Chapter 12

Understanding User Dissatisfaction: Exploring the Role of Fairness in IT-Enabled Change

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ABSTRACT

This paper examines the role of fairness and how it shapes a user’s view in IT-enabled change. Drawing from several fairness theories, components of fairness are identified and examined in two studies. The first study examines the role of fairness through user interviews and finds that all five components of fairness are considered by users in enterprise system implementations. The second study operationalizes and analyzes the components of fairness through a questionnaire distributed to users. This second study finds that fairness is comprised of all five components that were proposed and a significant relationship exists with user dissatisfaction. The two studies lead to a new theoretical perspective and provide practical implications regarding the role of fairness in IT-enabled change and their strategic implications.

INTRODUCTION

An Enterprise System (ES) is a commercial software package which can integrate business processes and data throughout an organization (Markus, Axline, Petrie, & Tanis, 2003). They include organizational-wide software such as Enterprise Resource Planning (ERP) systems, scheduling, customer relationship management, product configuration, and sales force automation (Markus & Tanis, 2000). The ES market will be an estimated $47.7 billion in 2011 (Jacobson, Shepherd, D’Aquila, & Carter, 2007) as there are many technical and business reasons for why
organizations choose to implement ESs to enable organizational change (Burns, Jung, & Hoffman, 2009; Klaus, Wingreen, & Blanton, 2010; Markus & Tanis, 2000). The dynamic business environment requires most organizations to change to stay competitive, and managers have often facilitated major organizational changes through an ES implementation. However, there are many articles that report costly ES implementation failures which do not meet the expected return on investment (Bingi, Sharma, & Godla, 1999; Robey, Ross, & Boudreau, 2002; Stein, 1999) and others that discuss outright failure (Hill, 2003; Krasner, 2000; Maurer, 2002).

In an attempt to minimize failures, there have been quite a few studies that have addressed critical success factors to ES implementations (Akkermans & Van Helden, 2002; Gupta, 2000; Nah & Lau, 2001; Rao, 2000; Sernad, Bobek, Dezelak, & Lampret, 2009; Stratman & Roth, 2002; Willcocks & Sykes, 2000). These studies have described critical success factors that are related to the technology, commitment of management, process changes, project management and other areas. Despite these recommendations, however, there continue to be ES implementations which outright fail or do not reap the projected benefits. One particular issue that has been described as “the root of many enterprise software project failures” (Hill, 2003, p. 1) is user resistance. Other studies also describe the significant impact user resistance has on ES implementation failures (Barker & Frolick, 2003; Robey et al., 2002; Umble & Umble, 2002). User dissatisfaction with various implementation issues is primarily the reason for user resistance (Hirschheim & Newman, 1988; Klaus & Blanton, 2010). This study explores concepts which may help to explain user dissatisfaction, an antecedent of user resistance.

Previous studies have examined a variety of issues that have led to user dissatisfaction. However, previous research has not examined the role of various aspects of fairness in an implementation. Fairness is definitely not the only predictor of user attitudes, but this study proposes that it may be an important factor in explaining the level of user resistance based on several reasons: 1) An ES implementation affects employees in many different ways with some employees bearing the brunt of the change due to a workload redistribution; 2) Employees’ face unmet expectations as their jobs are changed and tighter management monitoring is added; and 3) Organizational procedures and reward structures are changed, affecting required job skills and causing a redistribution of workload or role expansion. Folger (1993) points out that change increases employees’ sensitivity to the level of fairness, and since an ES implementation necessitates change, employees are likely to be more sensitive to fairness based on the way they are treated.

Although previous research has not tested the role of fairness in an implementation, the idea that employees’ perceived fairness may affect dissatisfaction is supported by previous studies, primarily from the organizational change literature. For example, Folger and Skarlicki (1999) and Cobb et al. (1995) argue that perceived fairness is important in explaining resistance to change. Other studies have found that when employees perceive a lack of fairness, they desire revenge and socially withdraw (Bies & Tripp, 1996), place blame and desire retribution (Sheppard, Lewicki, & Minton, 1992), are more likely to steal from the organization (Greenberg, 1990), and resist the change (Shapiro & Kirkman, 1999). Cohen-Charash and Spector (2001) suggests that an employee’s perception of fairness significantly affects attitudes and behaviors. Although an IT study has looked at equity (Joshi, 1990), no study was found which examines the multiple components of fairness.

As previous research has not focused on the individual users’ perceptions of fairness, this paper proposes that examining the equity, justice, and psychological contract literature can provide a sound theoretical basis for understanding user attitudes in ES implementations. Previous literature has shown that if there is even one aspect of