenced by other people” (p. 74).

2.3 Purchase Intention

Purchase intention is defined as a consumer’s intention to purchase the manufacturer versus store brand of a given product offering. Ajzen and Fishbein (1980) and Fishbein and Ajzen (1975) averred that behavioral intention is the immediate antecedent of an individual’s behavior. Accordingly, purchase intention is considered to be an especially important construct in consumer behavior research (e.g., Solomon, 2012).
3 HYPOTHESES

3.1 Effects of Brand Differential on Motivation to Conform and Purchase Intention

Some individuals reluctant to opt for store brands regard these offerings as possessing lower quality, fewer reliable ingredients, and decreased nutritional value (Dick, Jain, and Richardson, 1996); such perceptions are redolent of a brand differential with national brands. Brand differential may influence the motivation to conform in a consumer’s purchase decision. Conceptually, Lascu and Zinkhan (1999) proposed that the level of brand differential is one of the brand characteristics that affect consumers’ tendencies to exhibit conformity in their purchase decisions. As the differences between the store brand and manufacturer brand products become more pronounced, brand differential increases. As brand differential augments, consumers affected by social influence will be more likely to exhibit greater motivation to conform.

An increase in motivation to conform will increase the likelihood of a purchase intention aligned with the subjective norm (e.g., Ajzen and Fishbein, 1970; Fishbein and Ajzen, 1975). Proclivity to purchase the manufacturer brand is partially a function of the subjective norm, which has been supported empirically by Ailawadi, Neslin, and Gedenk (2001) and Sethuraman (2000). Kavmark, Powers, and Sandahl (2012) indicated that when social risk is high, consumers are inclined to opt for the manufacturer brand. Moreover, Wyman et al. (2012) observed that consumers inclined to be “conformist” in their behavior tend to be somewhat more likely to opt for national brand grocery products.

**H1**: As the perceived brand differential between a manufacturer’s brand product and a store brand product increases, consumers’ motivation to conform to the norm of purchasing a manufacturer’s brand product will increase.

Neslin and Gedenk (2001) observed that motivation to conform, as a psychographic variable, directly influences purchase intention. Furthermore, Dick, Jain, and Richardson (1996) empirically supported a direct relationship between store brand purchase behaviors and types of cues used when consumers evaluate product quality. Moreover, they discerned that consumers more reluctant to select store brands considered such products to have reduced quality, fewer reliable ingredients, and less nutritional value (thus brand differential). Sethuraman and Cole (1999) reported that, as the perceived quality differential between manufacturer and store brand products increases, consumers are willing to pay a higher price premium for the manufacturer brand product. Also, Huang and Voges (2011) discovered that consumers have a lower propensity to purchase private label products when they perceived a larger quality difference between the two types of products (the difference being in favor of the manufacturer’s brand).

**H2**: The stronger the perceived brand differential between a manufacturer’s brand products and store brand products, the weaker consumers’ intention to purchase a store brand product.

3.2 Effects of Motivation to Conform on Purchase Intention

Purchase intention is conceptualized on a scale from the intention to purchase store brands to the opposite dimension, the intention to purchase manufacturer brands. Because the manufacturer’s brand has been the traditional product choice, it is proposed that the relationship between motivation to conform and purchase intention will operate in such a manner that as motivation to conform increases, consumer purchase intention will shift toward an intention to purchase the manufacturer brand product offering (Ailawadi, Neslin, and Gedenk, 2001). In fact, Sethuraman and Cole (1999) discerned that motivation to comply is unrelated to consumer usage of store brands. Also, El Din and El Sahn (2013) found that conformity influences consumers’ intention to purchase global luxury brands. And, as noted earlier, other scholars have found a positive association between various measures of social conformity and propensity to purchase national brands (e.g., Kavmark, Powers, and Sandahl, 2012; Mandhachitara, Shannon, and Hadjicharalambous, 2007; Zielke and Dobbelstein, 2007).
H3: The stronger consumers’ motivation to conform to purchasing a manufacturer’s brand product, the weaker their intention to purchase a store brand product.

3.3 Mediating Influence of Motivation to Conform between Brand Differential and Purchase Intention

Prior work has examined the direct relationship between the foregoing constructs. No published research, though, could be found that captured the mediating impact of motivation to conform on the association between brand differential between manufacturer brand products and store brand products and purchase intention of store brand products. The exclusion of this mediating variable could weaken the relationship between variables of interest, thus leading to an inaccurate picture of their true effect. Therefore, reconnoitring this situation seems critical.

Previous research suggests that the relationship between brand differential and purchase intention may be mediated by motivation to conform. Conceptually, Lascu and Zinkhan (1999) suggested that brand differential directly influence motivation to conform. In a separate empirical study, motivation to conform has been found to directly influence purchase intent (e.g., Ailawadi, Neslin, and Gedenk, 2001). In addition, Sethuraman and Cole (1999) supported the direct relationship between brand differential and purchase intention. Based on the foregoing research, conceivably the relationship between brand differential and purchase intention is mediated by motivation to conform.

H4: Consumers’ motivation to conform to purchase a manufacturer’s brand product mediates the relationship between brand differential between a manufacturer’s brand product and a store brand product and purchase intention of a store brand product.

4 METHOD

4.1 Survey Design and Administration

This study was limited to products in the grocery industry. (Although store brands have proliferated beyond the grocery industry, the scope of this research was limited to the grocery industry partly to reduce empirical complexity.) A survey instrument was administered to a sample. Attempts were made to ensure that participants completed the questionnaire under similar conditions. This was done by including an introductory paragraph containing a description of a typical shopping experience in hope of eliciting respondents’ customary behaviour. Subjects were asked to imagine the scenario as though they were actually completing the activity described. The aim of this contextual setup was to replicate the decision environment in which grocery purchase decisions are normally made. Hence, the scenario was as follows:

Imagine the store where you normally buy your groceries. Picture yourself walking through the aisles on a typical shopping trip.

After reading the foregoing scenario, respondents were then asked to do the following:

“Pick an item (from the list below) that you purchase frequently and you plan to purchase during this shopping trip;”

Respondent product choices for that selection were water, laundry detergent, soup, juice, or toilet paper. These alternatives were chosen because they are prevalent in extant germane research (e.g., Boutsouki, Zoto, and Masouti, 2008; Huang and Voges, 2011; Kumar, Reddy, and Mahathi, 2014; Mandhachitara, Shannon, and Hadjicharalambous, 2007; Wyma et al., 2012).

4.2 Sample

For convenience the sample consisted of corporate office employees of a major U.S. airline. The researchers sought and obtained company cooperation from management. A cover letter accompanying the questionnaire stated that university researchers unaffiliated with the firm were conducting the investigation and that company management encouraged employee participation. Surveys were administered between Christmas and New Year’s Day at manager-selected staff meetings. Participants were asked to participate on a voluntary basis and informed that the results would be used in an aggregate, anonymous basis for purposes of academic research. A total of 236 were distributed, with 12 eliminated because of incomplete information. Therefore, data analyses were performed on information provided from 224 respondents, for an effective response rate of 95%.

In the sample, 59% were married. Income was distributed over a range with 8% reporting annual household income of less than $10,000, 36% between $10,001 and $30,000, 27% between $30,001 and $50,000, as well as between $50,001 and $80,000, and 4% in excess of $80,000. Sixty-three percent of the sample purchased their groceries from super center discounters; the rest shopped at traditional supermarkets. Over two-thirds of the sample lived in households without children (69%), but 15% lived with one child, 16% lived with two, and 2%...
lived with three or more. The majority of the sample resided in households with two adults (55%), 24% resided alone, and 17% lived with three adults. Respondents tended to be the primary shopper in their household.

4.3 Measures

Study variables—brand differential, motivation to conform, purchase intention—were measured using a 5-point Likert-type scale in accordance with suggestions outlined by McCall (2001). Brand differential was assessed using four items (coefficient α = 0.97): “The store brand and manufacturer brand of this product are very different,” “The overall value of the store brand of this product is better than that of the manufacturer brand,” “The ingredients/materials used in the store brand of this product are the same as that of the manufacturer brand,” and “I expect that the quality/performance of the store brand and the manufacturer brand of this product will be the same” (5 = strongly agree to 1 = strongly disagree). These items were adapted from Dick, Jain, and Richard (1995), Erdem, Zhao, and Valenzuela (2004), Lascu and Zinkham (1999), and Sethuraman and Cole (1999).

Motivation to comply was measured with four items (coefficient α = 0.85): “The product that is most popular is the best one,” “I tend to buy the product that is most popular since it is the best choice,” “If I make a good choice between these two brands, I will gain social respect,” and “People who make a bad choice between these brands will lose respect” (5 = strongly agree to 1 = strongly disagree). Items were adapted from Ailawadi et al. (2001), Bearden and Rose (1990), Bonfield (1974), Boush, Kim, Kahle, and Batra (1993), and Lascu and Zinkham (1999).

Purchase intention was measured with two items (coefficient α = .92) adapted from Bonfield (1974), Dodds, Monroe, and Grewal (1991), and Swinyard (1993): “When I purchase this product I will buy the store brand” and “When the people I know are going to buy this product, I will recommend that they buy the store brand” (5 = strongly agree to 1 = strongly disagree).

Exogenous and endogenous variables were obtained from the same source. Therefore, to detect the existence of common method variance, Harman’s one-factor test was conducted (Podsakoff and Organ 1986). In this procedure, a confirmatory factor analysis (CFA) model was estimated with a single factor and its fit was compared to the fit of a model with the three latent variables (Podsakoff et al. 2003; Ramani and Kumar 2008). If a one-factor model fit the data as well as the three-factor model, then common method variance would be a significant problem (Korsgaard and Roberson 1995). The one-factor model yielded a chi-square of 544.69 (d.f. = 27). The chi-square difference between the one-factor model and the three-factor model presented was significantly worse [$\chi^2_{3\text{-factor model}} = 71.28$ with 24 d.f.]. Thus, common method bias was not a serious threat in this study.

5 ANALYSIS AND RESULTS

5.1 Data Analysis

The psychometric properties of the measures were evaluated by CFA using AMOS software (Gerbing and Anderson, 1988; Hair et al., 2010). Shown in Table 1 is the correlation matrix of study variables. Construct validity was investigated by assessing convergent and discriminant validity. Convergent validity was examined by checking factor loadings and construct reliability. The standardized factor loadings ranged between .72 and .99 (Table 2, panel B), which were above the suggested value of .70 (Hair et al., 2010). Furthermore, as shown in Table 2 in panel A, all constructs exhibited construct reliabilities above .70, which indicated strong support for convergent validity.

Discriminant validity of the measurement model was assessed by two different procedures. First, correlation parameters between two constructs were set to 1.0, and then the $\chi^2$ value of this model was compared with the $\chi^2$ value of the unconstrained model (Anderson and Gerbing, 1988). This procedure was conducted for one pair of constructs at a time. Because the unconstrained model had a significantly lower $\chi^2$ value than that of the constrained model for each pair, the results confirmed the discriminant validity of the model (Bagossi and Phillips, 1982). Second, a procedure suggested by Fornell and Larcker (1981) that is accepted as a more demanding test was conducted to test for discriminant validity (Grewal, Cote, and Baumgartner, 2001). Based on this procedure, average variance extracted values (AVE) were calculated for each construct and then compared with its highest shared variance with other constructs in the model. The results indicated that the AVE value for each factor was larger than its highest shared variance (Table 2, panel A). Thus, all factors in the measurement model demonstrated discriminant validity.
and differential had a significant and positive effect on motivation to conform. It was established that both brand differential and motivation to conform both had a negative effect on purchase intention (β = .43, SE = .04, p < .01). Finally, in the third model it was established that both brand differential and motivation to conform both had a negative effect on purchase intention (β = -.46, SE = .08, p < .01). The results of the mediation analysis with major parameter estimates and \( \chi^2 \) values for the three models are presented in Table 4. In the first model, brand differential had a significant and positive effect on motivation to conform (β = .43, SE = .04, p < .01). The second model indicated that brand differential had a negative impact on purchase intention (β = -.28, SE = .03, p < .01). In the third model, the impact of both brand differential (independent variable) and motivation to conform (dependent variable) was tested. According to Baron and Kenny (1986), in order to establish the mediating effect the three models must be confirmed in the predicted direction.

### Table 1: Correlation Matrix for Measurement Scales

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>bd01</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bd02</td>
<td>.878</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>bd03</td>
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<td>.965</td>
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<td>mc01</td>
<td>.225</td>
<td>.311</td>
<td>.257</td>
<td>.285</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mc02</td>
<td>.343</td>
<td>.446</td>
<td>.365</td>
<td>.391</td>
<td>.728</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mc03</td>
<td>.351</td>
<td>.398</td>
<td>.342</td>
<td>.421</td>
<td>.585</td>
<td>.646</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pi01</td>
<td>-.365</td>
<td>-.435</td>
<td>-.387</td>
<td>-.417</td>
<td>-.237</td>
<td>-.360</td>
<td>-.357</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>pi02</td>
<td>-.382</td>
<td>-.464</td>
<td>-.416</td>
<td>-.414</td>
<td>-.249</td>
<td>-.377</td>
<td>-.337</td>
<td>.845</td>
<td>1</td>
</tr>
<tr>
<td>Mean</td>
<td>2.649</td>
<td>2.897</td>
<td>2.869</td>
<td>3.103</td>
<td>3.205</td>
<td>3.019</td>
<td>3.420</td>
<td>3.126</td>
<td>3.197</td>
</tr>
<tr>
<td>SD</td>
<td>1.637</td>
<td>1.683</td>
<td>1.769</td>
<td>1.606</td>
<td>1.000</td>
<td>.984</td>
<td>1.182</td>
<td>1.235</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** All correlations are significant at p < .01.

### Table 2: Measurement Model

#### A: Scale properties of the three latent variables

<table>
<thead>
<tr>
<th>Construct</th>
<th>Coefficient Alpha</th>
<th>Construct Reliability</th>
<th>Average Variance Extracted</th>
<th>Highest Shared Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Differential (BD)</td>
<td>.97</td>
<td>.92</td>
<td>.74</td>
<td>.22</td>
</tr>
<tr>
<td>Motivation to Conform (MC)</td>
<td>.85</td>
<td>.85</td>
<td>.66</td>
<td>.18</td>
</tr>
<tr>
<td>Purchase Intent (PI)</td>
<td>.92</td>
<td>.95</td>
<td>.90</td>
<td>.22</td>
</tr>
</tbody>
</table>

#### B: Results of the CFA with three latent variables

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Direction</th>
<th>Construct</th>
<th>Standardized Estimate</th>
<th>SE</th>
<th>t-Value</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>bd01</td>
<td>←</td>
<td>BD</td>
<td>.91</td>
<td>.09</td>
<td>17.25</td>
<td>0.00</td>
</tr>
<tr>
<td>bd02</td>
<td>←</td>
<td>BD</td>
<td>.98</td>
<td>.08</td>
<td>19.69</td>
<td>0.00</td>
</tr>
<tr>
<td>bd03</td>
<td>←</td>
<td>BD</td>
<td>.99</td>
<td>.09</td>
<td>20.04</td>
<td>0.00</td>
</tr>
<tr>
<td>bd04</td>
<td>←</td>
<td>BD</td>
<td>.88</td>
<td>.09</td>
<td>16.48</td>
<td>0.00</td>
</tr>
<tr>
<td>mc01</td>
<td>←</td>
<td>MC</td>
<td>.79</td>
<td>.06</td>
<td>12.98</td>
<td>0.00</td>
</tr>
<tr>
<td>mc02</td>
<td>←</td>
<td>MC</td>
<td>.91</td>
<td>.06</td>
<td>15.70</td>
<td>0.00</td>
</tr>
<tr>
<td>mc03</td>
<td>←</td>
<td>MC</td>
<td>.72</td>
<td>.06</td>
<td>11.57</td>
<td>0.00</td>
</tr>
<tr>
<td>pi01</td>
<td>←</td>
<td>PI</td>
<td>.90</td>
<td>.07</td>
<td>14.57</td>
<td>0.00</td>
</tr>
<tr>
<td>pi02</td>
<td>←</td>
<td>PI</td>
<td>.94</td>
<td>.07</td>
<td>15.52</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### 5.2 Structural Model

The hypothesized model was estimated by using structural equation modelling using AMOS. The chi-square statistics (\( \chi^2 = 71.28 \), degrees of freedom [d.f.] = 24) was significant owing to the sensitivity of the sample size. However, other indices indicated an acceptable fit [GFI = .93, CFI = .98, NFI = .96, RMSEA = .096]. The CFI value of .98 was higher than the suggested cut-off value of .95 suggested by Hu and Bentler (1999). An RMSEA value of .096 indicated mediocre fit, as it satisfied the cutoff criteria of .10 (McCallum, Browne, and Sugawara 1996).

Results of the hypothesis testing are provided in Table 3. Specifically, brand differential was found to be positively associated with motivation to conform (β = .43, Standard Error [SE] = .04, p < .01), thus supporting H1. Also, brand differential had a negative direct effect on store brand purchase intention (β = -.35, SE = .06, p < .01), as hypothesized in H2. Findings further indicated support for H3, which posited a negative relationship between motivation to conform and store brand purchase intention (β = -.28, SE = .03, p < .01).

The mediating effect of motivation to conform was tested by following the procedure suggested by Baron and Kenny (1986). Accordingly, three models were tested using AMOS. In the first model, the impact of brand differential (independent variable) on motivation to conform (mediator) was assessed. In the second model, the impact of brand differential (independent variable) on purchase intention (dependent variable) was tested. Finally, in the third model the impact of both brand differential (independent variable) and motivation to conform (dependent variable) on purchase intention was examined. According to Baron and Kenny (1986), in order to establish the mediating effect the three models must be confirmed in the predicted direction.

The results of the mediation analysis with major parameter estimates and \( \chi^2 \) values for the three models are presented in Table 4. In the first model, brand differential had a significant and positive effect on motivation to conform (β = .43, SE = .04, p < .01). The second model indicated that brand differential had a negative impact on purchase intention (β = -.28, SE = .03, p < .01). Finally, in the third model it was established that both brand differential and motivation to conform had a negative effect on purchase intention (β = -.46, SE = .08, p
<.01; β = -.46, SE = .08, p <.01). All three models had significant paths in the predicted direction, and the impact of brand differential on purchase intention in Model 3 was smaller than its impact in Model 1, and thus satisfied Baron and Kenny’s criteria. The foregoing results reveal a partial mediation effect. Accordingly, H4 received some empirical support.

Table 3: Results of the Hypothesis Testing

<table>
<thead>
<tr>
<th>Structural Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct</td>
</tr>
<tr>
<td>MC ← BD</td>
</tr>
<tr>
<td>PI ← BD</td>
</tr>
<tr>
<td>PI ← MC</td>
</tr>
</tbody>
</table>

Table 3: Results for the Mediating Effect of Motivation to Conform

<table>
<thead>
<tr>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variable</td>
</tr>
<tr>
<td>Brand Differential</td>
</tr>
<tr>
<td>Motivation To Conform</td>
</tr>
<tr>
<td>χ²</td>
</tr>
<tr>
<td>df</td>
</tr>
</tbody>
</table>

Note: Values in parentheses are t values.

* t ≥ 2.326, p <.01(one-tailed test)

6 DISCUSSION

This study provides empirical evidence regarding the importance of social influence on a consumer’s purchase intention when deciding between manufacturer brand and store brand product offerings. This research extends prior work, as it incorporated a social influence variable—motivation to conform—to the norm of purchasing manufacturer brand products, to attempt to explain the relationship between a consumer’s perceived brand differential between manufacturer brand and store brand products on purchase intention. Findings revealed that greater perceived difference between manufacturer and store brand products lead to stronger motivation to conform to the norm of purchasing manufacturer brand products and weaker intention to purchase store brand products. Also, a higher level of motivation to conform to the norm of purchasing manufacturer brand products conduced to a weaker purchase intention for store brand products. Further, results supported a mediating influence of motivation to conform on the brand differential → purchase intention relationship.

The current work contributes to theory building regarding the importance of the social influence of motivation to conform in the purchase intention decision between store brand and manufacturer brand product offerings. Specifically, this research infers that a brand differential cue serves as a social norm which consumers are motivated to follow when making purchase intention decisions. This is consistent with empirical work which ascertained that extrinsic factors influence private brand consumers (Bedi, Lal, and Kaur, 2014; Govender and Govender, 2013; Zainuddin and Burt, 2007).

6.1 Contributions to Theory

The findings offer support that motivation to conform is a mediating influence on the relationship between brand differential and purchase intention. This result provides new knowledge vis-à-vis previous work that has found a direct linkage between brand differential and purchase intention—which the present investigation also found. The theory of reasoned action (e.g., Fishbein and Ajzen, 1975) seemingly infers that motivation to conform (as a component of subjective norm) is an immediate precursor of an individual’s behavioural intention. The current study suggests, however, that at least in a grocery products context, motivation to conform has both a direct and a mediating impact on a consumers’ intention to purchase national brand products. Therefore, social influence seemingly has a multi-faceted effect on purchase intention of consumer nondurable commodity kinds of products. The current work thus contributes to theory building regarding the
importance of the social influence of motivation to conform on purchase intention between store brand and manufacturer brand product offerings. Of course whether this kind of effect would hold in other contexts remains an empirical question.

6.2 Contributions to Practice

Study findings offer several managerial implications. Results highlight the importance of social cues and perceptions of brand differential in the store versus manufacturer brand purchase intention decision. It is important for producers of both product brand types to understand the strategic implications: consumers’ perceived brand differential helps determine their purchase intentions. Of the variables examined here, the perceived brand differential is seemingly the most actionable to use as a managerial tool. Motivation to conform, for practical purposes, is beyond the direct influence of marketing managers. As such, marketing managers should seek to fine tune the positions of their products through marketing mix variables to influence their target consumers’ perceived brand differential in an optimal manner. Of course, where pertinent, they may attempt to incorporate reference/aspirational group themes into their promotions of their manufacturer branded products (e.g., “Be like Mike”—Gatorade commercial).

The manner of influence of brand differential that is most desirable is that which will increase the likelihood of shifting target consumer purchase intention toward the appropriate branded product offering. In particular, store brand product managers are advised to emphasize marketing mix variables in a fashion that might decrease the intensity of the existence of brand differential within the mind of their target consumer. Additionally, reducing the price of store brands might be beneficial, as it may well contribute favourably to consumer demand (Rubio and Yagüe, 2009). Also, store brand managers could work to improve the quality of their store brand products in efforts to reduce the perceived brand differential between manufacturer and store brand offerings (Choi and Coughlan, 2006). The foregoing thus suggests that store management emphasize the quality of store brand products to minimize perceived brand differential, as well as motivation to conform to manufacturer brands.

Manufacturer brand product managers could seek to maximize the existence of brand differential, as this is the context in which social influence (motivation to conform) apparently augments the likelihood of manufacturer brand product purchase intention. Advertising is an effective means of establishing and maintaining brand differential and insulating manufacturers from price competition of store brands (Ashley, 1998; Hoch and Banerji, 1993). Also, improving the quality and features of manufacturer brand offerings are important so as to keep brand differentials between manufacturer and store brands sufficient. Moreover, developing novel packaging, sizes, and product forms are other ways manufacturers may seek to establish feature differentiation (Choi and Coughlan, 2006).

7 LIMITATIONS AND FUTURE RESEARCH

Some limitations of this study merit attention. One limitation is the use of purchase intention instead of the actual purchase decision that would occur under typical shopping conditions. Intention was utilized owing to the difficulty of obtaining data for the actual purchase outcome. Another limitation pertains to use of a convenience sample of corporate employees. The sample is unlikely to be sufficiently representative of the population of consumers. Finally, social desirability might be a concern. Social desirability deals with respondents’ tendency to answer survey questions based on social acceptability rather than their true feelings (Podsakoff et al., 2003). If this bias exists, responses would be heavily skewed toward the positive end, and the variation would be limited (Sethi and Iqbal, 2008). Perusal of the means and standard deviations of each item, however, suggested that social bias is unlikely to be a major concern in the present work.

Future research in the area of consumer purchase decision making between store and manufacturer brand products appears warranted. Additional empirical work is needed to understand how social influence affects consumer purchase decisions within this context. Utilizing alternative methodological approaches than those used here to better simulate the actual purchase decision would be beneficial; doing so should enhance understanding of consumer patterns of behaviour involved in the study’s underlying theory. For example, a field experiment conducted in an actual purchase decision setting would provide an increased level of external validity. Other mixed methods approaches could include use of in-depth interviews, which may afford scholars opportunity to identify enhanced prospective rationales behind the findings revealed here. Such interviews could offer additional and augmented practical managerial implications in terms of how managers can motivate consumers to buy store brands.

Also, results revealed the importance of motivation to conform as a social influence that affects purchase intention and mediates the relationship between brand differential and purchase intention. An interesting issue would be to investigate other measures of consumers’ use of and reliance on social cues in their store brand product purchase decisions.

As noted earlier, objective and subjective product attributes may cause differential consumer perceptions. The present work did not consider whether consumers’ product perceptions (subjective) were consistent with
objective product attributes. “[C]orrespondence between self-assessed and actual validity is an important issue for the study of consumer decision making” (Alba and Hutchinson, 2000, p. 123). An intriguing research issue would be to examine the influence of that correspondence on consumer purchase intentions.

The present work considered one context—grocery stores. Shopping in a particular grocery store may well be a function of one’s shopping habit (à la store loyalty). Therefore, future efforts should test the model employed here in the grocery venue and in additional settings to ascertain whether differences emerge across contexts.

Finally, subsequent work should explore this model vis-à-vis differences across various kinds of demographic characteristics. These might include, for example, household income, living arrangement (i.e., living alone versus living with other[s]), gender, and age. Inclusion of such factors might provide enhanced detail about the robustness of the study’s model.

REFERENCES


Preparing organisations for employee-driven open innovation

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Abstract

The present study addresses the need to prepare organisations, small or large, for open innovation approaches, including the development of capacity to exploit the potential benefits of such principles through Employee-Driven Innovation (EDI). Based on interviews in 20 Norwegian enterprises, we propose that EDI is an under-explored opportunity in many organisations, and that the systematic introduction of EDI practices increases organisations’ ability to exploit open innovation principles and favourably impacts the capacity for innovation. Specifically, EDI results in a more general interest in improvement among employees, increased engagement in innovation processes, and reduced opposition to change.

Keywords: open innovation, employee-driven innovation, management, involvement, role performance, organisational culture, cultural characteristics, change

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Note: * Corresponding Author
1 INTRODUCTION

Invention and innovation is increasingly understood as a result of the exchange of knowledge between, as well as within, organisations (Caloghirou, Kastelli, & Tsakanikas, 2004; Hargadon, 2003; Powell, 1998). This view is reflected in several of the more recent theories and models of innovation, such as user-driven innovation (von Hippel, 1988, 2005), employee-driven innovation (Høyrup, 2010), continuous innovation (Boer & Gertsen, 2003) and open innovation (Chesbrough, 2003; Chesbrough, Vanhaverbeke, & West, 2006; Lindegaard, 2010).

The ideas of “open innovation” could be understood to embrace all of the preceding models, at least to some extent. The term was coined by Chesbrough (2003) a decade ago, to denote complex innovation strategies that involve searches by enterprises, across professional and organisational boundaries, for opportunities to advance their businesses. Although this is an indication of the essential role of the enterprises’ own employees in innovation, the prevailing dichotomy of “open” versus “closed” innovation seems to have partly camouflaged the continued importance of employees’ performance, including their cooperative skills. As a result, the predominant focus of innovation researchers has moved towards the significance of external sources for ideas and innovation, and the need to adapt business models accordingly. Few studies explore the opportunities inherent in the general involvement of employees in innovation, which is referred to as employee-driven innovation (EDI) (Byrne, Mumford, Barrett, & Vessey, 2009).

As in the open innovation perspective, the area of interest in EDI is the adaptation for, and advantages of, collaborative innovation processes. Inherent in this perspective is the fundamental assumption that employees have competencies and ideas that will strengthen an organisation’s overall capacity to innovate, given favourable conditions. “Employee-driven innovation” can thus be seen as a strategy that implies a more influential role for employees in innovation. This does not mean, however, that the importance of leadership is de-emphasised. Innovation processes will still require the engaged effort of both leaders and specialists. The contribution of EDI is the broad, systematic exploitation of employee experience and knowledge in innovation work.

The present study is based on a claim that the successful implementation of more demanding innovation strategies, such as open innovation, requires certain internal organisational and managerial skills (Kelley, 2010; Lindegaard, 2010). This claim is substantiated, e.g., by the work of Van De Vrande, De Jong, Vanhaverbeke, and de Rochemont (2009), who find that Dutch Small and Medium Enterprises (SMEs) are increasingly adopting principles of open innovation, and that dealing with the expanding network of external contacts that are generated as a consequence of this involves important challenges related to organisational and cultural issues. Accordingly, the importance of employees’ contributions to innovation and the premises for such contributions are addressed. The research question guiding this research is: What are the characteristics of successful practices for EDI, and what are the possible connections between such practices and the capability of firms to exploit open innovation principles?

The remainder of this article is organised as follows: The next section reviews relevant literature, followed by an outline of the research design. The fourth section provides the empirical findings, which are then assessed in section five. In the final section, conclusions are drawn, along with a few suggestions for future research.

2 THEORY: CURRENT UNDERSTANDING

The principal argument of open innovation is that borders between enterprises and their environments are increasingly opening up, which allows purposive flows of knowledge and ideas in and out (Chesbrough, 2003). In a completely open setting, organisations combine knowledge exploitation and exploration to maximise the value of in-house expertise and capabilities. Implicitly, the ideas of open innovation suggest that there is a potential for improving network conditions for innovation and value creation by upgrading the skills of cooperation and opportunity recognition in individual businesses. They also indicate the benefit of strengthening the web of “untradeable interdependencies” in networks (Storper, 1997), which is seen as requisite for the development of contextualised knowledge and practices (Gertler, 2003). In consequence, knowledge becomes sticky or non-imitable (Szulanski, 1996), which results in competitive advantages for members of the network (Porter, 1998).

In line with the above arguments, some authors point out that the successful introduction of an open innovation strategy seems to be contingent on certain organisational qualities. As an example, Vanhaverbeke, Van De Vrande, and Chesbrough (2008) focus on the need to improve organisations’ absorptive capacity as an important aspect of innovation capability in organisations. Foss, Laursen, and Pedersen (2011) find that organisational adaptations, such as the delegation of responsibility and the introduction of incentives for knowledge sharing, are a prerequisite to obtain positive effects from open innovation. The broad, purposive involvement of employees in innovation work is thus seen as a premise for the success of more open innovation strategies. More specifically, Hewett (2005) claims that innovation is unlikely to occur if employees are not strongly involved in the problems to be solved and believe in the importance of the development work. Accordingly, all employees should develop knowledge about the processes of turning ideas into profitable
business (Kelley, 2010; Lindegaard, 2010). Lindegaard (2010) further suggests that the implementation of open innovation principles implies a need for employees to be able to manage relations with various external contributors.

Research on employee-driven innovation is based on an assumption that all employees have the potential for creative thinking, and will be able to contribute to innovation and change. The significance of employee involvement in innovation was substantiated as early as 1871, when the exploitation of ideas from employees was referred to as important to increase the quality and lower the costs of products (Tidd & Bessant, 2009). A century later, researchers, such as Stalk, Evans, and Shulman (1992) and Hamel and Prahalad (1994), stated that changes in competition put new demands on innovation effectiveness, which created a need for new work processes and new organisational structures. Their conclusion was that the purposive use of employees’ knowledge, referred to as core competence, can and will result in increased innovation capacity. The premises emphasised as important for successful EDI are the increased awareness of the inherent innovation potential among both employees and leaders, and the introduction of systematic approaches to the general involvement of employees in innovation (Bessant & Caffyn, 1997; Hallgren, 2008; Høyrup, 2010; Smith, Kesting, & Ulhøi, 2008; Tidd & Bessant 2009). Although EDI is still a fresh concept, diverse definitions are emerging. An example is Smith et al. (2008, p.1), who claim that EDI is: “…the generation and implementation of novel ideas, products and processes originated by a single employee or by joint efforts of two or more employees.”

Current research on EDI can be divided into two main strands. The first strand discusses the implications of EDI, which can be further divided into two categories. These are direct effects, such as product quality, productivity and aspects related to work environment, and indirect effects, including results related to business and social economics (Zwick, 2004). Surprisingly, within this strand of research documentation of the actual effects of EDI on innovation, capacity or value creation is limited (exceptions can be found, e.g., Belangér, 2000; Tidd & Bessant, 2009; Zwick, 2004). The predominant focus is on qualitative parameters, and few have actually tried to quantify the effects of EDI-practises. An explanation for this may lie in the complexity of such studies, which involve longitudinal analyses of larger numbers of factors that are often interrelated and that affect the outcome of innovation processes in different ways (Heller, Pusic, Strauss, & Wilpert, 1998). Hence, the task of identifying and separating EDI-effects from other conditions may be very complicated. Nevertheless, an increased focus on EDI is emphasised to be of importance as a basis for sustained competitive advantage (Heller et al., 1998; Kelley, 2010). Among the studies that substantiate this claim is the EPOC study (1997), which is based on answers from 6000 corporate managers from European countries. Nearly nine out of ten of these managers perceive a positive correlation between EDI and economic performance. Another line of studies, which include contributions from work research, suggest that the cultivation of internal qualities, like autonomy and collaboration, strengthens individual motivation and satisfaction (Axtell et al., 2000; Smith et al., 2008) and improves upon organisational measures like turn-over, quality of work and sickness absence (Black & Lynch, 2004; Kelley, 2010).

The second and most comprehensive strand of EDI-research addresses the conditions for EDI, which is related to organisational arrangements and organisational context (Byrne et al., 2009; De Jong & Kemp, 2003; Smith et al., 2008; Tierney, Farmer, & Graen, 1999). Studies on different levels, whether individual (Scott & Bruce, 1994), group (Paulus & Yang, 2000) or organisational (Byrne et al., 2009), all point out factors and conditions that are important for the initiation and development of EDI. Among the main factors identified is the importance of the recognition by management of the need to give priority to innovation, and to adapt for these processes through the generation, registration, evaluation and realisation of ideas. Other key factors are the collaborative climate between management and employees (Tierney et al., 1999; Wilkinson & Dundon, 2010), as well as the interaction between colleagues, and between employees and externals (Cummins & Oldham, 1997; Smith et al., 2008). Furthermore, the results of the studies indicate that work life traditions and marked conditions may influence whether, and how, employees are involved in innovation (Black & Lynch, 1996, 2001, 2004; Zwick, 2004).

The currently most comprehensive literature review to map factors that cause or affect the development of EDI-practises was performed by Smith et al. (2008). They identify four main factors that influence the potentiality of EDI: leader support, autonomy, cooperation and innovation climate. It is worth noticing that the authors also emphasise that the interpretation of these factors differs as the innovatio
should also be taken into account when teams are formed. Group heterogeneity is seen as beneficial, or even requisite, at the early stages of innovation, whereas the later stages are more effectively supported by homogenous groups. Finally, Smith et al. (2008) point to studies that focus on organisational culture and identity, which indicate that employees also tend to look for signals of appropriate behaviour in the explicit and implicit norms in their organisations regarding the employees’ involvement in innovation. Moreover, organisational climate is shown to play an important role in innovation capacity in organisations, notably at later stages of the innovation processes and in connection with disruptive innovation (Axtell et al., 2000). The latter claim is explained by the fact that disruptive innovation involves a substantial departure from established routines, as it is potentially resource-demanding and in need of long-term support from leaders and colleagues (De Jong & Kemp, 2003). Organisational climate is also emphasised as an important aspect of High-Involvement Innovation (HII), a concept originally framed by Bessant and Caffyn (1997). Tidd and Bessant (2009) describe the implementation of HII as a five-step process, in which the last step implies an organisation in which learning and continuous development through the broad involvement of employees is core.

In many aspects, HII and EDI are concurrent ideas, which also suggests that employee involvement will predominantly result in incremental innovation. However, the general involvement of employees in innovation may also lead to a higher degree of diversification and flexibility than that which occurs in organisations in which innovation processes are carried out by a limited group of people (Bessant, 2003; Hallgren, 2008).

The relationship between EDI and open innovation does not seem to have been addressed clearly and explicitly in earlier works in the innovation field, which may be because EDI appears to be a relatively new field of research (Høyrup, 2012). This does not mean that employees have not contributed to innovation in a historical perspective, but this kind of activity has typically been linked to research on employees’ informal participation in organisational development (Tegelborg, Reden-Collot, Bonnafous-Boucher, & Viaala, 2012). In this research tradition, employee involvement appears to be crucial to an organisations’ further development (see, e.g., Klev & Levin, 2012). At the same time, this tradition represents a perspective in which knowledge is a key issue for organisations. In this perspective, we can find an indirect link between EDI and open innovation; relevant knowledge for innovation can be found, not just among the employees, but also among the customers or users, as well as among other organisations in the surroundings. These external actors are therefore also relevant to innovation activities. Høyrup (2010) divides approaches to innovation into what he calls “inner-directed” and “outer-directed” perspectives; the former can be associated with EDI, while the latter can be linked to open innovation, as Cheshbrough (2003) uses the term. However, we can notice that Høyrup (2010, p. 153) indirectly links the two strands together so that the inner-outer dichotomy is implicitly exceeded when he applies a knowledge- and learning perspective on innovation: “The concept that innovation is the successful exploitation of new ideas implies a focus on knowledge processes as a basis for innovation and learning: the creation, interpretation, sharing and circulation of ideas and knowledge in the organization and across the boundaries of interacting organizations.”

### 3 METHOD AND RESEARCH DESIGN

The results in this paper are based on qualitative interviews with employees and leaders from 20 Norwegian enterprises. Cases were identified by the research team, based on their broad knowledge about Norwegian enterprises. As a main objective of the research was the identification of good practices for EDI, a “strategic and purposeful” selection was made (Flyvbjerg, 2006). Accordingly, cases were selected on the basis of expectations about their relevant information content. “Relevance” was evaluated on the basis of the reputation of enterprises for the profitable involvement of their employees in innovation work, as measured by employees’ experiences of a positive work environment and leaders’ affirmations of improved innovation capacity. A reference group that consisted of representatives from the Norwegian Ministry of Trade and Industry, The Norwegian Confederation of Trade Unions, and The Confederation of Norwegian Enterprise actively participated in the selection process.

The 20 case enterprises represented eight different industries; among them were contracting firms, manufacturing and processing industry, and software and service providers. Of the enterprises, 80% were from the private sector, and half of them had less than 250 employees. The choice of rather heterogeneous cases was made to increase the possible generalizability of results across cases (Schofield, 2002).

To conduct the interviews, an interview guide was developed on the basis of general innovation theory that describes overall innovation phases, as well as factors that have been previously identified as important for employee-driven innovation (De Jong & Kemp, 2003; Smith et al., 2008; Tierney et al., 1999). The interview guide (see Appendix 1) represented a general script for the interviews (Kvale & Brinkman, 2009) and functioned as a main thematic structure for the interviews. Within this overall structure, the specific topics that were discussed varied based on organisational characteristics and the experiences of the informants. The informants were given the freedom to elaborate on the specific topics that they wished to emphasise in the interview. In Morgan's (2012, p. 163) terms, one might say that the interviews were a cross between “content-oriented and conversation-oriented.”
A total of 48 informants were involved in the 20 interviews that constitute the empirical basis of the research. With the exception of two interviews, semi-structured group interviews were carried out with the participation of two or three respondents, who represented employees, leaders and union representatives. In organisations with union representatives, the three groups were represented together in about 60% of the interviews. Group interviews were chosen because of the assumed advantage that informants would build on each other’s experiences during the interview (Gaskell, 2000). Considering that the number of participants in each interview was two to four, these interviews can be conceptualised as “mini focus group” interviews (Krueger & Casey, 2009). All interviews were conducted by two researchers, so that one could take a more observational role in the situation. The duration of each interview was one to one and a half hours, and all interviews were recorded and transcribed.

Morrow (2005) states that the validity of qualitative inquiry depends on the analytical capabilities of the researchers. The analytic phase in this study was improved by an approach that can be referred to as “mutual construction of meaning between co-researchers” (Rismark & Sølvberg, 2007) and consisted of two phases. First, the two researchers that conducted the interviews were jointly responsible for doing the preliminary content analysis. This involved the coding of data based on a pre-defined scheme, and a first round analysis based on the overall innovation phases and thematic factors that are important for EDI. Second, the results were shared and discussed among all (four) researchers. In both of these phases, the research team had open discussions about the coding practice, and thus, applied a “collaborative coding” procedure (Saldana, 2009) and considered the revision of codes (Miles & Huberman, 1994). The total process involved alternation between individual analysis and joint discussions based on empirical data and a broad theoretical understanding.

4 FINDINGS

As discussed, within the field of EDI research, the focus is on the conditions for and the implications of the general involvement of employees in innovation, respectively. The present research was designed to learn about successful EDI practices across industries, and a purposive selection of enterprises was made accordingly. The research focus was on what these enterprises actually do to profit from EDI, i.e., on important conditions for value-creating EDI-practices. We were, however, not able to pinpoint any “best practices” for EDI. On the contrary, this study suggests that EDI can be implemented and performed in various ways that may all meet expectations regarding improved innovation capacity. However, we also found that the case organisations did have some qualities in common, which can be categorised in three interrelated domains: 1) Performance of specific organisational roles, which are leaders, employees and (where present) union representatives; 2) Recognition of particular cultural characteristics that guide employees into certain patterns of thought and action; 3) Use of specific structural mechanisms, or tools, to encourage and facilitate EDI-practices. The latter domain may constitute the backbone of innovation work, given a productive interplay with the two other domains (Aasen, Amundsen, Gressgård, & Hansen, 2012). Furthermore, in most of the case organisations, the use of suitable tools represented a direct channel for capturing and developing ideas in cooperation, not only with their own employees, but also with their customers and external specialists. In line with Tidd and Bessant (2009), we found that the enterprises that have implemented the most practices for EDI reported the best results. An important premise for profiting from these practices was, however, that they were integrated as part of the daily work life, and were not based on voluntariness or imposed on top of pre-existing tasks.

As indicated, we found that enterprises that experience increased innovative capacity due to the exploitation of EDI-practices had a number of cultural characteristics in common. The characteristics were interrelated, which implies that efforts to change the nature of one of them probably would affect one or more of the others. The following nine cultural characteristics were identified among the 20 selected enterprises:
### Table 1: Cultural characteristics

<table>
<thead>
<tr>
<th>Cultural characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Commitment”</td>
<td>In general, high commitment towards innovation among people who worked in the enterprises. Willingness to make an extra effort for the workplace, and employees who are &quot;passionate about their work.&quot;</td>
</tr>
<tr>
<td>“Cooperative orientation”</td>
<td>Widespread belief that there is &quot;agreement to cooperate&quot; and that cooperation gives the best quality of innovation activity in the enterprise. Cooperative climate between employees and management.</td>
</tr>
<tr>
<td>“Pride”</td>
<td>Pride in working for this particular enterprise (Typically expressed through statements about &quot;well-being&quot; and low &quot;turn-over&quot; in the workforce). The enterprises have many &quot;external suitors,&quot; in terms of people and other businesses that wish to cooperate in various areas.</td>
</tr>
<tr>
<td>“Trust”</td>
<td>Enterprises characterised by trustful relationships. Trust typically expressed as a two-sided relationship: The leaders show trust in employees, while employees show trust in their leaders.</td>
</tr>
<tr>
<td>“Tolerance”</td>
<td>Enterprises characterised by the idea that &quot;differences are valuable,&quot; i.e., a tolerance for diversity within the organisation. A certain tolerance for error, due to reduced likelihood that employees choose to hide flaws.</td>
</tr>
<tr>
<td>“Feeling of security”</td>
<td>Knowledge sharing and different types of ideas are typically greeted positively in the enterprises, which seems to provide a sense of an environment in which &quot;thinking aloud is permitted&quot;. Employees do not think that the job will disappear on the basis of innovative proposals for improvement that provide efficiency.</td>
</tr>
<tr>
<td>“Development orientation”</td>
<td>Employees perceive improvement and innovation as an integral part of their jobs.</td>
</tr>
<tr>
<td>“Openness”</td>
<td>Openness in communication, internally and externally, e.g., through the use of various types of open forums (in which &quot;disagreeing with the CEO is allowed&quot;). Extensive access to documents relating to decisions. Leaders typically practice an &quot;open-door policy&quot;, i.e., it is easy for employees to make informal contact.</td>
</tr>
<tr>
<td>“Autonomy”</td>
<td>Employees have a high degree of influence in relation to the execution of various tasks. Managers who delegate responsibility and employees who accept this responsibility. Managers are not control-oriented in their role performance.</td>
</tr>
</tbody>
</table>

Another distinguishing feature of enterprises that benefit from EDI-practices was a continuous focus on idea capturing and idea prioritising. Idea prioritising generally involved decisions about work process improvement and minor technology adjustments, and more often than not, employees implemented such changes without consulting the management. In the cases in which idea realisation implied a need for more comprehensive use of resources, management participation in the decision processes was, however, essential. In light of the above, it is perhaps less surprising that the advantageous adoption of EDI-practices appeared to be closely related to the extent of employees’ knowledge about the enterprise, including financial and strategic aspects. A particular management challenge was thus related to the issues of information dissemination and knowledge exchange.
Enterprises generally supported their EDI processes with the aid of various tools. These were 1) manual tools, such as lists and forms, newsletters and information boards; 2) e-tools, such as software, social media, intranet and information screens; and 3) tailored processes and roles, such as systems and routines for idea capture and idea development, research projects and idea brokers. In addition, formal and informal meetings constituted important arenas for the development and realisation of good practices for EDI. Whether used independently or in combination, such tools were perceived to support the processes for employee participation in innovation. As already indicated, turning EDI-practices into profitable innovation, however, depended on a constructive interplay between management and employees’ practices, organisational culture and suitable tools.

5 DISCUSSION

The principal challenge discussed by all case enterprises was an apparently unsolvable tension between the need to uphold efficient operation and, at the same time, to innovate their products and processes. This suggests that the distinction between established operation and innovation will soon become blurred and that, implicitly, innovation is everybody’s concern, although in different ways. The inherent opportunity in this development is that innovation processes are better aligned with the real needs of businesses. The fact that the general level of competence among employees is increasing also supports this, which implies a growing value-creating potential in most businesses. As value can be captured from internal sources quite easily, we agree with Menon and Pfeffer (2003) that the current comprehensive interest in external ideas and knowledge does appear to be somewhat paradoxical. It should be noted, however, that although this study was designed to capture good ways to involve a business’s own employees in innovation, the innovation processes studied were not “closed.” On the contrary, all of the case enterprises cooperated extensively with external partners, such as distributors, customers, researchers, consultants, contract workers, and even students and pupils. Moreover, many of them included external experts as part of their idea evaluation and development teams, and we were also given examples of internal ideas that had resulted in spin-off establishments. Enterprises also reported that focusing on the general involvement of employees in innovation had improved their overall ability to interact with various knowledge sources, and had made employees more open to change. Thus, it appeared that the implementation of EDI practices not only affected employees’ skills as contributors in internal innovation initiatives, it also made an impact on their ability to benefit from external collaboration. We therefore propose that EDI practices are closely interwoven with practices associated with open innovation (van de Vrande et al, 2009).

Our proposal is in accordance with Lindegaard (2011), who suggests that, in practice, open innovation addresses bridging internal and external resources. Similarly, Dahlander and Gann (2008) claim that internal and external strategies for innovation cannot be seen as separate phenomena. As a consequence, employee-driven innovation should not be understood as the takeover of innovation initiatives by employees, nor is it limited to the encouragement of new ideas by management. Rather, the present study suggests that EDI includes various arrangements to support internal innovation initiatives from the entire organisation, as well as employees’ participation in arenas in which input from people external to the organisation can be captured, developed and communicated.

As discussed in the previous section, the fundamentals of EDI can be defined by the following three interrelated elements: roles, tools and culture. Many of the cultural features that we found may be considered as relevant to the idea of open innovation. Perhaps the most obvious point is that the enterprises in question practice openness in internal and external communication. Other examples of “convergence” between features that seem to underlie the practice of EDI and open innovation are “orientation towards improvement and change,” “openness to new ideas,” and “relationships of trust and autonomy.” In the majority of the cases, employees were expected to look beyond their own tasks and expertise, and to consider their possible contributions towards the intention and future development of the organisation. Diversity was generally seen as an advantage. Moreover, most of the organisations were characterised by comprehensive information exchange, creativity and tolerance for failure, which were all factors emphasised as important for organisational learning and innovation capacity. It is worth noticing that many of the leaders pointed out the necessity of communicating that “change does not mean that you will lose your job” as an essential success factor for EDI. It is, however, interesting to note that the pride that seems to be pervasive in organisations that practice EDI seems to be partly linked to the organisation’s positive reputation in the environment, i.e., its attractiveness to jobseekers and other enterprises that seek cooperation.

Inevitably, cultural characteristics that are supportive of EDI cannot be “inserted” into an organisation by resolution. It is the competent execution of leadership, supported by the adoption of suitable processes and tools, which might lead to the emergence of the desired cultural qualities and long-term profit. There is thus no easy method to change the organisational culture toward a certain direction. Schein (2010) points out that those who want to work towards cultural change must first have insight into organisational change in a general sense. His argument is that cultural change rarely works as an end in itself, but that the reason that the management of a business wishes to implement organisational change is to reach certain new goals or to solve certain specific challenges that it faces. Based on this, he gives the following advice for working toward cultural change: “The
change goal must be defined concretely in terms of the specific problem you are trying to fix, not as ‘cultural change’” (Schein, 2010, p. 311). It is only when these goals are clearly formulated that one should make an assessment of whether the culture will support or hinder the efforts for change. Schein suggests a cultural analysis having 10 steps that can be conducted to make this assessment.

Alvesson (2013) has a somewhat different approach to changing organisational culture and refers to cultural change as a “renegotiation of meaning.” Nor are we addressing large planned intentional cultural change projects here. Rather, it is assumed here that the changes are driven by certain key actors, usually managers, informal authority figures and small groups. The changes are not considered to be the result of campaigns and the like, but rather, as gradual changes through informal social interaction. In other words, the main actors primarily have an impact only on the people with whom they are in direct contact. Alvesson and Svenningsson (2008) give some relevant strategic advice regarding working toward cultural change. Some of the key strategies for cultural change on which they focus are the significance of having a long-term perspective, persistent management attention, the formulation of moderate goals, and the performance of management with a receptive and dynamic attitude during the working process.

We found that a particular challenge was related to the issue that the full potential of EDI practices may not be measurable in the short term. Quite a few of our respondents mentioned relatively long periods of transition that were characterised by employees’ frustration and anger, experiences of insecurity, and even by declining profits, before changes towards the increased involvement of employees in innovation were implemented. Accordingly, a fundamental condition for the successful implementation of EDI practices and the improved exploitation of open innovation is that the top management shares a genuine conviction that they are an essential strategy to build innovation capacity. Among the important means suggested to facilitate the transition towards EDI was managers’ delegation of authority (but also, the capacity of employees to pick up the ball and run), an adaption for collaboration across departments, businesses and tasks, an appreciation of enthusiasm, and the highlighting of accomplishments, small or large.

In spite of the above objections, there was a general agreement between leaders and employees that, over time, EDI practices resulted in widespread cooperative and creative skills. Specifically, employees’ interest in innovation opportunities and in their own roles in such processes was strengthened. In addition, they also showed increased attention towards the significance of such processes to create and maintain a productive and profitable workplace. For “everybody” to be able to work across internal and external borders, employees needed, however, to understand how diversified thinking could be of use to the enterprise. One of the fundamental conditions to encourage this situation was a mutual will to share information, whether it addressed financial or strategic developments, emerging opportunities, or problems in need of attention. Of relevance in this context is the discussion by Huizingh (2011) regarding internal context characteristics as determinants of open innovation effectiveness. These characteristics include company demographics and strategic orientation, but with reference to Harrison and Koski (2010), he claims that “even employee characteristics may matter” (Huizingh, 2011, p. 5). This is indeed in line with our view, which is that the one thing everyone can influence is the way in which they perform their roles. Accordingly, it appears that a basic condition for the successful exploitation of open innovation practices is that all employees must have the necessary competence to contribute as needed, which is the essence of EDI.

To ensure the necessary flow of information and the establishment of connections between opportunities, ideas, needs and problems, the case enterprises used various approaches. In small organisations, it appeared sufficient to ensure that internal and external networks were well-developed, while in larger enterprises, the purposive fostering of “network-nodes” was needed. An example of this approach can also be found in Whelan, Parise, de Valk, and Aalbers (2011), whose focus is the combination of external ideas with internal competence. They suggest that the roles of “idea scouts” and “idea connectors” are both needed to find and connect ideas, and that the performance of these roles influences the capacity of enterprises to produce successful open innovation outcomes. We find that, in large organisations, these roles are just as important to support the internal flow of information across divisional and professional borders. A potential challenge with respect to this is that, as the amount of cooperation or “network-nodes” increases, the overall complexity does as well, which means that additional means of coordination may be needed.

As indicated, enterprises that have successfully implemented EDI practices pointed out that an important effect was an increased openness to change among employees. This could be seen as further support for open innovation, which can be understood as addressing the management of change. However, we also found that truly working within an EDI paradigm not only impacted the attitudes of employees, but also those of leaders. To succeed, leaders had to change the way in which they interacted with employees and move towards the role of “coaches” or “conversation partners.” The difficult part of this, many of them admitted, was letting go of traditional control mechanisms. The general management experience was, however, that a feeling of security increased when they were leading in an EDI environment because the majority of the employees assumed responsibility for change and innovation. Still, a particular management challenge was related to the task of evaluating the effects of EDI practices. As established by Heller et al. (1998), the introduction of new
participation practices is often assumed to lead to an actual change of practice, which is followed by improved productivity and competitive powers. If, however, measures indicate that productivity has not improved, this may mean either that practice has not changed after all, or that practice has changed, but has not resulted in the expected benefits. This means that the assessment of EDI practices should include measurements of the effects on work practice, productivity and innovation. As already indicated, such measurements may be demanding, and the outcome may also be influenced by other factors, such as market fluctuation, disruptive technology or concurrent initiatives, including competence training or the introduction of new technology.

Finally, our empirical evidence indicates that the role of working management is of particular importance in this context. The working manager (i.e., the foreman, group leader, middle manager, etc.) is the individual who is the closest to the daily operations, and therefore, the one who should have the everyday responsibility to capture ideas and suggestions for improvement. We further found that the working manager was crucial in inspiring and motivating employees to show initiative, offer ideas and connect with external knowledge sources. The role of the working managers as part of EDI was not without challenges. As an example, to perform their role as needed within the EDI paradigm, many of these people had to substantially extend their knowledge of the business outside their area of specialisation. In addition, they had to master the demanding combination of performing their jobs as skilled workers and as capable leaders at the same time.

6 CONCLUSION

Although challenging, it is our claim that EDI is an underexplored opportunity in many enterprises as a means of improving the overall capacity for innovation. Specifically, EDI results in a more general interest in improvement among employees, increased engagement in innovation processes, and reduced opposition to change. Moreover, the systematic introduction of EDI practices also appeared to increase the ability of enterprises to exploit open innovation principles. Our general suggestion, therefore, is that organisations interested in pursuing open innovation should start by evaluating their EDI practices. This implies an assessment of their present situation, with a focus on collaborative climate, information exchange, delegation of decision-making powers, and established meeting arenas. The next step would then be to consider organisational moves that can be made to support the development of good EDI practices. This includes the encouragement of a culture of co-operative innovation effort, and the evaluation of existing tools and structures to determine which of them are best suited to support the desired development, and which are not. Finally, it should be acknowledged that genuinely moving work practices towards EDI may imply significant changes in the way that people work together, including management practices. This means that the full potential of EDI may not be realised overnight.

Because this study was conducted in Scandinavia, with its possibly distinct traditions of employee involvement, we would like to make some remarks regarding the possible limitations of the generalisation of results to other contexts (countries, regions) with different models of employee participation. One could easily state that the Scandinavian model of cooperation and participation in working life represents a convenient framework for the development of EDI. A number of the same factors that have a positive impact on EDI are identical to some of the characteristics that are associated with the Scandinavian model: high-trust organisations, broad involvement of employees and a cooperative climate between management and employees (including union representatives). However, we have no reason to believe that this overlap makes our findings irrelevant for organisations in other regions. The cultural characteristics of organisations that work with EDI principles can be seen as rather general, and might thus be considered as relevant for many different contexts.

A shortcoming of the present study is that it did not focus on human resource management. During the analytical phase, we realised that, although a few respondents touched on the subject by mentioning development discussions and post-experience courses, future research should explicitly address this topic. Furthermore, to better understand the long-term implications of EDI practices and the conditions affecting such processes, extended qualitative knowledge is needed. Relevant research questions are how EDI practices differ across industrial and national borders; how organisational category and size, as well as markets and other external conditions, affect EDI practices; and the relation between EDI practices and open innovation. Finally, we suggest that longitudinal studies should be accompanied by quantitative documentation of effects, on both the organisational and the societal levels.

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APPENDIX 1: THEMATIC INTERVIEW GUIDE - ORGANIZED BY INNOVATION PHASES

Instruction: This guide represents a general script for the interviews, and function as a main thematic structure of the interview. The informants should be given the freedom to elaborate on the specific topics that they wish to emphasize in the interview.

Idea generating phase
Questions:
How is the work for discovering / identifying ideas organized?
Do you use aids / tools for discovery and promotion of ideas among the employees?
Can you tell the story of the most successful handling of an idea you had?
What were the reasons why it was successful?

Selection phase
Questions:
What criteria / tools are used when ideas are prioritized, and what roles have the employees in this work?
What are the essential conditions for the successful use of employee skills in this phase?
Can employees influence the decision rules for prioritization? And how is this eventually done?
What information do employees have access to in this field?

Development phase
Questions:
How is the development phase planned and conducted, and what are the roles of the employees in this work?
How is the balance between daily operations and development handled?

Implementation phase
Questions:
How is the implementation (e.g. marketing / sales) planned and conducted, and what role do the employees have in this work?
How do you encourage input from employees, and how do you handle this input?
Exploring employees’ perceptions, job-related attitudes and characteristics during a planned organizational change

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Abstract

The current study explores employee perceptions regarding organizational readiness to change, supervisory support, trust in management and appropriateness of change during a planned organizational change in a public hospital. Survey data were collected at two time periods, before and five months after the initiation of the planned change. Research findings show a significant increase in perceptive organizational readiness to change, supervisory support, trust in management and appropriateness of change after the planned change implementation. Findings also suggest that differences in the aforementioned perceptions are moderated by certain job-related attitudes, namely, job satisfaction, organizational commitment and job involvement; and job-related characteristics, namely, skill variety, task identity, task significance feedback, autonomy and goal clarity. Theoretical and practical implications of these findings are discussed.

Keywords: attitudes, job characteristics, perceptions, organizational change

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1 INTRODUCTION

In today's extremely complex business environment where change continues to be the norm rather than the exception, organizational change has become a core organizational value able to provide organizations with a sustainable competitive advantage. However, though many change programs have originally perceived as being successful; it is claimed that ultimately nearly 70 percent of all change initiatives fail (Kotter, 2008) and thus, long-term success is elusive (Nadine & Persaud, 2003). That is, changes involve making painful modifications to one’s behaviour; as well as they require placing oneself in jeopardy (e.g. take risks that put the common good above self-preservation; Quinn, Spreitzer & Brown, 2000). Within this context, management scholars acknowledge that this rate of change may affect negatively employee attitudes, perceptions, morale, emotions, and/or feelings (Eby, Adams, Russell & Gaby, 2000; Osterman, 2000). Organizational change has an important personal dimension (Moran & Brightman, 2000); and it is actually an emotional experience, which notes the crucial role of employees’ perceptual and attitudinal characteristics (Nicolaidis & Katsaros, 2010). Equally, it is suggested that positive employee workplace attitudes are often critical in achieving organizational goals and in succeeding in change programmes (Eby et al., 2000; Martin, 1998; Kotter, 1996).

Research proposes that employee perceptions of organizational readiness to change may either facilitate or inhibit an organizational change initiative (Eby et al., 2000). That is, they reflect the degree to which the organization has the flexibility to achieve change, and the extent to which an employee can actively and genuinely participate in the change process (Smith, 2005). On the whole, an organizational environment that engulfs innovation and change influences positively employees’ preconceived notions about the extent to which the organization is ready for change. Other studies suggest that organizational change may be more successful if employees perceive the management support during the change initiative (Holt et al., 2007). That is, employees consider that their supervisors are responsible for providing information and support because they are perceived to be the principal agents of the organization (Cole et al., 2006). Nevertheless, support provided by supervisors, yields positive emotions and emotional/cognitive openness towards the proposed change. Research also proposes that trust in management can reduce negative feelings provoked by change uncertainty and ambiguity (Weber & Weber, 2001). Thus, honest and fair business practices, trustful communication and teamwork may craft a significant basis for accomplishing organizational change goals (Beer & Nohria, 2000). Overall, trust in management is one mechanism that enables organizational members to cope with operational flexibility and constant change (Morgan & Zeffane, 2003). The change management literature also proposes that perceptions about the appropriateness of change are extremely significant during organizational change (Holt, Armenakis, Feild, & Harris 2007). Within this context, Armenakis (2002) suggests that not only does there have to be agreement that the proposed change is suitable, applicable and profitable, but also there must be agreement that the initiative is congruent with. Thus, the perceived change’s fit with the organization is as vital as whether the initiative is the proper one.

Nevertheless, several gaps remain in scholars’ understanding regarding how perceptions change during new organizational efforts, as well as how job-related attitudes and characteristics influence these changes. While employee perceptions regarding organizational readiness to change, supervisory support, trust in management and appropriateness of change are considered to be vital to successful organizational change, there are few empirical studies that examine how these attitudes may vary before and after a change has been initiated. In more detail, there are few empirical studies that collect longitudinal data before and after a planned change event and consequently, draw out some insights into how change takes place. Based on Weber and Weber's research model (2001), the main aim of the current research is to investigate how these critical attitudes may differ prior and five months after the initiation of a planned organizational change. Further, it examines certain job-related attitudes (i.e. job satisfaction, organizational commitment and job involvement) and specific job-related characteristics (i.e. skill variety, task identity, task significance feedback, autonomy, goal clarity) that may moderate employee aforementioned perceptions. These job-related attitudes and characteristics may be vital in establishing an organizational culture and climate able to promote innovation and change (Liu & Perrewé, 2005; Wanberg & Banas, 2000) and their deeper understanding can be useful at both practical and theoretical level.

2 EMPLOYEE PERCEPTIONS AND ORGANIZATIONAL CHANGE

Perception is the process by which an employee organizes and interprets his/her impressions in order to give meaning to his/her environment and thus, it influences significantly his/her workplace behaviour (Langton & Robbins, 2006). The evidence suggests that what individuals perceive about their work situation influences their attitudes and behaviour during organizational change. Thus,
employee perceptions will lead to either resistance or acceptance of change. (e.g. Coghlan, 1993, Galpin, 1996).

**Perceptive organizational readiness to change:** Organizational readiness to change is reflected in the organizational members’ beliefs, attitudes, intentions and it is defined as the employees’ belief in the benefits from a proposed change (Jones, Jimmieson & Griffiths, 2005). Similarly, Kotter (1996) suggests that failure to create sufficient readiness accounts for one-half of all unsuccessful, large-scale change efforts. Employees’ perceptions of organizational readiness to change can either facilitate the success of a change intervention or be a significant source of resistance to change (Eby, et al., 2000). Employees’ readiness perceptions indicate the extent to which an organization is ready to make the necessary changes as well as its ability to be adaptive to changing demands and new evolutions (Elgmal, 1998). Thus, most change readiness models emphasize the significance of generating an awareness of the need for change and supporting people’s perceived ability to change. In formulating their change efficacy judgments, employees are influenced by the extent to which the work environment and the organizational features seem to create a more receptive context for innovation and change. Overall, it is critical to assess employees’ readiness perception prior to any change attempt.

**Supervisory support:** Supervisors act as agents of the organization who have responsibility for managing and appraising employees’ performance. Thus, employees would view their positive or negative orientation toward them as indicative of the organization’s support (Eisenberger, Huntington, Hutchison & Sowa, 1986). Generally, perceived supervisor support reflects the extent to which the organization cares about its members’ well-being (Treadway et al., 2004). Perceptions of supervisory support refer to employees’ perceptions of how management both encourages and implements employee suggestions for improvement (LaRocco et al., 1975). In more detail, they reveal whether management encourages employees to propose creative ideas and suggestions for work improvements, supports the improvement efforts and finally rewards employees for the resulting outcomes (Weber & Weber, 2001). Overall, during times of organizational uncertainty and/or ambiguity, employees have an increased need to perceive supervisory support (e.g. their input is being considered, frequent and accurate feedback, available resources; Sagie & Koslowsky, 1994). Thus, supervisory support plays a vital role in an employee’s appraisal of a crisis situation and it may provide a foundation for open employee participation and involvement.

**Trust in management:** The importance of trust during organizational change is widely reported in the international literature, mainly because it is considered as a precondition for successful collaboration (e.g. Cullen, Johnson & Sakano, 2000; Vangen & Huxham, 2003) and market orientation (Kimura, 2012). It is acknowledged as an essential feature of organizational change and best achieved through consultation, participation and empowerment (e.g. Cashman, 1998; Holoviak, 1999; Khan, 1997). Employees evaluate the key qualities of managers (e.g. integrity, competence, consistency/fairness, openness; Clark & Payne, 1997) or similar attributes (e.g. Mayer, Davis & Schoorman, 1995) according past behaviours and current situations. Further, Costigan, Ilter and Berman (1998) claim that employees trust in management is based on the results of organizational decisions made by the top management and less on direct experience of their character, words and actions. Therefore, employee trust in management is interpreted through the organization’s policies and practices. Within this context, other researches indicate that the performance of a manager during a change effort may depend upon gaining the trust of their employees (Brockner, Siegel, Daly, Tyler & Martin, 1997; Podsakoff, MacKenzie, Moormann & Fetter, 1990). Overall, employees’ trust in management is a key factor for sustaining individual and organizational effectiveness during organizational change.

**Appropriateness of change:** Employees perceived appropriateness of change is very critical for avoiding individual resistance during organizational changes (Armenakis & Harris, 2002). Management should always provide information why the proposed change initiative is the correct one by noting what the initiative is intended to correct or improve (Beckhard & Harris, 1987). In other word, it should provide justification why the proposed change is the suitable action for the identified discrepancy (e.g. the difference between the current state and an ideal or desired state). Further, employees must believe they have the knowledge, skills, and ability to successfully implement the proposed change. Without such a belief, the perception may be that the change initiative is incompatible because it would not be successful (e.g., Galpin, 1996; Vollman, 1996). Though, not only does there have to be agreement that the change initiative is suitable, but also there must be agreement that the initiative is in the same vein with the vision, mission, scope, culture and structure of the organization (Langton and Robbivs, 2006). On the whole, change appropriateness refers both to the features of a particular change (e.g. deals with the inconsistency between the organization's present and desired state), and the context where the change will be implemented (e.g. organization is facing rough
competition). Thus, the change’s fit with the organization is as important as whether or not the initiative is the right one.

The cited researchers indicate that the above mentioned employee perceptions are critical for management consideration during a change initiative. Thus, it is proposed that during an organizational change; employees’ perceptions of organizational readiness to change will covary with their perceptions of supervisory support, trust in management and appropriateness of change. Hence, the following hypothesis arises.

H1: Perceptions of organizational readiness to change, supervisory support, trust in management and appropriateness of change will covary.

Further, the paper suggests that perceptions of organizational readiness to change, supervisory support, trust in management and appropriateness of change will augment after the employees are trained and have experienced the relevant changes. That is, employees progress through phases of change acceptance (anticipation, confirmation, culmination, aftermath; Isabella, 1990). After a change has been initiated in an organization, employees have a propensity to fear the unknown and exhibit partial support for the proposed change effort. After training has been conducted and employees have had initial knowledge of how the change will actually affect them, they may display greater understanding and support for the planned change. Thus, the following hypothesis arises.

H2: Perceptions of organizational readiness to change, supervisory support, trust in management and appropriateness of change will increase from time 1 to time 2 (prior and after the initiation of the planned organizational change).

3 EMPLOYEE JOB-RELATED ATTITUDES & CHARACTERISTICS AND ORGANIZATIONAL CHANGE

Research suggests that job-related attitudes and characteristics may potentially moderate increases in perceptions of organizational readiness to change, supervisory support, trust in management and appropriateness of change; prior and after the initiation of a planned organizational change (Weber & Weber, 2001). These basic job-related attitudes (i.e. job satisfaction, organizational commitment and job involvement) and job-related characteristics (i.e. skill variety, task identity, task significance, feedback, autonomy, goal clarity) may influence significantly the aforementioned employee perceptions from time 1 to time 2. In more detail:

Job satisfaction is defined as the emotional response to the job, resulting from an employee’s job assessment regarding his/her personal values (Janssen 2001) and/or as the emotional orientation that an employee has towards his/her work (Price, 2001). In other words, it is an affective reaction to a job that results from the comparison of perceived outcomes with the needed ones (Kam, 1998). Shortly, job satisfaction describes perceptions, feelings or attitudes of individuals regarding their work (Chen, 2008). Clearly, changes in one’s job are likely to have an impact on employee perceptions (Ang & Slaughter 2000). Further, organizational commitment is defined as an individual’s identification with an organization; and it relies on one’s own personal choices as well as the expectations from others around us (Singh, 2010). There is evidence that organizational commitment plays an important role in employee’s acceptance of change in the workplace (Cordery, Sevastos, Mueller & Parker, 1993, Iverson, 1996). Relatively, Lau and Woodman (1995) argue that highly committed employees are more willing to accept organizational change ambiguity if it is perceived to be useful. That is, an individual committed to an organization accepts its values, is willing to exert effort on its behalf, and wishes to remain in the organization (Mowday, Steers & Porter, 1979). Additionally, job involvement is an attitude towards the work role and its context and it is mainly defined as the employee’s willingness to support the organization even if additional time and effort are required (Madsen, Miller & Cameron, 2005). Literature suggests that employees’ involvement relates to their cognitive support during the change process (Oswald, Mosholder & Harris, 1994); may promote individual readiness for change (Armenakis & Harris, 2002); and thus, enhance tolerance of change uncertainty. Relatively, research suggests that involvement leads employees to recognize opportunities (Mintzberg & Waters, 1985); to drive organizational performance (Bartlett & Ghoshal, 1993), and to have positive impact on the firm’s knowledge creating capability (Smith, 2005).

According to job characteristics theory, the core job-related characteristics are linked directly to critical employees’ psychological and perceptual states. In more detail, skill variety is the degree to which the job entails a number of different activities in carrying out the work and/or the extent to which a job requires the use of different talents (Hackman & Oldham 1980). Work that stretches one’s skills and abilities consistently is experienced as more meaningful than work that is simple and routine. Task
identity, is the extent to which a job involves completing a whole identifiable outcome (Hackman & Oldham 1980). Putting together an entire product or providing a complete unit of service is intrinsically more meaningful than being responsible for only a small part of the work. Further, task significance is the degree to which the work has a considerable impact on the lives of other people and/or the extent to which a job has impact on the lives of people in an organization or society in general (Hackman & Oldham 1980). A job that is substantial for the psychological or physical wellbeing of the employees is experienced as more meaningful than a job that makes a little difference.

In the same vain, feedback refers to the extent to which employees receive clear information about his/her performance (Oldham & Hackman, 1981). Feedback informs employees about how successful their work has been, which in turn enables them to learn from their mistakes. Further, it connects them emotionally to their outputs, thus giving further purpose to their work. Similarly, providing effective feedback may facilitate in managing employees’ fear of uncertainty/ambiguity since resistance to change mainly derives from their fear of the unknown. Overall, it is acknowledged that an organization with an effective feedback system would be in a better position to acquire employee support and cooperation for the initiation of a planned change. Further, autonomy refers to the extent to which employees are able to exercise discretion and initiative over what occurs on the job; as well as to the freedom and independence in terms of scheduling their work, selecting the tools they will use and deciding on procedures to follow (Chien & Su, 2009) and/or the employees’ ability to make changes and incorporate the learning they gain whilst doing their job. By the mid-1990s, forms of employee participation such as autonomy were used in more than 90% of Fortune 1000 companies (Lawler, Mohrman, & Ledford, 1995). Most important, employee autonomy may influence his/her perception about how quickly and how efficiently the organization can respond to an upcoming change (Weber & Weber, 2001). Finally, goal clarity is defined as the degree to which the goals, purposes and objectives of the job are clearly and adequately defined (Bang, Fuglesang, Ovesen, & Eilertsen, 2010); and/or the extent to which employees know what is expected of them and how these role expectations contribute to the goals and strategy of the organisation (De Beuckelaer & Lievens, 2009). Further, it is suggested that an increased understanding of work goals provides important work-relevant information and motivation to improve work performance (Tubre & Collins 2000). Thus, goal clarity is positively associated with employee performance especially during changing situations.

The cited studies indicate that the abovementioned job-related attitudes and characteristics may influence employee perceptions during organizational change. Hence, the following four hypotheses arise.

**H3:** Changes in perceived organizational readiness to change from time 1 to time 2 will be moderated by job-related attitudes (job satisfaction, organizational commitment and job involvement) and job-related characteristics (skill variety, task identity, task significance feedback, autonomy, goal clarity).

**H4:** Changes in perceived supervisory support from time 1 to time 2 will be moderated by job-related attitudes (job satisfaction, organizational commitment and job involvement) and job-related characteristics (skill variety, task identity, task significance feedback, autonomy, goal clarity).

**H5:** Changes in perceived trust in management from time 1 to time 2 will be moderated by job-related attitudes (job satisfaction, organizational commitment and job involvement) and job-related characteristics (skill variety, task identity, task significance feedback, autonomy, goal clarity).

**H6:** Changes in perceived appropriateness of change from time 1 to time 2 will be moderated by job-related attitudes (job satisfaction, organizational commitment and job involvement) and job-related characteristics (skill variety, task identity, task significance feedback, autonomy, goal clarity).
4 RESEARCH SETTING

The research was conducted in a public hospital with approximately 800 employees. This organization was selected because it was about to begin a wide range organizational change under the direction of a new external president appointed by the central government. Further, for the first time the new president would be a technocrat and not a doctor. Prior to the change effort, the organization exhibited poor effectiveness in terms of financial profitability and efficiency, quality of health services, average length of stay, waiting lists, occupancy rate (inpatient days of care / bed days available) as well as high levels of bureaucracy and conflicts among stakeholders. Further, the management style was characterized as rather centralized (e.g. fully dominated by the top management), authoritative (e.g. doctors and nurses were excluded from decision making processes about their own departments), and inflexible (e.g. the director of a medical department couldn’t replace a nurse that was sick without the senior management approval). After the resignation of the former president and the hiring of his replacement we collected the first data (time 1). At time 1 no changes have been initiated but there was information about the changes that were about to happen.

The new president was highly educated, with significant experience in public healthcare management. His main goals were to initiate a new Hospital Information System (HIS) and to implement quality management principles in order to achieve efficient administration of finance and distribution of medical aid; quality of services; decentralization of the decision-making process; monitoring of drug usage; immediate solutions for the patients’ problems; reduction of transcription errors; information integrity and an overall patient oriented culture. These initiatives included wide-ranging training. In more details, extensive internal and external seminars were conducted by internal and external specialists to broaden employees’ IT knowledge capabilities; to reduce operational costs; to enhance employees’ feelings of security; to improve their stress management; to note future perspectives; to increase their organizational commitment and thus, their loyalty and efficiency. In parallel, they were introduced significant policy changes to improve patient service and employee satisfaction (e.g. open horizontal and vertical communication; close monitoring of performance indicators to motivate employees and promote a culture of continuous quality improvement; promotion of teamwork; coordination of services and enhancement of continuity).

We selected a five-month time frame for the second measurement (time 2) because during this time period the organization’s planned training and new policy implementation efforts were fulfilled. The present research aims to capture how employee perceptions and attitudes changed after the completion of the implementation process.

5 SAMPLE AND METHODOLOGY

The research was conducted in close cooperation with the hospital administration at two different points in time, prior and five months after the implementation of the planned change (2012 - 2013). The research sample was the total number of the hospital employees (801 employees; doctors, nurses, administrative stuff). Through a relevant workshop, employees were informed about the purpose of the research as well as the confidentiality of their responses. One month before the beginning of the research, we conducted a pilot test to examine the research features and functionality. All through the
research period, we provided full support (i.e. personal meetings, phone or e-mail) to the participants. At time 1, survey data were collected from 442 employees including doctors, nurses and administrative stuff (response rate 55.25%). At time 2 (5 months later), 428 surveys were completed and returned (fourteen less employees due to retirements or unavailability). Further, surveys with uncompleted items as well as surveys that were not completed by the same employees at both time 1 and time 2 were excluded, resulting in a total of 778 usable surveys (389 pairs).

In more detail, 53.98% of the respondents were female and 66.84% were married; their average age was 44.2 years (min 23 vs max 62 years); their working experience in the current position was 14.2 years (min 1 vs max 29 years); and their total working experience was 19.4 years (min 2 vs max 41 years). Finally, to a response bias, we examined whether any significant differences existed between participants and non-participants. Thus, t-tests were performed on the measures taken at time 1 between two groups; the respondents who completed surveys for time 2 and those that did not. Data analysis showed that respondents were not significantly different from their colleagues that did not complete surveys at both times (1 & 2). There were no differences in mean age, working experience in the current position and total working experience; nor were differences in time 1 appraisals of study variables at the p<0.05 level.

5.1 Measures
Participants used a seven point Likert type scale ranging from “never” to “always” to complete the survey. Regarding the perceptual dependent variables, change appropriateness was explored with the questions proposed by Armenakis and Harris (2002; 4 items) and supervisory support was examined with De Beuckelaer and Lievens questionnaire (2009; 3 items). Further, trust in management was assessed with LaRocco et al. questionnaire (1975; 4 items; cited in Weber & Weber, 2001) and for the measurement of perceptive organizational readiness to change we used the Survey of Management Climate Questionnaire (Gordon & Cummins, 1979; 4 items; cited in Weber & Weber 2001).

Regarding the independent attitudinal variables of our model, for the measurement of job satisfaction, we used the Michigan Organizational Assessment Questionnaire which contains a three-item overall satisfaction subscale (Spector, 1997). Regarding the measurement of organizational commitment we used Organizational Commitment Questionnaire developed by Mowday et al., (1979) that is composed of 15 semantic different items. Additionally, for the measurement of job involvement, we used the McQuarrie and Munson’s (1991) revised version of their Revised Personal Involvement Inventory (RPII; 10 items). The questionnaire suggests that individual’s involvement is based on the inherent needs, values and interests and it captures two independent and bipolar dimensions that appraise involvement namely, importance and interest (Bearden, Netemeyer & Mobley, 1993).

Regarding the independent job-related variables of our research; skill variety, feedback and autonomy were assessed through Job characteristic Inventory developed by Sims et al. (1979). Further, we employed the Measures of the Five Organisational Climate (De Beuckelaer & Lievens, 2009; 3 items) to examine goal clarity (i.e. the degree to which employees know what is expected of them and how these role expectations translate into the goals and strategy of the organisation). Finally, task identity and task significance were examined with the Job Diagnostic Survey (JDS) developed by Hackman and Oldham (1980). Study variables and their relevant internal reliability (Cronbach alpha) are presented in Table I. Alphas ranged from 0.782 to 0.912.

Table I. Variables, number of respondents and associated internal reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceptions</td>
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<td></td>
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<tr>
<td>Organizational readiness to change</td>
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<td>0.810</td>
</tr>
<tr>
<td>Supervisory support</td>
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</tr>
<tr>
<td>Trust in management</td>
<td>389</td>
<td>0.912</td>
</tr>
<tr>
<td>Appropriateness of change</td>
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<td>0.794</td>
</tr>
<tr>
<td>Job-related attitudes &amp; characteristics</td>
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<td></td>
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<tr>
<td>Job satisfaction</td>
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<td>Organizational commitment</td>
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<td>0.709</td>
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<td>Employee involvement</td>
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<td>Skill variety</td>
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<td>Task identity</td>
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<tr>
<td>Task significance</td>
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<tr>
<td>Feedback</td>
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<tr>
<td>Autonomy</td>
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</tr>
<tr>
<td>Goal clarity</td>
<td>389</td>
<td>0.798</td>
</tr>
</tbody>
</table>
6 RESULTS

Taking into consideration that organizational change is actually a change in organizational members’ perception, attitudes, beliefs and interpretative schemes (Isabella, 1990; Lau & Woodman, 1995) and the few empirical relevant studies regarding their differentiation before and after a change effort; the purpose of the research was firstly, to examine how perceptions regarding organizational readiness to change, supervisory support, trust in management and appropriateness of change differ during a planned organizational change; and secondly, to investigate how these perceptions are moderated by certain job-related attitudes (i.e. job satisfaction, organizational commitment, job involvement) and job-related characteristics (i.e. skill variety, task identity, task significance feedback, autonomy and goal clarity).

The principal component analysis results revealed two factors that describe employees’ job involvement: (i) importance (variance 42.07%), and (ii) interest (variance 19.53%). The two factors had eigenvalues greater than 1 and accounted for 61.60% of the total variance. Further, high reliability characterizes the two factors. The Crobbach coefficient alpha is 0.85 for the importance factor and 0.80 for the interest factor. On the whole, employees’ involvement factors are considerably positive. The factor of importance, on a 1 to 6 scale, has a value equal to 5.55 (sd:0.74) and the factor of interest has a value equal to 4.99 (sd:1.01). Finally, the correlations among the two factors are in general medium to low degree (r <0.32; p<.05).

Table II. Involvement - Factor Analysis Results

<table>
<thead>
<tr>
<th>Questions</th>
<th>I. Importance</th>
<th>II. Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>IQ1</td>
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<td></td>
</tr>
<tr>
<td>IQ2</td>
<td>.789</td>
<td></td>
</tr>
<tr>
<td>IQ3</td>
<td>.770</td>
<td></td>
</tr>
<tr>
<td>IQ6</td>
<td>.702</td>
<td></td>
</tr>
<tr>
<td>IQ10</td>
<td>.689</td>
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</tr>
<tr>
<td>IQ7</td>
<td>.888</td>
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</tr>
<tr>
<td>IQ8</td>
<td>.787</td>
<td></td>
</tr>
<tr>
<td>IQ4</td>
<td>.732</td>
<td></td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>IQ9</td>
<td>.689</td>
<td></td>
</tr>
</tbody>
</table>

Eigenvalue 3.816 1.752
% Variance 42.07 19.53
Cronbach α 0.851 0.801
Mean & SD 5.55+ 0.74 4.99+ 1.01

We validated the construct measures with confirmatory factor analysis (CFA), which is most appropriate for verifying whether construct measures load on their respective a priori defined constructs (Browne & Cudek, 1993). The range of loadings for the four employee perceptions were as follows: organizational readiness to change 0.75 to 0.84; supervisory support 0.77 to 0.88; trust in management 0.72 to 0.90; and appropriateness of change 0.75 to 0.88 respectively. The results demonstrate the discrete nature of these constructs. Further, correlation coefficients were calculated between all-time 2 job-related independent variables and all time 1 and time 2 dependent perceptual variables. Correlations between organizational readinesses to change, supervisory support, trust in management and appropriateness of change were all significant (p<.05, p<.01). Thus, with respect to H1, perceptions of organizational readiness to change, supervisory support, trust in management and appropriateness of change will co-vary. Table III illustrates descriptive statistics and correlations between these variables.
Table III. Means, standard deviations and correlations of research variables

| Variables                              | Mean | Sd  | 1    | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   | 17   |
|----------------------------------------|------|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| T1 Org. readiness to change            | 3.52 | 0.86|      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| T2 Org. readiness to change            | 3.98 | 0.96|      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| T1 Supervisory support                 | 3.51 | 0.78| 0.39*| 0.33*|      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| T2 Supervisory support                 | 4.02 | 0.88| 0.33*| 0.32*| 0.32*|      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| T1 Trust in management                 | 3.52 | 0.77| 0.32*| 0.33*| 0.31*| 0.34*|      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| T2 Trust in management                 | 4.08 | 0.97| 0.31*| 0.31*| 0.32*| 0.34*|      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| T1 Appropr. of change                  | 3.90 | 0.91| 0.47**| 0.46**| 0.33*| 0.42**| 0.55**|      |      |      |      |      |      |      |      |      |      |      |      |      |
| T2 Appropr. of change                  | 4.23 | 1.07| 0.34*| 0.35*| 0.35**| 0.31*| 0.32*| 0.30*|      |      |      |      |      |      |      |      |      |      |      |      |
| T2 Job satisfaction                    | 4.10 | 0.96| 0.22| 0.42**| 0.31*| 0.38**| 0.32*| 0.30*| 0.32*| 0.21*|      |      |      |      |      |      |      |      |      |
| T2 Org. commitment                     | 4.56 | 0.88| 0.43**| 0.42**| 0.38*| 0.35**| 0.21| 0.32*| 0.31*| 0.36**| 0.42**|      |      |      |      |      |      |      |      |      |
| T2 Importance (Involvement)            | 5.55 | 0.74| 0.33*| 0.42**| 0.38**| 0.35**| 0.32*| 0.30*| 0.32*| 0.17| 0.28| 0.38**|      |      |      |      |      |      |      |
| T2 Interest (Involvement)              | 4.99 | 1.01| 0.30*| 0.41**| 0.21| 0.17| 0.22*| 0.30*| 0.41**| 0.18| 0.28| 0.42**| 0.55**|      |      |      |      |      |      |
| T2 Skill variety                       | 4.62 | 0.85| 0.25| 0.22*| 0.22*| 0.17| 0.32*| 0.45**| 0.38**| 0.22| 0.12| 0.31*| 0.30| 0.32*| 0.27*|      |      |      |      |
| T2 Task identity                       | 4.58 | 0.97| 0.28| 0.17| 0.24| 0.38**| 0.32*| 0.32*| 0.30*| 0.22| 0.38**| 0.49**| 0.38**| 0.27*| 0.30*|      |      |      |      |
| T2 Task significance                   | 4.63 | 1.02| 0.25| 0.46**| 0.29*| 0.41**| 0.29*| 0.21| 0.41**| 0.37**| 0.39**| 0.31*| 0.30*| 0.29*| 0.39**| 0.29*|      |      |      |
| T2 Feedback                            | 4.87 | 0.85| 0.32*| 0.45**| 0.31*| 0.32*| 0.44**| 0.21| 0.25*| 0.12| 0.18| 0.22*| 0.38*| 0.22| 0.37**|      |      |      |      |
| T2 Autonomy                            | 3.99 | 0.88| 0.32*| 0.41**| 0.38**| 0.17| 0.21*| 0.55**| 0.31*| 0.44**| 0.38**| 0.21| 0.17| 0.22| 0.12| 0.30*| 0.32*| 0.22|      |      |
| T2 Goal clarity                        | 4.05 | 1.05| 0.41**| 0.37**| 0.29*| 0.12| 0.25*| 0.36**| 0.30*| 0.22| 0.32*| 0.44**| 0.32*| 0.31*| 0.23| 0.24| 0.31*| 0.30*| 0.37**|      |

*Note. significance level: *p<.05, **p<.01*
Table IV shows the means and standard deviations of the perceived organizational readiness to change, supervisory support, trust in management and appropriateness of change during the planned organizational change. It also illustrates the results of paired t-tests regarding the difference in means from time 1 to time 2 for every variable. The research findings indicate significant positive changes after the change initiative in all perceptions and thus, they fully confirm H2. That is, perceptions of organizational readiness to change, supervisory support, trust in management and appropriateness of change will increase from time 1 to time 2 (i.e. prior and after the initiation of the planned organizational change).

Table IV. Means, standard deviations and paired t-tests (time 1 & time)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Time 1</th>
<th>Time 2</th>
<th>t-test difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational readiness to change</td>
<td>3.52 (sd:0.91)</td>
<td>3.98 (sd:0.96)</td>
<td>1.89**</td>
</tr>
<tr>
<td>Supervisory support</td>
<td>3.51 (sd:0.77)</td>
<td>4.02 (sd:0.88)</td>
<td>2.52**</td>
</tr>
<tr>
<td>Trust in management</td>
<td>3.52 (sd:0.78)</td>
<td>4.08 (sd:0.97)</td>
<td>2.22*</td>
</tr>
<tr>
<td>Appropriateness of change</td>
<td>3.90 (sd:0.86)</td>
<td>4.23 (sd:1.07)</td>
<td>1.99**</td>
</tr>
</tbody>
</table>

Note. significance level: *p<.05, **p<.01

We run ordinary least-squares regressions in order to investigate how the changes in perceptions from time 1 to time 2 will be moderated by job-related attitudes (i.e. job satisfaction, organizational commitment and job involvement) and job-related characteristics (i.e. skill variety, task identity, task significance, feedback, autonomy, goal clarity). We added the job-related independent variables into the model to assess their effect on the variation in dependent variables from time 1 to time 2. Table V shows the regression analysis results.

Table V. Results of regression analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Organizational readiness to change</th>
<th>Supervisory support</th>
<th>Trust in management</th>
<th>Appropriateness of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>0.188</td>
<td>0.358*</td>
<td>0.228</td>
<td>0.548**</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>-0.542</td>
<td>0.322</td>
<td>-0.622**</td>
<td>-0.622**</td>
</tr>
<tr>
<td>Importance (Involvement)</td>
<td>1.325**</td>
<td>0.885*</td>
<td>0.425*</td>
<td>0.785*</td>
</tr>
<tr>
<td>Interest (Involvement)</td>
<td>0.253</td>
<td>0.563</td>
<td>0.369</td>
<td>0.256*</td>
</tr>
<tr>
<td>Skill variety</td>
<td>0.475*</td>
<td>0.475</td>
<td>0.984</td>
<td>0.241</td>
</tr>
<tr>
<td>Task identity</td>
<td>0.225</td>
<td>0.325*</td>
<td>0.257</td>
<td>0.237</td>
</tr>
<tr>
<td>Task significance</td>
<td>0.242</td>
<td>0.349*</td>
<td>0.042</td>
<td>0.242</td>
</tr>
<tr>
<td>Feedback</td>
<td>0.867</td>
<td>0.867</td>
<td>0.256</td>
<td>0.563*</td>
</tr>
<tr>
<td>Autonomy</td>
<td>0.825**</td>
<td>0.825</td>
<td>-0.522*</td>
<td>0.459*</td>
</tr>
<tr>
<td>Goal clarity</td>
<td>0.783**</td>
<td>0.602**</td>
<td>0.802**</td>
<td>0.562*</td>
</tr>
<tr>
<td>T1_Org.readiness to change</td>
<td>0.251</td>
<td>0.142</td>
<td>0.042</td>
<td></td>
</tr>
<tr>
<td>T1_Supervisory support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1_Trust in management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1_Approp. of change</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>21.69**</td>
<td>14.42**</td>
<td>18.63**</td>
<td>20.11**</td>
</tr>
<tr>
<td>N</td>
<td>389</td>
<td>389</td>
<td>389</td>
<td>389</td>
</tr>
<tr>
<td>R²</td>
<td>0.43</td>
<td>0.64</td>
<td>0.51</td>
<td>0.68</td>
</tr>
</tbody>
</table>

Note. significance levels: *p<.05, **p<.01

In more detail, partial support was found for H3: One attitude (i.e. job importance) and three job-related characteristics (i.e. skill variety, autonomy, goal clarity) emerged as significant moderators of the perceptive organizational readiness to change from time 1 to time 2 (positive relationships). Further, partial support was also found for H4: Two attitudes (i.e. job satisfaction, job importance) and three job-related characteristics (i.e. task identity, task significance, and goal clarity) emerged as significant moderators of the perceptive supervisory support from time 1 to time 2 (positive relationships).

Additionally, limited support was found for H5. Statistically significant moderators of trust in management included two positive relationships with employee interest and goal clarity; and two negative relationships with organizational commitment and autonomy. Finally, partial support was found for H6: Three attitudes (i.e. job satisfaction, organizational commitment, job interest) and four job-related characteristics (i.e. task identity, feedback, autonomy, goal clarity) emerged as significant moderators of the perceptive change appropriateness from time 1 to time 2 (negative relationship only with organizational commitment).
7 DISCUSSION AND IMPLICATIONS

The research provides empirical evidence that five months after the implementation of a planned organizational initiative change, measures of perceived organizational readiness to change, supervisory support, trust in management and appropriateness of change increased significantly. Thus, in line with previous research which suggest that individuals progress through a series of stages in recognizing and accepting the need to change (e.g. Isabella, 1990; Rogers, 2003; Weber & Weber, 2001), we can propose that as employees become more familiar with the change process and its outcomes, their support for the change initiative will augment. Consequently, management should focus on both the timing and the amount of information disseminated as well as the training received regarding the planned change; to influence positively employee attitudes towards the proposed organizational change. As a result, open communication, early training and transparency of the process may facilitate employee understanding of the change purpose and allow them to progress more quickly towards change acceptance.

The research findings, also suggest that job involvement (i.e. importance and interest) as well as goal clarity have a positive relationship with all four dependent variables from time 1 to time 2. This provides further support to the international literature, which suggests that it is impossible to influence ones’ perception or attitude if he/she considers it as relatively unimportant or without personal interest (e.g. Curren & Harich, 1994; Katsaros, Tsirikas & Nicolaidis, 2014); and the goals and objectives of the change effort are not clearly well defined (Sawyer, 1992). Thus, management should try to enhance employees’ job involvement (e.g. by employing a collaboration/participation management style; Johnson & Scholes, 2002) and clearly define the goals of the proposed organizational change (Weber & Weber, 2001) to develop employees’ positive attitudes during a change initiative.

Further, feedback has a moderating effect on change appropriateness but not on the other three perceptions. Even so, management should establish formal processes of directive (i.e. what change aims to fix and/or revise) and facilitative (i.e. suggestions to facilitate employees in their own revision and conceptualization) feedback (Black & Wiliam, 1998); to provide employees with the necessary verification (e.g. judgment of why the proposed change is the correct one) and elaboration (e.g. discuss the particular problems, provide real case studies, give tender guidance).

Research data showed negative moderating relationships between organizational commitment and trust in management & appropriateness of change, as well as between autonomy and trust in management. As literature suggests, highly committed employees with positive attitudes towards their present jobs may face changes negatively if they perceive them as a threat for their own benefit or harmful to the organization (Mowday, et al., 1979). Similarly, other research suggests that employees tend to act more independently when they lacked trust in management to properly manage their efforts (Weber & Weber, 2001). Consequently, we argue that management should try to influence their employees’ cognitive and emotional attitudes by delivering the right “message” to them (discrepancy, self-efficacy, personal valence, principal support, appropriateness; Armenakis et al., 1999). This “message” may address the necessity, suitability and effective outcomes of change for them and the whole organization; as well as to note management’s continuous support during the change process.

Further, we argue that senior management should try to employ dynamic approaches to change, such as the appreciative inquiry. This approach seeks to detect the unique qualities and special strengths of an organization, which can then be built on to develop organizational performance; rather than looking for problems to fix (Four D’s: Discovery, Dreaming, Design, Destiny; often played out in a large-group meeting over a two- or three-day time period, and overseen by a trained change agent; Langton & Robbins, 2006). That is, this approach allows the organization to change by focusing on to its strengths and competitive advantages.

Finally, certain aspects of the findings presented here should be interpreted in light of their limitations. Since time 2 data were collected five months after the planned organizational change, it is possible that employees needed more time to fully adapt emotionally and cognitively to the implemented change. Furthermore, the simultaneous examination of all employees, regardless their position, specialization or educational background, indicates that further research need to be conducted through the use of certain control groups. Additionally, even if the president of the hospital reassured us that no other changes occurred within the organization, it is possible that other external or internal evolutions could provide further explanation for the employee attitudinal change. Finally, the fact that survey was conducted in a single organization may to some extent limit the applicability of the results to other contexts. Nonetheless, it should be noted that further investigation needs to be conducted in other industries, by examining concurrently other important perceptual, emotional and attitudinal moderators (e.g. stress, risk-taking, self-motivation, emotional intelligence, organizational citizenship, self-efficacy) at different points of time.
8. CONCLUSION

In closing, the present paper demonstrates how employee perceptions change during a planned organizational change and it suggests that as employees become more aware of the change process; their support for the change effort will increase. Research findings suggest that management should try to initiate certain policies and practices that could positively influence employees’ attitudes and thus, minimize the potential negative impact of the proposed change. Overall, the paper provides an additional step towards understanding a critical component of organizational change, which is a major focus of today’s organizational behavior and change management research; and notes the necessity for future research.

REFERENCES


