



What's in it for me? Using expectancy theory and climate to explain stakeholder participation, its direction and intensity

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Abstract

Expectancy theory explains motivation on the degree to which an effort is perceived to lead to performance, performance leads to rewards, and the rewards offered are desirable. In this article, we draw on expectancy theory along with psychological and organizational climate research to understand whether and to what degree stakeholders will participate in the implementation of project management systems and complimentary software technologies. We contend that psychological and organizational climate influence perceptions relevant to expectancy, that in turn determine: a) whether or not stakeholders will participate in a project, b) whether they will help or harm the project, and c) whether a stakeholder is motivated to complete these actions. Data for the article is from three in-depth case studies. Results support that stakeholders assess the direction and strength of the psychological climate and that their assessments shape their motivation to participate in active support, token support, or counter-implementation actions. © 2014 Elsevier Ltd. APM and IPMA. All rights reserved.

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1. Introduction

A key component of successful project management is stakeholder engagement, as demonstrated by the Project Management Institute adding stakeholder management as a new area of knowledge within the latest edition of their standard, the Project Management Body of Knowledge®, 5th Edition (Project Management Institute, 2008). Stakeholder management uses processes to identify, plan, manage and control people, groups or organizations “that could impact, or be impacted by a project” and key to this research, developing “*appropriate management strategies for effectively engaging stakeholders in project decision and execution* (pg. 391).”

Unfortunately, the demands placed on key stakeholders in today's organizations often limit the amount of time that can be devoted to participate in such projects. This creates tension and conflict, as stakeholders must make choices regarding whether or not – and to what degree – they will participate in projects. Thus, motivation, and answering the question “what's in it for me?” from the perspectives of the stakeholders is an important challenge.

From a practical perspective, project managers must understand the factors that create stakeholder participation if they are to enjoy the benefits of engagement in decisions and ownership by the stakeholders. Perhaps the most important determinant of a stakeholder's desire to participate lies within the self-interests of that stakeholder. Yet there is little research in this area, despite suggestions that this topic is a “promising area for future research (He and King, 2008, pg. 324).” Thus, a key focus of this paper is on the role that an individual stakeholder's motivation to participate plays in their participation in projects (Dwivedula and Bredillet, 2010).

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We explore stakeholder motivation against the backdrop of psychological and organizational climate — two critical perceptions as each orchestrates the tone of the organization that can potentially facilitate or impair participation (He and King, 2008; Shadur et al., 1999). Research suggests that participation is the result of interactions between contextual factors and the perceptions of the stakeholder (He and King, 2008). Accordingly, we integrate theory and research from studies of organizational context (psychological and organizational climates; (Dickson et al., 2006) and motivation (expectancy theory; Vroom, 1964)) with the results of a qualitative study of three organizations to develop a model that explains the role of stakeholder participation in the development and assimilation of project management processes. The context of the studies was the implementation of software and process projects. This context was chosen as successful implementation of process improvements such as project management processes and complementary software requires active participation and involvement by stakeholders as found within a meta-analysis (He and King, 2008).

This research aims to make three contributions to the extant literature. First, while previous research offers generalizations about the relationship between psychological climate and motivation, we examine specifically how psychological climate influences a stakeholder's motivation to participate in an implementation effort through the expectancy model of motivation. Second, we consider the relationship between organizational climate and a stakeholder's motivation to participate in the assimilation of an innovation. Finally, this research considers the possibility that stakeholder motivation to participate will be stronger when stakeholders share similar perceptions of psychological climate — that is, when an organizational climate is said to exist. In such a situation, employees are more likely to have shared goals and values which create greater alignment between the strategies developed by top management and project managers and employees who must change their behaviors as a result of new projects (Schneider et al., 2002). Surprisingly, past research has not yet investigated this possibility.

2. Conceptual background

2.1. Psychological and organizational climates

Projects occur in the milieu of the organizational context (Ein-Dor and Segev, 1978; Kimkeit, 2013). A closely tied construct to the organizational context is the psychological climate, or work environment as “cognitively represented in terms of their psychological meaning and significance to the individual (James, 1982, pg. 219).” It is the subjective *meaning* that people impute on organizational attributes and is viewed primarily as an intervening variable between the context of an organization and the behavior of its members (Patterson et al., 2005). This requires valuation on the part of the perceiver (James et al., 2008; Schneider et al., 2011b) — a “judgment or cognitive appraisal of the degree to which a value is represented in or by a perceived environmental attribute” (James et al., 2008, pg. 8).

Climate is a multilevel construct (Dickson et al., 2006). Organizational climate is the higher level construct reflecting the

shared beliefs about the work environment that helps with organizational sense-making (e.g., James and James, 1989; Schneider et al., 2011b), while psychological climate is the lower level construct reflecting an *individual's* perceptions, beliefs and meaning assigned to their work environment (e.g., Dickson et al., 2006). As perceptual constructs, psychological and organizational climates exist within an organizational *context* comprised of institutional norms, values, and incentives prevailing in the organization (Parker et al., 2003; Schulte et al., 2006) that form an institutionalized normative system that is intended to guide member behavior (Schneider, 1983). Organizational climate is theorized to derive from: 1) exposure to the same structural characteristics such as policies and procedures; 2) attraction, selection and attrition of organizational members; and 3) communication and social interaction, all of which encourage common attitudes (Schneider, 1983). Consequently, organizational climate is viewed as an extension of psychological climate derived from the aggregation of individual perceptions of the work environment (James et al., 2008).

However, the notion of within-group agreement as a precondition for unit or organizational climate does not mean that perfect agreement is required (e.g., Gonzalez-Roma et al., 2002; Lindel and Brandt, 2000). Individual variability within organizational climate perceptions — or even the lack of organizational climate entirely — results from employees' differential perspectives of their psychological climate (Schulte et al., 2006). That is, psychological climate is a product of individuals' interactions with each other and the organizational context (Ashkanasy et al., 2000). Although individuals within the same organizational setting experience similar situations, individuals' perceptions are often unique. Consequently, psychological and organizational climates may or may not align with organizational context (Schulte et al., 2006).

2.2. Motivation (and expectancy theory)

Expectancy theory is a process theory of motivation (Fudge and Schlacter, 1999) that emphasizes personal assessments of the environment and actions as a consequence of an individual's expectations. Specifically, extrinsic motivators (e.g., external rewards) explain causes for behaviors. Expectancy theory, having long been used to explain employee motivation, suggests that motivation is a multiplicative function of three constructs:

- 1) an individual's estimate of the probability of performing successfully if they put forth effort and the development and implementation of an innovation (instrumentality or I),
- 2) an individual's estimate of the probability of the development and implementation effort achieving the intended organizational outcome or performance (expectancy or E), and
- 3) the degree of personal attractiveness of the rewards that follow achievement of the organizational outcome or performance for the individual stakeholder (valence or V).

Understanding expectancy (E), instrumentality (I), and valence (V), when combined with a consideration of the factors that gave rise to the E–I–V scores, provides insight into the

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